DRAFT RED HERRING PROSPECTUS
July 26, 2018
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Offer

PNB METLIFE INDIA INSURANCE COMPANY LIMITED

Our Company was incorporated on April 11, 2001 at Bengaluru, Karnataka as MetLife India Insurance Company Private Limited, as a private limited company under the Companies Act, 1956. Further, our Company obtained the certificate of registration from the Insurance Regulatory and Development Authority of India ("**IRDAI**") to undertake life insurance business on August 6, 2001. Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated December 4, 2007, the name of our Company was changed to MetLife India Insurance Company Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka at Bengaluru (the "**RoC**") on January 9, 2008. Subsequently, the name of our Company was changed to its present name as approved by our Shareholders pursuant to a special resolution dated January 16, 2013 and a fresh certificate of incorporation was issued by the RoC on January 22, 2013. For further details on the changes in the name and the registered office of our Company, see "***History and Certain Corporate Matters***" on page 193.

Corporate Identity Number: U66010KA2001PLC028883
IRDAI Registration Number: 117, dated August 6, 2001
Registered Office: Unit No. 701, 702 & 703, Raheja Towers, West Wing, Municipal No. 26/27, M G Road, Bengaluru 560 001
Corporate Office: 1st Floor, Techniplex -1, Techniplex Complex, Off Veer Savarkar Flyover, Goregaon (West), Mumbai 400 062
Tel: (+91) 22 4179 0000; **Fax:** (+91) 22 4179 0203
Contact Person: Ms. Yagya Turker, Company Secretary and Compliance Officer; **Tel:** (+91) 22 4179 0000; Fax: (+91) 22 4179 0203
E-mail: investor@pnbmetlife.com; **Website**: www.pnbmetlife.com

OUR PROMOTERS: PUNJAB NATIONAL BANK AND METLIFE INTERNATIONAL HOLDINGS, LLC

INITIAL PUBLIC OFFERING OF UP TO 495,898,076 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF PNB METLIFE INDIA INSURANCE COMPANY LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") THROUGH AN OFFER FOR SALE OF UP TO 495,898,076 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION (THE "OFFER") BY THE SELLING SHAREHOLDERS, INCLUDING UP TO 80,495,242 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY PUNJAB NATIONAL BANK ("PNB"), UP TO 129,036,281 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY METLIFE INTERNATIONAL HOLDINGS LLC ("MIHL"), UP TO 107,611,370 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY M. PALLONJI & COMPANY PRIVATE LIMITED ("MPCL"), UP TO 76,659,064 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY ELPRO INTERNATIONAL LIMITED ("EIL"), UP TO 19,164,766 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY IGE (INDIA) PRIVATE LIMITED ("IGE"), UP TO 76,641,892 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY THE JAMMU AND KASHMIR BANK LIMITED AND UP TO 6,289,461 EQUITY SHARES AGGREGATING TO ₹ [●] MILLION BY MANIMAYA HOLDINGS PRIVATE LIMITED ("MANIMAYA"). THE OFFER SHALL CONSTITUTE 24.64% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE IPO COMMITTEE, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [●] EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●] (A WIDELY CIRCULATED KANNADA NATIONAL DAILY NEWSPAPER, KANNADA ALSO BEING THE REGIONAL LANGUAGE IN THE PLACE WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers, and at the terminals of the members of the Syndicate and by an intimation to the Self Certified Syndicate Banks ("**SCSBs**"), Registered Brokers, Collecting Depository Participants and the Registrar to the Offer.

The Offer is being made in compliance with the requirements of the Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015, as amended (the "**IRDAI Issuance of Capital Regulations**").

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"), the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein not more than 50% of the Offer shall be allotted on a proportionate basis to Qualified Institutional Buyers (the "**QIBs**") (the "**QIB Portion**"), provided that our IPO Committee in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors (the "**Anchor Investor Allocation Price**"). Post allocation to the Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential Investors, other than the Anchor Investors are mandatorily required to participate in this Offer only through an Application Supported by Blocked Amount ("**ASBA**") process, providing details of their respective bank accounts in which the Bid amount will be blocked by the SCSBs. The Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "***Offer Procedure***" beginning on page 430.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares of our Company. The face value of our Equity Shares is ₹ 10 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price (as determined and justified by our IPO Committee in consultation with the Book Running Lead Managers), in accordance with the SEBI ICDR Regulations, and as stated in "***Basis for Offer Price***" on page 95 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 19.

DISCLAIMER CLAUSE OF THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (THE "IRDAI")

The IRDAI does not undertake any responsibility for the financial soundness of our Company or the correctness of any of the statements made or opinions expressed in this connection, any approval by the IRDAI under the IRDAI Issuance of Capital Regulations (as defined in "***Definitions and Abbreviations***" on page 2) shall not in any manner be deemed to be or serve as a validation of the representations by our Company in this Draft Red Herring Prospectus.

COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder accepts responsibility only for and confirms that the information relating to itself and the Equity Shares being offered by it in the Offer contained in this Draft Red Herring Prospectus are true and correct. Each Selling Shareholder, severally and not jointly, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company or the other Selling Shareholders in this Draft Red Herring Prospectus.

LISTING

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●] respectively. For the purposes of this Offer, [•] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 526.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** (+91) 22 4336 0000 **Fax :** (+91) 22 6713 2445 **E-mail :** pnbmetlife.ipo@kotak.com **Investor Grievance E-mail :** kmccredressal@kotak.com **Website :** www.investmentbank.kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No.:** INM000008704	**DSP Merrill Lynch Limited** Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** (+91) 22 6632 8000 **Fax :** (+91) 22 6776 2343 **E-mail :**dg.pnbmetlife_ipo@baml.com **Investor Grievance E-mail :** dg.india_merchantbanking@baml.com **Website :** www.ml-india.com **Contact Person:** Radha Chakka **SEBI Registration No.:** INM000011625	**Citigroup Global Markets India Private Limited** 1202, 12th Floor First International Financial Center, G-Block C54&55 Bandra Kurla Complex, Bandra (East) Mumbai, 400 098 **Tel:** (+91) 22 6175 9999 **Fax:** (+91) 22 6175 9898 **E-mail:** pnb.metlife.ipo@citi.com **Investor Grievance E-mail :** investors.cgmib@citi.com **Website :**www.online.citibank.co.in/rhtm/citigroupglobalscreen **Contact Person:** Ashish Guneta **SEBI Registration No.:** INM000010718	**PNB Investment Services Limited*** PNB Pragati Towers, 2nd Floor, C-9, G Block, Bandra Kurla Complex, Bandra East Mumbai 400 051 **Tel:** (+91) 22 2653 2745 **Fax:** (+91) 22 2653 2687 **E-mail:** pnbmetlife.ipo@pnbisl.com **Investor Grievance E-mail :** complaints@pnbisl.com **Website :** www.pnbisl.com **Contact Person:** Vinay Rane **SEBI Registration No.:** INM000011617	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel:** (+91) 22 4918 6200 **Fax:** (+91) 22 4918 6195 **E-mail:** pnbmetlife.ipo@linkintime.co.in **Investor Grievance Email:** pnbmetlife.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFER PERIOD*

BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSES ON **	[●]

** In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with the proviso to Regulation 5(3) of the SEBI ICDR Regulations, PNB Investment Services Limited which is an 'associate' of PNB, in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, will be involved only in marketing of the Offer.*
*** Our IPO Committee, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
***Our IPO Committee, in consultation with the Book Running Lead Managers, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Red Herring Prospectus, and references to any statute, legislation, act, rules, regulations, guidelines, policies, circulars, notifications or clarifications will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

*The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"), the SEBI ICDR Regulations, the Securities Contracts Regulation Act, 1992 ("**SCRA**"), the Depositories Act, the Insurance Act, 1938, as amended (the "**Insurance Act**") and the rules and regulations made thereunder.*

*Unless the context otherwise indicates, all references to "**we**", "**us**", "**our**", "**the Company**" or "**our Company**" or "**the Offer**" are references to PNB MetLife India Insurance Company Limited, a company incorporated in India under the Companies Act, 1956 with its registered office situated at Unit No. 701, 702 & 703, Raheja Towers, West Wing, Municipal No. 26/27, M G Road, Bengaluru 560 001, Karnataka, India.*

In the "***Main Provisions of Articles of Association***" on page 476, defined terms have the meanings given to such terms in the Articles of Association. In the "***Statement of Tax Benefits***" on page 98, defined terms have the meanings given to such terms in the Financial Statements. In the "***Embedded Value Report***" on page 342, defined terms have the meanings given to such terms in the Embedded Value Report.

Company and Selling Shareholder Related Terms

Term	Description
AoA/Articles of Association/Articles	The articles of association of our Company, as amended
Appointed Actuary	The appointed actuary of our Company, Mr. P. K. Dinakar
Audit Committee	The audit committee of our Board comprising our Directors, Dr. Archana Niranjan Hingorani, Ms. Anisha Motwani, Mr. Neeraj Swaroop, Mr. Lyndon Emanuel Oliver and Mr. Lingam Venkata Prabhakar
Auditors/ Joint Statutory Auditors	The joint statutory auditors of our Company, being K. S. Aiyar & Co., Chartered Accountants and Thakur, Vaidyanath Aiyar & Co., Chartered Accountants
Board/ Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Chairman	The chairman of our Board, Mr. Lyndon Emanuel Oliver
Corporate Office	The corporate office of our Company, situated at 1st Floor, Techniplex – 1, Techniplex Complex, Off Veer Savarkar Flyover, Goregaon (West), Mumbai 400 062, Maharashtra, India
CRISIL	CRISIL Research, a division of CRISIL Limited
CRISIL Report	Industry Report titled 'CRISIL Research – Analysis of Life Insurance Industry in India' dated July 10, 2018 prepared by CRISIL Research, a division of CRISIL Limited
CSR Committee	The corporate social responsibility committee of our Board comprising our Directors, Mr. Sunil Gulati, Mr. Surbhit Dabriwala and Mr. Erach Kotwal
Director(s)	The director(s) on our Board
EIL	Elpro International Limited
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Equity Shareholders / Shareholders	The holders of the Equity Shares
ESOP Scheme 2017	PNB MetLife India Insurance Company Limited – Employee Stock Option Plan 2017
IGE	IGE (India) Private Limited
Group Companies	The group companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board, if any, in accordance with the Materiality Policy. For details, see "***Group Companies***" on page 242.
IPO Committee	The IPO committee of our Board comprising a nominee of PNB, a nominee of MIHL, a nominee of MPCL and MPEL together, and a nominee of EIL and IGE together.
JKB	The Jammu and Kashmir Bank Limited
KMP/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as identified in "***Management***" on page 202
Manimaya	Manimaya Holdings Private Limited

Term	Description
Materiality Policy	The policy adopted by our Board on November 15, 2017, which was further modified pursuant to a resolution by our Board on May 18, 2018, for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations for the purposes of disclosure in the offer documents. For further details, see "***Group Companies***" and "***Outstanding Litigation and Other Material Developments***" on pages 242 and 377, respectively.
MetLife	MetLife, Inc., the publicly traded parent company of the MetLife group.
MPCL	M. Pallonji & Company Private Limited
MPEL	M. Pallonji Enterprises Private Limited
MIHL	MetLife International Holdings, LLC
MoA/Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board comprising our Directors, Mr. Neeraj Swaroop, Mr. Abhaya Prasad Hota, Mr. Sunil Gulati, Dr. Archana Niranjan Hingorani, Mr. Lyndon Emanuel Oliver, Mr. Sunil Mehta, Mr. Surbhit Dabriwala and Mr. Pheroze Kersasp Mistry
Non Promoter Selling Shareholders	MPCL, EIL, IGE, JKB and Manimaya
Promoter Selling Shareholders	PNB and MIHL
PNB	Punjab National Bank
PNB Trademark Agreement	Name and trademark license agreement dated December 4, 2012 between PNB and our Company
Promoters	The promoters of our Company, namely PNB and MIHL
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "***Promoters and Promoter Group***" on page 233
Registered Office	The registered office of our Company, situated at Unit No. 701, 702 & 703, Raheja Towers, West Wing, Municipal No. 26/27, M G Road, Bengaluru 560 001, Karnataka, India
Restated Financial Statements	Restated statement of financial information as at March 31, 2014, 2015, 2016, 2017 and 2018 of our Company read along with all the schedules and notes thereto which have been prepared in accordance with the requirements of the Companies Act, 2013 and Indian GAAP and the IRDAI Preparation of Financial Statements Regulations, the Insurance Act, the IRDAI Act, the IRDAI Issuance of Capital Regulations and restated in accordance with the SEBI ICDR Regulations, and included in "***Financial Statements***" on page 245
Selling Shareholders	Together, the Promoter Selling Shareholders and the Non Promoter Selling Shareholders
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board comprising our Directors, Ms. Sonu Bhasin, Ms. Anisha Motwani and Mr. Ashish Kumar Srivastava
With Profits Committee	The With Profits committee of our Board comprising our Directors, Mr. Nitin Chopra, Mr. Joginder Pal Dua and Mr. Ashish Kumar Srivastava, and Mr. P. K. Dinakar, Appointed Actuary and Ms. Padmaja R., an independent actuary appointed in accordance with the IRDAI Corporate Governance Guidelines.

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to an Investor as proof of registration of the Bid cum Application Form
Allotted/Allotment/Allot	Unless the context otherwise requires, the transfer of the Equity Shares to successful Investors pursuant to the Offer
Allottee	A successful Investor to whom the Equity Shares are Allotted
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Anchor Escrow Account	Account opened with Escrow Collection Bank for the Offer and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, which applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which the Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price will be decided by our IPO Committee, in consultation with the Book Running Lead Managers

Term	Description
Anchor Investor Application Form	An application form, whether physical or electronic, used by Anchor Investors, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our IPO Committee, in consultation with the Book Running Lead Managers
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our IPO Committee, in consultation with the Book Running Lead Managers, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by an ASBA Investor to make a Bid authorizing the relevant SCSB to block the Bid Amount in the relevant ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Investor
ASBA Investor	All Investors other than Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by Investors bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
BAML	DSP Merrill Lynch Limited
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Investors under the Offer, as described in "***Offer Procedure***" on page 430
Bankers to our Company	Punjab National Bank, Citibank N.A. and HDFC Bank Limited
Bid	An indication to make an offer during the Bid/Offer Period by a Investor (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form
Bid Amount	The highest value of the optional Bids as indicated in the ASBA Form and payable by the Investor or as blocked in the ASBA Account of the Investor, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The form in terms of which the Investor shall make a Bid, including ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus
Bid Lot	[●] Equity Shares
Investor	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Kannada regional daily newspaper, Kannada being the regional language in the place where our Registered Office is located). Our IPO Committee, in consultation with the Book Running Lead Managers, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Kannada regional daily newspaper, Kannada being the regional language in the place where our Registered Office is located)
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Investors (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus

Term	Description
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated SCSB Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs/Book Running Lead Managers	The Book Running Lead Managers to the Offer, being Kotak Mahindra Capital Company Limited, DSP Merrill Lynch Limited, Citigroup Global Markets India Private Limited and PNB Investment Services Limited. PNB Investment Services Limited will only be involved in marketing of the Offer.
Broker Centres	Broker centres of the Registered Brokers, where Investors (other than Anchor Investors) can submit the Bid cum Application Forms. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges, www.bseindia.com and www.nseindia.com
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band above which the Offer Price and Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Client ID	Client identification number of the Investor's beneficiary account
Citi	Citigroup Global Markets India Private Limited
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, finalized by our IPO Committee, in consultation with the Book Running Lead Managers, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	The details of the Investors including the Investors' address, names of the Investors' father/husband, investor status, occupation, PAN and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such centres of the Collecting Depository Participants where Investors (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the funds from the Anchor Escrow Account are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account or Refund Account, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Investors (other than Anchor Investors), in relation to the Offer
Designated RTA Locations	Such centres of the CRTAs where Investors (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CRTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated [●], issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible FPI	FPIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe for the Equity Shares

Term	Description
Escrow Agreement	Agreement dated [●], entered into by and among our Company, the Selling Shareholders, the Registrar to the Offer, the Book Running Lead Managers, the Escrow Collection Bank, Public Offer Account Bank(s) and Refund Bank for collection of the Bid Amounts from Anchor Investors and where applicable remitting refunds, if any, on the terms and conditions thereof
Escrow Collection Bank(s)	The bank(s) which is/are clearing members and are registered with the SEBI as a banker to an offer under the SEBI BTI Regulations, with whom the Anchor Escrow Accounts in relation to the Offer for Bids by Anchor Investors will be opened, in this case being [●]
First Investor	The Investor whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Investors, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by SEBI and included in "***Offer Procedure***" on page 430
Kotak	Kotak Mahindra Capital Company Limited
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or 4,958,981 Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Non-Institutional Category	The portion of the Offer, being not less than 15% of the Offer or 74,384,712 Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price
Non-Institutional Investors/NIIs	All Investors, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Offer	Initial public offering of up to 495,898,076 Equity Shares of face value ₹ 10 each of the Company for cash at a price of ₹ [●] each, through an offer for sale by the Selling Shareholders
Offer Agreement	The agreement dated July 26, 2018 entered into by and among our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer of up to 495,898,076 Equity Shares aggregating to ₹ [●] million to be offered for sale/transfer by the Selling Shareholders pursuant to the Offer in terms of the Red Herring Prospectus and the Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful ASBA Bidders, as determined in accordance with the Book Building Process and determined by our IPO Committee, in consultation with the Book Running Lead Managers in terms of the Red Herring Prospectus on the Pricing Date
Offered Shares	Collectively, the Equity Shares offered by each Selling Shareholder
PNB Investment	PNB Investment Services Limited
Price Band	Price band of the Floor Price of ₹ [●] and a Cap Price of ₹ [●], including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our IPO Committee, in consultation with the Book Running Lead Managers, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper**)** and [●] editions of [●] (a widely circulated Kannada regional daily newspaper, Kannada being the regional language in the place where our Registered Office is located**)** at least five Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our IPO Committee, in consultation with the Book Running Lead Managers, shall finalize the Offer Price
Prospectus	The Prospectus to be filed with the RoC for this Offer on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	The account(s) to be opened with the Escrow Collection Bank(s) under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer, being not more than 50% of the Offer or 247,949,037 Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which

Term	Description
	allocation shall be on a discretionary basis, as determined by our IPO Committee, in consultation with the Book Running Lead Managers), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be registered with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto
Refund Account(s)	Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI BTI Regulations and with whom the Refund Account(s) have will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI
Registrar Agreement	The agreement dated July 26, 2018, entered into by and among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
RoC or Registrar of Companies	The Registrar of Companies, Karnataka at Bengaluru
Registrar to the Offer	Link Intime India Private Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Category	The portion of the Offer, being not less than 35% of the Offer or 173,564,327 Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid lot, subject to availability in the Retail Category
Retail Individual Investors/ RIIs	Investors (including HUFs and Eligible NRIs) whose Bid Amount for Equity Shares in the Offer is not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Investors to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs bidding in the QIB category and Non-Institutional Investors bidding in the Non-Institutional category are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self-Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, namely [●].
Share Escrow Agreement	The agreement dated [●] to be entered into between our Company, the Selling Shareholders and a share escrow agent in connection with the transfer of the respective portion of Offered Shares by each Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	Together, BSE Limited and National Stock Exchange of India Limited
Syndicate Agreement	The agreement dated [●] to be entered into amongst the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, in this case being [●]
Syndicate or members of the Syndicate	Collectively, the Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	The agreement to be entered into by and among our Company, the Selling Shareholders and the Underwriters, to be entered into on or after the Pricing Date
Wilful Defaulter	A company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai, India are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer

Term	Description
	Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual general meeting of the Company
AIF(s)	Alternative Investment Funds
AIF Regulations	SEBI (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India
AY/Assessment Year	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate, being the annualised average year-over-year growth rate over a specified period of time calculated as per the following formula - (End Value/Beginning Value)^(1/number of years) – 1
Category I FPIs	FPIs registered as category I FPIs under the SEBI FPI Regulations, which shall include Government and Government related investors such as central banks, Governmental agencies, sovereign wealth funds and international or multilateral organizations or agencies
Category II FPIs	FPIs registered as category II FPIs under the SEBI FPI Regulations, which shall include appropriately regulated broad based funds such as mutual funds, investment trusts, insurance/reinsurance companies, appropriately regulated persons such as banks, asset management companies, investment managers/ advisors, portfolio managers, broad based funds that are not appropriately regulated but whose investment manager is appropriately regulated: Provided that the investment manager of such broad based fund is itself registered as Category II foreign portfolio investor, university funds and pension funds and university related endowments already registered
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	Companies Act, 1956, to the extent not repealed, and/or the Companies Act, 2013
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's identity number
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extra-ordinary General Meeting
EPF Act	The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	The Employees' State Insurance Act, 1948
Euro	Euro, the official single currency of the participating member states of the European Economic and Monetary Union of the Treaty establishing the European Community
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors as defined under Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 2000, registered with the SEBI under applicable laws in India and deemed as FPIs under the SEBI FPI Regulations

Term	Description
Financial Year/Fiscal/FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	The Income Tax Act, 1961
IND (AS) / IND AS / Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Act	The Insurance Regulatory and Development Authority of India Act, 1999
IRDAI Investment Regulations	The Insurance Regulatory and Development Authority (Investment) Regulations, 2016
IRDAI Issuance of Capital Regulations	The Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015
IRDAI CG Guidelines	The Guidelines on Corporate Governance for insurance companies issued by the IRDAI by way of circular no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016
IRDAI Preparation of Financial Statements Regulations	The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2000
IRDAI Registration of Corporate Agents Regulations	The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015
IRDAI Transfer of Equity Shares Regulation	The Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	The Payment of Bonus Act, 1965
Payment of Gratuity Act	The Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Resident	A person resident in India, as defined under the FEMA
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	The Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI BTI Regulations	The Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014

Term	Description
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
STT	Securities Transaction Tax
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademarks Act	Trademarks Act, 1999
UNCITRAL	United Nations Commission on International Trade Law
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

Industry Specific Terms

Term	Description
Acquisition cost	Costs that are primarily related to the acquisition of insurance contracts
Annuity and immediate annuity	Annuities provide for a series of payments to be made at regular intervals in return for a certain sum paid up front. An immediate annuity is a contract to pay out regular amounts of benefit wherein the contract commences payments, immediately after the contract is concluded
Assets Under Management / AUM	AUM refers to the carrying value of investments managed by the Company and includes net current assets pertaining to unit linked investments
Bancassurance	An arrangement entered into by a bank (corporate agent registered by IRDAI) and an insurance company, through which the bank sells or markets the insurance companies products to its customer base.
Bonus	The non-guaranteed benefits which are expected to be added to the participating life insurance policies and are the way in which policyholders receive their share of the profits of the policies. Bonus includes terminal and reversionary bonus
Certified Insurance Facilitators / CIFs	Employees of bancassurance partners providing insurance advice and distributing insurance products to banks customers, referred as 'Specified Persons' by IRDAI
CIBT93	Critical Illness Basic Table 1993 issued by the Actuarial Society of India (now known as Institute of Actuaries of India) with respect to incidence rates and morbidity assumptions. CIBT93 shall constitute 'Published Tables' within the meaning of Regulation 4 of IRDAI (Asset, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016
Common service centres	Front-end delivery points for government, private and social sector services to citizens of India, an initiative of the Government of India
Death Claims Settlement Ratio	Ratio of death claims settled to death claims reported to the Company and outstanding at the beginning of the year
Death claims or mortality claims	Amount of benefit which is payable on death as specified in the policy document. This is stated at the inception of the contract
Embedded Value	The measure of the consolidated value of shareholders' interest in the covered life insurance business, which is all life insurance business written by the Company since inception and in-force as on the valuation date (including lapsed business which has the potential of getting revived). The Embedded Value of the Company has been determined on the basis of the Indian Embedded Value Methodology
Embedded Value Operating Profit (EVOP) and Operating Return on Embedded Value	Embedded value operating profit is a measure of the increase in the Embedded Value during a specified period due to matters that can be influenced by management. It excludes changes in the Embedded Value due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs. Operating Return on embedded value is the ratio of EVOP for a specified period to the Embedded Value at the beginning of that period
Embedded Value Report	The embedded value report dated July 4, 2018 prepared by the Independent Actuary in accordance with Actuarial Practice Standard 10 issued by the Institute of Actuaries of India

Term	Description
Facultative	An arrangement under which the insurer is free to place the reinsurance with any reinsurer or reject the reinsurance offered. Similarly, the reinsurer may accept or reject the reinsurance offered
Fair Value Change	Unrealised gains/ losses arising due to changes in the fair value of investment assets including listed equity shares, mutual funds, debt securities and derivative instruments
First year Premium	Insurance premium that is due in the first policy year of a life insurance contract from the policyholder
Grievance Disposal Rate	Average number of days taken to resolve the grievances for a period
Grievance Ratio	Number of grievances reported to the Company divided by number of policies issued by the Company in the same period (per 10,000)
Gross Written Premium	The total premium written by the Company before deductions for reinsurance ceded
Independent Actuary	Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, in accordance with the IRDAI Issuance of Capital Regulations.
Indian Assured Lives Mortality 2006 – 2008 table	Mortality Table as published by the Institute of Actuaries of India, effective from April 1, 2013, within the meaning of Regulation 4 of IRDAI (Asset, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016
Individual living benefit claims	Amount of benefit which is payable on survival as specified in the policy document for individual policies. This is stated at the inception of the contract
Individual New Business Premium	Insurance premium that is due in the first policy year and/or single premium payment from the policyholders of an individual life insurance Contract
Insurance density	Premium per capita
Insurance underwriting	The process by which an insurance company determines whether or not and on what basis it will accept an application for insurance
Insurance Marketing Firm	Entity registered by IRDAI to solicit or procure insurance products as specified under applicable regulations to undertake insurance service activities, and to distribute other financial products by employing individuals licensed to market, distribute and service such other financial products
Life insurance penetration	Insurance premium as % of gross domestic product or GDP
Investment yield	A measure of the income earned from an investment compared to the price paid for the investment. Normally expressed as a percentage
LIC(a) 1996-98 table for annuities	Mortality Table for annuitants as published by the Institute of Actuaries of India, within the meaning of Regulation 4 of IRDAI (Asset, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016
Mathematical reserves	The provision made by an insurer to cover liabilities arising under or in connection with policies or contracts for life insurance business. Mathematical reserves also include specific provision for adverse deviations of the bases, such as mortality and morbidity rates, interest rates, and expense rates, and any explicit provisions made, in the valuation of liabilities, in accordance with the regulations made by IRDAI for this purpose
Micro-agents	Entities or individuals appointed as micro insurance agents as per the applicable regulations for distribution of micro-insurance products
Mis-selling Ratio	Number of grievances with respect to unfair business practice that are reported to the Company divided by policies issued by the Company in the same period represented as a percentage
Morbidity rate	The frequency at which a disease appears in a population. Morbidity rates help insurers predict the likelihood that an insured will contract or develop any number of specified diseases
Mortality rate	A measure of the number of deaths, varying by such parameters as age, gender and health, used in pricing and computing liabilities for future policyholders of life and annuity products, which contain mortality risks
Net Asset value / NAV	NAV in the context of equity shares is computed as the closing net worth of a company, divided by the closing outstanding number of fully paid up equity share. In the context of the unit-linked business of our Company and the investments made in mutual funds by our Company, it represents the value of one unit held by the policyholder/ us and is computed as total assets of the fund/ scheme divided by number of units outstanding
Net New Cash	Net Premium minus net benefits
Net Premium	The total premium written by the Company after deductions for reinsurance ceded
Net worth	Net worth represents the shareholders' funds and is computed as sum of share capital including share application money pending allotment, reserves and surplus including share premium, and credit/(debit) fair value change account in shareholders' account net of debit balance in profit and loss account
New Business Annualized Premium Equivalent	Annualised premium equivalent (APE) is 100% of annualised regular premium for new business plus 10.00% of single premiums, written by the Company during the period under consideration
New Business Premium / NBP	Insurance premium that is due in the first policy year of a life insurance contract or a single lump sum payment from the policyholder

Term	Description
Non-Participating or Non-Par Product	Policies without participation in profits, means policies which are not entitled to any share in surplus (profits) during the term of the policy. Examples include pure risk policies such as fixed annuities, term insurance, critical illness, etc.
Operating Expense Ratio	Operating expenses related to insurance business (excluding commission) divided by Gross Written Premium (total premium)
Participating or Par Product	A life insurance policy where the policyholder is entitled to at least a 90.00% share of the surplus emerging in the participating fund
Persistency Ratio	The ratio of life insurance policies remaining in force to all policies issued in a fixed period. Persistency can be measured in terms of number of policies or in terms of premium
Policy lapse	A life insurance contract lapses if the policyholder does not pay premium within the grace period as prescribed under the IRDAI (Non-Linked Insurance Products and Linked Insurance Product) Regulations, 2013, as applicable
Premium	The consideration which the policyholder has to pay in order to avail the benefits offered by an insurance policy
Private life insurers	All Indian life insurance companies other than the Life Insurance Corporation of India
Protection gap	Protection gap is the difference between the insurance that is economically beneficial and amount of insurance actually purchased
Reinsurance	An insurance contract between one insurance company (cedant) and another insurance company (reinsurer) to indemnify against losses on one or more contracts issued by the cedant in exchange for a consideration (the premium). The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risks across alternative institutions
Renewal Premium	Life insurance premiums falling due in the years subsequent to the first year of the Policy
Reversionary bonus	Reversionary bonuses are regular bonuses declared annually and accrue at the policy anniversary during the ensuing financial year. Once declared, these accrued bonuses are guaranteed. The bonuses can be: • Compound Reversionary Bonuses – These are regular bonuses declared as a percentage of base Sum Assured plus already declared past bonus amounts; • Simple Reversionary Bonuses - These are regular bonuses declared as a percentage of base Sum Assured only.
Rider	The add-on benefits which are in addition to the benefits under a basic policy
Single Premium	Single lump sum premium received from the policyholder
Solvency Ratio, Required Solvency Margin and Available Solvency Margin	Every insurer is required to maintain an excess of the value of admissible assets over the amount of liabilities of not less than an amount prescribed by the IRDAI, which is referred to as a Required Solvency Margin. The actual excess of admissible assets over liabilities maintained by the insurer is termed as Available Solvency Margin. The ratio of Available Solvency Margin to the Required Solvency Margin is called as Solvency Ratio
Sum assured	The amount that an insurer agrees to pay on the occurrence of a stated contingency
Surplus	The excess of the value placed on a life insurance company's assets over the value placed on its liabilities
Surrender	The termination of a life insurance policy at the request of the policyholder after which the policyholder receives the cash surrender value, if any, of the contract
Surrender Ratio	Total surrender payout during a period divided by the average AUM of policyholders during that period. Average AUM = (Opening AUM + Closing AUM)/2
Terminal bonus	Bonus declared under the policy in the year when the policy results into a claim either by death, surrender or maturity
Top-up premium	Premium paid by the policyholder in the form of a single payment separately from and in addition to the required regular premium
Total Cost Ratio	Operating expenses including commission, provision for doubtful debts and bad debts written off divided by Gross Written Premium
Underwriting	The process by which an insurance company determines whether or not and on what basis it will accept an application for insurance
Unit-linked fund	A unit-linked fund pools together the premiums paid by policyholders and invests in a portfolio of assets to achieve the fund(s) objective. The price of each unit in a fund depends on how the investments in that fund perform
Unit-linked products	A life insurance contract or health insurance contract under which benefits are wholly or partly to be determined by reference to the value of underlying assets or any approved index
Value of New Business / VNB / VONB	VONB is the present value of expected future earnings from new policies written during a specified period and it reflects the additional value to shareholders expected to be generated through the activity of writing new policies during a specified period
Value of New Business Margin / VNB Margin / Margin as a percentage of	VNB Margin is the ratio of VNB to New Business Annualized Premium Equivalent for a specified period and is a measure of the expected profitability of new business

Term	Description
New Business Annualized Premium Equivalent	
Variable insurance product	Products where the benefits are partially or wholly dependent on the performance of an approved external index/ benchmark which is linked to the product
Vested bonus	Bonus already accrued, which is declared and attached to a policy. Once vested it becomes guaranteed.
Weighted received premium	100% of insurance premium that is due in the first policy year of a life insurance contract plus 10% of single lump sum payment from the policyholder

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Red Herring Prospectus, all references to "India" are to the Republic of India, all references "U.K." or "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland and all references to the "U.S.", "U.S.A." or "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements as of and for the Fiscals ended March 31, 2014, 2015, 2016, 2017 and 2018. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act, 2013 and relevant rules framed thereunder, the Insurance Act, the IRDAI Preparation of Financial Statements Regulations, the IRDAI Issuance of Capital Regulations, IRDAI Act, regulations framed and circulars issued thereunder and restated under the SEBI ICDR Regulations. The information pertaining to our Assets under Management in "***Business***" are based on our Restated Financial Statements.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures, in decimals have been rounded off to the second decimal for all amounts in ₹ million and all percentage figures have been rounded off to two decimal place except certain figures cited from the Embedded Value Report from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP and the CRISIL Report and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including IFRS and U.S. GAAP and the reconciliation of the financial information to other accounting principles and auditing standards has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. For risks involving differences between Indian GAAP and other accounting principles and auditing standards and risks in relation to Ind AS, see "***Risk Factors***" beginning on page 19. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Insurance Act, the IRDAI Act, regulations framed and circulars issued thereunder, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices, Indian GAAP, the Insurance Act, the IRDAI Act, regulations framed and circulars issued thereunder, the Companies Act, 2013, the IRDAI Issuance of Capital Regulations, IRDAI Preparation of Financial Statements Regulations and the SEBI ICDR Regulations and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Our Company has obtained the Embedded Value Report from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, in accordance with the IRDAI Issuance of Capital Regulations. For further details, see "***Embedded Value Report***" beginning on page 342.

Our Company has obtained a certificate dated May 22, 2018, from the Appointed Actuary in relation to actuarial report and abstract as at March 31, 2018, under the Insurance Act and the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016, as amended.

Unless the context otherwise indicates, any percentage amounts, as set forth in "***Risk Factors***", "***Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 19, 140 and 314, respectively and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as various industry publications and sources and the CRISIL Report.

We have commissioned a report titled 'CRISIL Research - Analysis of life insurance industry in India' dated July 10, 2018 prepared by CRISIL, for the purpose of confirming our understanding of the industry in connection with the Offer. In this regard, CRISIL has issued the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. PNB MetLife India Insurance Company Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Apart from the above, Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, our Directors, our Promoters, the Selling Shareholders or the Book Running Lead Managers or any of their respective affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information. For details of risks in relation to the CRISIL Report, see "***Risk Factors – This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL***" on page 32.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs.**" or "**INR**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of U.S. Dollars and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees are provided below.

(in ₹)

Currency	Exchange rate as on March 28, 2018**	Exchange rate as on March 31, 2017	Exchange rate as on March 31, 2016	Exchange rate as on March 31, 2015	Exchange rate as on March 28, 2014*
1 USD	65.04	64.84	66.33	62.59	60.09
1 GBP	92.28	80.88	95.20	92.76	99.73

Source: RBI Reference Rate

** Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

*** Exchange rate as on March 28 as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday.*

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements include statements which can generally be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***propose***", "***will continue***", "***seek to***", "***will pursue***" or other words or phrases of similar import.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that would cause actual results to differ materially include, including, but not limited to:

- our business and its continued growth are highly dependent on PNB in several respects, and any adverse developments with respect to our relationship with PNB or PNB itself may have a material adverse effect on our business, financial condition, results of operations and prospects;

- if we fail to deliver products that are aligned to the needs of our customer base in each of our distribution channels, our profitability and value of our new business could be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations;

- we may not be able to achieve the benefits of scale in our business;

- our business and its continued growth are also dependent on our bancassurance partners, and any adverse developments with respect to our bancassurance partners may have a material adverse effect on our business, financial condition, results of operations and prospects;

- if we are not able to continue to control costs, our business, financial condition and results of operations could be materially and adversely affected;

- the embedded value and value of new business information presented in this Draft Red Herring Prospectus is based on several assumptions and may vary significantly if those assumptions are changed or if experience is different from assumptions;

- our business, financial condition, results of operations and prospects depend on the accuracy of our management's assumptions and estimates, and we could face significant losses if these assumptions and estimates differ significantly from actual results;

- our failure to execute our strategy to improve the productivity of our direct sales and agency channels could have a material adverse effect on our business, financial condition, results of operations and prospects;

- as a significant portion of our business is generated from a limited number of products, we are susceptible to any adverse trends and other developments that may affect the sale of these specific products; and

- we are subject to periodic examinations by the IRDAI and may become involved in further examinations, audits or inquiries in the future, which could have a material adverse effect on our business, financial condition, results of operations and prospects and cause us reputational harm

For a further discussion of factors that could cause our actual results to differ, see "***Risk Factors***", "***Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on pages 19, 140 and 314, respectively. Further, as required under the IRDAI Issuance of Capital Regulations, the Embedded Value Report has been included in this Draft Red Herring Prospectus, which contains certain assumptions for the future, including assessment of appropriate assumptions for future experience. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as the statement based on them could prove to be inaccurate.

Neither our Company, nor the Directors, nor the Selling Shareholders, nor the Syndicate, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments until the receipt of final listing and trading approvals for the Equity Shares pursuant to the Offer.

SECTION II - RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all of the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, to the industries in which we operate or in India. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations and prospects. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved. If any of the risks described below or other risks that are currently not known or deemed immaterial actually occur, our business, financial condition, results of operations and prospects could be adversely affected, the trading price of the Equity Shares could decline, and prospective investors may lose all or part of their investment. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. Prospective investors should read this section in conjunction with the other sections of this Draft Red Herring Prospectus, in particular the sections titled "**Business**", "**Industry Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 140, 111 and 314, respectively, as well as the Restated Financial Statements included in the section titled "**Financial Statements**" on page 245.*

*This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "**Forward-Looking Statements**" on page 17.*

Unless otherwise stated, the financial information used in this section has been derived from our Restated Financial Statements of our Company.

A. INTERNAL RISKS AND RISKS ASSOCIATED WITH OUR BUSINESS

1. ***Our business and its continued growth are highly dependent on PNB in several respects, and any adverse developments with respect to our relationship with PNB or PNB itself may have a material adverse effect on our business, financial condition, results of operations and prospects.***

Our business and our future growth strategies are highly dependent on PNB in several respects, including as a bancassurance distribution partner, as our Promoter and with respect to the use of its name. In Fiscal Years 2016, 2017 and 2018, our new business premium generated through PNB accounted for 41.03%, 48.43% and 52.77% of our total new business premium, respectively, and our individual new business premium generated through PNB accounted for 42.01%, 49.17% and 52.90% of our individual new business premium, respectively. PNB currently distributes our products as a bancassurance partner pursuant to a corporate agency agreement dated October 19, 2011 (the "**PNB CAA**"). Under the PNB CAA, PNB is under an obligation to promote and use its best efforts to sell our products and to employ appropriately qualified personnel to do so. The PNB CAA is expected to automatically renew for 10 years in 2021 unless certain targeted new business premium objectives are met by PNB and PNB chooses to terminate the PNB CAA, which would be effective three years from the date of receipt of PNB's notice of termination.

A key part of our business strategy is to increase activation in the PNB branch network and deepen our penetration of the PNB customer base of activated branches across India. Notwithstanding our agreement with PNB under the PNB CAA, there can be no assurances that PNB will fulfill its obligations under the PNB CAA or otherwise increase activation of its branches and effectively market and sell our life insurance products. PNB may be unwilling or unable to make investments in its business, such as by increasing the number of PNB bank sales persons who are qualified to sell our products, and effectively market and sell our life insurance products for a wide variety of reasons. These reasons could include changes in PNB's business strategy or performance, which may be impacted by a number of factors, some of which are beyond PNB's control, including changes in the macroeconomic and regulatory environment. Any adverse developments with respect to its business could result in PNB postponing or cancelling plans it has with respect its bancassurance business with us. This could also restrict our access to certain markets and, in turn, restrict our ability to execute fully on our growth strategy. In addition, PNB may otherwise decide not to collaborate or may not pursue the intended objectives of the PNB CAA with the same intensity or effort that we expect, including with respect to increasing branch activity, enhancing productivity, integrating processes and enhancing customer experience. Consequently, any adverse development with respect to PNB or its implementation of the PNB CAA may have a material adverse effect on our business, financial condition, results of operations and prospects.

Following the expiration of the PNB CAA, there can also be no assurances that PNB will elect to sell our products. PNB will be free to not renew or may choose to renew the PNB CAA or enter into another arrangement with us on different terms that may be less favorable. In addition, the Indian life insurance industry has transitioned into an open architecture environment with banks now able to act as a non-exclusive corporate agent for up to three life insurers, three general insurers and three health insurers each. Consequently, the exclusivity clause in the PNB CAA is not operative due to these regulatory changes, and there can be no assurance that PNB will not enter into similar bancassurance arrangements with other insurers in the future. Pursuant to a name and trademark license agreement dated December 4, 2012 (the "**PNB Trademark Agreement**"), PNB has granted us a non-exclusive right to use the term "PNB" in the corporate name and brand of our Company. However, PNB and our Company each have the option to terminate the PNB Trademark Agreement if PNB's and its affiliates' collective ownership of our Company falls below 20% or if the PNB Shareholders' Agreement is terminated in respect of PNB. If the PNB Trademark Agreement is terminated, our Company may have to discontinue the use of the "PNB" trademark and logo which may materially and adversely affect our reputation, business, financial condition, results of operations and prospects. In addition, our brand equity, goodwill with our customers and our business reputation could also be adversely affected by any adverse publicity relating to PNB, irrespective of whether such developments are within PNB's control.

In addition, Indian laws and regulations require us to maintain a certain level of solvency. As one of our shareholders, PNB is required by the IRDAI to contribute capital toward maintaining this prescribed solvency ratio. However, PNB may be unable or unwilling to contribute capital due to financial or other reasons. In addition, since PNB is a regulated entity, banking and other regulations could limit its ability to provide us with capital contributions or other support so mandated, which could affect our ability to continue our operations, acquire new businesses or implement our growth strategies, which could adversely affect our business, financial condition and results of operations.

2. ***If we fail to deliver products that are aligned to the needs of our customer base in each of our distribution channels, our profitability and value of our new business could be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.***

A key aim of our business strategy is to deliver products that are aligned to the needs of the Indian customer base in each of our distribution channels to create a longer-term value proposition for our customers and deliver profitable growth. However, our ability to do this depends on our ability to access and penetrate targeted customer segments through our distribution network and continue to align our products to the needs of those customers. Our product portfolio covers three principal customer segments – savings, protection and pension, which accounted for 82.10%, 14.89% and 3.01%, respectively, of our total NBP for Fiscal 2018. Our capital requirements, pricing assumptions, reserving requirements, profitability and the profit patterns vary across our products. As a result, we need to continually assess the profitability of existing and new products. In addition, we must design products that are desirable to customers at various life-stages and in the different geographies across our distribution network. An important focus of ours has been to cater to the protection opportunity in India. We have done this by providing differentiated protection products based on the customer segments we access through our distribution channels. However, in order to continue to do this, we must anticipate the needs of our customers and align our products with those needs. Customer preferences can change due to changes in demographics and economic growth which in turn impacts savings, as well as evolving life insurance regulations. We must continually respond to these changes and adjust our products accordingly. If we fail to deliver products that are aligned to the needs of our customer base in each of our distribution channels, our profitability and the value of our new business could be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

3. ***We may not be able to achieve the benefits of scale in our business.***

A key objective of our business strategy is to achieve benefits of scale in our business in order to drive profitability. We have implemented a consolidated operating model for our direct sales and agency channels, under which we actively manage our insurance managers, loyalty managers and our exclusive agents through a common group of sales managers, as well as a management structure for our bancassurance channel, with the aim of increasing the number of insurance managers, loyalty managers, individual agents and qualified bank sales persons across all of our key distribution channels to drive revenue growth with limited incremental investment. However, we may not be able to realize the benefits of scale in our business from these and any future efforts we make to scale our business to the extent originally intended or at all. In connection with our consolidated operating model, we will need to continually calibrate our organizational structure and cost base to meet the changing needs of our customers and align our products to our distribution network, as well as for regulatory reasons. To the extent we are not able to achieve the benefits of scale in our business from these changes in structure and the larger size of our operations as planned, our ability to drive profitability could be adversely affected, which would have a material adverse effect on our business, financial condition and results of operations.

4. ***Our business and its continued growth are also dependent on our bancassurance partners, and any adverse developments with respect to our bancassurance partners may have a material adverse effect on our business, financial condition, results of operations and prospects.***

Bancassurance is our largest distribution channel and our business and our future growth strategies are dependent on our bancassurance partners, which include PNB, as well as JKB and KBL. In Fiscal Years 2016, 2017 and 2018, our new business premium generated through our bancassurance partners accounted for 57.50%, 62.53% and 65.02% of our total new business premium, respectively, and our new business premium generated through PNB accounted for 41.03%, 48.43% and 52.77% of our total new business premium, respectively. For further details in relation to bancassurance channel see, "***Business—Bancassurance channel***" on page 153.

The success of our bancassurance channel and our future growth strategy depends significantly upon our ability to increase branch activity and to effectively market and sell our life insurance products through our bancassurance partners. However, there can be no assurance that our bancassurance partners will always be aligned to continue to grow our business and succeed in our business strategy. Our bancassurance partners' bank sales persons may be unable to effectively market and sell our life insurance products for a wide variety of reasons, including circumstances and events that may be unknown to us. In addition, the performance of the businesses of our bancassurance partners may be impacted by a number of factors, some of which are beyond their control, including changes in the macroeconomic and regulatory environment. Any adverse developments with respect to their businesses could result in our bancassurance partners postponing or cancelling planned expenditures and reducing their focus on the life insurance business. This could restrict our ability to execute fully on our growth strategy and restrict our access to certain markets. In addition, although PNB and JKB currently sell our products on an exclusive basis, since the exclusivity provisions in the PNB CAA and our corporate agency agreement with JKB are no longer operative, there can be no assurances that they will elect to continue to sell our products exclusively or, upon expiration of our corporate agency agreements with them, at all. Our arrangements with certain of our other bancassurance partners are not exclusive and they sell the products of our competitors through their branches. Our bancassurance partners may decide not to collaborate or may not pursue the intended objectives of our agreements with them with the same intensity or effort that we expect, including with respect to increasing branch activity, enhancing productivity, integrating processes and enhancing customer experience. To the extent our distribution relationships with our bancassurance partners are adversely affected or our bancassurance partners choose or are required to distribute the products of our competitors instead of or in addition to our own, we may be unable to continue to access the markets where our bancassurance partners are present and grow our business to the extent planned or at all. Consequently, any adverse developments with respect to our bancassurance partners may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, continuing to explore new bancassurance partnerships that provide us access to new geographies and customer segments is an important part of our future business strategy. If we fail to develop new distribution relationships, such as with new bancassurance partners, in line with our business strategy, our business, financial condition, results of operations and prospects could also be adversely affected.

5. ***If we are not able to continue to control costs, our business, financial condition and results of operations could be materially and adversely affected.***

We have undertaken a series of cost reduction measures, including strong control over expenses and reducing the number of our Company branches, administrative and management employees and sales managers under our consolidated operating model in order to better position our business for profitable growth. These initiatives have focused on reducing costs in order to attain growth over the longer-term consistent with our profitability objectives. However, initiatives and other measures intended to reduce costs going forward may not necessarily result in improvements in our operating cost ratio and our margins. For example, our efforts to reduce costs and exercise control over expenses may not yield the increases in operational efficiency as expected. Our expenses may also be impacted due to other specific events beyond our control, including changes in macroeconomic conditions such as inflation, changes in regulations, competition, distribution requirements, employee costs and other factors. If we fail to control costs or are required to take actions which will increase costs due to these or other factors, our operating cost ratio and our margins could be adversely affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

6. ***The embedded value, operating return on embedded value, value of new business and value of new business margin information presented in this Draft Red Herring Prospectus is based on several assumptions and may vary significantly if those assumptions are changed or if experience is different from assumptions.***

In order to provide you with additional information to understand our economic value and business results, information regarding our embedded value has been presented in the "Embedded Value Report" that have been prepared in accordance with local regulatory guidelines, which are included in this Draft Red Herring Prospectus. There is significant technical complexity involved in the calculation of embedded value, operating return on embedded value, value of new business and value of new business margin and, consequently, the estimates used in the Embedded Value Report may vary materially if key assumptions are changed or if actual experience differs from our assumptions. The Embedded Value Report, dated July 4, 2018, has been prepared by the Independent Actuary on the basis of the Indian embedded value method as specified by the IRDAI and in accordance with the requirements and principles prescribed in the Actuarial Practice Standard 10 ("**APS 10**") issued by the Institute of Actuaries of India, which differ from methodologies that may be used in other jurisdictions, such as the European embedded value method, the traditional embedded value method and the market consistent embedded value method, and may not be comparable to the embedded value methodology adopted by our peers. Accordingly, the embedded value information included in this Draft Red Herring Prospectus for Fiscal 2018 must be read in conjunction with the assumptions, estimates and limitations specified in the Embedded Value Report included in this Draft Red Herring Prospectus and care must be exercised in interpreting the embedded value results.

In this Draft Red Herring Prospectus we have also included embedded value, operating return on embedded value, value of new business and value of new business margin for the 12-month period ended September 30, 2017, which were prepared in accordance with the requirements and principles prescribed in APS 10. However, no embedded value report for the 12-month period ended September 30, 2017 has been included in this Draft Red Herring Prospectus and there can be no assurance that the methodologies, assumptions and estimates used in preparing embedded value, operating return on embedded value, value of new business and value of new business margin for the 12-month period ended September 30, 2017 would have been the same as those used in preparing the Embedded Value Report included in this Draft Red Herring Prospectus for Fiscal 2018. Moreover, no independent third party has consented to be named in this Draft Red Herring Prospectus as an "expert" as defined under the Companies Act, 2013 with respect to our Company's embedded value, operating return on embedded value, value of new business and value of new business margin data for the 12-month period ended September 30, 2017.

In addition, the models used to calculate our embedded value, operating return on embedded value, value of new business and value of new business margin may be incorrect. Therefore, you should exercise care when reading and interpreting the embedded value, operating return on embedded value, value of new business and value of new business margin presented in this Draft Red Herring Prospectus and the report of the Independent Actuary.

Our embedded value, operating return on embedded value, value of new business and value of new business margin should not be construed as a direct reflection of our actual market value and performance, nor should they be construed to have any correlation with the price of our Equity Shares. You should read the discussion in "***Embedded Value Report***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations— Key Performance Indicators***" on pages 342 and 320, respectively. In addition, you should use special care when interpreting our embedded value, operating return on embedded value, value of new business and value of new business margin and not place undue reliance on them. The inclusion of embedded value, operating return on embedded value, value of new business and value of new business margin in this Draft Red Herring Prospectus should not be regarded as a representation of our future profitability by us, the Independent Actuary, the BRLMs or any other person. Furthermore, we do not intend to update or otherwise revise these values in the future, whether as a result of new information, future events or otherwise.

7. ***Our business, financial condition, results of operations and prospects depend on the accuracy of our management's assumptions and estimates, and we could face significant losses if these assumptions and estimates differ significantly from actual results.***

We make and rely on certain assumptions and estimates regarding many items, including investment returns, expenses and operating costs, tax assets and liabilities, business mix, surrenders, lapses, mortality, morbidity and contingent liabilities, related to our business and anticipated results that affect amounts reported in our consolidated financial statements and notes thereto, as well as the Embedded Value Report, as applicable. We also use these assumptions and estimates to make decisions crucial to our business operations, including establishing pricing, target returns and expense structures for our insurance products, determining the amount of reserves we are required to hold for our policy liabilities and the price we will pay to reinsure business. These assumptions and estimates are based on our assessment of information available with us including the historical data maintained by us.

We price our products and determine policy liabilities based on assumptions relating to mortality/morbidity claims, persistency of policies and surrenders. The profitability of our products depends significantly on the extent to which our actual experience is consistent with the assumptions we use in pricing our products and establishing liabilities for future policy benefits. If the actual experience of our products is different from our assumptions, our business and profitability could be adversely affected. In addition, to the extent that our actual benefits paid to policyholders are less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause us to change the underlying assumptions, we may be required to increase our liabilities and incur higher costs. The factors influencing these business decisions cannot be predicted with certainty. As a result, our assumptions and estimates could differ significantly from actual outcomes, which could have a material adverse effect on our business, financial condition and results of operations to the extent our assumptions and estimates are less favorable than actual outcomes.

8. ***Our failure to execute our strategy to improve the productivity of our direct sales and agency channels could have a material adverse effect on our business, financial condition, results of operations and prospects.***

A key part of our business and future growth strategy is also to improve the productivity of our direct sales and agency channels. We have implemented a consolidated operating model for our direct sales and agency channels in order to drive sales productivity and efficiency in those channels. Under this consolidated operating model, a team of an average of 890 sales managers actively managed our insurance managers, loyalty managers and our exclusive agents for Fiscal 2018. We plan to continue to grow our direct sales and agency sales channels through the addition of insurance managers, loyalty managers and individual agents whose compensation is linked to performance and the goals of our business, while leveraging on our investment in our sales managers. We have also consolidated certain direct sales and agency branches and locations in order to further increase scale and align our distribution network to our geographic and customer segments. However, we may not be able to realize the intended benefits from our consolidated operating model or from our efforts to align our network to our geographic and customer segments or other initiatives we undertake with respect to these channels. Our failure to realize the intended benefits from this model could include failing to leverage economies of scale as expected or optimizing our sales across geographies and market segments as intended. As a result, our costs could increase and we may not be able to sell our products in the manner or in the markets we had originally intended, which could have an adverse effect on our business, financial condition, results of operations and prospects.

In addition, a key part of our strategy to improve the productivity of our direct sales and agency channels is to improve the quality of hiring of direct sales staff and individual agents. However, it is difficult, time consuming and expensive to recruit, train and deploy direct sales staff and agents. Our success in doing so is dependent on a number of factors, including the sales commissions and other rewards and recognition programs that we offer, our product offering, brand and business reputation, our financial performance and related support services and benefits that we offer. We face intense competition with other insurance companies and financial institutions to attract and retain individual agents and direct sales staff and may not always be able to attract agents and direct sales staff of sufficient quality or numbers. There can also be no assurance that we will be successful in retaining our existing individual agents and direct sales staff in light of the intense competition for agents and sales staff in the Indian life insurance industry. If we are unsuccessful in attracting and retaining individual agents and direct sales staff for these or other reasons, our ability to effectively market and distribute our products, as well as our productivity in doing so, may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

9. ***As a significant portion of our business is generated from a limited number of products, we are susceptible to any adverse trends and other developments that may affect the sale of these specific products.***

We derive a substantial portion of our revenue from a limited number of products. Our product portfolio covers three principal customer segments – savings, protection and pension, which accounted for 82.10%, 14.89% and 3.01%, respectively, of our total NBP for Fiscal 2018. We expect these products to continue to account for a large percentage of our revenues in the future. Continued market acceptance of these products is therefore critical to our future success. However, demand for our savings and other products could be adversely affected in the event of lower household savings rates and other changes in consumer spending and savings habits or any economic downturn in India generally. In addition, customer preferences for protection products could change and we may not be able to adapt to changes in the competitive environment, which could result in our products being viewed less favorably by our customer segements. We may also not be able to adapt to changes in the regulations that regulate our products. Any factor adversely affecting sales of our products, including market acceptance, reputation, competitive pressures and economic and demographic conditions could have a material adverse effect on our business, financial condition and results of operations.

10. ***We are subject to periodic examinations by the IRDAI and may become involved in further examinations, audits or inquiries in the future, which could have a material adverse effect on our business, financial condition, results of operations and prospects and cause us reputational harm.***

At any given time, we may be the subject of regulatory inspections and examinations, audits or inquiries by the IRDAI and other governmental authorities. As part of its routine regulatory oversight process, the IRDAI conducts detailed examinations of our actuarial practices, reinsurance treaties, books, records, accounts and operations, as well as our compliance with applicable insurance laws and regulations, including, among other things, the form and content of disclosure to consumers, illustrations, advertising and sales practices. From time to time, the IRDAI raises issues during such examinations that could, if determined adversely, have a material impact on our business or result in penalties and sanctions for improper market conduct or non-compliance or the issuance of negative reports or opinions. In addition, our provisions to cover any penalties or sanctions may be inadequate to cover any losses we suffer as a result. The results of these examinations may also result in negative publicity, which could significantly harm our corporate image and reputation. The IRDAI recently conducted inspections of our Company for the period from Fiscal 2016 to Fiscal 2017 and made certain preliminary observations in the IRDAI Inspection Report 2018, citing non-compliance with certain provisions of the Insurance Act, 1938 and regulations made thereunder. These observations are preliminary in nature and we responded to the IRDAI on February 20, 2018. We subsequently received a communication from the IRDAI dated June 20, 2018 with further requirements and seeking further clarifications for some of the inspection observations. We have responded, by written response dated July 10, 2018, submitting the requirements and clarifications that were sought by IRDAI. In addition, we may receive further observations from IRDAI, which may be additional to the preliminary observations under the IRDAI Inspection Report 2018. In the event that the IRDAI ultimately concludes that any violations of the IRDAI Act or relevant regulations and circulars have occurred, the IRDAI may issue a show cause notice to our Company and may levy a penalty, subject to a cap of ₹10,000,000, for each instance of violation. In addition, we separately received communications from the IRDAI in April and May 2018, pursuant to its inspections of two of our bancassurance partners in March 2018, where the IRDAI observed certain alleged violations of the Insurance Act and regulations made thereunder. We responded to the IRDAI on May 21, 2018 and April 30, 2018, requesting it to close or reconsider its observations, as the case may be, and have not received any further communication from the IRDAI in this regard as of the date of this Draft Red Herring Prospectus.

There can be no assurance that similar events will not occur in the future, which may result in impostion of penalties by the IRDAI or other regulators for failure to comply with applicable regulations. These and future examinations or proceedings by regulatory authorities may result in the imposition of penalties and/or sanctions, withdrawal of top-selling and/or profitable products or issuance of negative reports or opinions, that could have a material adverse effect on our business, financial condition, results of operations and prospects. For further details, see "***Outstanding Litigation and Material Developments—Actions by statutory or regulatory authorities against our Company***" on page 382.

11. ***Our Company and certain of our Directors and Promoters are involved in certain legal proceedings.***

S. No.	**Name of Entity**	**Criminal Proceedings**	**Tax proceedings**	**Statutory/ Regulatory proceedings**	**Material civil litigation**	**Aggregate amount involved[#] (₹ *in million*)**
1.	**Company**					
	By the Company	226	-	-	2	26.51
	Against the Company[*]	7	9	181	1	1,649.85
2.	**Promoters**					
	By the Promoters	1	-	-	-	-
	Against the Promoters	3	114	19	-	28,872
3.	**Directors**					
	By the Directors	-	-	-	-	-
	Against the Directors	6	-	3	10[**]	0.55
	Total	**244**	**123**	**202**	**13**	**30,523.81**

 # To the extent quantifiable.

** Our Company has also received 287 notices from various statutory and regulatory authorities in relation to certain of our policyholders who were being investigated by these statutory authorities, which are not reflected in this table.*

*** This includes a civil litigation against our Company wherein the Managing Director has also been named as a party and involves an amount of ₹ 82.50 million.*

12. ***Changes in market interest rates could have a material adverse effect on our business and profitability.***

Our investment and product portfolios are exposed to fluctuations in interest rates. A significant portion of our investment portfolio is held in debt securities, particularly fixed income and corporate debt securities. As of March 31, 2016, March 31, 2017 and March 31, 2018, our fixed income portfolio constituted 70.0%, 71.6% and 76.8% of our AUM, respectively. Interest rates are highly sensitive to domestic and global developments, including, among other things, RBI's monetary and government's fiscal policies, domestic and global economic growth, political developments, inflation trend, trade balance and currency movements. Fluctuations in prevailing interest rates, along with spreads between short-term and long-term interest rates, could adversely affect our investment returns and income, thereby impacting our profitability and business prospects. Depending on the nature of our asset and liability portfolio and movement of interest rates, our financial condition may be materially adversely affected by rising or declining interest rates. In addition, the IRDAI's restrictions on categories of assets and instruments in which investments can be made and thresholds prescribed for each category of investment, as implemented according to applicable regulations and our investment policy ("**Investment Policy**"), may further restrict our ability to mitigate market risks while making investments

During periods of declining interest rates, our investment yield may be affected as our maturing investments as well as new money may have to be invested in securities carrying lower yields, thereby reducing our investment yields and investment income. Lower-than-projected investment income and returns have a material bearing on product pricing and reserve requirement. This may result in certain products incurring significant losses, thereby leading us to increase the price of the product and consequently adversely impacting future sales. We may have to lower our interest rate assumption used for calculating our policy liabilities in an event of a prolonged or sharp decline in interest rates. This, in turn, would result in higher reserve requirement for meeting these liabilities, thereby adversely impacting our financial condition and results of operations.

Some of our products offer guaranteed benefits, and hence carry the risk of investment income falling short of these guaranteed pay-outs. A declining interest rate environment may reduce our ability to fully meet the guaranteed liabilities of our non-participating contracts. Although we are evaluating hedging arrangements in this regard, it is possible that our hedging arrangements may not fully offset the impact in the event of rapidly declining interest rates or may not be fully effective or adequately cover our liabilities. In addition, any increase in hedging costs may affect our profitability. For participating contracts, a decline in interest rates may lead to lower bonus rates for policyholders. This, in turn, may result in policyholder dissatisfaction and consequently higher surrenders and lower new business sales.

In a rising interest rate scenario, investment returns and income could increase as maturing investments and new money get invested in higher yielding securities. However, it could reduce the fair value of our existing investments in fixed income assets and result in unrealized losses, which may adversely affect our shareholders' equity and results of operations. Further, rising interest rates may make the existing policies less attractive to policyholders and lead to higher surrenders and withdrawals. This, in turn, may require us to sell some of our invested assets at lower prices, thereby resulting in realized losses.

If we are unable to effectively manage interest rate risks, it may adversely affect our financial condition and results of operations.

13. ***Our brand, business reputation and market perception is critical to maintaining market share and growing our business and any negative publicity could have a material adverse effect on our business, financial condition and results of operations.***

Our brand, business reputation and market perception is critical to maintaining our market share and growing our business. Any negative incident or adverse publicity with respect to our business could negatively impact customer trust and confidence in us. Such incidents could be particularly harmful to our business if they receive mainstream and social media attention or attract regulatory investigations or litigation. Similarly, our brand and business reputation could also be adversely affected by any adverse publicity relating to our Promoters, irrespective of whether such developments are within their control. Any significant claim or litigation, employee misconduct, operational failure, regulatory investigation, whether actual or merely alleged, could negatively impact our brand, business reputation and confidence of customers. Our brand may also be damaged if our products or services do not meet customer expectations. Any damage to our brand, business reputation or market perception could result in loss of existing and potential customers, as well as damage our ability to maintain our current distribution relationships and enter into future distribution arrangements. Furthermore, any increased regulatory scrutiny of our operations, regulatory actions or litigation as a result of negative publicity could further increase our cost of operations and adversely affect our profitability. Accordingly, any adverse impact on our brand, business reputation and market perception could adversely impact our market share and our ability to grow our business, which would have a material adverse effect on our business, financial condition and results of operations.

14. ***Any termination of, disruption to, or any adverse change affecting our relationships with the MetLife group may have a material adverse effect on our business, financial condition, results of operations and prospects.***

As of the date of this Draft Red Herring Prospectus, one of our Promoters, MIHL, holds 26% of our Equity Shares. We believe the support we have received from MIHL, which has included market and technical expertise, has played an important role to our business. Although we operate independently from MIHL, we continue to partner with MIHL on certain aspects of our business. For example, pursuant to an intercompany intellectual property license agreement ("**IIPLA**") with Metropolitan Life Insurance Company, an affiliate of MIHL, our Company has been granted a royalty-free, non-exclusive and non-transferable right to use the "MetLife" trademark and logo, along with the other intellectual properties covered under the agreement, in India. The IIPLA will be terminated by written notice if any signatory thereto ceases to be under common ownership with the other signatories due to sale, divestiture or dissolution. In the event that the IIPLA is terminated, our Company may have to discontinue the use of the "MetLife" trademark and logo, which may materially and adversely affect our reputation, business, financial condition, results of operations and prospects. The IIPLA was valid until December 31, 2017, and has been extended for a further period of two years pursuant to an amendment dated December 21, 2017. However, if for any reason our relationship with MIHL is terminated or disrupted, we will not benefit from the MIHL's support.

We have been receiving certain technical services from the MetLife group. These services include, for example, advisory and services to support the Company's email system. Historically, the Company has not always been charged for these services. Subject to obtaining the necessary approval of our Board and ensuring compliance with all legal and regulatory requirements, we may enter into an arms-length, written agreement with the MetLife group to continue to receive some or all of these services for fees to be determined in an exercise facilitated by an independent third party valuer. Entry into such an agreement may result in a material increase in our operating expenses, and could have a material adverse effect on our results of operations, financial condition and/or prospects.

Due to uncertainties in future global economic environment, there can be no assurance that MIHL will not terminate their relationship with us, form partnerships with any of our competitors or shift their focus to other areas of their businesses. Any such termination of, disruption to, or any other adverse change affecting our relationships with MIHL could materially and adversely affect our business, financial condition, results of operations and prospects.

15. ***The actuarial valuation of liabilities for our policies with outstanding liabilities is prepared by our Appointed Actuary based on actuarial estimates and is not an audit of actuarial estimates by auditors as may take place in other countries or jurisdictions; if such valuations are incorrect, they could have an adverse effect on our financial condition.***

The actuarial valuation presented in our financial statements and elsewhere of liabilities for our policies with outstanding liabilities is prepared based on actuarial estimates. In India, the Appointed Actuary of an insurance company certifies such valuation and that in their opinion, the methodology and assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India (the "**IAI**") in concurrence with the IRDAI. Our Appointed Actuary's valuation is peer-reviewed by an independent actuary that is external to our Company in compliance with actuarial practice standards issued by the IAI. However, this independent peer-review is not an audit of actuarial estimates by independent auditors comparable to other countries or jurisdictions and may result in a different outcome compared to a full audit. If the assumptions and/or models used to conduct such an actuarial valuation of our liabilities are incorrect, or if there is an error in a calculation, it could result in changes to our policy liabilities, which could have a material adverse effect on our our business, financial condition and results of operations.

16. ***We depend on the accuracy and completeness of information provided to us by or on behalf of our customers to appropriately price, underwrite and administer our policies.***

In the course of our business operations, including in connection with any decision to issue policies or pay out claims, we rely on information furnished to us by or on behalf of our customers. We also store such information in our enterprise data warehouse and through data analytics, which we use in our strategies to improve our persistency rates, reduce policy surrenders and manage mortality experience, among others. This information can include personal details, medical histories and relevant financial information. However, the information provided to us may be incorrect, misleading or incomplete. For example, documentation submitted to us may omit information regarding pre-existing medical conditions or contain inaccurate, incomplete or forged income and financial statements, asset ownership documents or other know your customer documents that we require. If we are not able to detect and verify the information that is incorrect, misleading or incomplete, our financial condition and results of operations could be adversely affected if we rely on that information and suffer a loss as a result. In addition, we could also become subject to fraud, misrepresentation and other similar claims as a result of our failure to detect and verify the relevant misstatement or incorrect information or documentation, and may violate applicable laws, such as anti-money laundering laws.

In addition, under applicable Indian insurance regulations, we are prohibited from challenging a life insurance policy on any ground, including for misstatement of facts or any fraudulent act, subsequent to three years from the later of the date of issuance of policy, the commencement of the risk covered or date of the revival of the policy (or the date of any rider attached to the policy). If we are unable to detect any such misstatement or fraud within the applicable period, we could be subject to higher morbidity, mortality and credit risks than we intended to assume. This could lead to higher claim payments to customers and could have a material adverse effect on our business, financial condition and results of operations.

17. ***Our risk management and internal reporting systems, policies and procedures may not be adequate in identifying and responding to risks, which could materially and adversely affect our businesses or result in losses.***

Our policies and procedures to identify, monitor and manage risks may not be adequate in identifying and responding to risks. Many of our methods of managing risk and exposures are based on our use of observed historical market behavior or statistics based on historical models. As a result, although these methods may show certain trends, they may not predict future exposures, which could be significantly greater than what the historical measures indicate. Other risk management methods depend upon the evaluation of information regarding markets, customers or other matters that is publicly available or otherwise accessible to us, which may not always be accurate, complete, up-to-date or properly evaluated. In addition, a significant portion of business information needs to be centralized from our many branch offices. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective. For further details in relation to our risk management policies and procedures see, "***Business—Risk Management***" on page 171. Failure or the ineffectiveness of these systems could materially and adversely affect our business or result in losses.

Any future expansion and diversification in our insurance product offerings and investments will require us to continue to enhance our risk management and internal control capabilities. Our failure to timely adapt our risk management and internal control policies and procedures to our developing business could have a material adverse effect on our business, financial condition, results of operations and prospects.

18. ***The occurrence of unusual events that have significant or lasting impact on our customers, including catastrophic events, could result in concentrated surrenders or disrupt our business which would have a material adverse effect on our business, prospects, financial condition and results of operations.***

The occurrence of unusual events that have significant or lasting impact on our customers may trigger concentrated surrenders, withdrawals and lapses of insurance policies, and reduce our persistency. This includes events such as a severe deterioration in economic conditions, volatility in the capital markets, radical changes in government policy, loss of customer confidence in the insurance industry due to severe or perceived weakening of insurance companies or even a sharp upward or downward movement in the equity markets. This could also include business-related events or events related to our distribution partners that adversely affect our or their businesses or reputations. In addition, the prices and expected future profitability of our products are based on expected patterns of premiums and assumptions related to persistency. If concentrated surrenders occur, we may also be required to sell our investment assets to cover the significant amount of surrender payments. Ordinarily, our total turnover of equity and debt assets is low compared to the total volume of such assets traded in the markets. However, if concentrated surrenders were to occur, we may be unable to sell our investment assets at favorable prices or in a timely manner to cover the significant level of surrender payments, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, our life insurance operations are exposed to the risk of catastrophic mortality events, such as a pandemic or other events leading to a large number of deaths. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Significant influenza pandemics have occurred three times in the last century; however, the likelihood, timing, and severity of a future pandemic cannot be predicted. A significant pandemic could have a major impact on the global economy or the Indian economy or regions, including travel, trade, tourism, the health system, food supply, consumption, overall economic output and, eventually, on the financial markets. In addition, a pandemic that affected our employees or the employees of our bancassurance partners or our individual agents or of other companies with which we do business could disrupt our business operations. The effectiveness of external parties, including governmental and non-governmental organizations, in combating the spread and severity of such a pandemic could have a material impact on the losses we experience. These events could cause a material adverse effect on our results of operations in any period and, depending on their severity, could also materially and adversely affect our financial condition. In addition, catastrophic events could harm the financial condition of issuers of obligations we hold in our investment portfolio, resulting in impairments to these obligations, and the financial condition of our reinsurers, thereby increasing the probability of default on reinsurance recoveries. Although we monitor our overall exposure to potential catastrophic events and have catastrophe reinsurance in certain vulnerable segments of our business, these measures may not be sufficient to adequately cover our losses. For further details in relation to our reinsurance cover see, "***Business—Reinsurance***" on page 166.

19. ***The success of our business depends on our ability to attract and retain our senior management, actuaries and high-performing employees, and the loss of their services could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The success of our business depends, to a large extent, on the continued service and stability of our senior management and various professionals and specialists, including actuaries, information technology specialists, investment managers, finance professionals, legal professionals, risk management specialists and underwriting and claim settlement personnel. As a result of ever-increasing market competition, the demand and competition for experienced management and insurance personnel has intensified. Our business and financial condition could suffer if we are unable to retain our senior management, including management in departments of sales, finance, actuarial, investment, information technology and control functions such as risk management, compliance, or cannot adequately and timely replace them upon their exit. For further details on our key management personnel, see "***Management***" on page 202.

In particular, our actuarial personnel, including our Appointed Actuary work, in a specialized profession and there are a limited number of persons qualified to practice as an actuary in India. Any failure on our part to attract, retain or find suitable replacements for any our actuarial personnel, including our Appointed Actuary, could have a material adverse effect on our business, including and up to being prevented from conducting our business at all.

Moreover, there may be situations where we may be required to increase substantially the number of our professionals and specialists in connection with any future growth plans, and we may face difficulties in attracting talent due to the competition in the insurance industry for such personnel. Our failure to recruit, retain or replace competent personnel could materially impair our ability to implement any plan for growth and expansion. Competition for quality employees among insurance companies and other business institutions may also require us to increase compensation and commissions, which would increase operating costs and reduce our profitability.

20. ***Any increase in or materialization of contingent liabilities could have a material adverse effect on our business, financial condition, results of operations and prospects.***

The table below sets forth our contingent liabilities as of March 31, 2018:

	As of March 31, 2018 (₹ in millions)
Claims, other than those under policies, not acknowledged as debts	69.11
Claims under policies not acknowledged as debts	328.38
Guarantees given by or on behalf of Company	2.50
Statutory demands/liabilities in dispute not provided for	1,566.35
Unclaimed amount of policyholders transferred to Senior Citizens' Welfare Fund	0.78
Total contingent liabilities	**1,967.12**

For further details regarding our contingent liabilities, see "***Financial Statements***" and "***Management's Discussion and Analysis on Financial Position and Results of Operations - Contingent Liabilities***" on pages 245 and 339, respectively.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

21. ***Credit risks related to our investments may expose us to significant losses.***

We are exposed to credit risks in relation to our investments. We have a sizeable corporate debt portfolio which formed 34.0% of our assets under management as of March 31, 2018. As of March 31, 2018, the majority of our corporate bond investments have a domestic credit rating of "AAA". However, these domestic credit ratings, even with the same rating symbols, may not reflect the same creditworthiness as an international rating. Therefore, we may be subject to greater credit risks with respect to our investments in debt securities than we believe, which could result in impairment losses.

Furthermore, we are also subject to credit risk with our investment counterparties with regard to their repayment ability. These counterparties, including issuers of securities we hold, counterparties of any derivative transactions that we enter into, banks that hold our deposits and any other such entity, may default on their obligations to us due to reasons specific to them relating to, for example, bankruptcy, lack of liquidity, operational failure, fraud, economic downturns or other reasons. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances.

The realized or unrealized losses that we may incur on our investments due to our inability to identify and mitigate credit risks successfully or due to a significant downgrade in credit rating may adversely affect our investment income, results of operations and business prospects.

22. ***Concentration in our investment portfolio in any particular asset class or industry may increase our risk of suffering investment losses.***

We are not permitted to invest overseas, whether directly or indirectly, and are allowed to invest in only certain asset classes. This may restrict our ability to diversify our investment portfolio. We have investment guidelines in place to address concentration risks; however, if these guidelines are not effective or if we are restricted (for any other reason) in diversifying our investment portfolio, our portfolio may become concentrated in particular asset classes, industries or groups of related industries. Events or developments that have a negative effect on any such asset class, industry or groups of industries, where our investments are concentrated may have a greater negative effect on our investment portfolio to the extent that our portfolio is concentrated. This increases the risk that, in the event we experience a significant loss in any of these investments, our financial condition and results of operations may be materially and adversely affected. For further details on regulation of our investments, see "***Key Regulations and Policies in India***" on page 178.

23. ***If we do not meet solvency ratio requirements, our Company could be subject to regulatory actions and could be forced to raise additional capital.***

Indian laws and regulations require us to maintain a control level of solvency. The solvency ratio is the ratio of the excess of assets over liabilities to the required capital. As mandated by the IRDAI, we are required to maintain a solvency ratio of 1.50 at all times. If we fail to meet the relevant control level of solvency requirements, we may be required to submit a financial plan to the IRDAI, indicating a plan of action to correct the deficiency within a specified period not exceeding six months. The IRDAI may propose modifications to the financial plan and impose any restrictions it may deem necessary. These could include restrictions on transacting new business or the appointment of administrator with respect to our business, or both. In certain exceptional circumstances, this could also potentially result in a suspension of our certificate of registration as a life insurance company. As of March 31, 2018, our solvency ratio was 2.02.

Our solvency ratio is affected by factors such as our amount of capital, product mix, business growth, inadmissible assets and profitability. If our share capital and profit cannot continue to support the growth of our business in the future, if the statutorily required solvency margin increases, if our financial condition or results of operations deteriorate, or for other reasons we cannot comply with the statutory solvency ratio requirements, we may need to raise additional capital in order to meet such requirements. In addition, the IRDAI may raise the control level of solvency or change the solvency regime from the current regime. Any such change, including a change to a risk-based solvency regime, could subject us to significant compliance costs and we may need to raise additional capital in order to achieve compliance with the changed requirement. To the extent our existing sources of capital are not sufficient to satisfy our needs, we may have to seek external sources. Our ability to obtain additional capital from external sources in the future is subject to a variety of uncertainties, including:

- our future financial condition, results of operations and cash flows;
- our ability to obtain the necessary regulatory approvals on a timely basis;
- any tightening of credit markets and general market conditions for debt and equity raising activities by insurance companies and other financial institutions; and
- economic, political and social conditions in the geographical markets in which we operate and elsewhere.

There can be no assurance that we will be able to obtain additional capital in a timely manner or on acceptable terms, if at all. See "***Key Regulations and Policies in India***" on page 178.

24. ***We are currently unable to pay dividends to our shareholders and our ability to pay dividends to our shareholders in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***

We are subject to regulatory and other requirements that may limit our ability to pay dividends to our shareholders. Any dividends that we declare and pay in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable laws, including the Companies Act and the Insurance Act. Our ability to pay any future dividends will depend on our earnings, financial condition, capital requirements and applicable Indian legal provisions, which are subject to change. In particular, in order to pay dividends to our shareholders, there is a regulatory requirement that we must not have accumulated losses. As a result of our accumulated losses as of March 31, 2018, we are currently unable to pay dividends. In addition, our business is capital intensive and we may decide to retain all of our earnings to finance the development of and to sustain our business and, therefore, we may not declare dividends on the Equity Shares even if we are legally permitted to do so. Our future dividend policy will depend on our capital requirements, financial condition and external market conditions, such as the macro-economic environment. For further details, see "***Dividend Policy***" on page 244.

25. ***We have entered into certain related party transactions, and we may continue to do so in the future.***

We have entered into certain transactions with related parties and key management personnel, including with our Promoters, pursuant to which we have made payments, including with respect to commission expense, purchase of investments, claims settled, bank charges, income for premium, interest and dividend received and salary and allowances to our key management personnel. For more information on our related party transactions, see "***Related Party Transactions***" on page 243. Any material related party transactions require the approval of our shareholders (where the related parties are required to abstain from voting on such resolutions). There can be no assurance that such transactions will be approved. While we believe that all of our related party transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. There can also be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favorable to us in future. Any future transactions with our related parties could potentially involve conflict of interests. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

26. ***We may invest in certain asset classes in which we have limited experience.***

The IRDAI has, from time to time, expanded the list of permitted investments for Indian insurance companies over the last few years. For example, the IRDAI has included Category I and II Alternative Investment Funds ("**AIFs**"), Exchange Traded Funds ("**ETFs**"), Real Estate Investment Trusts ("**REITs**") and Infrastructure Investment Trusts ("**InviTs**") in its list of permitted investments. We have investment guidelines in place for such investments. However, we have limited experience in investing in such asset classes. Moreover, if our guidelines with respect to these types of investments are not sufficient, we could be exposed to additional risks, due in part to our limited experience in investing in such asset classes. The risk-return, liquidity and credit profile of such investments may be significantly different from our traditional investments, thereby increasing the overall risk exposure of our investment portfolio. Our inability to adequately and effectively manage these additional risks may reduce our investment returns. This, in turn, may have a material adverse effect on our business, financial condition, results of operations and prospects.

27. ***Any failure of third-party service providers on which we rely to comply with regulatory standards and their contractual obligations with us could adversely affect our business, reputation, results of operations and financial condition.***

Our ability to outsource our activities is regulated by the IRDAI, which restricts the activities that we are permitted to outsource. We rely on third parties in certain areas of our operations on a regular basis. In particular, we have outsourced certain aspects of our operations to third parties, in compliance with applicable regulations. If any of these third parties were to terminate their contractual relationships with us, or fail to provide services to us for any reason and we were unable to secure an adequate alternative, our business and results of operations could be materially disrupted and our financial condition could be materially affected. In addition, if we or our third-party service providers fail to operate in compliance with the IRDAI and other regulations or corporate standards, we could suffer reputational harm and may also be subject to regulatory actions, which could cause a material adverse effect on our business, financial condition, results of operations and prospects.

28. ***We may be unable to obtain external reinsurance on a timely basis at reasonable costs and could be exposed to credit risks in our reinsurance contracts***

We currently utilize the reinsurance markets primarily to limit certain risks, support our growth and manage our capital more efficiently. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly in different periods of time due to numerous factors, many of which are beyond our control, including reinsurance capacity in the market. If the market price of reinsurance increases, we may be unable, as required, to maintain or increase our reinsurance coverage, obtain additional reinsurance coverage in the event our current reinsurance coverage is exhausted by a catastrophic event, or obtain other reinsurance coverage in the future in adequate amounts at acceptable rates. Any decrease in the amount of reinsurance at acceptable rates will increase our risk of loss. Accordingly, we may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We transfer a significant proportion of the mortality/morbidity risk we assume under the insurance policies to reinsurance companies. Although reinsurance makes the reinsurer liable to us for the risk transferred, it does not discharge our liability to our policyholders. As a result, we are exposed to credit risk with respect to reinsurers. In particular, our reinsurers may default on their obligations to us under our reinsurance arrangements due to bankruptcy, lack of liquidity, downturns in the economy, operational failure, fraud or other reasons. We are also subject to the risk that our rights against our reinsurers may not be enforceable in all circumstances. As a result, a default by a reinsurer or the unenforceability of our rights against such reinsurer would increase the financial losses arising out of a risk we have insured, which would reduce our profitability and may have a material adverse effect on our liquidity position. We are also exposed to concentration risk with individual reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. For Fiscal 2018, our proportion of reinsurance ceded based on the sum at risk, with our largest reinsurance counterparty, Munich Re and its subsidiaries, was ₹613,544 million, which accounted for 40.38% of our total reinsurance ceded. For further details in relation to our reinsurance cover see, "***Business—Reinsurance***" on page 166.

We have reinsurance arrangements with a number of reinsurance companies, all of which had credible ratings as of the date of this Draft Red Herring Prospectus. However, there can be no assurance that our reinsurers will always be able to meet their obligations under our reinsurance arrangements on a timely basis, if at all. If our reinsurers fail to pay us on a timely basis, or at all, our business, financial condition and results of operations may be materially and adversely affected.

29. ***This Draft Red Herring Prospectus contains information from an industry report which we have commissioned from CRISIL.***

The information in the sections entitled "***Summary of Industry***", and "***Industry Overview***" on pages 47 and 111 and elsewhere in this Draft Red Herring Prospectus includes information that is derived from an industry report entitled "CRISIL Research - Analysis of life insurance industry in India" dated July 10, 2018 (the "**CRISIL Report**") that we have commissioned from CRISIL Research, a division of CRISIL Limited ("**CRISIL**"). We commissioned this report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of our Directors or our Promoters, nor any of the BRLMs or their respective associates or affiliates, nor any other person connected with the Offer has verified the information in the CRISIL Report. CRISIL has advised that while it has taken due care and caution in preparing the report based on information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. The CRISIL Report highlights certain industry and market data relating to the Company and its competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. There can be no assurance that CRISIL's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CRISIL Report is not a recommendation to invest or disinvest in our Company or any company covered in the CRISIL Report. CRISIL has stated that it has no financial liability arising from the use of the CRISIL Report. Prospective investors are advised not to unduly rely on the CRISIL Report when making their investment decision.

30. ***Failures of or inadequacies in our information technology systems and our technology architecture could have a material adverse effect on our business, financial position, results of operations and***

prospects.

Our business depends on our information technology systems and our technology architecture, which help us to interact with our customers, bancassurance partners, agents, employees and other intermediaries and to process a large number of transactions on a daily basis. For further details in relation to our technology architecture, see "***Business—Information Technology and Digitization***" on page 160. We believe these capabilities will become increasingly important as new technologies within our industry evolve and traditional ways of selling insurance and servicing customers become less relevant. In particular, we expect that we will increasingly rely on our information technology systems in order to achieve targeted performance goals in terms of productivity, realizing scale in our business and reducing our operating costs. The proper functioning of our information technology and other data processing systems is therefore critical to our operations and to our ability to compete effectively. There can be no assurance that our business activities will not be materially disrupted in the event of a partial or complete failure of any of these or other information technology and data processing systems or related processes.

Information technology and data processing systems can become quickly obsolete, may need repair or updates and are susceptible to telephone or information technology infrastructure failures, cyber security or other external security breaches, viruses and other disruptive events beyond our control. In addition, if the IT policies we have in place are not adequate to prevent failures in these systems and these systems fail, our ability to perform critical business and operational functions could be delayed or impaired, we could lose key business information and customer data or we may fail to comply with applicable regulatory requirements. Any such failure could also affect our risk management and customer service functions and damage our reputation. In addition, if we fail to maintain and upgrade our information technology platform and introduce new information technology and data processing systems to keep pace with increasing digitization trends and other developments in our industry, we could lose market share to competitors who may develop more efficient and customer-friendly information technology and data processing systems, resulting in a material adverse effect on our business, prospects, financial condition and results of operations.

31. ***Misconduct by our bancassurance partners, individual agents or other third parties or by our employees may be difficult to detect and deter and could harm our brand and our reputation, or lead to regulatory sanctions or litigation against us.***

We have in the past been subject to, and expect to continue to be subject to, fraudulent activities by employees, customers and third parties. We primarily sell insurance products through individual agents, employees and third-party intermediaries, including our bancassurance partners. These intermediaries, individual agents and our employees assist our customers in choosing the correct product, advise on the appropriate benefits and premiums, disclose product features and advise on whether to continue with a particular product or switch products. In certain circumstances, the sales process may be inadequate or insufficient or there may be misconduct on part of our agents, intermediaries or our employees at the time of signing of the policy proposal or while providing services to the customer. This could include making inaccurate, non-compliant or fraudulent promises with respect to coverage, expected returns on investments or recommending inappropriate products or fund management strategies. In addition, our internal controls that we use to monitor, detect and prevent misconduct and fraud may not be sufficient and, as a result, there can be no assurance that we will not suffer significant losses due to misconduct or fraudulent activities. Also, to the extent we are required to compensate our customers for any loss of such premium, we may be unable to recover any such amounts from such third-party intermediaries, employees or agents, which could result in losses and, in turn, adversely affect our profitability. We may also be held liable on a vicarious basis for the mis-selling activities of our selling intermediaries. This could result in penalties and sanctions being imposed on us for non-compliance with applicable laws and regulations.

We may also be subject to mis-selling claims by customers in instances where third parties unrelated to the Company fraudulently use the "PNB MetLife India" name and misrepresent themselves as agents of our Company to defraud customers. Our reputation could be affected by such misconduct of third parties over which we have no control. While our brand is well-recognized, we can be vulnerable to adverse market and customer perception, particularly in an industry where integrity, trust and customer confidence are paramount.

32. ***If we seek opportunities for growth through acquisitions, we may be exposed to risks that could have a material adverse effect on our business, financial condition, results of operations and prospects.***

In the future, we may seek opportunities for growth through acquisitions. Any such acquisitions may involve a number of risks, including ascertaining the right value of the target, unknown or inadequately quantified actuarial liabilities, deterioration of book quality of the acquired business, diversion of our management's attention required to integrate the acquired business, the failure to retain key acquired personnel, distributors and customers, leverage synergies or rationalize operations, develop skills required for new businesses and markets, or unknown and known liabilities, some or all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

33. ***Our business could be adversely affected if we are unable to obtain regulatory approvals or licenses in the future, or maintain or renew our existing regulatory approvals or licenses.***

We require certain approvals, licenses, registrations and permissions in order to operate our business. Certain of these may have expired and we are currently seeking approvals for their renewal. For further details, see "***Government and other Approvals***" on page 399. Further, the approvals that we currently hold stipulate that certain conditions must be met in order for us to be in compliance. If we fail to obtain renewals of any of these approvals, licenses, registrations and permissions, in a timely manner, or at all, or if we fail to satisfy the relevant conditions that must be met for compliance purposes, we may become subject to penalties and our ability to conduct certain lines of business could be restricted, which could have an adverse effect on our business.

34. ***Some of our distribution intermediaries, including our bancassurance partners and individual agents, our employees, may not have obtained the requisite qualifications, licenses or registrations.***

We sell our products through a range of individuals and entities, including our bancassurance partners and individual agents, as well as our employees. All such persons are subject to strict eligibility criteria and qualifications and are required to obtain a valid license or registration from the IRDAI prior to distributing insurance products. Despite our internal guidelines and processes to confirm the qualifications of our distribution intermediaries and employees, the failure of these persons to meet applicable IRDAI requirements may subject us to penalties in the future. To the extent any of our distribution intermediaries or employees do not meet these requirements, we may be required to terminate our relationship with them, which could have an adverse effect on our business, results of operations and financial condition.

35. ***We have had negative cash flows from operating, investing and financing activities in the last five years and we may have negative cash flows in the future.***

Set forth below is a table of selected information from our consolidated statements of cash flows for the periods indicated:

	Fiscal Year ended March 31,				
	2014	**2015**	**2016**	**2017**	**2018**
Receipts and payments account			**(₹ in millions)**		
Net cash flow from/(used in) operating activities	(1,227.82)	(2,194.30)	4,965.56	2,309.75	7,480.98
Net cash flow from/(used in) investing activities	1,375.29	1,766.20	(4,456.03)	(1,909.56)	(7,207.85)
Net cash flow from/(used in) financing activities	(13.23)	-	-	-	-

For further details, see "***Financial Statements***" and "***Management's Discussion and Analysis of Results of Operations and Financial Condition***" on pages 245 and 314, respectively. We cannot assure you that our net cash flows will be positive in the future.

36. ***We may be subject to labor unrest, disputes with our employees or increased wage costs, which may adversely affect our business, results of operations and financial condition.***

As of March 31, 2018, we had 9,845 employees, including 4,052 part-time employees. India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon employee layoffs. Currently, our employees do not belong to any recognized labor union. However, there is a possibility that they can unionize in the future and it may become difficult for us to maintain flexible labor policies and increase wage costs, which may adversely affect our business. While we believe that we maintain good relationships with our employees, there could be situations where we experience disruptions to our operations due to disputes, worker strikes or other problems with our work force, which may adversely affect our business, results of operations and financial condition.

37. ***Following the listing of the Equity Shares in the Offer, our Promoters will collectively control, directly or indirectly, approximately 51.64% of our outstanding Equity Shares (assuming full subscription to the Offer).***

Our Promoters will continue to control approximately 51.64% of our outstanding Equity Shares of our Company after the Offer. PNB and MIHL individually or together, subject to applicable laws, will have the ability to exercise, directly or indirectly, a significant influence over our business consistent with their voting rights under our Articles of Association, including matters relating to management, business strategies and policies, the timing and amount of the distribution of dividends, the issuance of new Equity Shares, the election of directors, any plans relating to mergers, acquisitions, joint ventures, investments or divestitures and amendments to the Articles of Association.

The interests of our Promoters as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. Further, the interests of our Promoters may not be aligned to each other on certain matters. One of our Promoters, MIHL, has interests in respect of other companies, entities and ventures (including as a member or shareholder) that are engaged in undertaking the life insurance business outside of India. There can be no assurance that our Promoters will act to resolve any conflicts of interest in favor of our Company or the other shareholders. To the extent that the interests of our Promoters differ from your interests, you may be disadvantaged by any action that our Promoters may seek to pursue. For more information, see "***Promoters and Promoter Group***" on page 233.

38. ***A majority of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.***

A majority of our business operations are being conducted on premises leased from various third parties. We may also enter into such transactions with third parties in the future. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on acceptable terms may materially affect our business operations.

39. ***Some of the records pertaining to the educational qualifications and professional experience of one of our Directors, Mr. Lingam Venkata Prabhakar, are not traceable.***

While our Directors have supplied us with records of their respective qualifications, experience, awards and achievements, as disclosed in "***Management***" on page 202, certain records pertaining to the educational qualifications and professional experience of one of our Directors, Mr. Lingam Venkata Prabhakar, were not traceable, including on account of the lapse of a considerable amount of time since the dates of the relevant events and details.

B. RISKS RELATING TO INDIA AND THE INDIAN INSURANCE INDUSTRY

40. ***We operate in a highly regulated industry and potential further restrictive regulation or other regulatory actions could adversely affect our business, financial condition and results of operations.***

As an Indian life insurance company, we are subject to extensive laws and regulations. These laws and regulations are complex and subject to change. Changes may sometimes lead to significant additional expenses, including expenses on modern infrastructure, increased costs of compliance, increased legal exposure, increased required reserves or capital and additional limits on our ability to make investments and grow our business or to achieve targeted profitability. Moreover, laws and regulations are administered and enforced by the IRDAI and are subject to change and interpretation by the IRDAI, which is beyond our control. Consequently, there is a risk that the IRDAI's interpretation of a legal issue may change over time to our detriment, or that changes in the overall legal environment may, even absent of a change in the IRDAI's interpretation of a legal issue, cause us to change our views regarding the actions we need to take from a legal risk management perspective, thus necessitating changes to our practices that may, in some cases, limit our ability to grow our business or to improve our profitability.

Any inability or failure by us to comply with, or adapt adequately or promptly to, changes in our regulatory environment may have an adverse impact on our ability to remain competitive and have an adverse effect on our business, financial condition and results of operations. See "***Key Regulations and Policies in India***" on page 178.

In addition, any fraud, sales misrepresentation, money laundering, embezzelment and other misconduct committed by our distribution partners, agents or employees could result in violations of laws and regulations by us and subject us to regulatory sanctions. Even if such instances of misconduct do not result in any legal liabilities on our part, they could cause serious reputational or financial harm to us. Our bancassurance partners, insurance agents and other intermediaries are also directly subject to the regulatory oversight of the IRDAI, in addition to any other regulators within their industries. Any regulatory action against us or our distribution partners, agents or employees as a result of their actions could reduce our ability to distribute our products through them, harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

41. ***The insurance sector is subject to seasonal fluctuations in operating results and cash flows.***

The insurance sector is subject to seasonal fluctuations in operating results and cash flows. Insurance volumes typically increase significantly in the final quarter of each fiscal year, which coincides with the end of the tax year in India, due to customers wanting to capitalize on income tax benefits that life insurance products offer. For the same reason, we typically experience slower sequential revenue growth in the first quarter of each fiscal year. As a result of these factors, we may be subject to seasonal fluctuations in operating results and cash flows during any interim financial period, and consequently, such results cannot be used as an indication of our annual results, and cannot be relied upon as an indicator of our future performance.

42. ***We face significant competition in the Indian insurance industry and our business and prospects will be materially harmed if we are not able to compete effectively.***

The Indian insurance industry is highly competitive, with 23 private sector life insurance companies operating in India as of March 31, 2018, according to CRISIL. Our ability to compete effectively is based on a number of factors, including premiums charged and other terms and conditions of coverage, product features, investment performance, services provided, distribution capabilities, scale, experience, commission structure, brand strength and name recognition, information technology and actual or perceived financial strength. Our primary competitors include private and public life insurance companies in India, as well as providers of other financial services. This may further increase the competitive pressures we expect to face.

In addition, other insurance companies could increase competition in the life insurance market as their financial strength improves. Some of these companies have greater financial, management and other resources than we do, and may be able to offer a broader range of products and services than us. Consolidation, including acquisitions of insurance and other financial services companies in India, could result in additional competitors with strong financial resources, marketing and distribution capabilities and brand identities. The increased competitive pressures resulting from these and other factors may materially harm our business and prospects, as well as materially reduce our profitability and prospects by, among other things, reducing our market share, decreasing our margins and spreads, reducing the growth of our customer base and increasing our policy acquisition costs, operating expenses and turnover of management and frontline sales staff.

A decline in our competitive position could have a material adverse effect on our business, financial condition, results of operations and prospects.

43. ***The limited amount and types of long-term fixed income products in the Indian capital markets and the legal and regulatory requirements on the types of investment and amount of investment assets that insurance companies are permitted to make could severely limit our ability to closely match the duration of our assets and liabilities.***

Like other insurance companies, we seek to manage interest rate risk by matching, to the extent possible, the average duration of our investment assets and the corresponding policy liabilities they support. A well-matched portfolio of assets and liabilities reduces our exposure to interest rate fluctuations, as the increase or decrease in the value of our investment assets on account of interest rate changes could largely be offset by a commensurate increase or decrease in the policy liabilities. However, the IRDAI permits insurance companies to invest in limited asset categories, subject to thresholds prescribed for each category of investment. This may restrict our ability to closely match the duration of our investment assets with the duration of our liabilities, thereby worsening our exposure to interest rate risk. This risk may increase as we expand our business.

There can be no assurance that the investment restrictions imposed on insurance companies in India will be eased and the size and types of long-term fixed income products available in the Indian securities market will increase in the future. Our inability to closely match the duration of our assets to that of corresponding liabilities will continue to expose us to risks related to interest rate changes, which could have a material adverse effect on our business and financial condition.

44. ***If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, and results of operations.***

Any change in direct and indirect tax laws may result in us no longer being able to enjoy the existing exemptions / benefits, available to us, which could adversely impact our profitability. If there is an upward revision to the currently applicable special corporate tax rates, our tax burden could increase. Other benefits such as inapplicability of minimum alternate tax rates ("**MAT**"), as applicable to other corporates, exemption for income earned by way of dividend from investments in other Indian companies and units of mutual funds, exemption for income of an IRDAI-approved pension fund and exemption for interest received from any public sector company in respect of tax free bonds, if withdrawn in the future, may materially and adversely affect our results of operation and financial condition.

In respect of the specific rules governing taxation of policyholders of life insurance products, the Income Tax Act, 1961 currently permits certain deductions each fiscal year for premium contributions toward life insurance products. Amendments to existing legislation, particularly if there is withdrawal of any tax relief, or an increase in tax rates, or the introduction of new rules, may affect the future long-term business and the decisions of policyholders with respect to life insurance and pension products. We conceptualize and design our long-term insurance products based on the tax legislation in force at that time. Adverse changes in tax legislation or in the interpretation of existing tax legislation may therefore, when applied to such products, have a material adverse effect on our financial condition and could also materially reduce the sales of certain of our products. We are unable to accurately predict the impact of future changes in tax laws on the taxation of life insurance policies in the hands of policyholders.

The Government of India (the "**GoI**") has established a task force to review existing tax laws and to draft new direct tax legislation. We cannot predict whether any tax laws or regulations impacting insurance products will be enacted by the GoI, the nature and impact of any such potential laws or regulations or whether, if at all, any such laws or regulations would have a material adverse effect on our business, financial condition or results of operations.

The GoI has, with effect from July 1, 2017, implemented a comprehensive, nation-wide GST regime that has combined the levy of taxes by the Central and State Governments under one unified taxation scheme. The rate of tax has increased from 15% to 18% under the GST regime for life insurance services. Implementation of this regime, among others, has increased the price of life insurance services and brought with it additional compliance requirements, which may have an impact on our business, financial condition and results of operations. It is possible that disputes between various State Governments regarding assessment jurisdiction and the collection of GST tax may create uncertainty for businesses. Any future increase in the GST rate may materially and adversely affect the overall tax efficiency of companies operating in India, including us. We are unable to accurately predict the impact of any future changes in GST on our industry or on insurance products. Application of the General Anti Avoidance Rules ("**GAAR**"), effective from April 1, 2017, could result in denial of tax benefits. Due to the lack of precedent, application of GAAR remains uncertain. If GAAR provisions are made applicable to our Company in the future, we may be adversely and materially impacted.

The taxation regime in India is undergoing a significant overhaul. The consequential effects of such changes on the insurance industry cannot be predicted and there can be no assurance that such effects would not adversely affect our business or future financial performance.

45. ***Non-compliance with cyber security laws prescribed by the IRDAI or data privacy laws, rules and***

regulations could have a material adverse effect on our business, financial condition and results of operations.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. For example, data privacy laws, rules and regulations could limit our ability to leverage our customer base and the customer base of our bancassurance partners to develop cross-selling opportunities. Applicable data privacy laws, rules and regulations could also adversely impact our distribution channels, such as our direct sales distribution channel, and limit our ability to disclose customer data to third-parties. Any security breach, data theft, unauthorized access, unauthorized usage, hacking, virus, unprecedented system shutdown or similar breach or disruption could result in loss or disclosure of confidential customer data in violation of data privacy laws, rules and regulations, which could result in increased regulatory scrutiny, fines, the need to compensate customers, remediation costs and a negative impact on our reputation, which could have a consequential impact on sales volumes and persistency levels and adversely impact our business, financial condition and results of operations.

In addition, certain data privacy laws, rules and regulations are relatively new and their interpretation and application remain uncertain. They are also subject to change and may become more restrictive in the future. For example, recent regulations have been issued to regulate unsolicited commercial communications received by consumers and restrictions have been imposed on marketing and commercial calls made by insurance agents and other third parties. This could have an impact on the volume of marketing and commercial calls made by insurance agents and other third parties acting on our behalf. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations.

46. ***Changes in the accounting standards used in the reporting of our financial statements due to new pronouncements such as Ind-AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial condition.***

We currently prepare our statutory financial statements in accordance with accounting principles generally accepted in India (Indian GAAP), in compliance with the accounting standards notified under section 133 of the Companies Act, 2013 further amended by Companies (Accounting Standards) Amendment Rules, 2016, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India.

The Ministry of Corporate Affairs of India (the "**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind-AS converged with IFRS for scheduled commercial banks, insurance companies and non-banking financial companies. Subsequently, the MCA issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 ("**Amendment Rules**"). These rules came into force on March 30, 2016. The Amendment Rules require insurance companies to apply Ind-AS for the preparation and presentation of financial statements as notified by the IRDAI. Subsequently, pursuant to the IRDAI circular dated June 28, 2017, implementation of Ind-AS in the insurance sector has been deferred and will be applicable with effect from April 1, 2020.

The manner of application of certain Ind AS accounting standards, particularly with respect to insurance companies, is somewhat uncertain, and further guidance on such application is expected to be provided by the IRDAI. In the absence of requisite guidance on the interpretation and application of Ind-AS accounting standards and policies to insurance companies, including the capital requirement framework, we are unable to determine with any degree of certainty the impact that the adoption of Ind-AS will have on the preparation and presentation of our financial statements. In the absence of established practice in India regarding the implementation and application of Ind-AS to insurance companies, we may encounter technical difficulties in implementing and enhancing our management information systems in the context of our transition to Ind-AS. In addition, there is increasing competition for the small number of Ind-AS-experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements.

In this Draft Red Herring Prospectus, we have not made any attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our historical financial statements and there can be no assurance that the adoption of Ind AS will not materially affect the preparation and presentation of our financial statements in the future. In addition, any future changes to accounting standards or related regulations may have a significant impact on our financial condition.

47. ***Our business may be substantially affected by prevailing economic, political and other conditions in India.***

Our Company is incorporated in and our operations are all located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations may be significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- instability in financial markets; and
- other significant regulatory or economic developments in or affecting India or its insurance sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

48. ***Investors may have difficulty enforcing foreign judgments against our Company or its management.***

Our Company is a limited liability company incorporated under the laws of India. A majority of our Company's Directors and executive officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (the "**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except where the judgment has not been pronounced by a court of competent jurisdiction; where the judgment has not been given on the merits of the case; where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; where the proceedings in which the judgment was obtained were opposed to natural justice; where the judgment has been obtained by fraud; or where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that section, in any country or territory outside India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees or judgments not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

C. EXTERNAL RISKS

49. ***The trading volume and market price of the Equity Shares may be volatile following the Offer.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- changes in expectations as to our or our competitors' future financial performance, including financial estimates by research analysts and investors;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

50. ***There are approval requirements for transfers of Equity Shares exceeding certain thresholds under the Insurance Act and the relevant IRDAI regulations.***

Under the Insurance Act and the IRDAI Transfer of Equity Shares Regulations, no transfer or issuance of Equity Shares which would result in change in our shareholding can be made, where (a) after the transfer, the total paid up holding of the transferee is likely to exceed 5% of our paid-up equity share capital, or (b) the nominal value of Equity Shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds 1% of our paid-up equity share capital, unless the previous approval of the IRDAI has been obtained for the transfer.

Additionally, the IRDAI on August 5, 2016 issued the Listed Indian Insurance Companies Guidelines. These guidelines are applicable to all insurance companies whose equity shares are listed on the stock exchanges and to the allotment process pursuant to a public issue. The guidelines, inter alia, propose self-certification of fit and proper criteria by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid up equity share capital of the insurer. However, if the person proposing to acquire equity shares is likely to result in (i) the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, increasing to 5% or more of the paid up equity share capital of the insurer or the total voting rights of the insurer, or (ii) the aggregate holding of such person along with the persons acting in concert, increasing to in excess of 10%, each such acquisition would require prior approval of the IRDAI. The investors intending to acquire Equity Shares amounting to 1% or more, up to 5%, of the paid up equity share capital of our Company in the Offer would be required to comply with the self-certification criteria as set out in "***Offer Procedure—Bids by Bidders for 1% or more, and less than 5% of the Post-Offer paid up Equity Share capital of our Company***" on page 431. Additionally, investors intending to acquire Equity Shares in the Offer such that (i) the aggregate holding of such investor, his relatives, associate enterprises and persons acting in concert, would increase to 5% or more of the paid up Equity Share capital of our Company or the total voting rights of our Company, or (ii) the aggregate holding of the investor along with the persons acting in concert, increasing to in excess of 10% of the paid up equity share capital of our Company or the total voting rights of our Company, should note that each such acquisition would require prior approval of the IRDAI. Investors will also be subject to such restrictions with respect to any acquisition of Equity Shares after the Offer. For further details, see "***Offer Procedure***" beginning on page 430.

There can be no assurance that the IRDAI will grant the requisite approvals, whether on terms favorable to the concerned shareholders, in a timely manner or at all. The time taken in obtaining requisite approvals could prevent investors in the Equity Shares from realizing gains during periods of price increases or limiting losses during periods of price declines. Additionally, these requirements for approvals could negatively affect the price of the Equity Shares and could limit the ability of the investors to trade the Equity Shares in the market. These limitations could also have a negative impact on our ability to raise further capital which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any transfer or acquisition of Equity Shares in breach of regulations prescribed by the IRDAI may result in voiding of the trade and may not be given effect to by our Company. There can be no assurance that any such instances of violation would not occur and that our Company and any shareholder or investor who breaches such limits, would not be subjected to penalties by the IRDAI, which includes suspension of our license to carry on the insurance business.

51. ***The application or interpretation of the Competition Act, or any enforcement proceedings initiated by the Competition Commission of India (the "CCI"), or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, could adversely affect our business, financial condition, results of operations and prospects.***

The Competition Act was enacted to prevent practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

52. ***Indian law limits our ability to raise capital outside India and restricts the ability of non-Indian companies to acquire us.***

Indian law restricts our ability to raise capital outside India through the issuance of equity or convertible debt securities and, therefore, limits the ability of non-Indian companies to acquire us. Aggregate foreign investment from all sources in an insurance company, is permitted up to 49% of the paid up capital under the automatic route, subject to verification by the IRDAI. Pursuant to the Guidelines on 'Indian owned and controlled' issued by the IRDAI on October 9, 2015, control of an insurance company, including the right to nominate the majority of directors (excluding independents), and appointment of the chairman of the board of directors, who enjoys a casting vote, must be necessarily retained and exercised by Indian promoters and/or investors. The Guidelines on 'Indian owned and controlled' also require that the chief executive officer's appointment should be either through the Board of Directors or by the Indian promoters and/or investors.

For further details on restrictions applicable to the insurance sector, see "***Key Regulations and Policies in India***" on page 178.

Further, in raising funding in the international capital markets, we will be required to comply with the unfamiliar capital markets laws of such countries.

53. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Gains realized by an Indian resident or non-resident on sale of equity shares will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares could be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the respective country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains on sale of equity shares. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of listed equity shares.

54. ***Rights of shareholders of insurance companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Company's Articles of Association, regulations of our Company's board of directors, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

55. ***Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our***

ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. There can be no assurance that investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

In addition, the Insurance Act has introduced a revision in the cap on aggregate holdings of equity shares by foreign investors, including portfolio investors, from the 26% to 49% of paid-up equity share capital, provided the insurer is an Indian-owned and controlled entity. The FDI Policy also permits total foreign investment up to 49% of the paid up equity capital of Indian insurance companies, under the automatic route, subject to verification by the IRDAI. For further details on the cap on foreign investment and calculation of foreign investment in insurers, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 424. If the Company reaches the cap, our ability to attract further foreign investors would be curtailed, which may have a material adverse impact on the market price of the Equity Shares.

56. ***Any future issuances of Equity Shares may dilute your shareholding and sales of the Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering, may lead to the dilution of investors' shareholdings in the Company. Any future issuances of Equity Shares or the disposal of Equity Shares by our Promoters or any of our other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales may occur may also affect the market price of the Equity Shares.

57. ***Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under Indian law, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

58. ***We will not receive any proceeds from the Offer. The Selling Shareholders will receive the entire proceeds from the Offer.***

This Offer is being undertaken as an Offer of Equity Shares by the Selling Shareholders, which includes our Promoters. The entire proceeds from the Offer (net of applicable expenses) will be paid to the Selling Shareholders, in proportion of their respective portion of the Offered Shares transferred pursuant to the Offer, and our Company will not receive any proceeds of the Offer. For further details, see "***Objects of***

the Offer" on pages 93.

59. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. There can be no assurance that listing and quotation will result in the development of a market for the Equity Shares, or if developed, the liquidity of such market for the Equity Shares cannot be ensured. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions and changes in economic, legal and other regulatory factors.

60. ***Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our operating results.***

The Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (including U.S. dollar) has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results.

61. ***Payments on the Equity Shares may be subject to FATCA withholding after December 31, 2018.***

Provisions under the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and U.S. Treasury regulations promulgated thereunder commonly known as "**FATCA**" generally impose a 30.00% withholding tax on certain "foreign passthru payments" made by a non-U.S. financial institution (including an intermediary) that has entered into an agreement with the U.S. Internal Revenue Service (the "**IRS**") to perform certain diligence and reporting obligations (each such non-U.S. financial institution, a "Participating Foreign Financial Institution"). If payments on the Equity Shares are made by a Participating Foreign Financial Institution (including an intermediary), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not a Participating Foreign Financial Institution and is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payor, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before January 1, 2019.

The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. Our Company has registered with the IRS as a financial institution pursuant to the intergovernmental agreement between the United States and India. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require our Company or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as foreign passthru payments. Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

62. ***The Company's status as a PFIC for U.S. federal income tax purposes.***

In general, a non-U.S. corporation will be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for a taxable year if (1) 75% or more of its gross income constitutes passive income or (2) 50% or more of its assets produce, or are held for the production of, passive income. Unless an exception applies, "passive income" includes dividends, interest, rents and royalties. The Tax Cuts and Jobs Act (the "**TCJA**") was signed into law on December 22, 2017. Under the TCJA, for taxable years beginning on or after January 1, 2018, income is not considered "passive" for PFIC purposes if it is derived in the active conduct of an insurance business by a "qualifying insurance corporation". A "qualifying insurance corporation" is a non-U.S. corporation (A) which would be subject to tax under subchapter L (i.e., the provisions generally applicable to a US insurance company under the Code) if it were a US corporation and (B) the applicable insurance liabilities of which constitute more than 25% of its total assets. The Company currently expects that its "applicable insurance liabilities" will constitute more than 25% of its assets and to be a "qualifying insurance corporation," such that its income and assets will not be treated as passive for purposes of the PFIC rules. Accordingly, the Company does not believe that it is a PFIC for U.S. federal income tax purposes for the current taxable year and does not expect that it will become a PFIC in the reasonably foreseeable future.

However, the determination of PFIC status is highly factual and based on technical rules that are uncertain and difficult to apply, and a separate determination after the close of each taxable year must be made as to whether the Company was a PFIC for that year. It is unclear, for example, how liability reserves are measured and taken into account for purposes of determining the applicable insurance liabilities. In addition, there are no currently effective Treasury Regulations regarding the application of the PFIC provisions to an insurance company. Proposed regulations published in April 2015 do not take into account the TCJA's recent changes to the PFIC provisions. Further, the Company is not obligated to conduct its business or operations in a manner that avoids treatment of the Company as a PFIC. Accordingly, there can be no assurance that the Company will not be treated as a PFIC for the current taxable year or any future taxable year. If the Company were treated as a PFIC for any taxable year in which a U.S. Holder beneficially owns Equity Shares, certain material adverse tax consequences may result for such taxable year and all subsequent taxable years. Prospective investors should consult their tax advisors regarding the possible application of the PFIC rules to their investment in Equity Shares, including the impact of the changes to the PFIC rules contained in the TCJA.

63. ***Investors will be subject to market risks until the Equity Shares credited to the investors' demat accounts are listed and permitted to trade.***

Investors may begin trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently not traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

Prominent Notes:

The following table sets out the IRDAI categories as mandated under the IRDAI Issuance of Capital Regulations, 2015 which the risk factors specific to the insurance sector fall:

Sr. No.	Type of Risk	Risk Factor No.
1.	Insurance Risk	7, 15
2.	Market Risk	12
3.	Credit Risk	21
4.	Operational Risk	5, 16, 17, 42
5.	Liquidity Risk	7, 15
6.	Catastrophic Losses Risk	18
7.	Reinsurance Risk	28, 31
8.	Embedded Value Risk	6
9.	Regulatory Risk	10, 11, 23, 27, 33, 40, 44
10.	Market Growth Risk	41
11.	Distribution Risks	1, 3, 4, 8, 31, 34
12.	Other Risks	9, 22

- The initial public offering of up to 495,898,076 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million through an Offer for Sale. The Offer would constitute up to 24.64% of our post-Offer paid-up Share capital.

- Our net worth as on March 31, 2018, as per our Restated Financial Statements included in this Draft Red Herring Prospectus is ₹ 10,752.24 million. See "***Financial Statements***" on page 245.

- The net asset value per Equity Share as on March 31, 2018, as per our Restated Financial Statements included in this Draft Red Herring Prospectus is ₹ 5.34. See "***Financial Statements***" on page 245.

- The average cost of acquisition per Equity Share by our Promoters as on the date of this Draft Red Herring Prospectus is:

Name of Promoter	Average cost of acquisition per Equity Share (₹)
PNB	0.0000012
MIHL	15.86*

** As on the date of this Draft Red Herring Prospectus. Our Company had filed an application dated May 21, 2018 seeking approval of IRDAI for the transfer of 26,843,494 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from EIL to MIHL and 94,988,000 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from IGE to MIHL. The IRDAI has approved the proposed transfer through its letter dated July 11, 2018, however as on date of this Draft Red Herring Prospectus the proposed transfer is pending. The cost of acquisition currently does not consider the shares proposed to be transferred.*

For further details, see "***Capital Structure***" on page 81.

- The average cost of acquisition per Equity Share by our Selling Shareholders, other than our Promoters, as on the date of this Draft Red Herring Prospectus is:

Name of Selling Shareholders	Average cost of acquisition per Equity Share (₹)
MPCL	10.30
EIL*	10.47
IGE*	10.09
Manimaya	10.00
JKB	10.00

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For further details, see "***Capital Structure***" on page 81.

- There has been no financing arrangement whereby our Promoter Group, our Directors, the directors of our Promoters and their respective relatives, have financed the purchase by any other person of securities of our Company, other than in the ordinary course of the business of the financing entity, during the six months preceding the date of this Draft Red Herring Prospectus.

- Investors may contact the Book Running Lead Managers or the Registrar to the Offer, for any complaints pertaining to the Offer. For details of the Book Running Lead Managers and the Registrar to the Offer, see "***General Information***" on page 70.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*Unless otherwise specified, the information in this section is derived from an industry report entitled "CRISIL Research - Analysis of life insurance industry in India" dated July 10, 2018 (the "**CRISIL Report**") that we have commissioned from CRISIL Research, a division of CRISIL Limited ("**CRISIL**"). Neither we nor any other person connected with the Offer have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publication may also base their information on estimates, projections, forecasts and assumptions that may prove incorrect. Accordingly, investment decisions should not be based on such information and investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Investors should not construe this section as advise relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation and other advisors in relation thereto.*

The Indian Economy

India's gross domestic product ("**GDP**") in Fiscal 2017 was approximately ₹151.9 trillion. According to the International Monetary Fund (the "**IMF**") in its forecast dated October 2017 (published in the World Economic Outlook Database), India, in comparison to other major economies, is expected to be the fastest-growing economy in Asia as well as the rest of the world, with GDP expected to increase at a compound annual rate ("**CAGR**") of 10% from 2017 to 2022. *(Source: CRISIL Report)*

India's per capita GDP is expected to grow at a CAGR of 8.7% from 2017 to 2022, compared to the CAGR of 6.0% from 2012 to 2017. Increasing per capita GDP is expected to fuel growth in the life insurance industry, a scenario that has already been seen in China. *(Source: CRISIL Report)*

Indian Life Insurance Industry

As of Fiscal 2017, the size of the Indian life insurance industry was ₹4.2 trillion on a total premium basis. In terms of total premium, the Indian life insurance industry is the tenth largest market in the world and the fifth largest in Asia. *(Source: Swiss Re Institute, sigma No 3/2017)* The industry's assets under management (the "**AUM**") was ₹30 trillion as of Fiscal 2017, representing growth at a CAGR of 19% from Fiscal 2001 to Fiscal 2017. Total premium for the Indian insurance industry has grown at a CAGR of 17% from Fiscal 2001 to Fiscal 2017, following privatization of the industry in 2000. As part of the growth in premium, new business premium was approximately ₹1.94 trillion in Fiscal 2018. *(Source: CRISIL Report)*

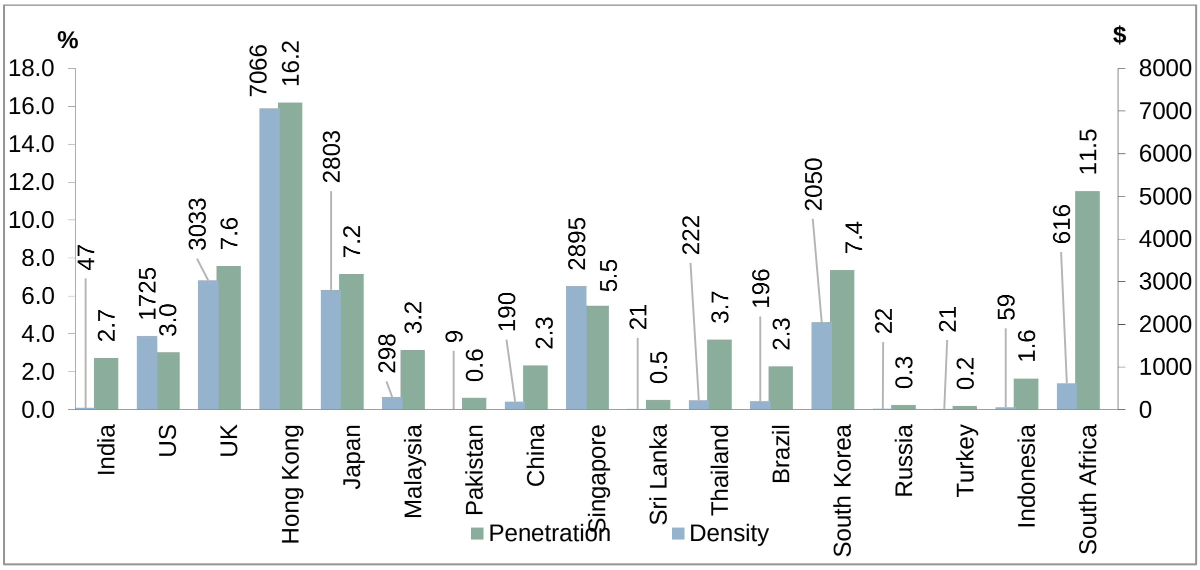
In 2016, 55% of premiums in the global insurance industry were derived from life insurance (with the remainder from non-life insurance), compared with 78% of premiums from life insurance for India and 50% for other emerging markets. Despite this, indicators such as insurance penetration, which is measured as premium as a percentage of GDP, insurance density, which is measured as premium per capita, and protection gap indicate that India is underinsured and that there is significant scope for growth. *(Source: CRISIL Report)*

Penetration and density

In 2016, India's life insurance penetration was 2.7%. The global life insurance industry's penetration was 3.5% as of 2016. Among other Asian countries, life insurance penetration in Thailand, Singapore and South Korea was 3.7%, 5.5%, and 7.4%, respectively, in 2016. According to CRISIL Research, this suggests that there is significant untapped potential of the Indian life insurance market. The penetration of the Indian industry is not comparable to developed markets, such as the United States and Australia, where mandatory pension contributions are not included in the respective insurance industries. *(Source: CRISIL Report)*

At $47 in 2016, insurance density, in India remains low compared with other developed and emerging market economies. *(Source: CRISIL Report)*

Life insurance industry penetration and density for different economies



Source: Swiss Re Institute, sigma No 3/2017

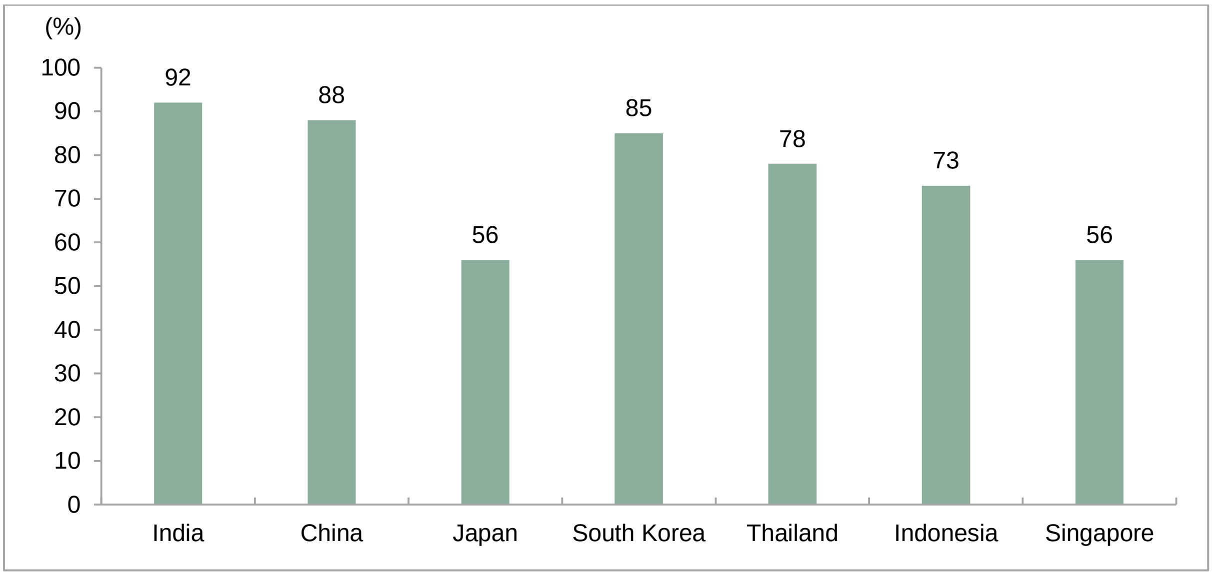
Increasing per-capita GDP is expected to fuel growth in the life insurance industry. The prevailing low insurance density and penetration in India is expected to support strong growth in the life insurance sector. *(Source: CRISIL Report)*

Protection gap

Protection gap is the difference between the insurance that is economically beneficial and the amount of insurance actually purchased. The protection gap for India stood at US$8.5 trillion as of 2014, which was significantly higher than that of other Asian countries. According to a Swiss Re report (Swiss Re Institute, "Mortality Protection Gap – Asia Pacific 2015"), the protection gap for India was the highest, at 92%, amongst all the countries in Asia Pacific. This means that for every US$100 of insurance protection requirement, only US$8 was actually insured as of 2014. This indicates the absence or inadequacy of pure protection coverage (term insurance) for a large part of the population. Furthermore, due to the higher share of savings products compared to pure-protection products in insurance premium, CRISIL Research believes that pure-protection products account for a much lower share of insurance premium in India than in other developing markets. Because the penetration of retail products in India remains low, financiers continue to aggressively focus on retail credit, the growth of which is expected to support insurance offtake in India. *(Source: CRISIL Report)*

The following tables set out the protection gap for Asian countries for the periods indicated.

Protection gap for different countries as of 2014



Source: Swiss Re Institute, "Mortality Protection Gap Asia-Pacific 2015"

Household savings, financial savings and investment in life insurance

Along with India's expected GDP growth at a CAGR of 10% from 2017 to 2022 and expected per capita GDP growth for at a CAGR of 8.7% from 2017 to 2022, control over inflation is expected to be another key structural positive for the Indian economy. CPI inflation averaged 6% in Fiscal 2015 and dropped to 5% in each of Fiscal 2016 and Fiscal 2017, and is expected to remain stable at approximately the same levels in Fiscal 2018. Over the long term, the Reserve Bank of India (the "**RBI**") is committed to keeping inflation low. Lower inflation gives an impetus to overall savings, as people have the ability to save more. *(Source: CRISIL Report)*

With rising income and inflation under control, the household savings rate, which is household savings as a percentage of GDP, is expected to gradually increase. Increased financial savings, coupled with the expected increase in the share of insurance as a percentage of financial savings due to a significant improvement in product proposition and delivery mechanisms, are expected to drive growth for the life insurance sector. *(Source: CRISIL Report)*

The share of life insurance products as a proportion of total financial savings in India is expected to increase, supported by:

- the increasing use of life insurance products as part of long-term investment plans;
- an increasingly diverse market of life insurance products offered by private sector life insurance companies that cater to individuals with a range of risk appetites;
- improving economic fundamentals such as GDP improving per capita income ;and
- lower inflation leading to an increase in financial savings. *(Source: CRISIL Report)*

Historical Development of the Indian Life Insurance Industry

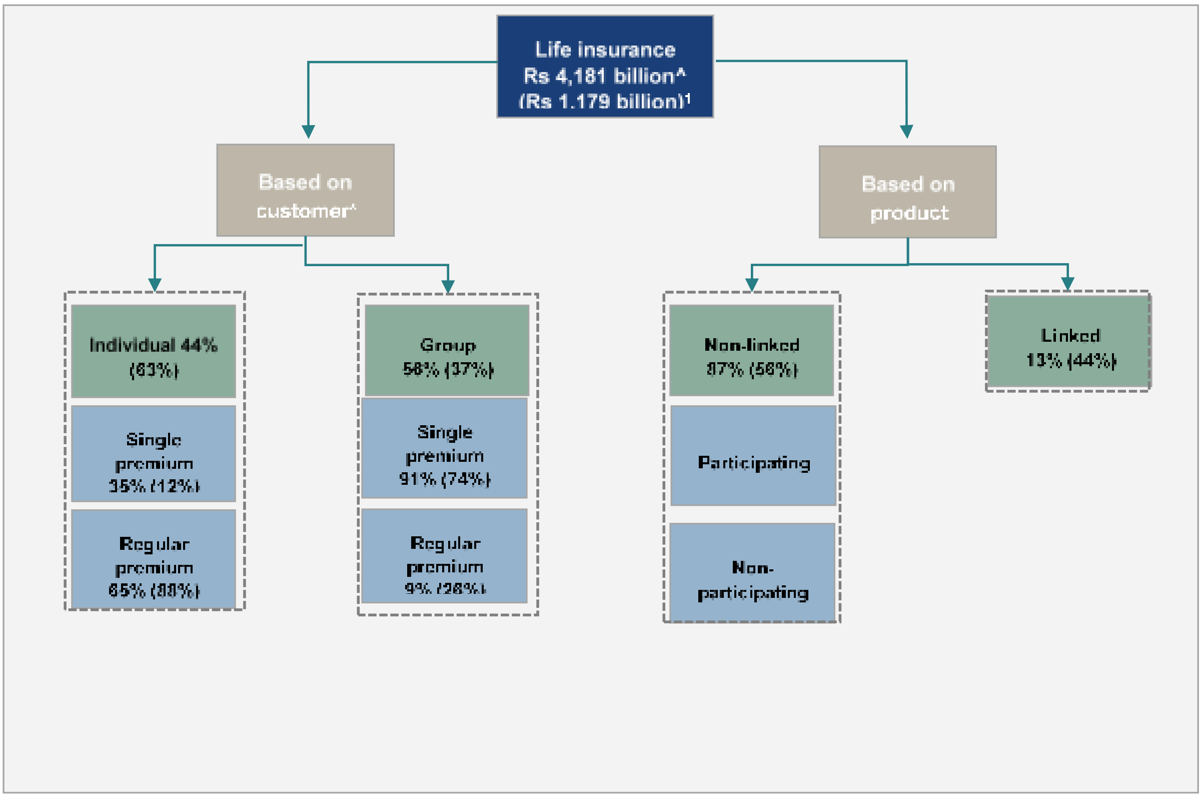
Prior to privatization of the industry in 2000, the Indian life insurance industry consisted of only one provider, Life Insurance Corporation ("**LIC**"). The Indian life insurance industry, which is regulated by the Insurance Regulatory and Development Authority of India (the "**IRDAI**"), an autonomous governmental body set up in in 1999 (received statutory status in April 2000), has gained considerable traction since the entry of private sector life insurance companies into the market in 2000. The number of life insurance companies increased from five companies in Fiscal 2001 to 24 companies in Fiscal 2018. LIC is the sole fully public-sector life insurance company that does not have any private sector ownership in India. *(Source: CRISIL Report)*

Types of Life Insurance Products

The life insurance sector in India can be classified on the basis of products and customer segments. Historically, life insurance products were savings-oriented, but after 2000 there was a shift from sales of largely tax savings-based participating products to sales of multiple products. *(Source: CRISIL Report)*

The following chart sets forth the types of life insurance products in the life insurance sector in India by product and customer types and as a percentage of total premium:

Types of life insurance products, by product and customer types



^ Classification based on total premium in fiscal 2017
[1] Numbers in brackets are for private players
** Classification based on new business premium in fiscal 2017*
Source: Insurance Regulatory and Development Authority of India (IRDAI), CRISIL Research

Non-linked products are traditional products with a protection and savings element built in or are pure-protection products. Non-linked savings products can be further divided into participating products and non-participating products. Participating products have variable returns, as they partake in the profits of the participating business of the relevant insurance company. Linked products' returns, on the other hand, are tied to the performance of the debt and equity markets and are also savings and protection products. *(Source: CRISIL Report)*

Life insurance products are available as either individual and group policies, and premium payments can be made at the outset as a one-time payment (called single premium) or on a regular basis. Individual business accounted for 47% of the total new business premium collected in Fiscal 2018. *(Source: CRISIL Report)*

Industry Outlook

CRISIL Research forecasts new business premium for life insurers to grow at a CAGR of 11% to 13% from Fiscal 2017 to Fiscal 2022, compared to the growth of 9% CAGR that was seen from Fiscal 2012 to Fiscal 2017, and total premium to grow at 13% to 15% CAGR from Fiscal 2017 to Fiscal 2022, from ₹4,181 billion in Fiscal 2017 to ₹7,900 to ₹8,100 billion in Fiscal 2022. The likely drivers of such growth are expected to be improving economic growth, low inflation and stable increase in financial savings, along with rising awareness of insurance products. *(Source: CRISIL Report)*

CRISIL Research forecasts that the following are expected to be key drivers of growth in the Indian life insurance industry.

Strong GDP growth and rising incomes

CRISIL Research forecasts India's GDP will grow, on a fiscal year basis, at 11.5% (in nominal terms) in Fiscal 2019, up from 10% in Fiscal 2018. There was a temporary disruption in the growth of India's GDP in Fiscal 2018 due to the implementation of the Goods and Services Tax and weak agricultural growth. However, lower interest rates and inflation are expected to boost consumption. According to IMF forecasts, India's GDP is expected to grow at a CAGR of approximately 10% from 2017 to 2022. Faster GDP growth is expected to translate into rising incomes, which in turn is favorable for growth in the life insurance industry. *(Source: CRISIL Report)*

Insurance penetration and density

Insurance penetration and density in India remains low compared with other developed and emerging market economies and, according to CRISIL Research, there is significant untapped potential in the Indian life insurance market. Increasing per-capita GDP is expected to fuel growth in the life insurance industry. The prevailing low insurance density and penetration in India is expected to support strong growth in the life insurance sector. *(Source: CRISIL Report)*

Increasing household and financial savings

India's CPI is expected to remain stable at approximately 5% in Fiscal 2018 and, over the long term, the RBI is committed to keeping inflation low. Lower inflation gives an impetus to overall savings, as people have the ability to save more. *(Source: CRISIL Report)*

With rising incomes and inflation under control, the household savings rate in India is expected to increase, and the share of life insurance products as a proportion of total financial savings is also expected to increase, supported by, among other things, the increasing use of life insurance products as part of long-term investment plans and an increasingly diverse market of life insurance products catering to individuals with a range of risk appetites. *(Source: CRISIL Report)*

Increasing insurable population

Currently, India is one of the nations with the highest youth population, with a median age of 28 years. 90% of Indians will still be below the age of 60 years old by 2020, with 63% expected to be between the age of 15 to 59 years old in 2020. Comparatively, the United States, China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60 years old as of 2012. The number of individuals at the age of 25 to 49 years old (the target population for the life insurance industry) is increasing in India. A large share of the working population, coupled with rapid urbanization and rising affluence, is expected to propel Indian life insurance sector growth. *(Source: CRISIL Report)*

Rise in urbanization

India has a very low urbanization rate compared with its Asian peers, including China, Japan and Thailand. India's urban population rose steadily from 28.8% of its total population in 2004 to an estimated 33.5% of its total population in 2017. CRISIL Research expects India's urban population to grow at CAGR of 2.0% to 2.5% between 2017 and 2022, compared with an overall population growth of 1.2%. The increase in urbanization will also contribute to growth in per capita GDP. Additionally, increasing urbanization will enhance financial literacy among consumers, thereby supporting the growth of the life insurance industry. *(Source: CRISIL Report)*

Increasing demand from urban and semi-urban, rural areas

The demand for financial products has already been gaining momentum beyond the top metro cities in India. The increasing use of such organized channels by consumers for financial products provides opportunities for life insurance companies to cross-sell their products. Further, the increasing knowledge about financial instruments, generally, is expected to aid growth for the life insurance sector in urban and semi-urban and rural areas. Life insurance companies with strong bancassurance networks in the urban and semi-urban, and rural regions will likely have an advantage over its competitors. *(Source: CRISIL Report)*

Digitization

Internet penetration has grown significantly in India; even in rural areas of India, internet penetration has increased from 12.89% in March 2015 to 15.49% in March 2017. With increasing internet penetration, the use of digital media to conduct financial transactions has substantially increased. The increasing use of online platforms has also led to increasing amounts of financial and related information shared voluntarily by consumers. Therefore, the life insurance companies are also developing various tools to leverage the use of such data, with the intent of using such data to help them to target their intended prospective customers. Further, by analysing the customer data, the life insurance companies try to target products to customers. After selling policies, the life insurance companies also undertake predictive analysis to identify the probability of a customer renewing the policy. The effective use of technology will not only aid life insurance companies to identify target customers, it will also help them retain customers. *(Source: CRISIL Report)*

Improving persistency

From Fiscal 2011 to Fiscal 2014, all private sector life insurance companies suffered from high policy surrender ratios. Lower persistency ratios therefore impacted the growth in renewal premium during that period for private sector life insurance companies. Improvements in persistency ratio are expected to aid renewal premium growth along with anticipated strong growth in new business premium growth. *(Source: CRISIL Report)*

Rising need for pension funds

A CRISIL Research study on pensions[1] indicates that the number of people in India over 60 years old will triple from 112 million in 2014 to 300 million by 2050. In the absence of a social security safety net, most people over 60 years old will be financially insecure. And, if such a large number of senior citizens have no pension income by 2030, the Indian government will need to bear the fiscal burden of providing at least minimum sustenance. Estimates by CRISIL Research indicate that the fiscal burden of providing such support would be very high, at an estimated 3.4% to 4.1% of GDP by 2030. *(Source: CRISIL Report)*

Consolidation in the banking industry

The Indian banking system can be divided into three major scheduled commercial bank groups (excluding regional rural banks): public sector banks, private sector banks and foreign banks. The 21 public sector banks contribute approximately 69% of the credit while 22 private sector banks contribute 27% of credit, while the remainder is contributed by 43 foreign banks. The fragmentation in the system could pose some challenges for the growing Indian economy. As Indian companies increase their scale and start entering various global markets the demand for credit will increase. Coupled with the RBI rules and regulations, which limit the exposure that a bank may have to a particular company or corporate group, will mean banks will be required to be bigger in size to cater to such increasing demands. In addition, a large bank may be less risky and have lower earnings volatility compared to a smaller bank, as large banks enjoy economies of scale and likely have a more diversified portfolio, potentially resulting in better credit ratings and lower cost of funds. These factors all contribute to increasing likelihood of consolidation in the banking system in India. Such consolidation would lead to a decreasing number of financial institutions, through which many of the private sector life insurance companies currently distribute their products. *(Source: CRISIL Report)*

Strong bancassurance networks and gaining market share

In Fiscal 2018, the top 10 private sector life insurance companies, ranked based on new business premium earned in that respective year, constituted approximately 85% market share (on a new business premium basis) of the private sector life insurance market. CRISIL Research expects that private sector life insurance companies with strong bancassurance networks will continue to gain market share in the Indian life insurance sector and outperform other insurance companies. *(Source: CRISIL Report)*

Movement in Industry Parameters

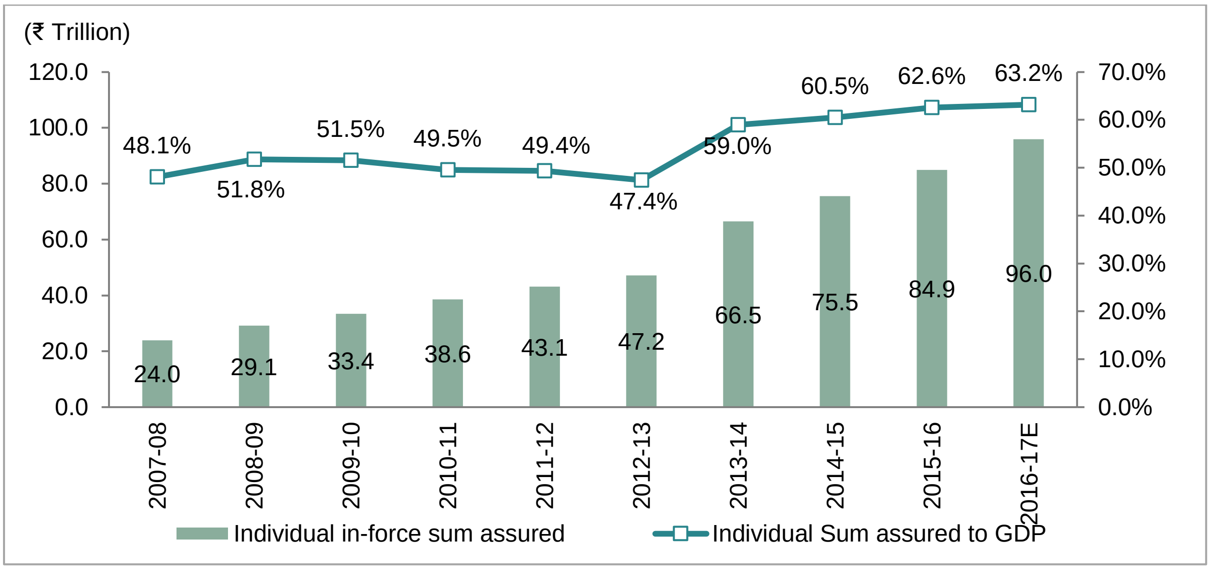
Increased life insurance coverage

The total sum assured, which is the absolute amount of benefit guaranteed to become payable on death of the policyholder or upon maturity of the policy (in accordance with the terms and conditions of the policy), under the individual life insurance business in India was ₹96 trillion as of Fiscal 2017. The sum assured for individual insurance in India is estimated to have increased at a CAGR of 16% from Fiscal 2011 to Fiscal 2017. As of Fiscal 2017, the total number of individual policies in force was 322 million and the total number of individual new

[1] CRISIL Limited, *When India ages, whither pension for all?* (January 2015)

policies issued was 26 million. In Fiscal 2018, 28 million individual new policies were issued. The number of lives covered under group schemes has grown at a CAGR of 25% from Fiscal 2007 to Fiscal 2017, reaching 180 million as of March 31, 2017. For private sector insurance companies, the number of lives covered under group policies grew at a CAGR of 36% from Fiscal 2007 to Fiscal 2017, relatively higher than the CAGR of 25% for the industry overall during the same period. *(Source: CRISIL Report)*

Trend in individual in-force sum assured



Source: IRDAI, Life Insurance Council, CRISIL Research estimates

Growth of average premium

The average premium (new business premium/total policies) for the Indian life insurance industry increased at a CAGR of 8% from Fiscal 2007 to Fiscal 2017, with the growth of private sector life insurance companies slightly higher at 9% CAGR during the same period. *(Source: CRISIL Report)*

Growth in new business premium

The life insurance industry saw an overall revival, on an new business premium basis, in Fiscal 2016. From Fiscal 2011 to Fiscal 2014, the new business premium of private sector life insurance companies declined at a CAGR of 9%, which was a greater decline than that of the industry overall, which fell at a CAGR of only 2%. However, the beginnings of recovery for private sector life insurance companies were visible in Fiscal 2015, as both new business premium and renewal premium grew approximately 18% and 12% year-on-year, respectively, and total new business premium for the industry overall grew at a CAGR of 13.5% from Fiscal 2014 to Fiscal 2017. In Fiscal 2018, the industry overall grew by approximately 11% year-on-year on a total new business premium basis, while the private sector life insurance companies grew by approximately 17% year-on-year. In Fiscal 2018, the industry overall grew by approximately 19% year-on-year on an individual new business premium basis, while the private sector life insurance companies grew by approximately 26% year-on-year. *(Source: CRISIL Report)*

Shift in distribution channels

Since the IRDAI permitted sale of insurance products through bancassurance channels, private sector life insurance companies have leveraged bancassurance channels to market their products. This gradually led to an increase in the share of bancassurance and a decline in the share of individual agents in the distribution of individual life insurance products. The share of bancassurance increased from 6% in Fiscal 2007 to 24% in Fiscal 2017 in the individual life insurance product business, driven by private sector life insurance companies. For private sector life insurance companies, new business from bancassurance channels increased from 16.6% in Fiscal 2007 to 53.9% in Fiscal 2017. The share of new business premium from individual agents for the industry decreased from 90.5% to 68.9% during the same period. *(Source: CRISIL Report)*

Decline in commission expense ratio

The commission expense ratio on a total premium basis has declined considerably for the industry overall, due to the drop in commissions on linked products following the 2010 enactment of IRDAI regulations capping product charges. *(Source: CRISIL Report)*

Decline in operating expense ratio

Prior to 2010, private sector life insurance companies had a high operating expense ratio due to high infrastructure costs associated with expanding their geographic reach, and the ratio remained high despite increasing total premium from Fiscal 2007 to Fiscal 2010. After 2010, private sector life insurance companies consolidated and began focusing on cost efficiencies; however, their operating expense ratio improved only marginally due to the general slowdown in premium growth from Fiscal 2010 to Fiscal 2014. Operating expense during the period declined at a CAGR of 5% for private sector life insurance companies. Total premium also declined by a CAGR of 1%. After Fiscal 2014, the operating expense ratio improved as total premium grew at a CAGR of approximately 14% while operating expense increased at the lower rate of approximately 8% CAGR. *(Source: CRISIL Report)*

SUMMARY OF BUSINESS

*The following information should be read together with the information contained in the sections titled "**Risk Factors**", "**Industry Overview**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Statements**" on pages 19, 111, 314 and 245, respectively. Unless otherwise stated or required by context, the financial information used in this section is derived from the Restated Financial Statements.*

Overview

We were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018, according to CRISIL (CRISIL Research, "Analysis of Life Insurance Industry in India", July 10, 2018). From Fiscal 2017 to Fiscal 2018, our total new business premium increased at a compounded annual growth rate of 24.23%, compared to the total new business premium for the Indian life insurance sector increasing at a compounded annual growth rate of 10.77% (Source: CRISIL). Our history and relationships with MetLife and PNB have enabled us to become a strong, professionally managed company with the capabilities necessary to take advantage of significant opportunities in the fast growing Indian life insurance market. We have a pan-India, multi-channel distribution network and a comprehensive product portfolio and provide an end-to-end customer-centric service experience. We believe this positions us well to access a broad Indian customer base and address the diverse and evolving needs of Indian customers. We seek to leverage our capabilities through our scalable platform to generate profitable growth, particularly in underpenetrated segments of India's life insurance market. The Indian life insurance market is the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premium in Fiscal 2017, according to Swiss Re Institute, sigma No 3/2017. Total new business premium in the Indian life insurance market grew at a compounded annual growth rate of 19.66% between Fiscal 2015 and Fiscal 2018 and 10.77% from Fiscal 2017 to Fiscal 2018 (Source: CRISIL). However, India continues to be an underpenetrated insurance market with a life insurance penetration of only 2.7% in Fiscal 2016, compared to a global average of 3.5% (Source: CRISIL). In addition, the protection gap in India, which is the difference between the insurance protection cover required and the cover actually insured in a particular period, is amongst the highest globally at US$8.5 trillion in 2014 (Source: CRISIL).

In Fiscal 2018, we had the fourth highest individual product mix based on total new business premium in India (Source: CRISIL). Our individual new business premium accounted for 92.12%, 89.74% and 87.90% of our total new business premium in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Our individual new business premium increased at a compounded annual growth rate of 20.25% from Fiscal 2015 through Fiscal 2018. In Fiscal 2018, our embedded value growth was 17.5%, our operating return on embedded value was 16.1% and our value of new business margin was 17.1%. Our profit before tax was ₹677.11 million, ₹1,034.22 million and ₹1,416.92 million in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

Our distribution network consists of our bancassurance, direct sales, agency and other distribution channels, through which we generated 65.02%, 27.53%, 4.80% and 2.65% of our total new business premium, respectively, and 64.59%, 29.48%, 5.43% and 0.51% of our individual new business premium, respectively, in Fiscal 2018. Our product portfolio covers three principal customer needs – savings, protection and pension, which in Fiscal 2018 accounted for 82.10%, 14.89% and 3.01% of our total new business premium, respectively, and 93.41%, 4.09% and 2.51% of our individual new business premium, respectively.

As of the date of this Draft Red Herring Prospectus, our two Promoters, MIHL and PNB, hold 26% and 30% of our Equity Shares, respectively. MetLife, including its subsidiaries and affiliates, is a leading global insurance company with a presence in more than 40 countries. MIHL, a subsidiary of MetLife, has been our shareholder since August 2001. PNB is the second largest bank in India based on total branches as of December 31, 2017 (Source: CRISIL). PNB has been our distribution partner since October 2011 and our shareholder since January 2013.

Our Competitive Strengths

We expect the following competitive strengths will enable us to continue growing our business while delivering value to our shareholders:

- Our pan-India, multi-channel distribution network positions us to access a demographically and geographically broad customer base across India.

- Our comprehensive product portfolio addresses the diverse and evolving needs of Indian customers, and is complemented by an end-to-end customer-centric service experience.

- Our scalable platform positions us for profitable growth.

- Our experienced management team.

Pan-India multi-channel distribution network with strong bancassurance partners

We have established a pan-India, multi-channel distribution network that includes productive bancassurance relationships with our bancassurance partners, as well as strong direct sales and agency channels that we actively manage through a consolidated operating model. Our pan-India distribution presence enables us to access a geographically and demographically broad Indian customer base, including a wide set of under-penetrated customer segments. Our distribution network allows us to have a balanced geographic business mix. In Fiscal 2018, we generated 42.47%, 39.30% and 18.23% of our individual new business premium from metro, urban and semi-urban, and rural geographies in India, respectively

Bancassurance. As of December 31, 2017, we had the second largest bancassurance platform in India based on number of scheduled bank branches across India (Source: CRISIL). Our key bancassurance partners include PNB, the second largest bank in India based on total branches as of December 31, 2017 (Source: CRISIL), as well as Jammu and Kashmir Bank Limited ("**JKB**") and Karnataka Bank Limited ("**KBL**"), which together with our other bancassurance partners, provided us access to 11,239 branches as of December 31, 2017.

- *PNB.* PNB is our largest bancassurance partner with 7,059 bank branches located across India and more than 100 million banking customers as of December 31, 2017. PNB has been exclusively distributing our life insurance products since October 2011. As of December 31, 2017, 18.8% of PNB's branches were located in metro areas, 44.8% were located in urban and semi-urban areas and 36.4% were located in rural areas, providing us access to a large number of India's geographic market segments (Source: CRISIL). In Fiscal 2018, 36.11%, 42.96% and 20.93% of our individual new business premium generated through PNB were from branches located in metro, urban and semi-urban and rural geographies, respectively. From Fiscal 2015 through Fiscal 2018, the total new business premium and individual new business premium that we generated through PNB grew at a compounded annual growth rates of 30.80% and 27.32%, respectively. We generated a total new business premium of ₹7,530.76 million and individual new business premium of ₹6,636.47 million through PNB in Fiscal 2018.

- *Other key bancassurance partnerships.* In addition to PNB, we also have other bancassurance partnerships, which include JKB and KBL, both of which have been our partners for more than 14 years each. These other relationships complement the PNB branch network. JKB has 940 bank branches as of December 31, 2017 (Source: CRISIL). JKB had a 44.1% share of all bank branches in Jammu and Kashmir state, which is highest among all banks in that state as of December 31, 2017 (Source: CRISIL). As of the date of this Draft Red Herring Prospectus, JKB holds 5.08% of our equity shares and exclusively distributes our life insurance products. KBL had 806 bank branches as of December 31, 2017. We benefit from the strong market position of KBL in South India (Source: CRISIL). We also have relationships with five Regional Rural Banks ("**RRBs**"), which are sponsored by PNB. We have also partnered with American Express Banking Corporation since July 2012 to distribute our life insurance products.

Direct sales and agency. We also have direct sales and agency sales channels that complement our bancassurance channel by allowing us to target more affluent metro, and urban and semi-urban customers through a sales process adapted to their needs.

- *Direct sales*. As of March 31, 2018, our direct sales channel included 4,048 insurance managers, who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks. As of March 31, 2018, we also had 225 loyalty managers who focus on servicing existing policies and cross selling products to our existing customers with the support of our lead management systems. Our insurance managers are generally located across urban areas and are present in 92 cities in India. In contrast, our loyalty managers focus on 18 key Indian cities and have a strong presence in metro areas. From Fiscal 2015 through Fiscal 2018, total new business premium and individual new business premium that we generated through our direct sales channel grew at a compounded annual growth rate of 18.53% and 25.72%, respectively. We generated 31.16%, 29.03% and 27.53% of our total new business premium and 31.84%, 30.29% and 29.48% of our individual new business premium through our direct sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

- *Agency*. Our agency sales channel comprises 6,452 exclusive agents as of March 31, 2018. These exclusive agents are not our employees but have contracts in place with us to sell only our life insurance products. We compensate our agents based on their performance. We seek to ensure that our agents provide quality services to our customers and source business efficiently. As of March 31, 2018, our agency force is present in 92 cities. We generated 9.30%, 5.65% and 4.80% of our total new business premium and 10.04%, 6.27% and 5.43% of our individual new business premium through our agency sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

We employ a consolidated operating model with a common group of sales managers to manage our insurance managers, loyalty managers and our exclusive agents in order to increase sales productivity and efficiency. We had an average of 890 sales managers dedicated to this operating model for Fiscal 2018. Our sales manager productivity, which we measure as total new business premium divided by the average number of sales managers for the period, increased from ₹1.79 million in Fiscal 2015 to ₹4.74 million in Fiscal 2018.

For reporting purposes, our direct sales channel also includes our website, through which we sell individual life insurance products. In addition, we have direct agreements with 627 corporate groups to provide them with group life insurance products to meet their employee benefit needs. In Fiscal 2018, direct sales of group life insurance products, which are primarily protection products, constituted 1.62% of our total new business premium.

Comprehensive product portfolio addressing the diverse and evolving needs of Indian customers and end-to-end customer-centric service experience

Comprehensive product portfolio. We have developed a comprehensive product portfolio that addresses the diverse and evolving needs of the various customer segments that we access through our pan-India multi-channel distribution network. Our product portfolio is focused on providing protection, savings and pension products that cater to customers' needs through various stages of their lives. We complement our broad product offering with an end-to-end customer-centric service experience. The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, is aimed at creating a longer-term value proposition for our customers. We are able to offer this proposition across our various market segments.

Within each product category, we target our products at attractive customer segments that we can effectively and efficiently access through each of our distribution channels. We offer savings products to a wide range of customers to fulfil their needs across different life-stages. We offer protection products, such as credit life, individual term and health insurance products, to bancassurance customers; individual term and health insurance products to our direct sales and agency sales channel customers; and group term products to our corporate customers. There is a growing need for protection products across various customer segments in India. Our targeted approach enables us to capture a greater portion of this attractive market segment. Consequently, we have consistently written a high proportion of protection products, which accounted for 17.14%, 15.75% and 14.89% of our total new business premium in each of Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. As of March 31, 2018, we offer 9 protection products, and believe we are well positioned to continue to focus on products that meet India's growing protection needs.

Similarly, our unit-linked segments cater to the specific customer needs of the more affluent metro and urban customers that we are able to access through our distribution network. In metro areas, our unit-linked segments accounted for 25.57% of our individual new business premium in Fiscal 2018, as compared to 15.10% in urban and semi-urban areas and 16.73% in rural areas, respectively.

End-to-end customer-centric service experience: We complement our product portfolio with an end-to-end customer-centric service experience enhanced by digitization and technology and support processes. We have an integrated approach to on-boarding customers through simplified underwriting and "straight-through processing" of customer proposal forms, which does not involve any manual underwriting. Once an application is logged in, it is processed through an automated underwriting engine. One of our key initiatives has been to streamline our pre-sales and sales processes through "e-branch", our digital platform officially launched in 2016. Our e-branch platform aims to provide a seamless, user-friendly customer experience from the prospective customer stage to policy issuance. It also helps us enhance our customer relationships and improve customer retention through customer interaction histories, calendars that manage customer engagement, analytics for customer funnel analysis, which analyzes the on-boarding process at various stages to target prospective customers, and alerts and notifications on various customer life events, policy anniversaries, birthdays and appointments. We have also created an online portal that provides customers access to their policy and fund information and allows them to pay their premium through their internet banking platform. We also have our Met Care Kit, which has the aim of simplifying the claims process by providing the customer with a comprehensive list of documents and forms required for processing a claim.

The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, has been a key contributor to improvements in our persistency ratios. Our 13th month persistency ratio has improved from 67.99% in Fiscal 2016 to 71.78% in Fiscal 2017 and 77.03% in Fiscal 2018. We expect that our product portfolio and our customer services will continue to drive improvements in our persistency ratios over the longer-term, including for subsequent premium.

Scalable platform, well-positioned for profitable growth

We have undertaken a series of initiatives involving both targeted investment and cost reduction measures in order to create an efficient, scalable platform that positions our business for profitable growth. Our initiatives have focused on investing in processes, technology, training and people to achieve higher revenue growth with limited additional net investment.

In relation to our bancassurance distribution network, we have invested in technologies such as sales force automation tools and our e-branch platform, which are intended to integrate seamlessly with the systems and processes of PNB to improve productivity and realize scale in our business. Our investment in this technology supports deployment across additional PNB branches, as well as deployment in other bancassurance partners. We have also successfully implemented digitization of our training content on PNB's internal portal, including our life insurance training program. This investment in training facilitates growth of the number of PNB bank sales persons, who are PNB employees qualified to sell our products in PNB's branch network, which will also increase sales productivity.

We manage our bancassurance channel through our bancassurance relationship managers. We increased the number of our PNB bancassurance relationship managers from an average of 1,708 in Fiscal 2015 to an average of 2,350 in Fiscal 2018, while the number of PNB's sales persons licensed to sell our products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018. The productivity of this structure, which we measure as our total new business premium divided by the average number of PNB bancassurance relationship managers for the period, increased from ₹1.97 million per annum in Fiscal 2015 to ₹3.20 million per annum in Fiscal 2018. Given the scalability of our existing network of relationship managers, we have the capacity to efficiently support and manage additional increases in the number of PNB qualified bank sales persons, allowing greater penetration of our PNB bancassurance channel.

The consolidated operating model for the management of our direct sales and agency sales channels is designed to efficiently scale our business. Our sales manager productivity, which we measure as total new business premium divided by average number of sales managers for the year, increased at a compounded annual growth rate of 38.25% from ₹1.79 million in Fiscal 2015 to ₹4.74 million in Fiscal 2018.

We have also made other investments in information technology to develop a resilient information technology architecture, which can support significant additional business without additional investment. In particular, we have invested in digitization across our business to improve productivity by reducing turnaround times, simplifying processes and reducing our dependence on paperwork and physical infrastructure. We have also made investments that improve our ability to use and process internal and external data effectively and have created an enterprise data warehouse in order to improve the overall quality of our data.

We have also undertaken other initiatives focused on reducing costs and exercised strong control over expense in order to support profitable growth over the longer-term. In particular, we have undertaken a number of cost control measures, including reducing the number of our Company branches from 161 as of March 31, 2014 to 110 as of March 31, 2018, reducing the number of our administrative and management employees in our consolidated operating model from 77 as of March 31, 2015 to 50 as of March 31, 2018 and reducing the number of our sales managers from 1,868 as of March 31, 2015 to 836 as of March 31, 2018.

As a result of our initiatives, we have improved our operating expense ratio from 24.53% in Fiscal 2015 to 20.61% in Fiscal 2018, while growing total new business premium at a compounded annual rate of 19.85% during the same period. Similarly, we grew our individual new business premium at a compounded annual growth rate of 20.25% between Fiscal 2015 and Fiscal 2018, while our expenses have increased by only 10.52% during the same period. Our operating return on embedded value has increased from 14.0% for the 12 month period ended

September 30, 2017, as reported by the Company, to 16.1% for Fiscal 2018, as reported in the Embedded Value Report included in this Draft Red Herring Prospectus. Our value of new business margin increased from 16.1% for the 12 month period ended September 30, 2017, as reported by the Company, to 17.1% in Fiscal 2018, as reported in the Embedded Value Report included in this Draft Red Herring Prospectus.

As our pan-India multi-channel distribution network and our comprehensive product portfolio enable us to drive further revenue growth, we expect that the scalability of our platform will enable us to reduce our operating expense ratio and continue to improve our profitability.

Experienced management team

Our experienced senior management team has in-depth industry knowledge and experience across each key functional area within our business. As of March 31, 2018, our Key Managerial Personnel had an average of approximately 20 years of experience. We have continually augmented our management team to bring new perspectives to our business. Our approach has enabled us to successfully implement the initiatives across our business that have increased our operational efficiencies, improved our financial performance and now position us to deliver profitable growth. We believe that our management team’s vision and experience will enable us to capitalize on our strengths and implement our strategies in order to take advantage of significant opportunities in the fast growing Indian life insurance market.

Our Strategies

Our strategy is to leverage our competitive strengths to continue to grow our business while delivering value to our shareholders. We will seek to achieve this by:

- Increasing the activation of the PNB branch network and deepening our penetration of the PNB customer base.
- Growing and diversifying our multi-channel distribution footprint to strengthen our position in various geographies and customer segments.
- Deliver products aligned to the diverse needs of Indian customers supported by an end-to-end customer-centric service experience.
- Driving profitability by leveraging scale and increasing persistency.
- Utilizing information technology and implementing digitization to drive efficiencies.

Increase the activation of the PNB branch network and deepening our penetration of the PNB customer base

We intend to realize further potential in the PNB distribution network by increasing activation in the PNB branch network and deepening our penetration of the PNB customer base of activated branches. Activation occurs when a PNB branch sells at least one of our products in each month of a given period. We will continue to actively collaborate with PNB through a steering committee in order to identify high potential branches for activation, and pursue branch activation in phases based on our assessment of the relative potential of each branch. Once a branch has been identified, we are able to leverage our technology to provide the necessary training to PNB employees to enable them to obtain the license necessary to sell our products and the skills required to do so effectively. We are also able to deploy our e-branch technology in the branch to augment productivity. For Fiscal 2017 and for Fiscal 2018, our PNB branch activation was 34% and 38%, respectively, of all PNB branches. Consequently, our continued activation of PNB branches is expected to enable us to accelerate growth through the PNB distribution network.

More broadly, we intend to leverage our investments in our relationship with PNB to deepen our overall penetration of the PNB customer base across its branch network. Our strategy focuses on people, training, technology and products.

People: The number of PNB employees that are qualified to sell our insurance products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018. We intend to continue to increase the number of qualified PNB bank sales persons through training and licensing to more fully penetrate the PNB customer base. As the number of PNB bank sales persons grows, we expect we will be able to leverage our existing bancassurance relationship managers to drive productivity with limited incremental cost.

Training: We will also continue to focus on training in order to drive the productivity of the PNB branch network. In particular, we are undertaking training initiatives to enable PNB to more effectively identify sales opportunities and sales training to enable its employees to better market, cross-sell and up-sell our products. In addition, we have digitized our training content on PNB's internal portal, which has helped facilitate the increase in the number of bank sales persons who are qualified to sell our products in PNB's branch network.

Technology: We will continue to adapt and deploy technologies, such as sales force automation tools and our e-branch platform, that integrate with the systems and processes of PNB in order to deepen our penetration of the PNB customer base, increase the productivity of its sales force and enhance the PNB customer experience. As of March 31, 2018, 75% of new business sourced through PNB was through our e-branch platform.

Products: The PNB branch network provides us access to India's geographic market segments. We will continually develop and adapt our products to complement PNB's products and address the diverse and evolving needs of its customers with, for example, products such as credit life insurance products.

Grow and diversify our multi-channel distribution network to strengthen our position in various geographies and customer segments

We intend to grow and diversify our distribution network to expand our geographic and customer reach in order to generate new business, consistent with our profitability objectives. We plan to achieve this by strengthening our other existing bancassurance partner relationships and entering into new bancassurance partnerships and other relationships, as well as enhancing our direct sales and agency capabilities.

Strengthen other key bancassurance partnerships: We intend to strengthen our key bancassurance partnerships with JKB, which has a dominant market position in the state of Jammu and Kashmir and KBL, which has a strong market position in South India (Source: CRISIL). We will strengthen these relationships by leveraging the expertise and technology we have developed to increase the number of employees at JKB and KBL that are qualified to sell our insurance products, enhance productivity, integrate processes and enhance customer experience, while offering complementary products appropriate for their respective customer bases.

New bancassurance partnerships and other relationships: We will also continue to explore new bancassurance partnerships that provide us access to attractive geographies and customer segments and enable us to leverage our existing expertise and technology. In July 2017, we entered into a memorandum of understanding with India Post Payments Bank Limited ("**IPPB**") to provide group term life insurance cover to the account holders of IPPB pursuant to *Pradhan Mantri Jeevan Jyoti Beema Yojna*, a government-designed life insurance scheme in India, which was launched under the Government of India ("**GoI**") initiative to offer affordable protection to the mass segment of the Indian population. This relationship represents a significant opportunity for future cooperation with IPPB to offer our insurance products across India. In addition, we also recently entered into a distribution arrangement with Bank of Bahrain & Kuwait ("**BBK**") for distribution of our products to their customers through BBK's branches in India. We have also entered into insurance brokering arrangements with Marsh India Insurance Brokers Private Limited, a global insurance broker, and Coretree Insurance Brokers (India) Private Limited, an insurance broker, to sell our life insurance products. In addition, we are currently in advanced stages of executing a distribution agreement with a financial services company. We will continue to look for similar opportunities while we seek to develop these new relationships.

Focus on key markets for direct sales and agency distribution: We intend to leverage our consolidated operating model to further deepen our penetration in key metro areas and cities in which our insurance managers, loyalty managers and individual agents have a strong presence. Our consolidated operating model enables us to attract insurance managers, loyalty managers and exclusive agents, while enabling us to actively manage productivity through our existing network of sales managers.

Deliver products aligned to customer needs supported by an end-to-end customer-centric service experience

Our product strategy is to deliver products that are aligned to the needs of the Indian customer base in each of our distribution channels and across different geographic market segments. As we implement our strategies to access and penetrate attractive customer segments through our distribution network, we will continue to align our products by developing needs-based solutions supported by research across different life stages. We will implement our product strategy to create a longer-term value proposition for our customers and deliver profitable growth.

We will focus on catering to opportunities in the protection segment in India by providing differentiated products based on the customer segments we access through our different distribution channels:

- *Bancassurance:* We will focus on protection products that are complementary to our bancassurance partners' products and services.
- *Direct and agency:* We will focus on higher cover term plans and critical illness health cover that cater to more affluent metro and urban and semi-urban-based customers.
- *Online:* We will continue to offer innovative protection products with tailor-made options, such as life-stage based cover, child education support, joint life protection and whole life coverage.
- *Group:* We have a profitable and large group term life portfolio based on agreements we have with 627 corporate groups to provide them with group life insurance products, which are primarily protection products, to meet their employee benefit needs. We will selectively pursue additional agreements with quality corporate groups with the aim of achieving profitable growth.

In addition, we will continue to offer savings products across the unit-linked and non-unit-linked categories, based on the needs of our various customer segments and geographic market segments that we access through our distribution network.

Drive profitability by leveraging scale and improving persistency

We are focused on continually improving our financial results and delivering shareholder value by leveraging our scale and improving our persistency, which is the proportion of customers who continue to maintain their policies with us over certain defined periods as measured in terms of premium. A key aspect of our competitive strengths is the scalability of our platform and our strategy is aimed at enabling us to achieve the benefits of scale in order to drive profitability. In particular, the consolidated operating model we have implemented for our direct sales and agency channels, as well as our management structure for our bancassurance channel, enable us to increase the number of insurance managers, loyalty managers, individual agents and qualified bank sales persons across our key distribution channels to drive revenue growth with limited incremental investment. We plan to continue to improve efficiencies in customer on-boarding through process re-engineering and automation, including by increasing sales through our e-branch platform, auto-issuance of policies, risk-based underwriting and tele-medicals. Additionally, our investment in technologies enables us to continue to activate additional PNB branches efficiently, as well as deploy similar technology at our other bancassurance partners to realize scale in our business. As we realize the benefits of increased scale, we intend to continually calibrate our organizational structure and cost base in order to deliver profitable growth.

We also intend to achieve improvements in persistency by enhancing an end-to-end customer-centric service experience across the entire customer life cycle. In particular, we plan to drive persistency through targeted customer communications and by focusing on customer engagement and retention levels. We plan to increase customer engagement by increasing our responsiveness to them and through the use of a portal for accessing policy information and managing policies, a dedicated toll-free helpline for customers and services through short message service ("**SMS**"), and by providing multiple payment options to our customers, while increasing the use of auto-debit payments. In addition, we intend to increase the utilization of self-service transactions, which was 27% in Fiscal 2018, by managing the number of self-service options available to our customers, as well as of our customer engagement calendar to regularly reach out to our existing customers. In addition, increasing customer contactability, which we measure as the number of customers we were able to contact relative to the number of customers to whom we have sold our products for a given period, is a key factor in our ability to increase customer engagement with larger numbers of customers. In Fiscal 2018, our customer contactability was 94%. We also plan to continue to use analytics to improve our customer service and increase our renewal premium. For example, we have built propensity models that give lead indicators into customer preferences and segment the "insurability" of customers, which has helped to improve our customer engagement model and increase the productivity of our distribution and retention teams. In addition, we have increased the weight of subsequent premium persistency in our performance evaluation criteria of our management team and sales employees for incentives and career progression. With these initiatives, we aim to improve the satisfaction of our customers, the quality of our business and our persistency.

Utilize information technology and implement digitization to drive efficiencies

We have invested in advanced technologies to develop a flexible information technology architecture, which can accommodate significant increases in business. Our service-oriented technology architecture helps us interact with our customers, bancassurance partners, agents, employees and other intermediaries. These capabilities will become increasingly important as new technologies within our industry evolve and traditional ways of selling insurance and servicing customers evolve. We expect that our information technology systems and our commitment to continue to improve and utilize new technologies will be an important driver to achieving our targeted performance goals. Our information technology strategy is structured around three key concepts: "Data", "Digitize" and "Disrupt".

- *Data:* One of our key strategies is to improve our ability to process and leverage our data effectively in order to generate meaningful and actionable insights, such as predicting the behaviour of our existing and prospective customer base and segmenting our customers and business. We will continue to use data analytics to develop strategies to improve our persistency rates, reduce policy surrenders, help mitigate frauds and manage mortality experience. We will also continue to leverage our data analytics capabilities to improve the productivity and efficiency of our business operations.

- *Digitize:* We will continue to invest in digitization across our business to improve operational efficiencies, productivity and the scalability of our operations on a selective basis. These efforts are aimed at helping us to improve our sales productivity, operations and servicing through improved turnaround times, streamline processes and reduce our dependence on paperwork and physical infrastructure, as well as improve our end-to-end customer-centric service experience.

- *Disrupt:* Participants in the Indian life insurance industry are increasingly looking to increase sales and increase operational efficiencies (Source: CRISIL). We aim to develop disruptive technology to differentiate our business from our competitors. In 2016, we partnered with MetLife's innovation center for Asia, LumenLab, to launch conVRse, a service application that provides a differentiated, immersive and personalized experience to customers through a virtual reality platform. We are currently piloting Khushi, a virtual assistant based on an artificial intelligence framework that can chat with an existing or prospective customer and help respond to queries related to their policies.

We plan to accelerate our digitization efforts and will explore innovative digital platforms, as well as utilizing artificial intelligence, machine learning, blockchain technology, robotic process automation, chatbot platforms and natural language processing**.**

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

*The Restated Financial Statements have been prepared in accordance with the Insurance Act, the IRDAI Act, the IRDAI Issuance of Capital Regulations, the Companies Act, 2013 and the IRDAI Preparation of Financial Statements Regulations and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the ICAI, together with the schedules, notes and annexures thereto and included under "**Financial Statements**" on page 245. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on page 314.*

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Restated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
SOURCES OF FUNDS:					
SHAREHOLDERS' FUNDS					
Share capital	20,128.84	20,128.84	20,128.84	20,128.84	20,128.84
Reserves and surplus	-	-	-	-	-
Credit/(Debit) Fair value change account	(0.13)	2.87	-	-	-
Total shareholders' funds	**20,128.71**	**20,131.71**	**20,128.84**	**20,128.84**	**20,128.84**
Borrowings	105.20	170.63	217.72	-	-
POLICYHOLDERS' FUNDS					
Credit/(Debit) Fair value change account	37.80	25.17	-	-	-
Policy liabilities	99,172.41	74,887.02	56,862.66	44,844.93	36,615.20
Insurance reserves	-	-	-	-	-
Provision for linked liabilities -Non unit	394.03	424.14	368.35	362.53	240.82
Provision for linked liabilities - Unit	57,092.71	61,802.49	61,580.97	68,307.02	62,854.98
Total policyholders' funds	**156,696.95**	**137,138.82**	**118,811.98**	**113,514.48**	**99,711.00**
Funds for discontinued policies					
- Discontinued on account of non- payment of premium	5,749.23	5,924.86	5,242.32	4,729.15	2,468.00
Funds for future appropriations	1,790.88	1,522.73	1,659.16	1,336.74	427.12
TOTAL	**184,470.97**	**164,888.75**	**146,060.02**	**139,709.21**	**122,734.96**
APPLICATION OF FUNDS:					
Investments					
Shareholders'	10,532.43	7,032.83	6,499.13	5,983.84	5,652.17
Policyholders'	99,038.81	76,830.41	61,431.43	48,342.03	38,316.93
Assets held to cover linked liabilities	62,841.94	67,727.35	66,823.30	73,036.16	65,322.96
Loans	368.47	288.38	242.76	191.98	158.70
Fixed assets	795.05	716.56	726.98	456.75	206.04
Current assets					
Cash and bank balances	2,898.19	2,625.06	2,224.87	1,715.34	2,143.44
Advances and other assets	8,242.22	6,669.00	3,684.81	3,270.34	2,879.58
Total Current assets (A)	**11,140.41**	**9,294.06**	**5,909.68**	**4,985.68**	**5,023.02**
Less :					
Current liabilities	9,361.35	7,562.18	7,186.04	5,590.63	4,888.72
Provisions	261.26	232.05	214.83	201.32	186.04
Total Current Liabilities and Provisions (B)	**9,622.61**	**7,794.23**	**7,400.87**	**5,791.95**	**5,074.76**
Net current assets (C) = (A)-(B)	**1,517.80**	**1,499.83**	**(1,491.19)**	**(806.27)**	**(51.74)**
Miscellaneous expenditure (to the extent not written off or adjusted)	-	-	-	-	-
Debit balance in Profit and Loss Account (Shareholders' Account) (Refer: Note 3.21 of Annexure V)	9,376.47	10,793.39	11,827.61	12,504.72	13,129.90
TOTAL	**184,470.97**	**164,888.75**	**146,060.02**	**139,709.21**	**122,734.96**

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

Restated Summary of Revenue Account (Policyholders' Account/Technical Account)

(₹ in million)

Particulars	For the year ended				
	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Premiums earned - net					
(a) Premium	39,535.11	32,360.80	28,278.34	24,611.86	22,405.87
(b) Reinsurance ceded	(929.96)	(971.74)	(1,006.07)	(956.41)	(653.30)
(c) Reinsurance accepted	-	-	-	-	-
	38,605.15	**31,389.06**	**27,272.27**	**23,655.45**	**21,752.57**
Income from Investments					
(a) Interest, dividends and rent - net of accretion / amortisation of discount / premium	9,580.87	8,108.62	7,193.39	6,261.58	5,172.47
(b) Profit on sale/redemption of investments	7,582.88	5,675.41	4,613.28	7,270.22	6,355.28
(c) (Loss) on sale/ redemption of investments	(815.77)	(513.22)	(1,034.18)	(414.72)	(4,800.43)
(d) Transfer /gain on revaluation/change in fair value *	(2,871.67)	1,935.28	(7,945.45)	6,685.14	4,651.99
Other Income					
(a) Interest on policy loans	34.36	28.76	22.52	19.55	16.13
(b) Miscellaneous income	185.43	143.68	106.14	119.28	93.40
Contribution from the Shareholders' Account	484.31	691.84	262.83	242.73	537.07
Total (A)	**52,785.56**	**47,459.43**	**30,490.80**	**43,839.23**	**33,778.48**
Commission	2,154.76	1,796.52	1,614.63	1,384.32	1,267.67
Operating expenses related to Insurance business	8,148.39	7,466.34	7,493.31	6,036.50	5,419.97
Service tax /Goods and Services tax on charges	385.92	358.46	355.68	326.78	-
Provision for doubtful debts	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Provision for Income Tax (Refer: Note 3.9 of Annexure V)	-	-	-	-	-
Provisions (other than taxation)	-	-	-	-	-
(a) For diminution in the value of investments (Net)	-	-	-	-	-
(b) Advances & Recoveries	(4.69)	48.46	80.46	20.48	29.45
Total (B)	**10,684.38**	**9,669.78**	**9,544.08**	**7,768.08**	**6,717.09**
Benefits paid (net)	21,084.35	17,690.83	14,307.36	18,682.54	16,081.52
Interim & Other bonuses paid	25.93	16.81	9.50	5.75	1.17
Change in valuation of liability in respect of life policies					
(a) Gross**	21,758.56	20,253.40	6,004.80	16,352.24	9,170.48
(b) Amount ceded in reinsurance	(2,388.69)	(1,269.19)	(194.13)	(287.61)	(167.55)
(c) Amount accepted in reinsurance	-	-	-	-	-
Total (C)	**40,480.15**	**36,691.85**	**20,127.53**	**34,752.92**	**25,085.62**
Surplus/(Deficit) (D) = (A) - (B) - (C)	**1,621.03**	**1,097.80**	**819.19**	**1,318.23**	**1,975.77**
Appropriations					
Transfer to Shareholders' account	1,352.88	1,234.24	496.77	408.61	1,837.23
Transfer to other reserves	-	-	-	-	-
Balance being Funds for future appropriations	268.15	(136.44)	322.42	909.62	138.54
Surplus/(Deficit) after appropriation	-	-	-	-	-
Total (D)	**1,621.03**	**1,097.80**	**819.19**	**1,318.23**	**1,975.77**
Details of Total Surplus/(Deficit)					
(a) Interim bonuses paid	25.93	16.81	9.50	5.75	1.17
(b) Allocation of bonus to policyholders'	2,128.33	1,321.95	838.11	584.51	354.18
(c) Surplus shown in the Revenue Account	1,621.03	1,097.80	819.19	1,318.23	1,975.77
Total Surplus/(Deficit)	**3,775.29**	**2,436.56**	**1,666.80**	**1,908.49**	**2,331.12**

* Represents the deemed realised gain as per norms specified by the authority

** Represents mathematical reserves after allocation of bonus.

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

As required by Section 40B (4) of the Insurance Act,1938, we certify that all expenses of management in respect of life insurance business transacted by the Company in India have been fully debited to the Revenue Account as expenses.

Restated Summary of Statement of Profit and Loss Account (Shareholders' Account / Non-Technical Account)

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Amount transferred from the Policyholders' Account (Technical Account)	1,352.88	1,234.24	496.77	408.61	1,837.23
Income from Investments					
(a) Interest, dividends and rent - net of accretion/ amortisation of discount/ premium)	645.98	566.90	528.09	494.17	456.87
(b) Profit on sale/redemption of investments	-	-	0.16	0.01	6.49
(c) Loss on sale/redemption of investments	-	-	-	-	(0.25)
Total	**645.98**	**566.90**	**528.25**	**494.18**	**463.11**
Other income	-	-	-	-	-
Total Income (A)	**1,998.86**	**1,801.14**	**1,025.02**	**902.79**	**2,300.34**
Expenses other than those directly related to the insurance business	97.63	75.08	61.39	34.88	6.11
Bad debts written off	-	-	-	-	-
Transfer to Policyholders' fund	-	-	-	-	-
Provisions (other than taxation)	-	-	-	-	-
(a) For diminution in the value of investments	-	-	-	-	-
(b) Provision for doubtful debts	-	-	-	-	-
(c) Others (Refer: Note 3.23 of Annexure V)	-	-	23.69	-	7.32
Contribution to Policyholder's Account	484.31	691.84	262.83	242.73	537.07
Total (B)	**581.94**	**766.92**	**347.91**	**277.61**	**550.50**
Profit / (Loss) before tax	**1,416.92**	**1,034.22**	**677.11**	**625.18**	**1,749.84**
Provision for taxation (Refer: Note 3.9 of Annexure V)	-	-	-	-	-
Profit / (Loss) after tax	**1,416.92**	**1,034.22**	**677.11**	**625.18**	**1,749.84**
Appropriations					
(a) Balance at beginning of the year	(10,793.39)	(11,827.61)	(12,504.72)	(13,129.90)	(14,879.74)
(b) Interim dividends paid during the year	-	-	-	-	-
(c) Proposed final dividend	-	-	-	-	-
(d) Dividend distribution tax	-	-	-	-	-
Profit / (Loss) carried forward to balance sheet	**(9,376.47)**	**(10,793.39)**	**(11,827.61)**	**(12,504.72)**	**(13,129.90)**
Earning / (Loss) Per Share (Basic)	**0.70**	**0.51**	**0.34**	**0.31**	**0.87**
Earning / (Loss) Per Share (Diluted)	**0.70**	**0.51**	**0.34**	**0.31**	**0.87**

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

Restated Summary Statement of Receipts and Payments Account

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Cash Flows from the Operating Activities:					
Premium received from policyholders, including advance receipts	40,150.44	33,678.69	28,887.34	25,535.50	22,675.83
Other receipts	219.65	196.09	127.72	119.18	93.69
Payments to the re-insurers, net of commissions and claims/ benefits	(122.82)	(162.21)	(261.37)	(137.67)	(170.41)
Payments of claims/benefits	(21,427.90)	(18,624.14)	(14,035.61)	(19,066.49)	(16,134.38)
Payments of commission and brokerage	(2,088.73)	(1,753.27)	(1,573.44)	(1,386.60)	(1,262.78)
Payments of other operating expenses	(7,917.52)	(9,767.25)	(7,336.53)	(6,500.67)	(5,685.06)
Preliminary and pre-operative expenses	-	-	-	-	-
Deposits, advances and staff loans	(49.35)	(25.93)	(49.53)	(7.05)	(11.47)
Income taxes paid (Net)	-	-	-	-	-
Service tax/Goods Services Tax paid	(1,282.79)	(1,232.23)	(793.02)	(750.50)	(733.24)
Other payments	-	-	-	-	-
Cash flows before extraordinary items	7,480.98	2,309.75	4,965.56	(2,194.30)	(1,227.82)
Cash flow from extraordinary operations	-	-	-	-	-
Net cash flow from operating activities (A)	**7,480.98**	**2,309.75**	**4,965.56**	**(2,194.30)**	**(1,227.82)**
Cash flows from Investing Activities:					
Purchase of fixed assets	(247.80)	(199.84)	(237.97)	(208.52)	(415.49)
Proceeds from sale of fixed assets	2.02	22.54	4.67	6.47	72.10
Purchase of Investements	(77,008.19)	(68,208.91)	(63,320.06)	(66,616.21)	(995,857.93)
Loans disbursed	(85.13)	(45.87)	(53.11)	(13.74)	(6.98)
Loans against policies	-	-	-	-	-
Sales/ Maturity of investments	59,334.52	53,625.20	57,037.47	65,040.58	992,323.17
Repayments received	-	-	-	-	-
Rents/Interests/ Dividends received	9,460.81	8,024.84	7,297.67	6,511.30	5,260.42
Investments in money market instruments and in liquid mutual funds (Net)	1,335.92	4,872.48	(5,184.70)	(2,953.68)	-
Expenses related to investments	-	-	-	-	-
Net cash flow from investing activities (B)	**(7,207.85)**	**(1,909.56)**	**(4,456.03)**	**1,766.20**	**1,375.29**
Cash flows from Financing Activities:					
Proceeds from issuance of share capital	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Repayments of borrowing	-	-	-	-	(13.23)
Interest/dividends paid	-	-	-	-	-
Net cash flow from financing activities (C)	**-**	**-**	**-**	**-**	**(13.23)**
Effect of foreign exchange rates on cash and cash equivalents, net	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents: (A+B+C)	**273.13**	**400.19**	**509.53**	**(428.10)**	**134.24**
Cash and cash equivalents at the beginning of the year	**2,625.06**	**2,224.87**	**1,715.34**	**2,143.44**	**2,009.20**
Cash and cash equivalents at the end of the year	**2,898.19**	**2,625.06**	**2,224.87**	**1,715.34**	**2,143.44**

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares[(1)]	**Up to 495,898,076 Equity Shares aggregating to ₹ [●] million**
The Offer consists of:	
Offer for Sale by PNB[(2)]	Up to 80,495,242 Equity Shares aggregating to ₹ [●] million
Offer for Sale by MIHL[(2)]	Up to 129,036,281 Equity Shares aggregating to ₹ [●] million
Offer for Sale by MPCL[(2)]	Up to 107,611,370 Equity Shares aggregating to ₹ [●] million
Offer for Sale by EIL [(2)]	Up to 76,659,064 Equity Shares aggregating to ₹ [●] million
Offer for Sale by IGE[(2)]	Up to 19,164,766 Equity Shares aggregating to ₹ [●] million
Offer for Sale by JKB[(2)]	Up to 76,641,892 Equity Shares aggregating to ₹ [●] million
Offer for Sale by Manimaya [(2)]	Up to 6,289,461 Equity Shares aggregating to ₹ [●] million
Of which:	
A. QIB Category[(3)]	Not more than 247,949,037 Equity Shares
Of which:	
(i) Anchor Investor Portion[(4)]	Up to 148,769,422 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	99,179,615 Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)	4,958,981 Equity Shares
Balance of QIB Category for all QIBs including Mutual Funds (excluding the Anchor Investor Portion)	94,220,634 Equity Shares
B. Non-Institutional Category[(3)]	Not less than 74,384,712 Equity Shares
C. Retail Category[(3)]	Not less than 173,564,327 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to and after the Offer	2,012,884,283 Equity Shares

(1) *The Offer has been authorised by our Board pursuant to its resolution dated October 10, 2017 and June 14, 2018.*

(2) *The Selling Shareholders have specifically confirmed and authorized their respective participation in the Offer for Sale, pursuant to their consent letters, dated July 26, 2018. The Equity Shares to be offered by each Selling Shareholders in the Offer have been held by it for a period of at least one year prior to the date of this Draft Red Herring Prospectus and are eligible for being offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details, see "**Other Regulatory and Statutory Disclosures**" on page 403.*

(3) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our IPO Committee, in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Bidders bidding at a price within the Price Band can pay the Bid Amount, at the time of making a Bid. Further, in terms of the Listed Indian Insurance Companies Guidelines, no person shall be Allotted Equity Shares representing 1% or more and less than 5% of the post-Offer paid up equity capital of our Company without satisfying the 'fit and proper' criteria set out by our Company, through a self-certification process. In addition, no person shall be Allotted Equity Shares representing 5% or more of the post-Offer paid up equity capital of our Company, unless prior approval of the IRDAI has been obtained by the Bidder in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder, in the event the total post-Offer paid up capital held by such Bidder is likely to exceed 5% of the paid up capital of our Company after the Allotment without such approval. For further details, see "**Key Regulations and Policies in India**", "**Offer Procedure - Bids by Bidders for 1% or more and less than 5% of the post-Offer paid up equity share capital of our Company**" and "**Offer Structure**" on pages 178, 431 and 420, respectively. The Offer shall constitute at least 10% of the fully diluted post-Offer paid up equity share capital of our Company. In the event of under-subscription in the Offer and in compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Offer from the valid Bids. For further details, see "**Offer Structure**" on page 420.*

(4) *Our IPO Committee may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added back to the QIB Category. For further details, see the "**Offer Procedure**" on page 430.*

Notes:

1. Allocation to all categories, except Anchor Investors, if any, and Retail Individual Investors, shall be made on a proportionate basis. The allocation to each Retail Individual Investor shall not be less than the

minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "***Offer Procedure***" on page 430.

For details, including in relation to grounds for rejection of Bids, refer to "***Offer Structure***" and "***Offer Procedure***" on page 420 and 430, respectively. For details of the terms of the Offer, see "***Terms of the Offer***" on page 426.

GENERAL INFORMATION

Our Company was incorporated on April 11, 2001 at Bengaluru, Karnataka as MetLife India Insurance Company Private Limited, as a private limited company under the Companies Act, 1956. Further, our Company obtained the certificate of registration from the IRDAI to undertake life insurance business on August 6, 2001. Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders vide a special resolution dated December 4, 2007, the name of our Company was changed to MetLife India Insurance Company Limited and a fresh certificate of incorporation was issued by the RoC on January 9, 2008. Subsequently, PNB became a shareholder of our Company and the name of our Company was changed to its present name as approved by our Shareholders pursuant to a special resolution dated January 16, 2013 and a fresh certificate of incorporation was issued by the RoC on January 22, 2013. For details of the changes in name and registered office of our Company, see "***History and Certain Corporate Matters***" beginning on page 193.

For the details of the business of our Company, see "***Business***" beginning on page 140.

Corporate Identity Number: U66010KA2001PLC028883

Company Registration Number: 028883

Registration Number with the IRDAI: 117, dated August 6, 2001

Registered Office

PNB MetLife India Insurance Company Limited
Unit No. 701, 702 & 703
Raheja Towers, West Wing
Municipal No. 26/27, M. G. Road
Bengaluru 560 001
Karnataka, India
Tel: (+91) 80 6600 6969
Fax: (+91) 80 2558 5815
Email: investor@pnbmetlife.com
Website: www.pnbmetlife.com

Corporate Office
PNB MetLife India Insurance Company Limited
1st Floor, Techniplex -1, Techniplex Complex
Off Veer Savarkar Flyover
Goregaon (West), Mumbai 400 062
Maharashtra, India
Tel: (+91) 22 4179 0000
Fax: (+91) 22 4179 0203

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Karnataka at Bengaluru, located at the following address:

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sadan
Kormangala, Bengaluru
Karnataka, India

Board of Directors

The following table sets out the details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

Name and Designation	DIN	Address
Mr. Lyndon Emanuel Oliver	07561067	5, Timothy Wy, Avon, CT 06001, USA

Name and Designation	DIN	Address
Designation: Chairman and Non-Executive Director; Board Chairperson		
Mr. Ashish Kumar Srivastava *Designation*: Managing Director and Chief Executive Officer	00355075	Flat 802, Tower 4, The Close (N), Nirvana Country, Gurgaon 122 018, Haryana, India
Mr. Bharat Raj Kannan *Designation*: Non-Executive Director	07893143	1-4-6-202 Kanda Sarugakolho, Atlas Chiyoda, Tokyo, Japan 1010064
Mr. Sunil Mehta *Designation*: Non-Executive Director	07430460	6, Himmat Nagar, Tonk Road, Jaipur 302 018, Rajasthan, India
Mr. Lingam Venkata Prabhakar *Designation*: Non-Executive Director	08110715	A-265, Ganpat Andalkar Block, Asiad Village Complex
Mr. Pheroze Kersasp Mistry *Designation*: Non-Executive Director	00344590	901, Bakhtavar, Shahid Bhagat Singh Road, Colaba, Mumbai 400 005, Maharashtra, India
Mr. Surbhit Dabriwala *Designation*: Non-Executive Director	00083077	41/1, Jhowtolla Road, Ballygange, Kolkata 700 019, West Bengal, India
Mr. Erach Kotwal *Designation*: Non-Executive Director	07617479	18-B, IL-Palazzo, Little Gibbs Road, Mumbai 400 006, Maharashtra, India
Ms. Anisha Motwani *Designation*: Independent Director	06943493	Block no. 8, House No. 24, South Patel Nagar, Delhi 110 008, India
Dr. Archana Niranjan Hingorani *Designation*: Independent Director	00028037	10, Jeevan Dhara, Dr. Ambedkar Road, Bandra West, Mumbai 400 050, Maharashtra, India
Mr. Neeraj Swaroop *Designation*: Independent Director	00061170	1202 Somerset CHSL, Central Avenue, Near D mart, Hiranandani Gardens, Powai, Mumbai 400 076, Maharashtra, India
Mr. Sunil Gulati *Designation*: Independent Director	00016990	703 Sterling Sea Face, Dr AB Road, Worli, Mumbai 400018
Mr. Nitin Chopra *Designation*: Independent Director	0213333	C 94, The Summit, DLF Phase 5, Sector 54, Gurgaon 122 011, Haryana, India
Ms. Sonu Bhasin *Designation*: Independent Director	02872234	Block no. 7, Flat no. 8, Brady Flats, Sorab Bharucha Road, Colaba, Mumbai, 400 005, Maharashtra, India
Mr. Abhaya Prasad Hota *Designation*: Independent Director	02593219	Flat 62, Building a4, Maker Kundan Garden, Juhu Tara Road, Santacruz West, Mumbai 400 049, Maharashtra, India
Mr. Joginder Pal Dua *Designation*: Independent Director	02374358	1715, DLF Phase 4, Gurgaon 122 002, Haryana, India

For brief profiles and further details in respect of our Directors, see "***Management***" beginning on page 202.

Chief Financial Officer

Mr. Niraj Ashwin Shah
PNB MetLife India Insurance Company Limited
202, 2nd Floor, Peninsula Tower, A Wing
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: (+91) 22 6663 0900
Fax: (+91) 22 2490 3134
E-mail: niraj.a.shah@pnbmetlife.com

Company Secretary and Compliance Officer

Ms. Yagya Turker
PNB MetLife India Insurance Company Limited
1st Floor, Techniplex - 1, Techniplex Complex
Off Veer Savarkar Flyover
Goregaon (West), Mumbai 400 062
Maharashtra, India
Tel: (+91) 22 4179 0000
Fax: (+91) 22 4179 0203
E-mail: investor@pnbmetlife.com

Investors can contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode etc.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Investor, Bid cum Application Form number, Investor's DP ID, Client ID, PAN, address of Investor, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Investor shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Investor, Bid cum Application Form number, Investors' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Investor, number of Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: (+91) 22 4336 0000
Fax: (+91) 22 6713 2445
E-mail: pnbmetlife.ipo@kotak.com
Investor Grievance E-mail: kmccredressal
@kotak.com

DSP Merrill Lynch Limited
Ground Floor, A Wing, One BKC
G Block, Bandra Kurla Complex,
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: (+91) 22 6632 8000
Fax: (+91) 22 6776 2343
E-mail:dg.pnbmetlife_ipo@baml.com
Investor Grievance E-mail:
dg.india_merchantbanking@baml.com

Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Website: www.ml-india.com
Contact Person: Radha Chakka
SEBI Registration No.: INM000011625

Citigroup Global Markets India Private Limited
1202, 12th Floor First International Financial Center,
G-Block C54 & 55
Bandra Kurla Complex, Bandra (East)
Mumbai, 400 098
Tel: (+91) 22 6175 9999
Fax: (+91) 22 6175 9898
E-mail: pnb.metlife.ipo@citi.com
Investor Grievance E-mail:
investors.cgmib@citi.com
Website:www.online.citibank.co.in/rhtm/c
itigroupglobalscreen
Contact Person: Ashish Guneta
SEBI Registration No.: INM000010718

PNB Investment Services Limited*
PNB Pragati Towers, 2nd Floor
C-9, G Block, Bandra Kurla Complex
Bandra East
Mumbai 400 051
Tel: (+91) 22 2653 2745
Fax: (+91) 22 2653 2687
E-mail: pnbmetlife.ipo@pnbisl.com
Investor Grievance E-mail:
complaints@pnbisl.com
Website: www.pnbisl.com
Contact Person: Vinay Rane
SEBI Registration No.: INM000011617

* *In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with the proviso to Regulation 5(3) of the SEBI ICDR Regulations, PNB Investment Services Limited which is an 'associate' of PNB, in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, will be involved only in marketing of the Offer*.

Syndicate Members

[●]

Legal Counsel to the Company as to Indian law

Shardul Amarchand Mangaldas & Co
24th Floor, Express Towers
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: (+91) 22 4933 5555
Fax: (+91) 22 4933 5550

Legal Counsel to the Company as to International law

Ashurst LLP
12 Marina Boulevard
#24-01 Marina Bay Financial Centre
Tower 3
Singapore 018982
Tel: (+65) 6221 2214
Fax: (+65) 6221 5484

Legal Counsel to the Book Running Lead Managers as to Indian law

Trilegal
Peninsula Corporate Park
17th Floor, Tower B,
Ganpatrao Kadam Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: (+91) 22 4079 1000

Legal Counsel to the Book Running Lead Managers as to International law

Clifford Chance Pte. Ltd.
12 Marina Boulevard, 25th Floor

Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (+65) 6410 2200
Fax: (+65) 6410 2288

Legal Counsel to the Selling Shareholders

Legal Counsel to PNB as to Indian Law

Cyril Amarchand Mangaldas
4th Floor, Prius Platinum
D-3, District Centre, Saket
New Delhi 110 017, India
Tel: (+91) 11 6622 9000
Fax: (+91) 11 6622 9009

Legal Counsel to MIHL

Tatva Legal New Delhi
D-106, Drona Marg
Defence Colony
New Delhi 110 024, India
Tel: (+91) 11 4350 6700

Legal Counsel to MPCL

AZB & Partners
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013, Maharashtra, India
Tel: (+91) 22 6639 6880
Fax: (+91) 22 6639 6888

Legal Counsel to EIL and IGE

Khaitan & Co.
Simal, 2nd Floor
7/1 Ulsoor Road
Bengaluru 560 042
Karnataka, India
Tel: (+91) 80 4339 7000
Fax: (+91) 80 2559 7452

Legal Counsel to JKB

Dua Associates, Advocates & Solicitors
704-705, Global Business Park
Tower-'B', Mehrauli-Gurgaon Road
Gurgaon 122 002, Haryana, India
Tel: (+91) 124 2803 366-7
Fax: (+91) 124 2803 370

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: (+91) 22 4918 6200
Fax: (+91) 22 4918 6195
E-mail: pnbmetlife.ipo@linkintime.co.in

Investor Grievance Email: pnbmetlife.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Escrow Collection Bank(s)

[●]

Refund Bank

[●]

Public Account Offer Bank

[●]

Self Certified Syndicate Banks and Syndicate SCSB Branches

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which an Investor (other than an Anchor Investor), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 on the SEBI website, or at such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Investors can submit Bid cum ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at https://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=8 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar and Share Transfer Agents and Collecting Depository Participants

The list of the CRTAs and the CDPs eligible to accept ASBA Forms at the Collection Centres, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=8 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Joint Statutory Auditors of our Company

K. S. Aiyar & Co.
F-7, Laxmi Mills
Shakti Mills Lane, Off Dr. E Moses Road
Mahalaxmi, Mumbai 400 011
Maharashtra, India
Tel: (+91) 22 2493 2502/ 6655 1770
Fax: (+91) 22 6655 1774
E-mail: mail@ksaiyar.com
ICAI Registration Number: 100186W
Peer Review Number: 008941[1]

Thakur, Vaidyanath Aiyar & Co.
221-223, Deen Dayal Marg

New Delhi 110 002, India
Tel: (+91) 11 2323 7772
Fax: (+91) 11 2323 0831
E-mail: kngelma@tva.co.in
ICAI Registration Number: 000038N
Peer Review Number: 009219[2]

[1] *K. S. Aiyar & Co. by a certificate dated July 26, 2018 have confirmed that they hold a valid peer review certificate dated May 4, 2016 issued by the Peer Review Board of ICAI, New Delhi.*

[2] *Thakur, Vaidyanath Aiyar & Co., by a certificate dated July 26, 2018 have confirmed that they hold a valid peer review certificate dated June 30, 2016 issued by the Peer Review Board of ICAI, New Delhi.*

Bankers to our Company

Punjab National Bank
Tropical Building, Connaught Place
New Delhi 110 001, India
Tel: (+91) 11 2332 4019
Fax: (+91) 11 2332 4019
E-mail: bo0133@pnb.co.in
Website: www.pnbindia.in
Contact Person: Sanjeev Kumar Srivastava

Citibank N.A.
FIFC, 14th Floor, C-54 & C-55
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051, India
Tel: (+91) 22 6175 5205
Fax: (+91) 22 2653 5872
E-mail: lokesh.saraswat@citi.com
Website: www.online.citibank.co.in
Contact Person: Lokesh Saraswat

HDFC Bank Limited
B-6/3, Safdarjung Enclave
DDA commercial complex
Opposite Deer Park
New Delhi 110 029, India
Tel: (+91) 11 4139 2243
Fax: (+91) 11 4165 2283
E-mail: anchal.garg@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Anchal Garg

Appraising Entity

The Offer being an offer for sale, the objects of the Offer have not been appraised.

Monitoring Agency

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

Expert

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received consent from the Joint Statutory Auditors, K. S. Aiyar & Co. and Thakur, Vaidyanath Aiyar & Co., to include their names in this Draft Red Herring Prospectus as required as an "expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 to the extent and in their capacity as the joint statutory auditors of our Company and in respect of their examination reports on the Restated Financial Statements, dated July 12, 2018, and for the Statement of Tax Benefits, dated July 12, 2018 included in this Draft

Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act, the Joint Statutory Auditors have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Joint Statutory Auditors have given consent to be referred to as “experts” in this Draft Red Herring Prospectus in accordance with the requirements of the Companies Act, 2013. The term “experts" as used in this Draft Red Herring Prospectus is different from those defined under the U.S. Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to Joint Statutory Auditors as experts in this Draft Red Herring Prospectus is not made in the context of the U.S. Securities Act but solely in the context of this initial public offering in India.

Our Company has obtained the Embedded Value Report from an Independent Actuary, Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, in accordance with the IRDAI Issuance of Capital Regulations. Our Company has received written consent dated July 26, 2018 from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, to include his name in this Draft Red Herring Prospectus and to be named as an “expert” as defined under the Companies Act, 2013 in respect of the Embedded Value Report, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. For further details, see “***Embedded Value Report***” on page 342.

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The responsibilities and coordination by the Book Running Lead Managers for various activities in the Offer are as follows:

S. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Offer, etc.	Managers*	Kotak
2.	Due diligence of the Company’s operations/ management/ business plans/ legal, etc. Drafting and design of offer documents. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, Registrar of Companies and SEBI including finalisation of the Prospectus and filing with the RoC.	Managers*	Kotak
3.	Drafting and approval of statutory advertisements	Managers*	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	Managers*	BAML
5.	Appointment of Registrar, bankers to the Offer, printers, advertising agency, any other intermediary.	Managers*	Citi
6.	International institutional marketing of the Offer, which will cover, inter alia, • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules	Managers*	BAML
7.	Domestic institutional marketing of the Offer, which will cover, inter alia, • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules	Managers*	Kotak
8.	Non-Institutional marketing of the Offer, which will cover, inter alia, • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non-Institutional Investors	Managers*	Citi
9.	Retail marketing of the Offer, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget;	Managers	Kotak

S. No	Activity	Responsibility	Co-ordinator
	• Finalising media, marketing and public relations strategy including list of frequently asked questions at road shows; • Finalising centres for holding conferences for brokers, etc.; • Finalising collection centres and arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and offer material including form, Prospectus and deciding on the quantum of the offer material.		
10.	Preparation and finalisation of road show marketing presentation and FAQs	Managers*	Citi
11.	Finalising of Offer Price in consultation with the Company and the Selling Shareholder, and pricing and managing the book	Managers*	Citi
12.	Coordination with stock exchanges for book building software, bidding terminals and mock trading	Managers*	Citi
13.	Post bidding activities including management of Escrow Accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post Offer activities of the Offer will involve essential follow up steps, which include finalisation of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Offer, bankers to the Offer and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge the responsibility through suitable agreements with the Company. The post Offer BRLMs shall also coordinate the Anchor Offer and finalisation of underwriting agreement. Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer.	Managers*	BAML
14.	Payment of the applicable Securities Transaction Tax on sale of unlisted equity shares by the Selling Shareholders included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	Managers*	BAML

In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the ICDR Regulations, PNB Investment is involved, as a merchant banker, only in marketing of the Offer.
* *Excluding PNB Investment which is involved, as a merchant banker, only in the marketing of the Offer*

Credit Rating

As this is an offer for sale of equity shares, credit rating is not required.

IPO Grading

No credit rating agency registered with SEBI has been appointed in respect of obtaining grading of the Offer.

Trustees

As this is an offer for sale of equity shares, the appointment of trustees is not required.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band, which will be decided by our IPO Committee, in consultation with the Book Running Lead Managers and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Kannada national daily newspaper, Kannada being the regional language in the place where our Registered Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their website. The Offer Price shall be determined by our IPO Committee, in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis.

For further details on process of Bidding, see "***Offer Structure***" on page 420.

The Book Building Process and the Bidding process under the SEBI ICDR Regulations are subject to change from time to time. Investors are advised to make their own judgment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

For an illustration of the Book Building Process, please see "***Offer Procedure - Part B - Illustration of the Book Building and Price Discovery Process***" on page 441.

Offer Programme

For details on the Offer Programme, see "***Terms of the Offer***" on page 426.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the Book Running Lead Managers will be severally responsible for bringing in the amount devolved, in the event any of their respective Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

(₹ in million)

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalized after the pricing and actual allocation and subject to the provisions of Regulation 13(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our [IPO Committee/ Board of Directors], at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our IPO Committee intend to enter into an Underwriting Agreement with the Underwriters after the determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below.

	Particulars	Aggregate nominal value *(in ₹ except share data)*	Aggregate value at Offer Price *(in ₹)*
A)	**AUTHORIZED SHARE CAPITAL[(1)]**		
	3,000,000,000 Equity Shares	30,000,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	2,012,884,283 Equity Shares	20,128,842,830	-
C)	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS[(2)]**		
	Offer for Sale of up to 495,898,076 Equity Shares	4,958,980,760	[●]
D)	**OFFERED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	2,012,884,283 Equity Shares	20,128,842,830	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		Nil
	After the Offer		Nil

*(1) For details of the changes in the authorized share capital of our Company, see "**History and Certain Corporate Matters - Amendments to our Memorandum of Association**" on page 194.*

*(2) The Offer has been authorized by our Board pursuant to a resolution passed at its meeting held on October 10, 2017 and June 14, 2018. The Selling Shareholders have confirmed and authorized their respective participation in the Offer for Sale. For details see "**Other Regulatory and Statutory Disclosures**" on page 403. For further details regarding the Offer, see "**The Offer**" on page 68.*

Notes to Capital Structure

1. Share Capital History

(a) History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company.

Date of allotment	Number of equity shares	Face value (₹)	Offer price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
April 11, 2001	10,000	10	10	Cash	Subscription to the MoA[(1)]	10,000	100,000
August 2, 2001	100,090,000	10	10	Cash	Further issue[(2)]	100,100,000	1,001,000,000
September 22, 2001	9,890,000	10	10	Cash	Further issue[(3)]	109,990,000	1,099,900,000
November 9, 2001	10,000	10	10	Cash	Further issue[(4)]	110,000,000	1,100,000,000
November 28, 2003	50,000,000	10	10	Cash	Further issue[(5)]	160,000,000	1,600,000,000
March 9, 2005	75,000,000	10	10	Cash	Further issue[(6)]	235,000,000	2,350,000,000
August 21, 2006	120,000,000	10	10	Cash	Further issue[(7)]	355,000,000	3,550,000,000
March 30, 2007	175,000,000	10	10	Cash	Further issue[(8)]	530,000,000	5,300,000,000
January 3, 2008	231,081,081	10	10	Cash	Further issue[(9)]	761,081,081	7,610,810,810
June 27, 2008	118,918,919	10	10	Cash	Further issue[(10)]	880,000,000	8,800,000,000
January 5, 2009	700,000,000	10	10	Cash	Further issue[(11)]	1,580,000,000	15,800,000,000

Date of allotment	Number of equity shares	Face value (₹)	Offer price (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
December 15, 2009	194,785,439	10	10	Cash	Further issue[12]	1,774,785,439	17,747,854,390
October 28, 2010	194,785,439	10	10	Cash	Further issue[13]	1,969,570,878	19,695,708,780
January 16, 2013	43,313,405	10	10	Cash	Further issue[14]	2,012,884,283	20,128,842,830

(1) Subscription to 5,000 Equity Shares by Venkatesh Mysore and 5,000 Equity Shares by S. Raju, being the initial subscribers to the MoA.

*(2) Allotment of 34,100,000 Equity Shares to MPCL, 27,500,000 Equity Shares to JKB, 28,590,000 Equity Shares to MIHL, 5,500,000 Equity Shares to Indian Syntans Investment Private Limited, 2,200,000 Equity Shares to Better Deals Developers Private Limited (“**BDDPL**”) and 2,200,000 Equity Shares to EIL.*

*(3) Allotment of 9,890,000 Equity Shares to Chintalpati Holdings Private Limited (**“CHPL”**).*

(4) Allotment of 10,000 Equity Shares to MIHL

*(5) Allotment of 15,500,000 Equity Shares to MPCL, 12,500,000 Equity Shares to JKB, 13,000,000 Equity Shares to MIHL, 4,500,000 Equity Shares to CHPL, 1,000,000 Equity Shares to BDDPL and 3,500,000 Equity Shares to Faridabad Investments Company Limited (“**FICL**”).*

(6) Allotment of 23,250,000 Equity Shares to MPCL, 18,750,000 Equity Shares to JKB, 19,500,000 Equity Shares to MIHL, 6,750,000 Equity Shares to CHPL, 1,500,000 Equity Shares to Manimaya and 5,250,000 Equity Shares to EIL.

(7) Allotment of 24,000,000 Equity Shares to MPCL, 31,200,000 Equity Shares to MIHL, 19,812,000 Equity Shares to EIL, 4,188,000 Equity Shares to FICL, 10,800,000 Equity Shares to CHPL and 30,000,000 Equity Shares to JKB.

(8) Allotment of 35,000,000 Equity Shares to MPCL, 45,500,000 Equity Shares to MIHL, 2,310,000 Equity Shares to Manimaya, 32,690,000 Equity Shares to FICL, 15,750,000 Equity Shares to CHPL and 43,750,000 Equity Shares to JKB.

(9) Allotment of 46,216,216 Equity Shares to MPEL, 57,770,270 Equity Shares to JKB, 60,081,081 Equity Shares to MIHL, 20,797,297 Equity Shares to CHPL, 1,007,165 Equity Shares to Manimaya, 25,554,952 Equity Shares to EIL and 19,654,100 Equity Shares to FICL.

*(10) Allotment of 11,875,005 Equity Shares to MPCL, 11,908,779 Equity Shares to M. Pallonji Enterprises Private Limited (“**MPEL**”), 29,729,730 Equity Shares to JKB, 30,918,919 Equity Shares to MIHL, 518,307 Equity Shares to Manimaya, 23,853,789 Equity Shares to EIL and 10,114,390 Equity Shares to FICL.*

(11) Allotment of 102,180,401 Equity Shares to MPCL, 70,099,428 Equity Shares to MPEL, 270,270 Equity Shares to JKB, 182,000,000 Equity Shares to MIHL, 3,050,943 Equity Shares to Manimaya, 118,650,506 Equity Shares to EIL, 201,541,795 Equity Shares to FICL and 22,206,657 Equity Shares to CHPL.

(12) Allotment of 33,426,138 Equity Shares to MPCL, 24,034,089 Equity Shares to MPEL, 50,644,214 Equity Shares to MIHL, 1,046,038 Equity Shares to Manimaya, 34,431,075 Equity Shares to EIL, 41,983,031 Equity Shares to FICL and 9,220,854 Equity Shares to CHPL.

(13) Allotment of 33,426,138 Equity Shares to MPCL, 24,034,089 Equity Shares to MPEL, 50,644,214 Equity Shares to MIHL, 1,046,038 Equity Shares to Manimaya, 14,931,075 Equity Shares to EIL, 61,483,031 Equity Shares to FICL and 9,220,854 Equity Shares to CHPL.

(14) Allotment of 43,313,405 Equity Shares to MIHL.

(b) Offer of Equity Shares in the two years preceding the date of this Draft Red Herring Prospectus

For details of issue of Equity Shares by our Company in the last two preceding years, see “***- Share Capital History - History of Equity Share capital of our Company***” beginning on page 81.

(c) Equity Shares issued for consideration other than cash

No Equity Shares have been issued for consideration other than cash.

(d) Offer of Equity Shares in the last one year below the Offer Price

No Equity Shares have been issued by our Company during the last one year.

2. Employee Stock Option Scheme

Pursuant to a resolution of our Board of Directors dated October 10, 2017 and resolution of our Shareholders dated December 13, 2017, our Company instituted an employee stock option plan, “PNB MetLife India Insurance Company Limited – Employee Stock Option Plan 2017” (the “**ESOP Scheme 2017**”). Our Joint Statutory Auditors have, pursuant to their certificate dated July 26, 2018, confirmed that the ESOP Scheme 2017 has been framed and implemented in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the SEBI ICDR Regulations and the ICAI Guidance Note and relevant accounting standards. The total number of ESOPs approved by our Board is 19,927,554.

The details of ESOP Scheme 2017 are as follows:

Particulars	Details
Options granted	19,640,000
The pricing formula	The exercise price shall be determined by the Nomination and

Particulars	Details
	Remuneration Committee in concurrence with the Board of Directors on the date the options are granted
Exercise price of options (as on the date of grant of options)	₹ 46 per option
Total options vested	Nil
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted (net of cancelled options)	19,640,000
Options forfeited / lapsed / cancelled	Nil
Variation in terms of options	Nil
Money realized by exercise of options	Nil
Options outstanding (in force)	19,640,000
Employee-wise details of options granted to:	
(i) Senior managerial personnel, i.e., Directors and key management personnel	Refer to Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully-diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Not applicable, as options under ESOP Scheme 2017 were granted in January 2018
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that will have been recognized if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for	Not applicable, as options under ESOP Scheme 2017 were granted in January 2018
Weighted-average exercise prices and weighted-average fair values of options will be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable, as options under ESOP Scheme 2017 were granted in January 2018
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Not Applicable
Vesting schedule	4 years with 25% options vesting every year
Lock-in	No lock-in under the ESOP Scheme 2017 except as required under the SEBI regulations on Issue of Capital & Disclosure Requirement and Prohibition of Insider Trading
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	Not applicable, as options under ESOP Scheme 2017 were granted in January 2018
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options granted under the ESOP Scheme 2017 within three months after the listing of Equity Shares pursuant to the Offer	Nil
Quantum of Equity Shares arising out of or allotted under the ESOP Scheme 2017 intended to be sold within three months after the date of listing, by Directors, senior managerial personnel and employees amounting to more than 1% of the issued capital of our Company	Nil

Note 1

Name	Total ESOPs Granted	Total ESOPs Outstanding
Ashish Kumar Srivastava	3,273,000	3,273,000
Niraj Ashwin Shah	2,227,000	2,227,000
Sameer Bansal	2,199,500	2,199,500
Bhawani Singh Pathania	1,833,000	1,833,000
P K Dinakar	1,707,000	1,707,000
Sanjay Kumar	1,384,500	1,384,500
Samrat Ashim Das	1,260,000	1,260,000

Name	Total ESOPs Granted	Total ESOPs Outstanding
Agnipushp Singh	1,227,000	1,227,000
Vijaya Sanjay Nene	1,221,000	1,221,000
Khalid Ahmad	986,000	986,000
Hemant Khera	558,000	558,000
Shishir Vijaykumar Agarwal	500,000	500,000
Viraj Taneja	449,000	449,000
Sarang Kamalkishore Cheema	409,000	409,000
Anjan Bhattacharya	406,000	406,000

3. History of Build-up, Contribution and Lock-in of Promoters' Shareholding

(a) Build-up of Promoters' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoters, PNB and MIHL hold 603,865,285 and 523,349,913 Equity Shares, respectively, which constitutes 30.00% and 26.00%, respectively, of the issued, subscribed and paid-up Equity Share capital of our Company as on the date of this Draft Red Herring Prospectus.

Set forth below is the build-up of the equity shareholding of our Promoters, since the incorporation of our Company.

Date of allotment/ transfer	Number of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per equity share (₹)	Nature of Consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital (%)
(A) PNB						
January 16, 2013	86,072,305	10	0.000001162	Cash	Transfer(1)	4.28
January 16, 2013	61,887,780	10	0.000001616	Cash	Transfer(2)	3.07
January 16, 2013	66,081,081	10	0.000001513	Cash	Transfer(3)	3.28
January 16, 2013	23,743,699	10	0.000004212	Cash	Transfer(4)	1.18
January 16, 2013	2,693,547	10	0.000037126	Cash	Transfer(5)	0.13
January 16, 2013	196,766,323	10	0.000000508	Cash	Transfer(6)	9.78
January 16, 2013	166,620,550	10	0.000000600	Cash	Transfer(7)	8.28
Total (A)	**603,865,285**					**30.00**
(B) MIHL						
August 2, 2001	28,590,000	10	10	Cash	Allotment(*)	1.42
November 9, 2001	10,000	10	10	Cash	Allotment(*)	0.0005
November 28, 2003	13,000,000	10	10	Cash	Allotment(*)	0.65
March 9, 2005	19,500,000	10	10	Cash	Allotment(*)	0.97
August 21, 2006	31,200,000	10	10	Cash	Allotment(*)	1.55
March 30, 2007	45,500,000	10	10	Cash	Allotment(*)	2.26
January 3, 2008	60,081,081	10	10	Cash	Allotment(*)	2.98
June 27, 2008	30,918,919	10	10	Cash	Allotment(*)	1.54
January 5, 2009	182,000,000	10	10	Cash	Allotment(*)	9.04
December 15, 2009	50,644,214	10	10	Cash	Allotment(*)	2.52
October 28, 2010	50,644,214	10	10	Cash	Allotment(*)	2.52

Date of allotment/ transfer	Number of Equity Shares	Face value (₹)	Issue/ purchase/ sale price per equity share (₹)	Nature of Consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital (%)
January 16, 2013	43,313,405	10	10	Cash	Allotment(*)	2.15
January 16, 2013	55,401,963	10	28.18	Cash	Transfer(8)	2.75
January 16, 2013	27,166,667	10	35.00	Cash	Transfer(9)	1.35
January 16, 2013	52,000,000	10	36.54	Cash	Transfer(10)	2.58
January 16, 2013	(166,620,550)	10	0.0000006	Cash	Transfer(11)	8.28
Total (B)	**523,349,913**					**26.00**
Grand Total (A+B)	**1,127,215,198**					**56.00**

*(*) Please see "**– Notes to Capital Structure – Share Capital History**" on page 81.*

(1) Transfer of 86,072,305 Equity Shares from MPCL to PNB.
(2) Transfer of 61,887,780 Equity Shares from MPEL to PNB.
(3) Transfer of 66,081,081 Equity Shares from JKB to PNB.
(4) Transfer of 23,743,699 Equity Shares from CHPL to PNB.
(5) Transfer of 2,693,547 Equity Shares from Manimaya to PNB.
(6) Transfer of 196,766,323 Equity Shares from IGE India Private Limited to PNB.
(7) Transfer of 166,620,550 Equity Shares from MIHL to PNB.
(8) Transfer by 55,401,963 Equity Shares from CHPL to MIHL.
(9) Transfer by 27,166,667 Equity Shares from IGE to MIHL.
(10) Transfer by 52,000,000 Equity Shares from JKB to MIHL
(11) Transfer of 166,620,550 Equity Shares from MIHL to PNB.

Our Company had filed an application dated May 21, 2018 seeking approval of IRDAI for the transfer of 26,843,494 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from EIL to MIHL and 94,988,000 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from IGE to MIHL. The IRDAI has approved the proposed transfer through its letter dated July 11, 2018, however as on date of this Draft Red Herring Prospectus, the proposed transfer is pending.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(b) Shareholding of our Promoters, Promoter Group and directors of our Promoters

Details of the Equity Shares held by our Promoters, members of the Promoter Group and directors of our Promoters as of the date of this Draft Red Herring Prospectus are as follows:

Name of shareholder	Pre-Offer		Post-Offer*	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
Promoters				
PNB	603,865,285	30.00	523,370,043	26.00
MIHL	523,349,913**	26.00**	516,145,126***	25.64***
Promoter Group				
Nil	Nil	Nil	Nil	Nil
Directors of Promoters				
Nil	Nil	Nil	Nil	Nil
Total	**1,127,215,198**	**56.00**	**1,039,515,169**	**51.64**

** Assuming full subscription to the Offer.*
*** As on the date of this Draft Red Herring Prospectus. Our Company had filed an application dated May 21, 2018 seeking approval of IRDAI for the transfer of 26,843,494 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from EIL to MIHL and 94,988,000 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from IGE to MIHL. The IRDAI has approved the proposed transfer through its letter dated July 11, 2018, however as on date of this Draft Red Herring Prospectus the proposed transfer is pending.*
**** Assuming the transfer of 26,843,494 Equity Shares from EIL to MIHL and 94,988,000 Equity Shares from IGE to MIHL is completed.*

(c) Details of the shareholding of the Selling Shareholders:

Name of shareholder	Pre-Offer		Post-Offer*	
	Number of Equity Shares	Percentage of Equity Share capital (%)	Number of Equity Shares	Percentage of Equity Share capital (%)
PNB#	603,865,285	30.00	523,370,043	26.00
MIHL#	523,349,913**	26.00**	516,145,126***	25.64***
MPCL	200,835,377	9.98	93,224,007	4.63
EIL	256,633,397**	12.75**	153,130,839***	7.61***
IGE	172,621,357**	8.58**	58,468,591***	2.90***
Manimaya	89,84,944	0.45	2,695,483	0.13
JKB	10,21,89,189	5.08	25,547,297	1.27

#PNB and MIHL are also the Promoters of our Company.
** Assuming full subscription to the Offer.*
*** As on the date of this Draft Red Herring Prospectus. Our Company had filed an application dated May 21, 2018 seeking approval of IRDAI for the transfer of 26,843,494 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from EIL to MIHL and 94,988,000 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from IGE to MIHL. The IRDAI has approved the proposed transfer through its letter dated July 11, 2018, however as on date of this Draft Red Herring Prospectus the proposed transfer is pending.*
**** Assuming the transfer of 26,843,494 Equity Shares from EIL to MIHL and 94,988,000 Equity Shares from IGE to MIHL is completed.*

(d) Details of Promoters' contribution and lock-in for three years

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoters' contribution and locked-in for a period of three years from the date of Allotment (the "**Minimum Promoters' Contribution**"). All Equity Shares held by our Promoters are eligible for inclusion in the Minimum Promoters' Contribution, in terms of Regulation 33 of the SEBI ICDR Regulations.

Set forth below are the details of the Equity Shares that will be locked up as Minimum Promoters' Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares to be locked-in	Date of allotment/ acquisition*	Allotment/ acquisition price	Nature of transaction	Face value (₹)	% of the fully diluted post-Offer Equity Share capital
PNB	194,630,185	January 16, 2013	Negligible#	Transfer from IGE	10	9.67
Total (A)	**194,630,185**					
MIHL	30,064,637	October 28, 2010	10	Allotment	10	1.49
	43,313,405	January 16, 2013	10	Allotment	10	2.15
	55,401,963	January 16, 2013	28.18	Transfer from CHPL	10	2.75
	27,166,667	January 16, 2013	35.00	Transfer from IGE	10	1.35
	52,000,000	January 16, 2013	36.54	Transfer from JKB	10	2.58
Total (B)	**207,946,672**					10.33
Total	**402,576,857**					

*******Equity Shares were fully paid up on the date of allotment*
 # PNB acquired 603,865,285 equity shares for aggregate consideration of ₹ 700. Accordingly, the cost of acquisition per equity share is negligible.

For details on the build-up of the Equity Share capital held by our Promoters, see "***- Build-up of our Promoters' shareholding in our Company***" on page 84.

Our Promoters have given their respective consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoters' Contribution. Our Promoters have respectively agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

The minimum Promoters' Contribution has been or shall be brought in to the extent of not less than the specified minimum lot and from persons identified as 'Our Promoters', under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoters' Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard we confirm that:

(i) the Equity Shares offered as part of the Minimum Promoters' Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and where revaluation of assets or capitalization of intangible assets was involved or bonus issue out of revaluations reserves or unrealized profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoters' Contribution;

(ii) the Minimum Promoters' Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) our Company has not been formed by conversion of a partnership firm into a company and, hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion of a partnership firm;

(iv) all Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus; and

(v) the Equity Shares held by our Promoters and offered as part of the Minimum Promoters' Contribution are not subject to any pledge.

(e) Details of Equity Shares locked-in for one year

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital will be locked-in for a period of one year from the date of Allotment in the Offer, except (a) the Minimum Promoters' Contribution which shall be locked in as above; (b) any Equity Shares held by the employees of our Company (who continue to be employees of our Company as on the date of Allotment), which may be allotted to them under the ESOP Scheme 2017 prior to the Offer; and (c) Equity Shares, which are successfully transferred as part of the Offer for Sale.

Any unsubscribed portion of the Equity Shares being offered by the Selling Shareholders in the Offer for Sale would also be locked-in as required under the SEBI ICDR Regulations.

(f) Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

(g) Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in for one year may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan, subject to applicable laws (including laws prescribed by the IRDAI). Equity Shares locked-in as Minimum Promoters' Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred between our Promoters and Promoter Group or a new promoter or persons in control of our Company, subject to compliance with any lock-in or transfer restrictions prescribed by IRDAI, continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**") and the Insurance Act, as applicable, and compliance with any lock-in/ transfer restrictions prescribed by the IRDAI. In addition, post listing of the Equity Shares, such persons shall also be required to comply with the provisions of the

Listed Insurance Company Guidelines, including the declaration on "fit and proper" status of such persons and approval of the IRDAI, as may be applicable.

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in applicable to the transferee and compliance with the provisions of the Takeover Regulations and the Insurance Act, as applicable, and compliance with any lock-in/ transfer restrictions prescribed by the IRDAI.

4. Our shareholding pattern

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights			Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	2	1,127,215,198	NIL	NIL	1,127,215,198	56	-	-	-	-	NIL	-	-	-	NIL	NIL	1,127,215,198
(B)	Public	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	NIL	-	-	-	NIL	NIL	NIL
(C)	Non Promoter-Non Public	6	885,669,085	NIL	NIL	885,669,085	44	-	-	-	-	NIL	-	-	-	1,700,000	0.08	885,669,085
N(1)	Shares underlying Custodian/Depository Receipts	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-	NIL	-	-	-	NIL	NIL	NIL
(2)	Shares held by Employee Trusts	NIL		NIL	NIL	NIL	NIL	-	-	-	-	NIL	-	-	-	NIL	NIL	NIL
	Total (A)+(B)+(C)	8	2,012,884,283	NIL	NIL	2,012,884,283	100	-	-	-	-	NIL	-	-	-	1,700,000	0.08	2,012,884,283

5. Our Company will file the shareholding pattern of our Company, in the form under Regulation 31 of SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before the commencement of trading of Equity Shares.

6. Except for 603,865,285 Equity Shares held by PNB, as an associate (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) of PNB Investment, one of our Book Running Lead Managers, the Book Running Lead Managers and their respective associates (in accordance with the definition of "associate company" as provided under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The Book Running Lead Managers and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

7. **Shareholding of our Directors and Key Managerial Personnel in our Company**

None of our Directors or Key Management Personnel holds any Equity Shares as on the date of this Draft Red Herring Prospectus.

8. As on the date of this Draft Red Herring Prospectus, our Company has eight Shareholders.

9. **10 largest shareholders of our Company**

(a) Our Company has eight shareholders as on the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below:

S. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	PNB	603,865,285	30.00
2.	MIHL	523,349,913	26.00
3.	MPCL	200,835,377	9.98
4.	MPEL	144,404,821	7.17
5.	EIL	256,633,397	12.75
6.	IGE	172,621,357	8.58
7.	JKB	102,189,189	5.08
8.	Manimaya	8,984,944	0.45
	Total	**2,012,884,283**	**100**

(b) Our Company had eight shareholders 10 days prior to the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below.

S. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	PNB	603,865,285	30.00
2.	MIHL	523,349,913	26.00
3.	MPCL	200,835,377	9.98
4.	MPEL	144,404,821	7.17
5.	EIL	256,633,397	12.75
6.	IGE	172,621,357	8.58
7.	JKB	102,189,189	5.08
8.	Manimaya	8,984,944	0.45
	Total	**2,012,884,283**	**100**

(c) Our Company had eight shareholders two years prior to the date of this Draft Red Herring Prospectus and the number of Equity Shares held by them are as set forth below:

S. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
1.	PNB	603,865,285	30.00

S. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share capital (%)
2.	MIHL	523,349,913	26.00
3.	MPCL	200,835,377	9.98
4.	MPEL	144,404,821	7.17
5.	EIL	256,633,397	12.75
6.	IGE	172,621,357	8.58
7.	JKB	102,189,189	5.08
8.	Manimaya	8,984,944	0.45
	Total	**2,012,884,283**	**100**

10. None of our Promoters, members of our Promoter Group or our Directors and their immediate relatives or directors of our Promoters has sold or purchased, or financed the sale or purchase of, Equity Shares by any other person, other than in the normal course of business of the financing entity, during the six months immediately preceding the date of this Draft Red Herring Prospectus. However, our Company had filed an application dated May 21, 2018 seeking approval of IRDAI for the transfer of 26,843,494 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from EIL to MIHL and 94,988,000 Equity Shares at a price of ₹ 50 per Equity Share, subject to price adjustment, from IGE to MIHL. The IRDAI has approved the proposed transfer through its letter dated July 11, 2018, however as on date of this Draft Red Herring Prospectus, the proposed transfer is pending.

11. For details relating to the cost of acquisition of Equity Shares by our Promoters, see "***Risk Factors - Prominent Notes***" on page 45.

12. Our Company, our Promoters, members of our Promoter Group, our Directors and the Book Running Lead Managers have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares being offered through this Offer from any person.

13. No person connected with the Offer, including, but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Investor for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission and allowance or otherwise shall be offered or paid either by our Company or our Promoters to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

14. None of the Equity Shares being offered through the Offer are pledged or otherwise encumbered.

15. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum Allotment Lot while finalizing Basis of Allotment.

16. Under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange.

17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus. However, our Company has instituted the ESOP Scheme 2017, pursuant to which, it has granted stock options to eligible employees in accordance with the terms of the ESOP Scheme 2017 from time to time. For details, see "***– Employee Stock Option Scheme***" on page 82.

19. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 (which correspond to Sections 230 to 232 of the Companies Act, 2013).

20. Except for any Equity Shares issued pursuant to exercise of options granted pursuant to the ESOP Scheme 2017, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

21. Except for the issue of Equity Shares pursuant to the exercise of options granted pursuant to the ESOP Scheme 2017, and the proposed transfer of Equity Shares from EIH and IGE to MIHL, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.

22. Other than participation in the Offer for Sale by each of our Promoters, PNB and MIHL, our Promoters or the members of our Promoter Group will not participate in the Offer.

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

24. Except for Mutual Funds sponsored by entities related to the Book Running Lead Managers, Syndicate Members and any persons related to the Book Running Lead Managers or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion.

25. Except as disclosed herein under "***Build-up of our Promoters' shareholding in our Company***" on page 84, our Promoters have not purchased or sold any securities of our Company during the period commencing six months prior to the date of filing this Draft Red Herring Prospectus.

26. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus filed in relation to this Offer with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

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OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing Equity Shares on the Stock Exchanges and to carry out the sale of up to 495,898,076 Equity Shares, in the aggregate, by the Selling Shareholders. The listing of Equity Shares will enhance the "PNB MetLife" brand name and provide liquidity to the existing Shareholders. The listing will also provide a public market for Equity Shares in India. Our Company will not receive any proceeds from the Offer.

Offer Expenses

The total Offer-related expenses are estimated to be approximately ₹ [●] million. All expenses in relation to the Offer, other than the listing fees which shall be borne by the Company, shall be shared among the Selling Shareholders in accordance with Applicable Law (the "**Shareable Expenses**"). The Shareable Expenses shall be reimbursed to the Company from the proceeds of the Offer upon successful completion of the Offer. In the event the Offer is withdrawn or not completed for any reason whatsoever, all the expenses relating to the Offer shall be borne by the Company. Notwithstanding the foregoing, it is hereby clarified that PNB's portion of the shareable expenses will be pro rata to the proportion of the Offered Shares sold by it, in the Offer for Sale. The following table sets forth details of the break-up for the Offer expenses:

(₹ in million)

S. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer Expenses*	As a % of Offer Size*
1.	Fees payable to the Book Running Lead Managers (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)(2)	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, CRTAs and CDPs (3) (4)	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Printing and stationery expenses	[●]	[●]	[●]
6.	Advertising and marketing expenses	[●]	[●]	[●]
7.	Others: i. Listing fees; ii. SEBI and Stock Exchanges processing fees; iii. Book building fees payable to Stock Exchanges; iv. Fees payable to Joint Auditors and independent chartered accountant; v. Fees payable to the legal counsels; and vi. Miscellaneous.	[●]	[●]	[●]
	Total Estimated Offer Expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalization of the Offer Price. The details of commission and processing fees shall be incorporated at the time of filing of the Red Herring Prospectus*

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and portion for Non-Institutional Investors, which are directly procured by them would be as follows:

*Portion for Retail Individual Investors **	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*[●]% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is a product of the number of Equity Shares Allotted and the Offer Price*

No additional processing/uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors, portion for Non-Institutional Investors, which are procured by the members of the Syndicate /Sub-Syndicate /Registered Brokers / CRTAs /CDPs and submitted to SCSBs for blocking would be as follows:

*Portion for Retail Individual Investors **	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

(3) Selling commission on the portion for Retail Individual Investors, the portion for Non-Institutional Investors which are procured by Syndicate Members (including their respective Sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Investors **	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

Bidding Charges: ₹ [●] *per valid application bid by the Syndicate*

(4) Bidding charges payable to the Registered Brokers, CRTAs and CDPs on the portion for Retail Individual Investors, and portion for Non-Institutional Investors which are directly procured by the Registered Broker or CRTAs or CDPs or submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Investors **	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*

** Based on valid Bid cum Application Forms*

 # Amount of bidding charges payable to Registered Brokers, CRTA/CDP shall be determined on the basis of application which have been considered eligible for the purpose of Allotment. In order to determine to which CRTAs/ CDPs the commission is payable to, the terminal from which the Bid has been uploaded will be taken into account. The bidding charges payable shall be subject to total commission payable, being maximum of ₹ [●] plus applicable taxes.

Note: The total E-IPO commission to Registered Brokers, CRTAs and CDPs shall not be more than that of the Capped E-IPO Commission (defined below)

Capped E-IPO Commission is a sum of ₹ [●] plus applicable taxes which shall be the maximum commission payable by our Company and the Selling Shareholders to Registered Brokers, CRTAs and CDPs.

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BASIS FOR OFFER PRICE

The Offer Price will be determined by our IPO Committee in consultation with the Book Running Lead Managers, on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also see "***Business***", "***Risk Factors***", "***Financial Statements***" and "***Management Discussion and Analysis of Financial Conditions and Results of Operations***" on pages 140, 19, 245 and 314, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Our pan-India, multi-channel distribution network positions us to access a demographically and geographically broad customer base across India;
- Our comprehensive product portfolio addresses the diverse and evolving needs of Indian customers, and is complemented by an end-to-end customer-centric service experience;
- Our scalable platform positions us for profitable growth;
- Our experienced management team

For further details, see "***Business – Competitive Strengths***" on page 140.

Quantitative Factors

Certain information presented below relating to us is based on the Restated Financial Statements for the Fiscals 2018, 2017, 2016, 2015 and 2014.

For further details, see "***Financial Statements***" on page 245 of this Draft Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS") as adjusted for change in capital:

As per Restated Financial Statements:

Financial Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal ended March 31, 2018	0.70	0.70	3
Fiscal ended March 31, 2017	0.51	0.51	2
Fiscal ended March 31, 2016	0.34	0.34	1
Weighted Average	**0.58**	**0.58**	

Notes:

(1) The face value of each Equity Share is ₹ 10

(2) Basic and diluted earnings per Equity Share are computed in accordance with Accounting Standard 20 'Earnings per Share' notified by Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Institute of Chartered Accountants of India.

(3) The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.

2. Price Earning (P/ E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the lower end of price band (no. of times)	P/E at the higher end of price band (no. of times)
Based on basic EPS for the Fiscal ended March 31, 2018	[●]	[●]
Based on diluted EPS for the Fiscal ended March 31, 2018	[●]	[●]

Industry P/E ratio-

	P/E (Consolidated)
Highest	89.39
Lowest	35.78
Average	60.85

Note:
The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average of positive P/E peers of the industry peer set disclosed in this section. For further details, see "– ***Comparison with listed industry peers****" from page 96 of this Draft Red Herring Prospectus.*

3. *Average Return on net worth (RoNW)*

As per Restated Financial Statements of our Company:

Financial Period	RoNW %	Weight
Fiscal ended March 31, 2018	14.11%	3
Fiscal ended March 31, 2017	11.73%	2
Fiscal ended March 31, 2016	8.50%	1
Weighted Average	**12.38%**	

Notes:
(1) Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights
(2) Return on Net Worth (%) = Restated profit after tax for the year ÷ Average of Restated Net worth at the beginning and end of the year

4. *Minimum return on total net worth after the Offer required for maintaining pre-Offer EPS as at March 31, 2018*

As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the net worth post-Offer.

5. *Net Asset Value ("NAV") per Equity Share*

(a) Net asset value per Equity Share as on March 31, 2018 is ₹ 5.34.

(b) Net asset value per Equity Share as on March 31, 2017 is ₹ 4.64.

(c) Net asset value per Equity Share as on March 31, 2016 is ₹ 4.12.

As the Offer consists only of an offer for sale by the Selling Shareholders, there will be no change in the NAV post-Offer.

Offer Price: [●]

Note:
(1) Net Assets Value per Share (in ₹) = Restated Net Worth at the end of the year ÷ Total number of equity shares outstanding at the end of the year

6. *Comparison with listed industry peers*

Name of Company	Standalone / Consolidated	Face Value (₹ Per Share)	EPS (₹) Basic	EPS (₹) Diluted	NAV (₹ per share)	P/E	RONW (%)
PNB MetLife India Insurance Company Limited	-	10	0.70	0.70	5.34	[●]	14.11%
Peers							
ICICI Prudential Insurance Company Limited*	Consolidated	10	11.28	11.28	47.96	35.78	24.36%
SBI Life Insurance Company*	Consolidated	10	11.50	11.50	65.28	57.37	19.05%
HDFC Life Insurance Company Limited*	Consolidated	10	5.53	5.50	23.60	89.39	25.83%

** Source: Based on audited consolidated financial information of the respective companies from FY 2018 annual results; Closing share prices as available on NSE*

Note:

1. *Net worth has been computed as sum of share capital, credit/ (debit) fair value change account, reserves and surplus and Share application Money*.

2. *Basic and Diluted EPS refer to basic and diluted EPS sourced from the audited consolidated financial statements as on March 31, 2018 of ICICI Prudential Life Insurance Company Limited, SBI Life Insurance Company Limited and HDFC Life Insurance Company Limited, respectively filed with the Stock Exchanges.*

3. *RoNW for ICICI Prudential Life Insurance Company Limited, SBI Life Insurance Company Limited and HDFC Life Insurance Company Limited has been computed as net profit after tax divided by the average net worth of preceding two Fiscals of these companies as per Note 1.*

4. *Net Asset Value per share for ICICI Prudential Life Insurance Company Limited, SBI Life Insurance Company Limited and HDFC Life Insurance Company Limited is calculated as the closing net worth of the companies, computed as per Note 1, divided by the closing outstanding number of fully paid up equity shares as sourced from the shareholding pattern as on March 31, 2018 filed with the Stock Exchanges.*

5. *P/E is calculated as closing market price for ICICI Prudential Life Insurance Company Limited, SBI Life Insurance Company Limited and HDFC Life Insurance Company Limited, respectively as on July 25, 2018 on NSE (sourced from NSE website), divided by the basic EPS as described in Note 2.*

The Offer Price of ₹ [●] has been determined by our IPO Committee, in consultation with the Book Running Lead Managers on the basis of the demand from investors for the Equity Shares through the Book-Building Process. The Offer Price is justified in view of the above qualitative and quantitative parameters.

Investors should read the abovementioned information along with "***Business***" "***Risk Factors***" and "***Financial Statements***" on pages 140, 19 and 245, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "***Risk Factors***" on page 19 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

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Thakur, Vaidyanath Aiyar & Co
Chartered Accountants

K.S. Aiyar & Co.
Chartered Accountants

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO PNB METLIFE INDIA INSURANCE COMPANY LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

Date: 12th July, 2018

To,

PNB MetLife India Insurance Company Limited
Unit No. 701, 702 & 703,
Raheja Towers, West Wing,
Municipal No. 26/27, M G Road,
Bengaluru 560 001,
Karnataka

Proposed initial public offering (the "Issue") of equity shares of face value of ₹ 10 each (the "Equity Shares") of PNB Metlife India Insurance Company Limited (the "Company")

Dear Sirs,

We, Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, New Delhi and K.S. Aiyar & Co, Chartered Accountants, Mumbai, the statutory auditors of the Company, hereby report that the enclosed statement is in connection with the special tax benefits available to the Company under the Income Tax Act, 1961, as amended (the "**Act**"), presently in force in India, and (ii) to the shareholders of the Company under the Income Tax Act, 1961, the Wealth Tax Act, 1957, the Gift Tax Act, 1958 and the Finance Act, 2018, as amended, i.e. applicable for the financial year 2018-19, relevant to the assessment year 2019-20 presently in force in India as on the date of this certificate in the enclosed statement at **Annexure I**.

There are no special tax benefits related to indirect taxes either to the company and its shareholders.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. Further, the preparation of the **Annexure I** and its contents is the responsibility of the Management. We were informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue for sale.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

We hereby consent to the extracts of this certificate being used in the draft red herring prospectus (the "**DRHP**"), red herring prospectus (the "**RHP**") and prospectus (the "**Prospectus**") of the Company or such other documents in connection with the proposed initial public offering and the submission of this certificate to the Securities and Exchange Board of India (the "**SEBI**"), the stock exchanges where the Equity Shares of the Company are proposed to be listed (the "**Stock Exchanges**"), Registrar of Companies, Karnataka situated in Bangalore (the "**RoC**").

Yours faithfully

For Thakur,Vaidyanath Aiyar & Co;
ICAI Firm Registration No. 000038N

Partner. Shankar Kumar Jha
Membership No. 060042
Place: Mumbai

For K.S. Aiyar & Co;
ICAI Firm Registration No: 100186W

Partner. Rajesh S. Joshi
Membership No. 038526
Place: Mumbai

ANNEXURE I

THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (*i.e.* applicable for the Financial Year 2018-19 relevant to the Assessment Year 2019-20). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE INCOME TAX ACT, 1961 ("THE ACT") AND INCOME TAX RULES, 1962 ("THE RULES")

BENEFITS TO THE COMPANY UNDER THE ACT:

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

(a) Taxability of insurance companies

Taxability of an insurance company is governed by the provisions of Section 44and Section 115Bread with Rule 2 of the First Schedule of the Act. As per Section 44 of the Act, the normal computational provisions i.e. "Interest on securities", "Income from House property", "Capital gains" or "Income from other sources", or Sections 28 to 43B of "Profit or Gains from Business and Profession" are not applicable to the Company.

Income Computation and Disclosure Standards (ICDS) released in 2016 was for Computation of Income for the Assessment Year 2017-18 and subsequent assessment years. Considering various concerns from the stakeholders, the Central Board of Direct Taxes (CBDT) referred the issues to an expert committee and based on their recommendations, the CBDT issued a circular on March 23, 2017 to address the issues for the purpose of computation of income chargeable under the head "Profit and Gains of Business" (PGBP) or "Income from Other Sources" (IFOS) and not for the purpose of maintenance of books of accounts.

ICDS would have to be followed by all the taxpayers following the mercantile system of accounting. In case of conflict between the Act and ICDS, provisions of the Act shall prevail to that extent. Further it has been clarified in the mentioned circular that "the general provisions of ICDS shall apply to all persons unless there are sector specific provisions contained in the ICDS or the Act. For example ICDS VIII contains specific provisions for securities held as stock in trade and Schedule I of the Act contains specific provisions for the Insurance business." Further, Section 44 of the Act overrides Section 145.
Based on the above, one can conclude that at present the provisions of ICDS is not applicable to the company. However, there can be no assurance that the adoption of ICDS will not adversely affect the business, results of operations and financial conditions in future.
Further, as the Company is only into life insurance business, it is taxed at the rate of 12.5 percent (plus applicable surcharge and cess)under Section 115B of the Act.

(b) Minimum Alternate Tax (MAT)

Provisions relating to MAT under Section 115JB are not applicable to any income accruing or arising to a company from life insurance business.

(c) Income from pension business

The Company is entitled to claim exemption under Section 10(23AAB) of the Act in respect of income earned from pension business, subject to specified conditions stipulated therein.

Subject to the fulfilment of conditions prescribed under the sections mentioned hereunder, the Company shall be eligible, inter-alia, for the following specified exemptions/deductions/benefits in respect of its total income:

(d) Dividends

- As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.

- Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be charged to additional income tax at the rate of 15 percent (plus applicable surcharge and cess) under Section 115-O of the Act.

- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.

- Any income received from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt.

(e) Carry forward and set off of losses

- As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.

2. <u>BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT:</u>

a) Dividends

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members/shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax on the amount distributed as dividend.

- As per the provisions of Section 115BBDA of the Act, income by way of dividend in excess of Rs. 10 lakh is chargeable to tax at the rate of 10 per cent on gross basis in case of a resident individual, Hindu undivided family or firm.

- However, in order to ensure horizontal equity among all categories of tax payers deriving income from dividend, the Finance Act, 2017 amended Section 115BBDA to widen the scope of applicability of the provisions of said section to all resident taxpayers except domestic company and certain funds, trusts, institutions, as referred in sub clause (IV),(V),(VI),(Via) of clause [23C] of section 10 of the Income Tax Act, 1961.

- Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be ignored for the purposes of computing its income chargeable to tax to the extent dividend income on such shares is claimed as tax exempt.

b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognized stock exchange in India held by a taxpayer for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long-term capital assets are termed as Long Term Capital Gains(LTCG).

- Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognized stock exchange in India held for 12 months or less, immediately preceding the date of transfer.

- LTCG arising on transfer of a long term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of business trust shall be exempt from tax under Section 10(38) of the Act provided that the transaction of sale of such equity share or unit is entered into on or after 1 October 2004 on a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT).

  However: The LTCG arising on or after 1 April 2018, from transfer of such equity shares or a unit of an equity oriented fund or a unit of business trust shall be taxable at the rate of 10% exceeding one lakh rupeesas per Section 112A and the benefit of the indexation shall not be allowed as per third proviso of Section 48 of the Act.

- Taxable LTCG would arise if not exempt under Section 10(38) or any other Section of the Act to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration: a) Cost of acquisition/improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.

- Under Section 112 of the Act, taxable LTCG are subject to tax at a rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act. However, in case of listed securitiesand such transaction is not chargeable to Securities Transaction Tax (STT), the amount of such tax could be limited to 10 percent (plus applicable surcharge and cess), without indexation, at the option of the shareholder.

- In respect of a non-resident shareholder, as per the First Proviso to Section 48 of the Act, the capital gains arising from the transfer of listed equity shares of an Indian company, shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed shall be reconverted into Indian currency. Further, the benefit of indexation as provided in Second Proviso to Section 48 is not available to non-resident shareholders and thus the amount of tax on such taxable LTCG would be at the rate of 10 percent.

- As per the provisions of Section 111A of the Act, STCG arising from the transfer of a listed equity share in a Company or unit in an equity oriented fund as specified under Section 10(38) of the Act, is subject to tax at the rate of 15 percent provided that the transaction of sale of such equity share or unit is chargeable to STT. If the provisions of Section 111A are not applicable, the STCG would be taxed at the normal rates of tax (plus applicable surcharge and cess) applicable to resident investor.

- As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against STCG as well as LTCG. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Further, long term capital loss arising during a year is allowed to be set-off only against LTCG. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent eight assessment years.

- The characterization of the gain/losses, arising from sale/transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Government vide CBDT Circulars has amply clarified in order to provide tax certainty to the assesses along with numerous jurisprudence that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed under the head "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income. The characterisation of gains/losses, arising from sale/transfer of shares as capital gains or business income has been clarified by the CBDT vide Circular No. 6/2016 dated 29 February 2016.

- Under Section 36(1)(xv) of the Act, STT paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession".

- Income arising to a shareholder on account of buy back of shares (not being listed on a recognised stock exchange) by a Company as referred to in Section 115QA of the Act will be exempt from tax under section 10(34A) of the Act. In such cases, the company buying back the shares is liable to pay additional tax at the rate of 20% (plus surcharge and cesses) on distributed income being difference between consideration and the amount received by the company for issue of shares. In view of the ensuing initial public offer, provisions of section 10(34A) granting exemption to income arising on account of buy back of shares will no more be available to the shareholders of the Company.

(ii) Exemption of capital gain from income-tax:

- .As per Section 54EC of the Act, LTCG arising on transfer of shares of the company (other than sale referred to in Section 10(38) of the Act) is exempt from capital gains tax to the extent the same is invested within a period of six months after the date of such transfer, in specified bonds issued by NHAI and REC, subject to conditions specified therein, including the limit of investment of INR 50 Lakhs.

  In view of the amendment by Finance Act, 2018, deduction from capital gains on investment in certain bonds is no more available with respect to capital gains arising on account of transfer of listed equity shares asw.e.f 1.4.2018 the provision of Section 54EC of the Act shall be available only for the Capital gain arising from transfer of land or building or both.

- As per the provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before or two years after the date of transfer, for purchase of a new residential house, or for construction of a residential house property, in India, within three years from the date of transfer, subject to conditions and to the extent specified therein.

- As per the provisions of Section 54EE, subject to the conditions including the limit of investment of INR 50 lakhs, LTCG arising on transfer of the shares of the company shall be exempt from the capital gain tax if the gains are invested in specified units within six months from the date of transfer of shares. In case of the whole of the gains are not so invested, the exemption shall be allowed on a pro rata basis. Where the specified units are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.

c) Income from other sources

In order to prevent the practice of receiving the sum of money or the property without consideration or for inadequate consideration, a new clause (x) in sub-section (2) of section 56 is inserted from the Finance Act, 2017 to provide that receipt of the sum of money or the property by any person without consideration or for inadequate consideration in excess of INR. 50,000 the whole of the aggregate sum of money or property received shall be chargeable to tax in the hands of the recipient under the head "Income from other sources". Therefore, in the hands of the Receiver, the same could be treated as income subject to certain conditions unless the gift is from a relative as defined under Explanation to Section 56(2) (x) of the Act.

d) Tax treaty benefits

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial while deciding taxability in India subject to, furnishing of Tax Residency Certificate and subject to satisfaction of certain prescribed conditions.

e) Non-resident Indian taxation

Special provisions in case of Non-Resident Indian ('NRI')in respect of income /LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

- NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- In accordance with Section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20 percent (plus applicable surcharge and cess). Income by way of LTCG in respect of a specified asset [as defined in Section 115C (f) of the Act], shall be chargeable at 10 percent (plus applicable surcharge and cess).

- As per the provisions of Section 115F of the Act, LTCG not covered under Section 10(38) of the Act arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(48) of the Act are transferred or converted into money within three years from the date of their acquisition.

- Under the provisions of Section 115G of the Act, it shall not be necessary for a NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.

- Under the provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he/she may furnish a declaration in writing to the assessing officer, along with his/her return of income under Section 139 of the Act for the assessment year in which he/she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him/ her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

- Under the provisions of Section 115-I of the Act, a NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

- Under Section 112(1)(c)(iii) of the Act, with a view to boost foreign investment in India LTCG arising from the transfer of capital asset being unlisted securities or share of a company in which public is not substantially interested shall be chargeable in India at a concessional tax rate of 10 percent without giving effect to first and second proviso to Section 48,

f) Relaxation from deduction of tax at higher rate under Section 206AA of the Act

- Rule 37BC provides relaxation from deduction of tax at higher rate under Section 206AA of the Act in the case of non-resident (not being a company or a foreign company) and not having Permanent Account Number in respect of specified payments, provided the deductee furnishes the details and documents as specified under sub-rule (2) of the said Rule 37BC of the Rules to the deductor

3. <u>Benefits available to Foreign Institutional Investors("FIIs") under the Act:</u>

a) Dividends exempt under Section 10(34) of the Act

- As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax under section 115O at the rate of 15 percent (plus applicable surcharge and cess) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be ignored for the purposes of computing its income chargeable to tax to the extent of the amount of dividend claimed as exempt.

- In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits. Resultantly, the effective rate of tax will be 20.36 percent of the amount of dividends declared, distributed or paid by the Company.

b) Capital gains

- As per Section 2(14) of the Act, the definition of 'capital asset' includes any securities held by a FII which has invested in such securities in accordance with the SEBI regulations. Hence, any transfer/sale of such securities shall be subject to tax under the head 'Capital Gains'.

- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on LTCG (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.

- LTCG arising to shareholder on transfer of long term capital asset being listed equity shares of the company will be exempt from tax under Section 10(38) of the Act provided that the transaction is entered in on or after 1 October 2004 and STT has been paid on such transfer.

  The LTCG arising on or after 1 April 2018 from transfer of long term capital asset, being an equity share in a company or a unit of an equity oriented fund or a unit of business trust and such transaction is chargeable to Securities Transaction Tax (STT) the provision of Section 10(38) of the Act shall not be applicable. The LTCG arising on transfer of such equity shares or a unit of an equity oriented fund or a unit of business trust shall be taxable at the rate of 10% exceeding one lakh rupees as per Section 112A and the benefit of the indexation shall not be allowed as per third proviso of Section 48 of the Act.

- As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus applicable surcharge and cess) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to STCG then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.

- Short-term capital loss computed for a given year is allowed to be set-off against short-term/long-term capital gains computed for the said year under Section 70 of the Act. However, long term capital loss computed for a given year is allowed to be set-off against the long term capital gains computed for the said year. Further, as per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year.

- As per Section 74 of the Act, the balance short term capital loss, which is not set off under the provisions of Section 70 of the Act, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent year's short term as well as long term capital gains. However, the balance long term capital loss of any year is allowed to be set off only against the long term capital gains of subsequent eight assessment years.

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and cess), income received as short term capital gains (excluding referred to in section 111A) is taxable @ 30%, income from short term capital gains on transfer of STT paid securities is taxable @ 15% and income received by way of long term capital gains on units specified under section 115AB @ 10% However, effective from April 1, 2018 long term capital gains on transfer of STT paid securities in excess of Rs. 1,00,000/- shall be taxed @ 10%.

- As per Section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of securities referred to in Section 115AD payable to FII.

c) Tax Treaty benefits

In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with foreign countries, whichever are more beneficial, while deciding taxability in India subject to, furnishing of Tax Residency Certificate and subject to satisfaction of certain prescribed conditions.

d) Indirect Transfer Provisions

Section 9 of the Act deals with cases of income which are deemed to accrue or arise in India. Clause (i) of said sub-section (1) provides a set of circumstances in which income accruing or arising, directly or indirectly, is taxable in India. The said clause provides that all income accruing or arising, whether directly or indirectly, through or from any business connection in India, or through or from any property in India, or through or from any asset or source of income in India, or through the transfer of a capital asset situated in India shall be deemed to accrue or arise in India. However, concerns have been raised by stakeholders that the provisions result in multiple-taxation.

In order to address these concerns, Finance Act, 2017 clarifies that the indirect transfer provisions shall not apply to any asset or capital asset mentioned therein being investment held by non-resident, directly or indirectly, being a Foreign Institutional Investor and registered as Category-I or Category-II Foreign Portfolio Investor under SEBI with retrospective amendment w.e.f 1st April, 2012.

e) Computation of book profit under Section 115JB

An explanation has been inserted in Section 115JB stating that, the said provisions shall not be applicable and shall be deemed never to have been applicable to a foreign company if-

(i) It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub-section (1) of Section 90 and it does not have a permanent establishment in India; or

(ii) It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies

4. <u>Benefits available to Venture Capital Companies/Funds under the Act:</u>

In terms of Section 10(23FB) of the Act, all venture capital companies/funds registered with SEBI, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking.

“Investment fund” has been defined under in clause (a) of Explanation1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under SEBI.

5. **Benefits available to Investment Fund under the Act:**

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Fund referred as "investment fund" as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head "Profits and gains of business or profession" shall be exempt from income tax. Income earned by the fund is taxable in the hands of the unit holder of such funds in the same manner as if it were the income accruing or arising to or received by such unit holder had the investments made by the funds been made directly by the unit holders.

Further, there are no specific exemption provided under the Act for the income earned by the Category III Alternative investment Fund. The taxability depends on the status of the fund. In case the fund is set up as a 'Trust', the principles of trust taxation should apply based on the nature of the trust.

6. **Benefits available to Mutual Funds under the Act:**

In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the SEBI Act/Regulations there under or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company. However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. Further, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund.

7. **General Anti-Avoidance Rule ("GAAR"):**

In terms of Chapter XA of the Act, GAAR may be invoked notwithstanding anything contained in the Act. By this Rule, any arrangement entered into by a taxpayer where the main purpose of the arrangement is to obtain a tax benefit may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be *inter alia* denial of tax benefit, applicable w.e.f FY 2017-18. The GAAR provisions can be said to be not applicable in certain circumstances viz. where the main purpose of arrangement is not to obtain a tax benefit etc. including those circumstances which have been specified by the CBDT from time to time.

CBDT vide Notification No. 49/2016, dated 22 June 2016 clarified on the applicability of GAAR that provides GAAR is not applicable to any income accruing or arising to, or deemed to accrue or arise to, or received or deemed to be received by, any person from transfer of investment or transactions made prior to 1 April 2017. Further, GAAR provisions are applicable to any arrangement that is entered into for an impermissible transaction, for obtaining tax benefit on or after 1 April 2017.

In order to effectively implement GAAR, the CBDT vide Circular dated 27 January, 2017 expressed clarity on the applicability of GAAR based on the working committee group on non-applicability of GAAR providing monetary threshold limit of 30 million has been prescribed which is per transaction/arrangement wise beyond which the transaction may be considered as impermissible and attract GAAR provisions, relaxation of GAAR in situations where a transaction is permitted or ruled by the Authority for Advance Ruling for a particular transaction of the applicant, satisfaction of commercial substance would not invoke GAAR provisions and GAAR provisions cannot be invoked automatically but can be initiated only for cases through an Approving Panel headed by a judge of High Court etc.

Notes:

(a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2018-19 and onwards (includesthe amendments made by Finance Act, 2018).

(b) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 read with the Income tax Rules, 1962, Circulars/Notifications and does not cover benefits under any other law.

(c) As per Finance Act, 2018, surcharge is to be levied as under:

- In case of individual or Hindu Undivided Family or Association of persons or Body of individuals, whether incorporated or not, or every artificial juridical person, where his income exceeds INR 50 Lakhs but does not exceed one crore, a surcharge at the rate of 10 percent of tax liability is payable and when such income exceeds one crore, surcharge at 15 percent of tax is payable.

- In case of firms, where the income exceeds INR one crore, a surcharge at 12 percent of tax is payable

- In case of domestic company, where its income exceeds INR one crore but does not exceed INR ten crores, a surcharge of 7 percent of tax liability is payable and when such income exceeds INR ten crores, surcharge at the rate of 12 percent is payable.

- In case of companies other than domestic companies, where the income exceeds INR one crore but does not exceed INR ten crores, a surcharge of 2 percent of such tax liability is payable and when such income exceeds INR ten crores, surcharge at 5 percent of tax is payable.

Further, 2 percent of education cess and 1 percent of secondary and higher education cess on the total income tax (including surcharge) is replaced by 4 percent "Health & Education cess" Effective from April 1,2018.The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

(d) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the IPO.

(e) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

(f) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.

(g) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under relevant Double Taxation Avoidance Agreement, if any entered into between India and the country in which the non-resident has fiscal domicile (subject to Tax Residency Certificate/Form 10F)

As the taxation regime in India is undergoing a significant overhaul, its consequent effects on insurance industry cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance. No assurance is given that the Revenue authorities/Courts will concur with the content contained herein. The content herein is based on the existing provisions of law and it is important, which are subject to change from time to time. We do not assume responsibility to update the contents consequent to such changes. We will not be liable to any other person in respect of this Statement.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

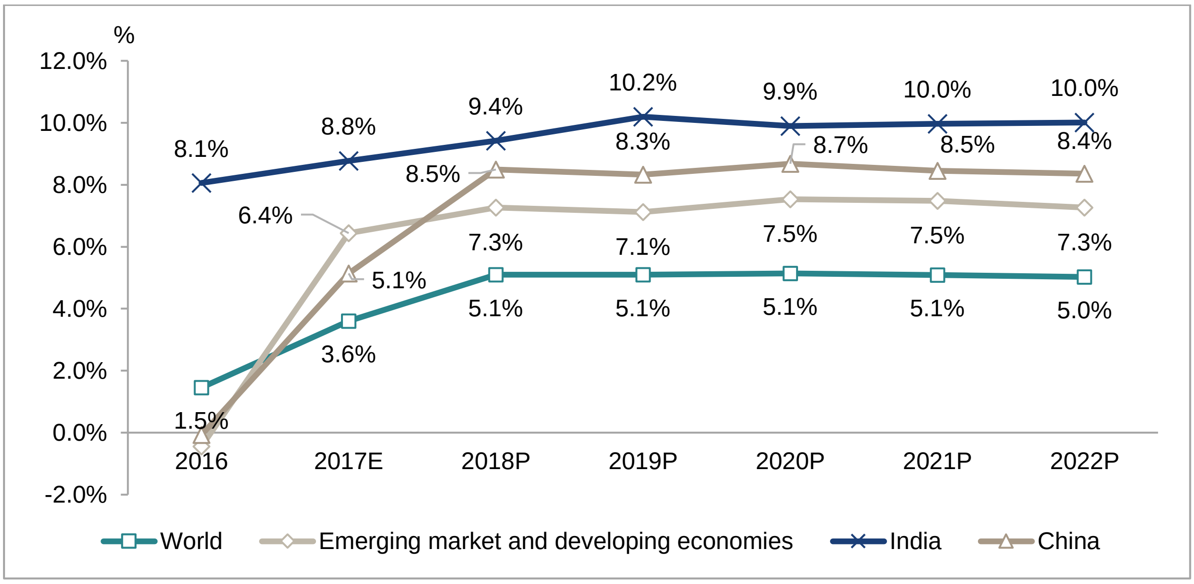
*Unless otherwise specified, the information in this section is derived from an industry report entitled "CRISIL Research - Analysis of life insurance industry in India" dated July 10, 2018 (the "**CRISIL Report**") that we have commissioned from CRISIL Research, a division of CRISIL Limited ("**CRISIL**"). Neither we nor any other person connected with the Offer have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publication may also base their information on estimates, projections, forecasts and assumptions that may provide incorrect. Accordingly, investment decisions should not be based on such information and investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Investors should not construe this section as advise relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation and other advisors in relation thereto.*

The Indian Economy

India's GDP growth to outperform other Asian and global peers

India's gross domestic product ("**GDP**") in Fiscal 2017 was approximately ₹151.9 trillion. According to the International Monetary Fund (the "**IMF**") in its forecast dated October 2017 (published in the World Economic Outlook Database), India, in comparison to other major economies, is expected to be the fastest-growing economy in Asia as well as the rest of the world, with GDP expected to increase at a compound annual rate ("**CAGR**") of 10% from 2017 to 2022. *(Source: CRISIL Report)*

Growth projection for different country/country sets*



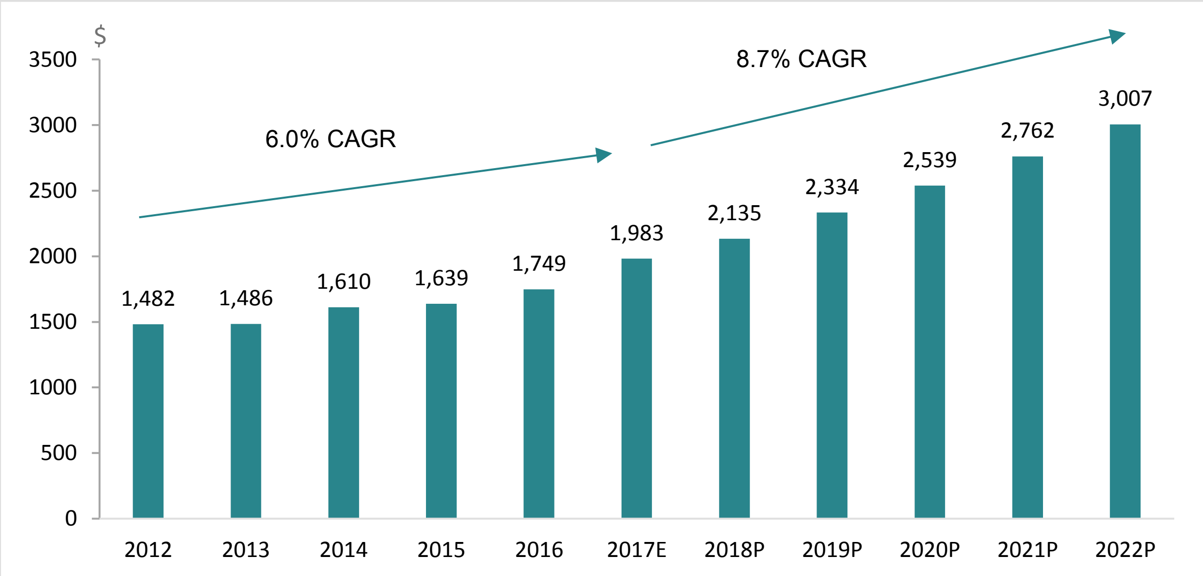
**Note:* Years set forth in this table and elsewhere in this section are in calendar years unless otherwise indicated.
Source: IMF

Growing affluence

India's per capita GDP is expected to grow at a CAGR of 8.7% from 2017 to 2022, compared to the CAGR of 6.0% from 2012 to 2017. Increasing per capita GDP is expected to fuel growth in the life insurance industry, a scenario that has already been seen in China. *(Source: CRISIL Report)*

The following table sets out the trend in India's per capita GDP growth for the periods indicated.

Trend in India's per capita GDP growth (in US dollars at April 2018 prices)



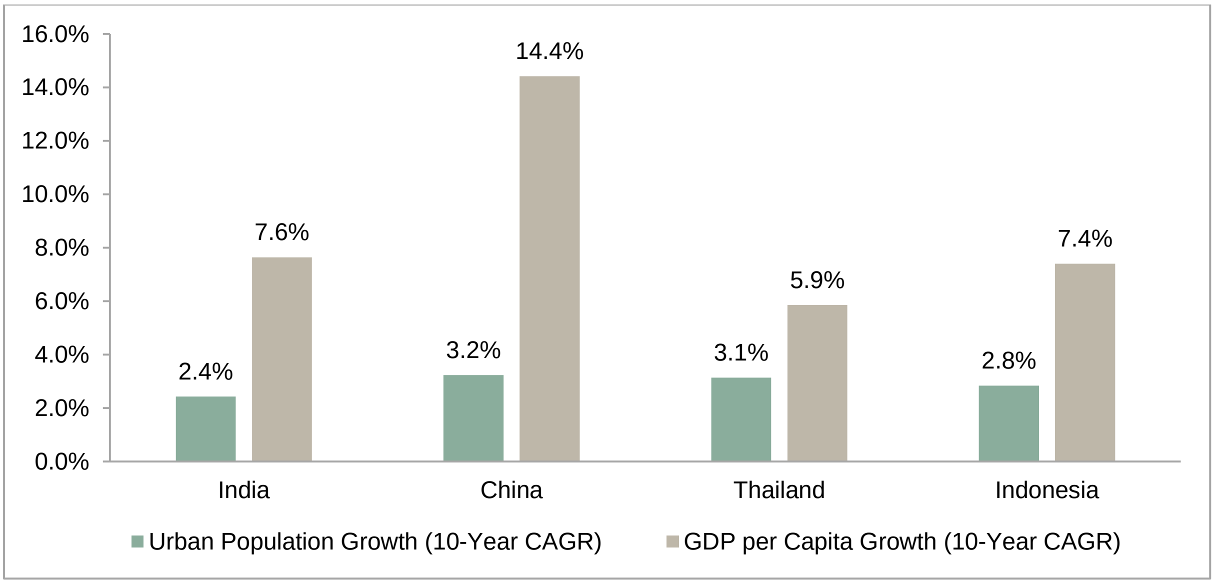
Source: IMF

Rise in urbanization

India has a very low urbanization rate compared with its Asian peers, including China, Japan and Thailand. India's urban population rose steadily from 28.8% of its total population in 2004 to an estimated 33.5% of its total population in 2017. CRISIL Research expects India's urban population to grow at CAGR of 2.0% to 2.5% between 2017 and 2022, compared with an overall population growth of 1.2%. The increase in urbanization will also contribute to growth in per capita GDP. Additionally, increasing urbanization will enhance financial literacy among consumers, thereby supporting the growth of the life insurance industry. *(Source: CRISIL Report)*

The following table sets forth a comparison of the increase in urban populations with the rise in per capita GDP in India as well as its Asian peers, highlighting the strong positive correlation between urbanization rate and per capita GDP. *(Source: CRISIL Report)*

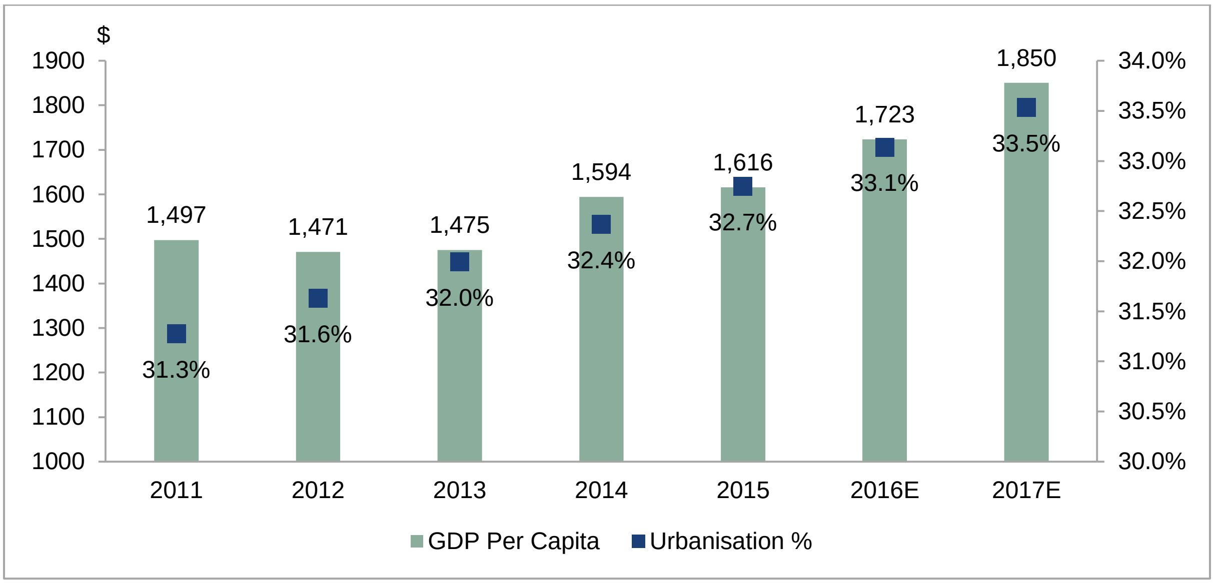
Growth in urbanization rate and per capita GDP



Source: United Nations Department of Economic and Social Affairs, IMF

The following table sets out the growing rate of urbanization in India's population for the periods indicated.

Trend in urbanization of population



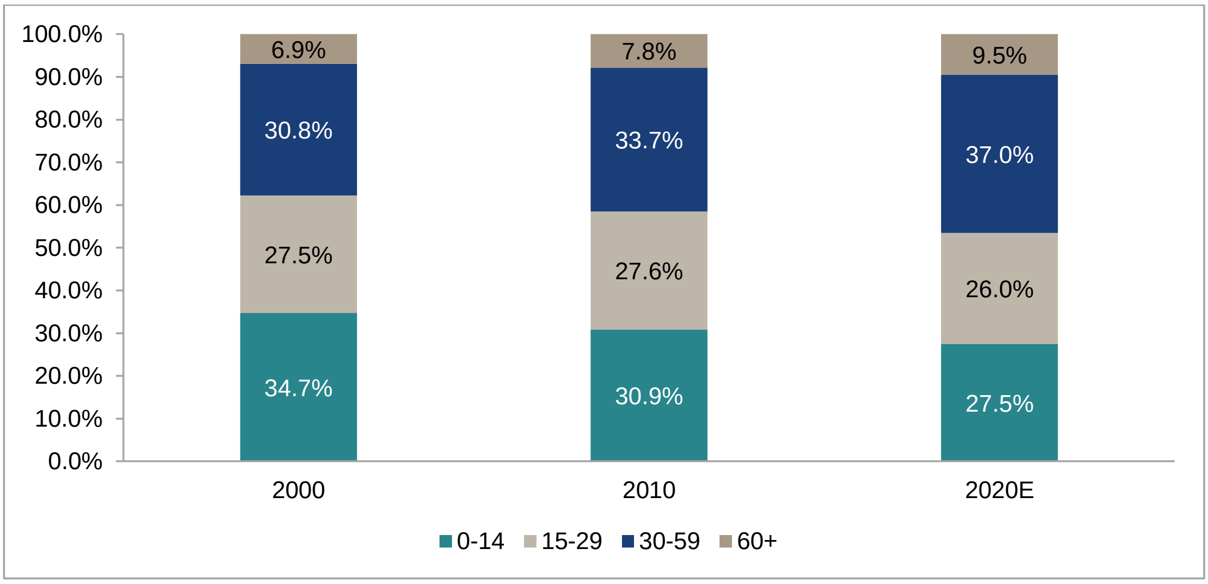
Source: United Nations Department of Economic and Social Affairs, IMF

Increasing insurable population

Currently, India is one of the nations with the highest youth population, with a median age of 28 years. 90% of Indians will still be below the age of 60 years old by 2020, with 63% expected to be between the age of 15 to 59 years old in 2020. Comparatively, the United States, China and Brazil had 74%, 62% and 78%, respectively, of their population below the age of 60 years old as of 2012. The number of individuals at the age of 25 to 49 years old (the target population for the life insurance industry) is increasing in India. A large share of the working population, coupled with rapid urbanization and rising affluence, is expected to propel Indian life insurance sector growth. *(Source: CRISIL Report)*

The following table sets out a breakdown of India's population by age for the periods indicated.

India's demographic dividend



Source: United Nations Department of Economic and Social Affairs, CRISIL Research

Indian Life Insurance Industry

India has a larger share of life insurance but remains underinsured

As of Fiscal 2017, the size of the Indian life insurance industry was ₹4.2 trillion on a total premium basis. In terms of total premium, the Indian life insurance industry is the tenth largest market in the world and the fifth largest in Asia. *(Source: Swiss Re Institute, sigma No 3/2017)* The industry's assets under management (the "**AUM**") was ₹30 trillion as of Fiscal 2017, representing growth at a CAGR of 19% from Fiscal 2001 to Fiscal 2017. Total premium for the Indian insurance industry has grown at a CAGR of 17% from Fiscal 2001 to Fiscal 2017, following privatization of the industry in 2000. As part of the growth in premium, new business premium was approximately ₹1.94 trillion in Fiscal 2018. *(Source: CRISIL Report)*

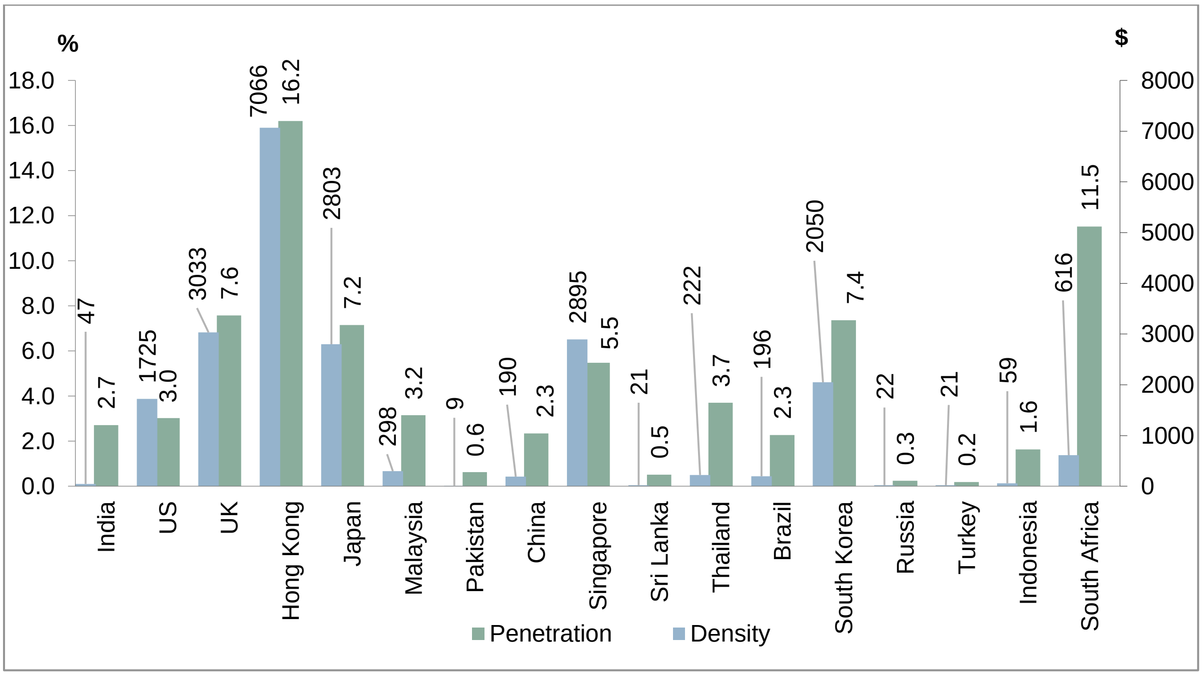
In 2016, 55% of premiums in the global insurance industry were derived from life insurance (with the remainder from non-life insurance), compared with 78% of premiums from life insurance for India and 50% for other emerging markets. Despite this, indicators such as insurance penetration, which is measured as premium as a percentage of GDP, insurance density, which is measured as premium per capita, and protection gap indicate that India is underinsured and that there is significant scope for growth. *(Source: CRISIL Report)*

Penetration and density

In 2016, India's life insurance penetration was 2.7%. The global life insurance industry's penetration was 3.5% as of 2016. Among other Asian countries, life insurance penetration in Thailand, Singapore and South Korea was 3.7%, 5.5%, and 7.4%, respectively, in 2016. According to CRISIL Research, this suggests that there is significant untapped potential of the Indian life insurance market. The penetration of the Indian industry is not comparable to developed markets, such as the United States and Australia, where mandatory pension contributions are not included in the respective insurance industries. *(Source: CRISIL Report)*

At $47 in 2016, insurance density, in India remains low compared with other developed and emerging market economies. *(Source: CRISIL Report)*

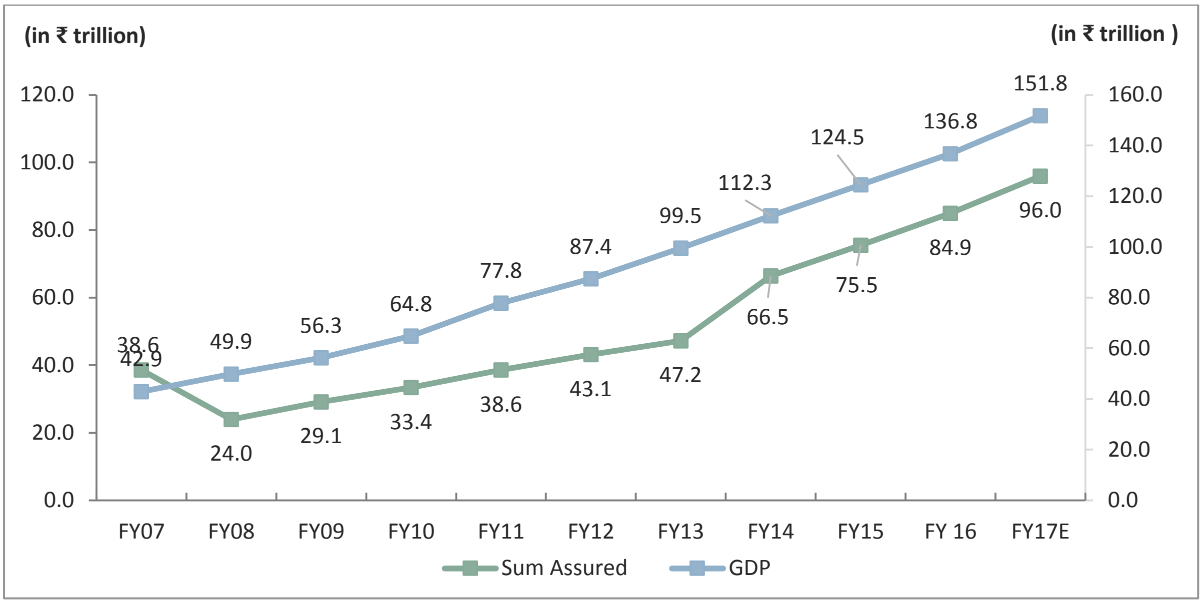
Life insurance industry penetration and density for different economies



Source: Swiss Re Institute, sigma No 3/2017

Increasing per-capita GDP is expected to fuel growth in the life insurance industry. The prevailing low insurance density and penetration in India is expected to support strong growth in the life insurance sector. *(Source: CRISIL Report)*

Correlation between sum assured and India's GDP



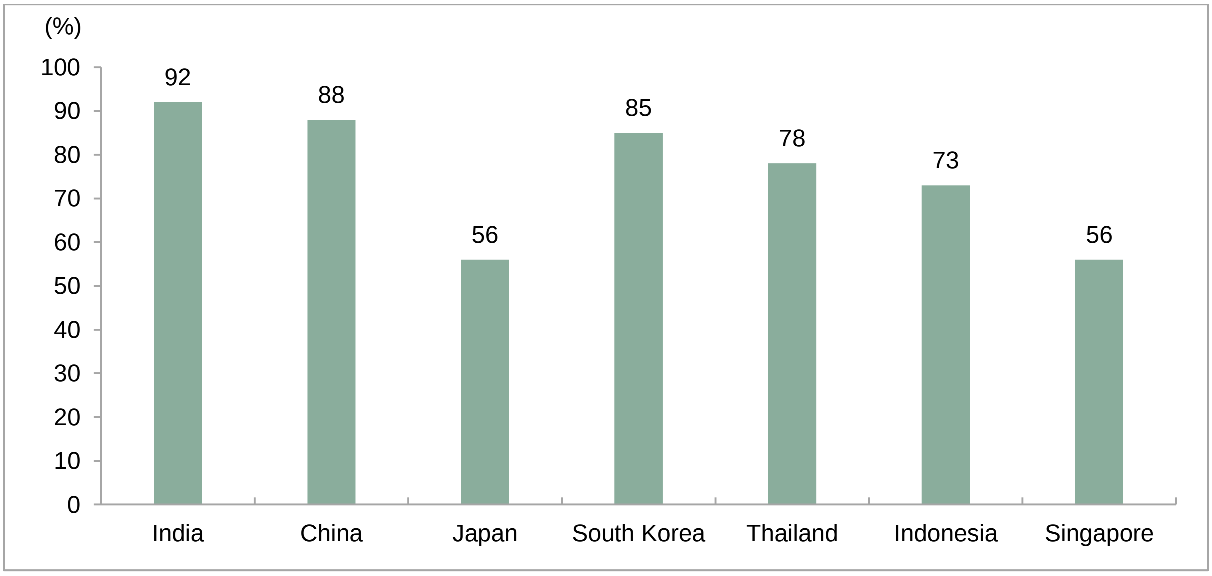
Source: IRDAI, CRISIL Research

Protection gap

Protection gap is the difference between the insurance that is economically beneficial and the amount of insurance actually purchased. The protection gap for India stood at US$8.5 trillion as of 2014, which was significantly higher than that of other Asian countries. According to a Swiss Re report (Swiss Re Institute, "Mortality Protection Gap – Asia Pacific 2015"), the protection gap for India was the highest, at 92%, amongst all the countries in Asia Pacific. This means that for every US$100 of insurance protection requirement, only US$8 was actually insured as of 2014. This indicates the absence or inadequacy of pure protection coverage (term insurance) for a large part of the population. Furthermore, due to the higher share of savings products compared to pure-protection products in insurance premium, CRISIL Research believes that pure-protection products account for a much lower share of insurance premium in India than in other developing markets. Because the penetration of retail products in India remains low, financiers continue to aggressively focus on retail credit, the growth of which is expected to support insurance offtake in India. *(Source: CRISIL Report)*

The following tables set out the protection gap for Asian countries for the periods indicated.

Protection gap for different countries as of 2014



Source: Swiss Re Institute, "Mortality Protection Gap Asia-Pacific 2015"

Household savings, financial savings and investment in life insurance

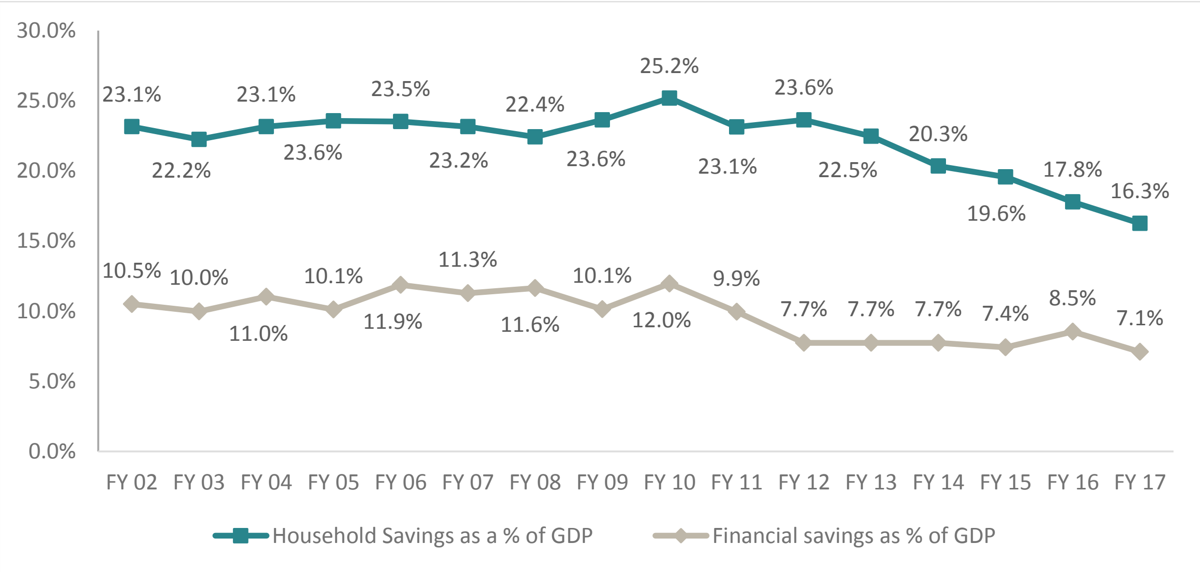
Along with India's expected GDP growth at a CAGR of 10% from 2017 to 2022 and expected per capita GDP growth for at a CAGR of 8.7% from 2017 to 2022, control over inflation is expected to be another key structural positive for the Indian economy. CPI inflation averaged 6% in Fiscal 2015 and dropped to 5% in each of Fiscal 2016 and Fiscal 2017, and is expected to remain stable at approximately the same levels in Fiscal 2018. *(Source: CRISIL Report)*

Over the long term, the Reserve Bank of India (the "**RBI**") is committed to keeping inflation low. Lower inflation gives an impetus to overall savings, as people have the ability to save more. *(Source: CRISIL Report)*

With rising income and inflation under control, the household savings rate, which is household savings as a percentage of GDP, is expected to gradually increase. Though the share of household savings remained subdued from Fiscal 2012 to Fiscal 2016, the proportion of financial savings increased significantly from Fiscal 2012 to Fiscal 2016. *(Source: CRISIL Report)*

The following table sets out the share of household savings and financial savings for the periods indicated.

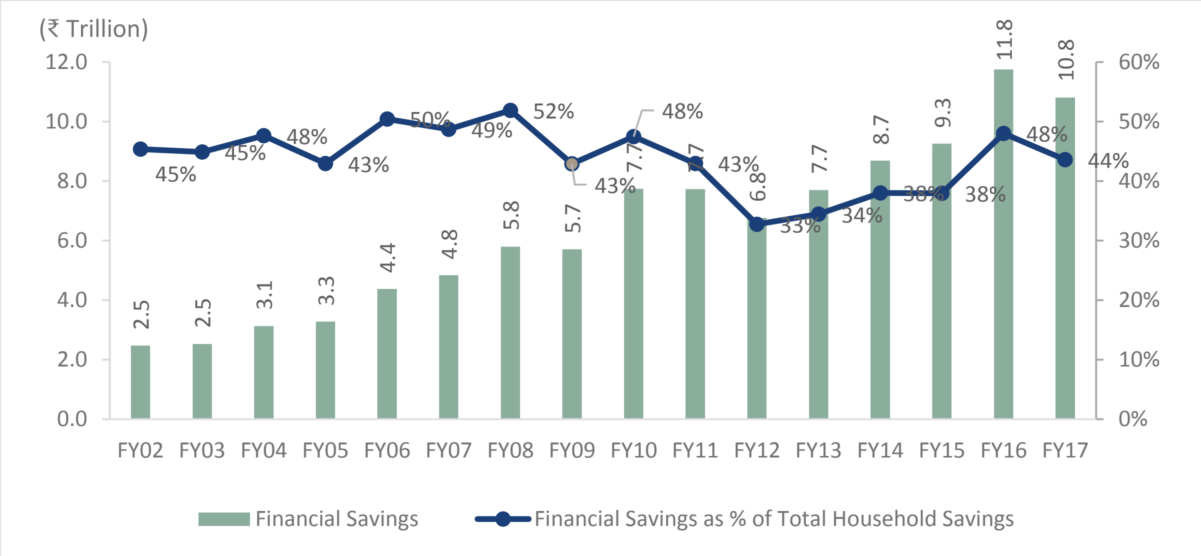
Share of household and financial savings



Source: RBI, CRISIL Research

Benign inflationary pressures are expected to diminish the attractiveness of investing in gold and real estate as methods of household savings and the proportion of financial savings within household savings, which was 44% in Fiscal 2017, is expected to continue to rise. *(Source: CRISIL Report)*

Share of financial savings as % of household savings also to rise



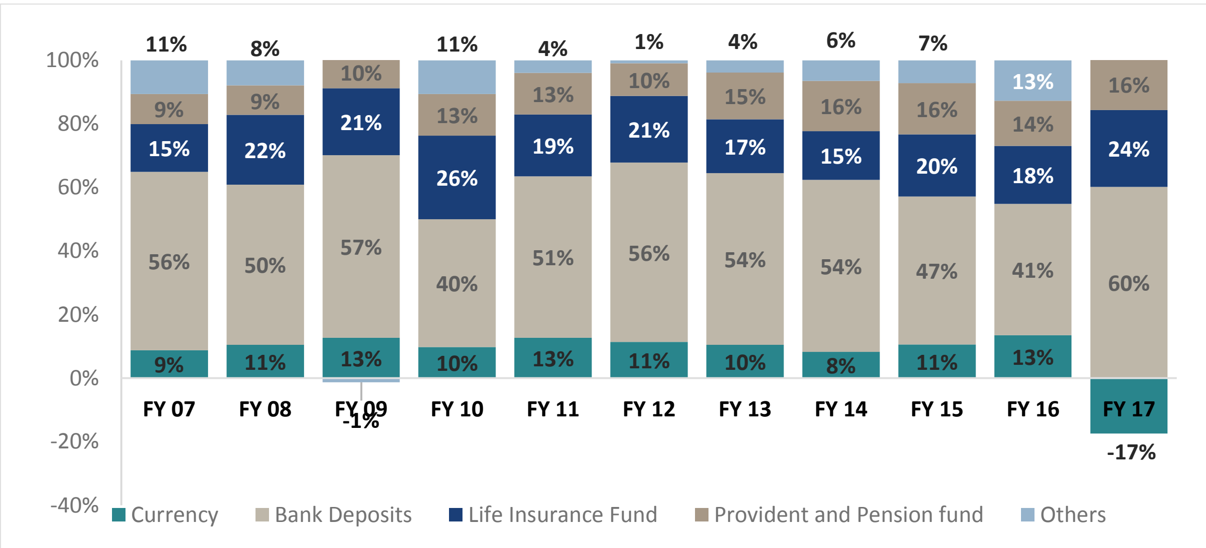
Source: RBI, CRISIL Research

The share of life insurance in incremental household financial savings reached a peak at 26% in Fiscal 2010, with growth driven by both linked and non-linked segments. However, with the subsequent downturn in the capital markets, along with increasing inflation and regulatory changes, this declined considerably between Fiscal 2010 and Fiscal 2014. There was a significant revival after Fiscal 2014, due to improving fundamentals and pick-up in the sale of linked products. Growth in savings in insurance products is expected to also be boosted by increased awareness of life insurance products under government initiatives for financial inclusion, such as providing insurance cover under PMJJBY. *(Source: CRISIL Report)*

Increased financial savings, coupled with the expected increase in the share of insurance as a percentage of financial savings due to a significant improvement in product proposition and delivery mechanisms, are expected to drive growth for the life insurance sector. *(Source: CRISIL Report)*

The following table sets out the share of life insurance as a percentage of total household financial savings for the period indicated.

Share of life insurance in incremental household financial savings



Source: RBI, CRISIL Research

The share of life insurance products as a proportion of total financial savings in India is expected to increase, supported by:

- the increasing use of life insurance products as part of long-term investment plans;

- an increasingly diverse market of life insurance products offered by private sector life insurance companies that cater to individuals with a range of risk appetites;
- improving economic fundamentals such as GDP improving per capita income ;and
- lower inflation leading to an increase in financial savings. *(Source: CRISIL Report)*

Historical Development of the Indian Life Insurance Industry

Prior to privatization of the industry in 2000, the Indian life insurance industry consisted of only one provider, Life Insurance Corporation ("**LIC**"). The Indian life insurance industry, which is regulated by the Insurance Regulatory and Development Authority of India (the "**IRDAI**"), an autonomous governmental body set up in in 1999 (received statutory status in April 2000), has gained considerable traction since the entry of private sector life insurance companies into the market in 2000. The number of life insurance companies increased from five companies in Fiscal 2001 to 24 companies in Fiscal 2018. LIC is the sole fully public-sector life insurance company that does not have any private sector ownership in India. *(Source: CRISIL Report)*

Private sector life insurance companies, which also includes insurance companies that are majority owned by public-sector companies, have made substantial capital investments in the industry, which has resulted in the industry's net worth growing from ₹47 billion in Fiscal 2005 to ₹486 billion in Fiscal 2016. *(Source: CRISIL Report)*

From Fiscal 2007 to Fiscal 2011, total premium generated in the Indian insurance industry rose at a CAGR of 17%. For private sector life insurance companies, growth during this period was driven primarily by ULIP sales amid strong capital market performance. This resulted in the total premium generated from ULIPs growing at a CAGR of 18% from Fiscal 2007 to Fiscal 2011. The share of total premium generated in the Indian insurance industry that was contributed by private sector life insurance companies increased from 18% in Fiscal 2007 to 30% in Fiscal 2011. The share of individual new business premium contributed by bancassurance increased from 6% in Fiscal 2007 to 13% in Fiscal 2011, as private insurance companies began using such alternative channels to market and increase the reach of their products. As of Fiscal 2011, private sector life insurance companies comprised 64% market share in the ULIP segment. *(Source: CRISIL Report)*

After significant growth from Fiscal 2007 to Fiscal 2011, the industry experienced a slowdown during Fiscal 2011 to Fiscal 2014, which was the result of a combination of regulatory changes by the IRDAI with respect to ULIPs, a decline in financial savings rate and weak performance of the equity markets. In 2010, the IRDAI introduced regulations capping product charges. This change affected the growth of private sector life insurance companies due to their relatively high exposure to ULIPs at the time. As of Fiscal 2011, ULIPs constituted 71% of private insurance companies' portfolio mix. Private sector life insurance companies therefore saw a decline of 4% of CAGR on total premium from Fiscal 2011 to Fiscal 2014. *(Source: CRISIL Report)*

The total premium for ULIPs dropped substantially at a CAGR of 30% from Fiscal 2011 to Fiscal 2014, leading to private sector life insurance companies losing market share. While LIC's total premium from ULIPs dropped at a comparatively higher rate of approximately 59% CAGR, ULIPs represented only 19% of its portfolio as of Fiscal 2011. The growth of the non-linked product segment at a CAGR of approximately 13% from Fiscal 2011 to Fiscal 2014 helped LIC substantially offset the sharp drop in premium from ULIPs. *(Source: CRISIL Report)*

Meanwhile, private sector life insurance companies re-evaluated their product offerings, distribution channels and operational efficiency. Private sector life insurance companies increased their focus on traditional products, and the share of ULIPs in private sector life insurance companies' product mix decreased from 71% as of Fiscal 2011 to 45% in Fiscal 2014. Sales by private sector life insurance companies through the bancassurance channel began to grow and the industry slowed branch rollouts, reducing upfront infrastructure costs and selling expenses. The share of bancassurance in total individual new business for the Indian life insurance industry increased from 6% in Fiscal 2007 to 24% in Fiscal 2017, which helped private sector life insurance companies attain profitability at the after-tax level. *(Source: CRISIL Report)*

The passage of the Insurance Laws (Amendment) Act in 2015 increased the foreign direct investment ("**FDI**") limit in the insurance sector from 26% to 49%. Subsequently, there was a 170% year-on-year growth in Fiscal 2016 and a 188% year-on-year growth in Fiscal 2017, reaching FDI of US$3.3 billion in the sector as of Fiscal 2017. *(Source: CRISIL Report)*

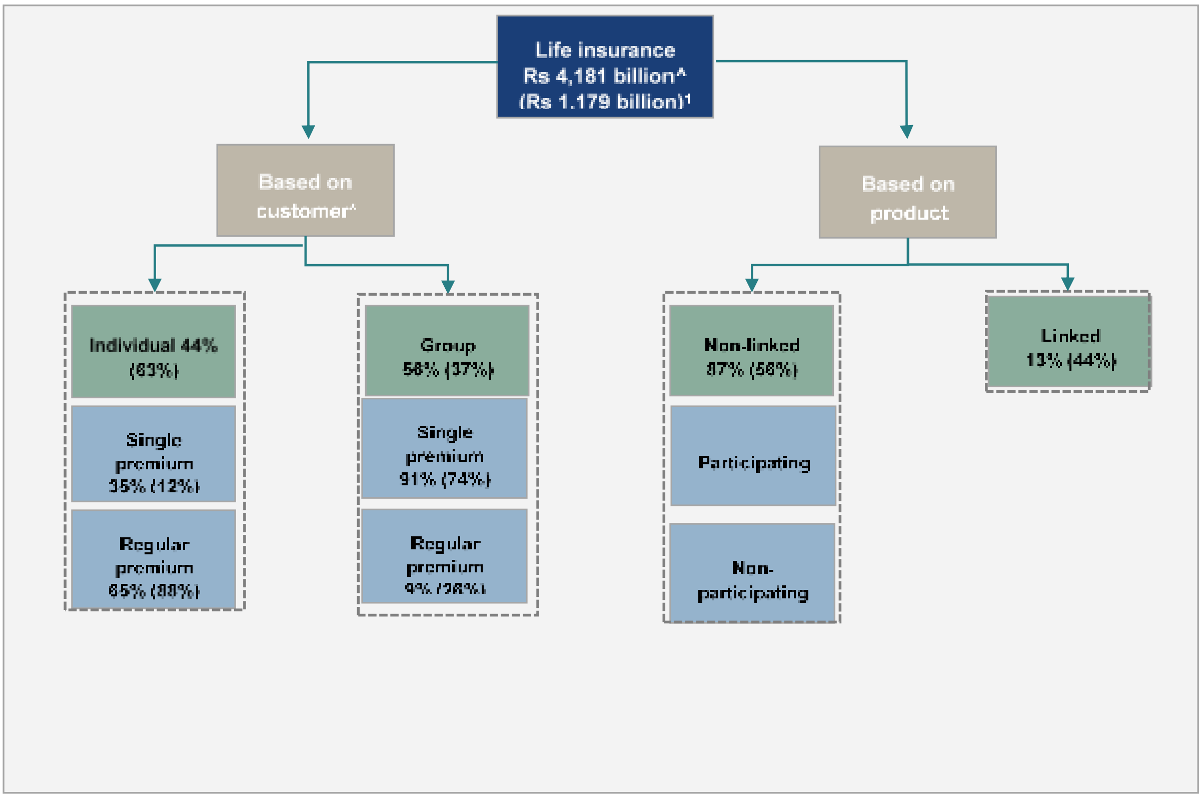
In December 2017, the IRDAI released new guidelines governing private equity investment in Indian insurance companies. Under these guidelines, a private equity fund may directly invest (as an investor but not as a promotor) in an unlisted life insurance company, and may not hold more than 10% of that life insurance company's paid up equity share capital. However, a private equity fund may invest (as a promotor) in an unlisted life insurance company through a special purpose vehicle ("**SPV**") that must be subject to an investment lock-in period of five years and, if there is to be an induction of new shareholders into the SPV through an issue of more than 25% new shares, such issuance will require prior approval from the IRDAI. *(Source: CRISIL Report)*

Types of Life Insurance Products

The life insurance sector in India can be classified on the basis of products and customer segments. Historically, life insurance products were savings-oriented, but after 2000 there was a shift from sales of largely tax savings-based participating products to sales of multiple products. *(Source: CRISIL Report)*

The following chart sets forth the types of life insurance products in the life insurance sector in India by product and customer types and as a percentage of total premium:

Types of life insurance products, by product and customer types



^ Classification based on total premium in fiscal 2017

[1] Numbers in brackets are for private players

** Classification based on new business premium in fiscal 2017*

Source: Insurance Regulatory and Development Authority of India (IRDAI), CRISIL Research

Non-linked products are traditional products with a protection and savings element built in or are pure-protection products. Non-linked savings products can be further divided into participating products and non-participating products. Participating products have variable returns, as they partake in the profits of the participating business of the relevant insurance company. Linked products' returns, on the other hand, are tied to the performance of the debt and equity markets and are also savings and protection products. *(Source: CRISIL Report)*

In Fiscal 2017, non-linked products surpassed linked products in popularity in India, accounting for 87% of the total premium collected. However, the share was much lower for private sector life insurance companies, constituting 56% of total premium collected by private sector life insurance companies in India. *(Source: CRISIL Report)*

Life insurance products are available as either individual and group policies, and premium payments can be made at the outset as a one-time payment (called single premium) or on a regular basis. Individual business accounted for 47% of the total new business premium collected in Fiscal 2018. *(Source: CRISIL Report)*

Non-participating products

Term insurance products are protection products where the family or nominated beneficiary of the insured individual receives a fixed amount upon death of the insured individual. Other non-participating products may provide a fixed amount or a variable amount (based on the performance of the underlying fund) on maturity. The policyholders do not get any share in the profits of the underlying business and, therefore, the product is also known as a 'without profit' policy. The customer is exposed to very low risk and enjoys secured returns. *(Source: CRISIL Report)*

Participating products

For participating products, the company invests the amount pooled and pays a part of the surplus/profit on the invested funds to the policyholder in the form of a bonus. However, bonuses are not guaranteed by the insurance company as these depend on profits; past bonuses, on the other hand, are guaranteed once allocated. Therefore, policies under participating products provide a minimum guaranteed return, payable upon death or maturity, plus a variable amount depending on the returns on the invested amount. Participating products have higher premium requirements compared to non-participating products for a specific amount of sum assured. These policies do not offer customers the ability to choose their asset allocation as the underlying investments are pooled. Therefore, customers are exposed to lower risk compared with unit-linked insurance products. *(Source: CRISIL Report)*

Unit-linked insurance products

Unit-linked insurance products ("**ULIPs**") are a long-term investment tool as well as an insurance policy. The returns are directly linked to changes in the underlying investment, and the investment risk is entirely borne by the policyholder. Therefore, unlike participating or non-participating products, a ULIP policyholder can monitor the performance of the policy through net asset value ("**NAV**"), which is released by the insurance companies daily. The policyholders have the flexibility to choose the proportion of equity and debt in their investment portfolio, based on their risk profile, and switches between investments can also be made (permissible switches differ across policies), based on the customer's assessment of market conditions in a tax-efficient manner. Customers can also choose the level of life cover, subject to minimum levels mandated by IRDAI. *(Source: CRISIL Report)*

Variable insurance products

Variable insurance products are those where the charges are explicitly stated as in the linked products. The return is based on the underlying investment but not directly as is the case for ULIPs. *(Source: CRISIL Report)*

Group protection products

Group term plans provide the benefits of life insurance coverage to a group of individuals; the sum assured is paid to the policyholder's nominee upon the death of the policyholder. The products can also be offered as coverage against loans, such as car loans, home loans or education loans. The policies are offered to employer-employee groups, non-employer-employee groups, banks, professional groups and microfinance institutions. Creditor protection products are typically long-term and aligned to the tenure of the loan, with the death coverage is aligned to the outstanding loan cover over the term of the loan. Typically, group products have a one-year term and need to be renewed upon expiry, with the exception of products providing coverage against loans. Life insurance companies also offer products under government schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana ("**PMJJBY**"). *(Source: CRISIL Report)*

Other group products

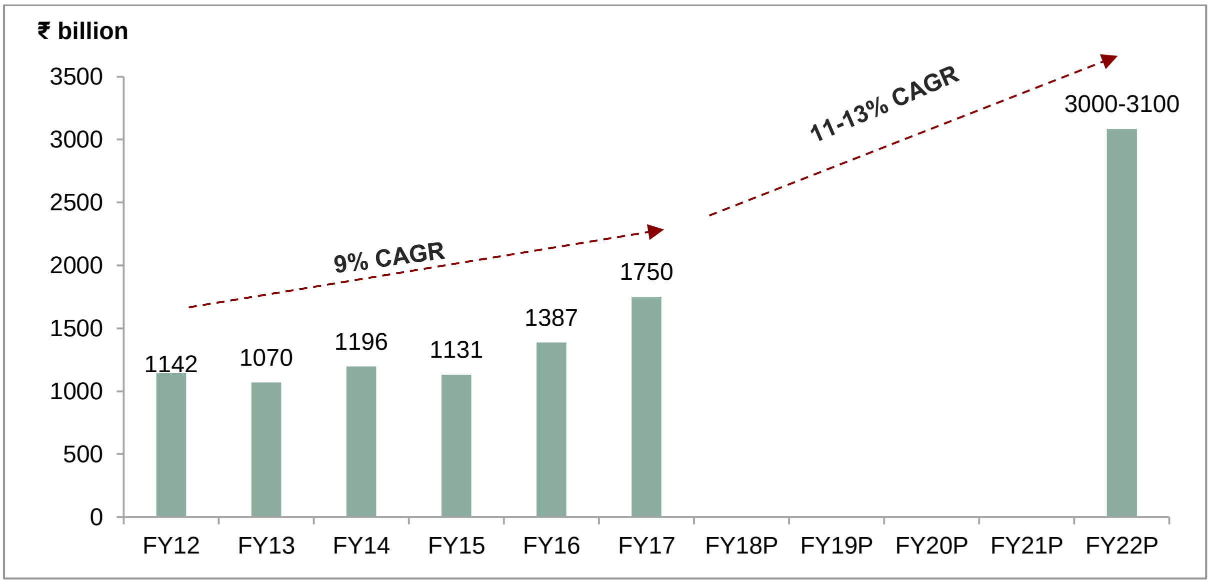
Group gratuity plans help the employer reduce business cost and take care of employer's long-term gratuity expenses by earning a return on the employer's money. Group leave encashment schemes help the employer manage future leave encashment liability in case of an employee's death, retirement or resignation/termination, in addition to providing security. Group superannuation products help employees save for retirement and provide them with a corpus at the time of retirement. With these products, the insurance company typically provides fee-based fund management services to corporate clients. *(Source: CRISIL Report)*

Industry Outlook

CRISIL Research forecasts new business premium for life insurers to grow at a CAGR of 11% to 13% from Fiscal 2017 to Fiscal 2022, compared to the growth of 9% CAGR that was seen from Fiscal 2012 to Fiscal 2017, and total premium to grow at 13% to 15% CAGR from Fiscal 2017 to Fiscal 2022, from ₹4,181 billion in Fiscal 2017 to ₹7,900 to ₹8,100 billion in Fiscal 2022. The likely drivers of such growth are expected to be improving economic growth, low inflation and stable increase in financial savings, along with rising awareness of insurance products. *(Source: CRISIL Report)*

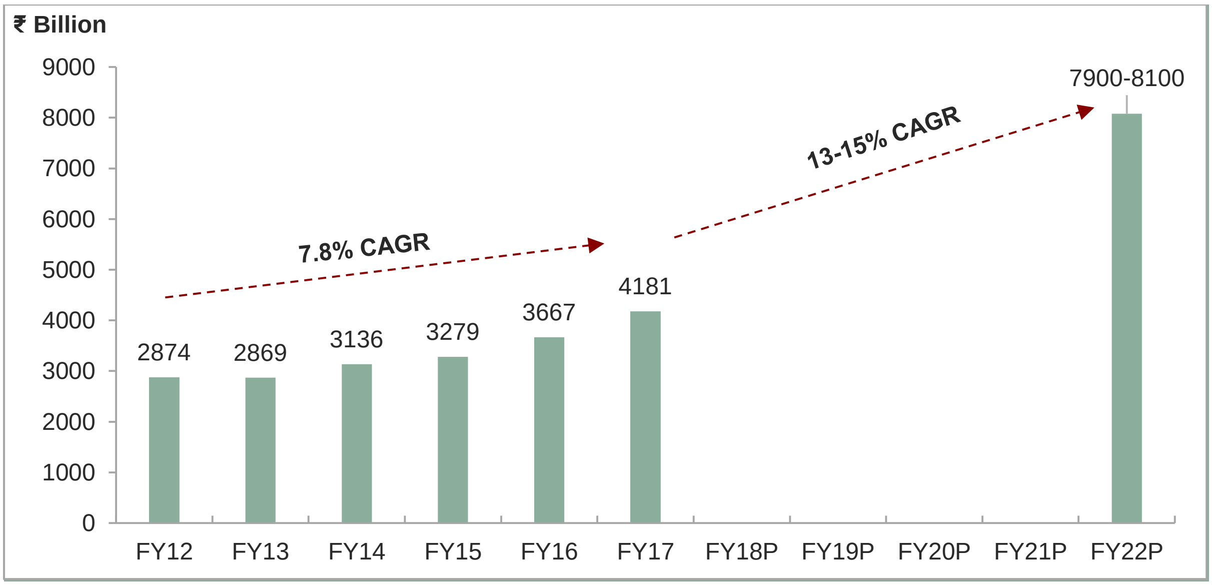
Private sector life insurance companies have been gaining market share and are supported by more diversified product mixes and strong distribution through the bancassurance channel. Going forward, CRISIL Research expects private sector life insurance companies to grow at a faster rate than the industry average. *(Source: CRISIL Report)*

Expected growth in new business premium over the next five years



Source: IRDAI, CRISIL Research

Expected growth in total premium over the next five years



Source: IRDAI, Life Insurance Council, CRISIL Research

Growth Drivers in the Indian Life Insurance Industry

CRISIL Research forecasts that the following are expected to be key drivers of growth in the Indian life insurance industry.

Strong GDP growth and rising incomes

CRISIL Research forecasts India's GDP will grow, on a fiscal year basis, at 11.5% (in nominal terms) in Fiscal 2019, up from 10% in Fiscal 2018. There was a temporary disruption in the growth of India's GDP in Fiscal 2018 due to the implementation of the Goods and Services Tax and weak agricultural growth. However, lower interest rates and inflation are expected to boost consumption. According to IMF forecasts, India's GDP is expected to grow at a CAGR of approximately 10% from 2017 to 2022. Faster GDP growth is expected to translate into rising incomes, which in turn is favorable for growth in the life insurance industry. *(Source: CRISIL Report)*

Insurance penetration and density

Insurance penetration and density in India remains low compared with other developed and emerging market economies and, according to CRISIL Research, there is significant untapped potential in the Indian life insurance market. Increasing per-capita GDP is expected to fuel growth in the life insurance industry. The prevailing low insurance density and penetration in India is expected to support strong growth in the life insurance sector. *(Source: CRISIL Report)*

Increasing household and financial savings

India's CPI is expected to remain stable at approximately 5% in Fiscal 2018 and, over the long term, the RBI is committed to keeping inflation low. Lower inflation gives an impetus to overall savings, as people have the ability to save more. *(Source: CRISIL Report)*

With rising incomes and inflation under control, the household savings rate in India is expected to increase, and the share of life insurance products as a proportion of total financial savings is also expected to increase, supported by, among other things, the increasing use of life insurance products as part of long-term investment plans and an increasingly diverse market of life insurance products catering to individuals with a range of risk appetites. *(Source: CRISIL Report)*

Increasing insurable population

The number of individuals at the age of 25 to 49 years old, which is the target population for the life insurance industry, is increasing in India, which, coupled with rapid urbanization and rising affluence, is expected to propel Indian life insurance sector growth. *(Source: CRISIL Report)*

Rise in urbanization

CRISIL Research expects India's urban population to grow at a CAGR of 2.0% to 2.5% between 2017 and 2022. The increase in urbanization is expected to contribute to growth in per capita GDP and also enhance financial literacy among consumers, which will support the growth of the life insurance industry. *(Source: CRISIL Report)*

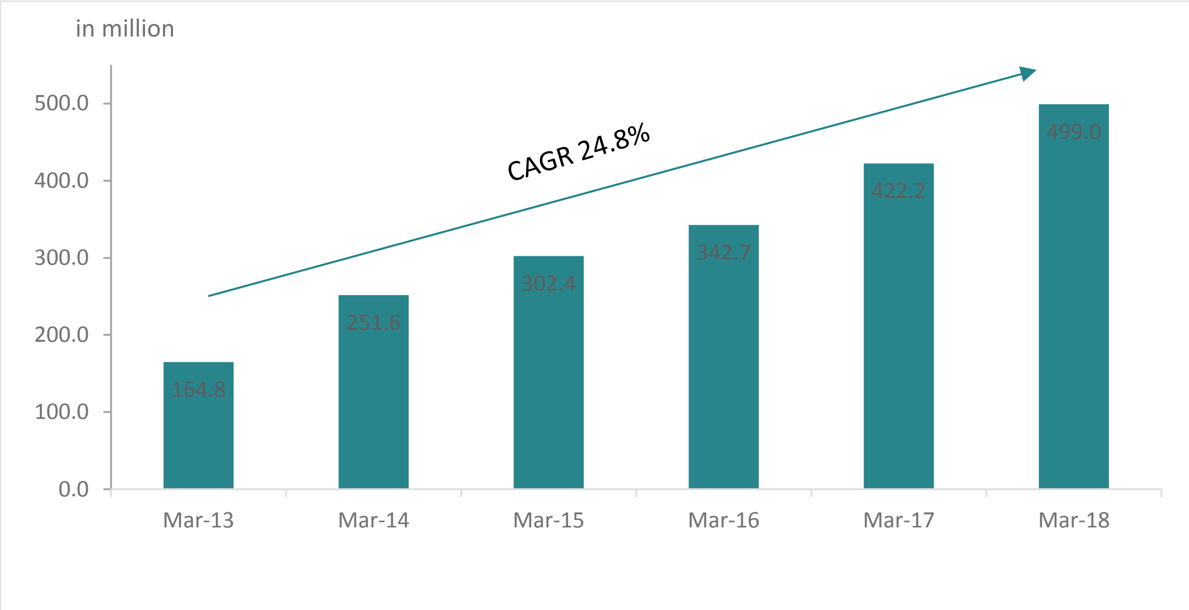
Increasing demand from urban and semi-urban, rural areas

The demand for financial products has already been gaining momentum beyond the top metro cities in India. The increasing use of such organized channels by consumers for financial products provides opportunities for life insurance companies to cross-sell their products. Further, the increasing knowledge about financial instruments, generally, is expected to aid growth for the life insurance sector in urban and semi-urban and rural areas. Life insurance companies with strong bancassurance networks in the urban and semi-urban, and rural regions will likely have an advantage over its competitors. *(Source: CRISIL Report)*

Digitization

Internet penetration has grown significantly in India; even in rural areas of India, internet penetration has increased from 12.89% in March 2015 to 15.49% in March 2017. *(Source: CRISIL Report)*

Trend in Internet Subscribers in India



Source: TRAI

With increasing internet penetration, the use of digital media to conduct financial transactions has substantially increased. The first major digital adoption for the life insurance industry was the issuance of insurance policy in electronic form. Life insurance companies have tied-up with platforms such as National Securities Deposit Limited ("**NSDL**") and Central Depository Services Ltd ("**CDSL**") in order to enable policy holders to hold insurance policies in electronic form. Further, some life insurance companies have also tied up with mobile wallet companies and Unified Payments Interface ("**UPI**") in-order to enable customers to make payments through their preferred digital channel. *(Source: CRISIL Report)*

The increasing use of online platforms has also led to increasing amounts of financial and related information shared voluntarily by consumers. Therefore, the life insurance companies are also developing various tools to leverage the use of such data, with the intent of using such data to help them to target their intended prospective customers. Further, by analysing the customer data, the life insurance companies try to target products to customers. After selling policies, the life insurance companies also undertake predictive analysis to identify the probability of a customer renewing the policy. The effective use of technology will not only aid life insurance companies to identify target customers, it will also help them retain customers. *(Source: CRISIL Report)*

Though customers may now use the digital medium to compare various life insurance products, the final sale of policies is still largely conducted through intermediaries. That said, the process of underwriting policies and data verification is undergoing transition, where life insurance companies, through using digital platforms, no longer need to share physical documents with their agents. This helps substantially reduce turnaround time and also enhances productivity. *(Source: CRISIL Report)*

Digitization is assisting customers to make informed decisions, which help increase persistency ratios in long-run and also reduces mis-selling. It is also expected that, as the percentage of end-to-end sales, which means from customer identification to sale of a policy, of insurance policies increases, operational efficiency for life insurance companies will substantially improve due to lower operating costs. *(Source: CRISIL Report)*

Improving persistency

From Fiscal 2011 to Fiscal 2014, all private sector life insurance companies suffered from high policy surrender ratios. Lower persistency ratios therefore impacted the growth in renewal premium during that period for private sector life insurance companies. *(Source: CRISIL Report)*

Improvements in persistency ratio are expected to aid renewal premium growth along with anticipated strong growth in new business premium growth. *(Source: CRISIL Report)*

Rising need for pension funds

A CRISIL Research study on pensions[2] indicates that the number of people in India over 60 years old will triple from 112 million in 2014 to 300 million by 2050. In the absence of a social security safety net, most people over 60 years old will be financially insecure. And, if such a large number of senior citizens have no pension income by 2030, the Indian government will need to bear the fiscal burden of providing at least minimum sustenance. Estimates by CRISIL Research indicate that the fiscal burden of providing such support would be very high, at an estimated 3.4% to 4.1% of GDP by 2030. *(Source: CRISIL Report)*

As of 2014, only an estimated 8% of retirees within the private sector receive a pension. If 70% of private sector retirees are adequately covered by 2030, their retirement assets will rise to approximately 26% of GDP in 2030. If the entire private sector workforce that will be over 60 years old in 2030 has adequate retirement income, retirement assets will rise to nearly ₹276 trillion (or 38% of GDP) by 2030 and ₹3,626 trillion (or 74% of GDP) by 2050. *(Source: CRISIL Report)*

The following table sets out the estimated amount of retirement assets in India's private sector workforce and pension coverage ratio in the periods indicated.

Retirement corpus of the private sector workforce

	2030		**2050**	
Pension coverage ratio	**% of GDP**	**₹ trillion**	**% of GDP**	**₹ trillion**
8%	3	21	6	281
30%	11	83	22	1088
50%	19	138	37	1813
70%	26	193	52	2538
100%	38	276	74	3626

Source: United Nations Population Division, PFRDA, Department of Financial Services, Sixth Pay Commission Report, CRISIL Research

Consolidation in the banking industry

The Indian banking system can be divided into three major scheduled commercial bank groups (excluding regional rural banks): public sector banks, private sector banks and foreign banks. The 21 public sector banks contribute approximately 69% of the credit while 22 private sector banks contribute 27% of credit, while the remainder is contributed by 43 foreign banks. The fragmentation in the system could pose some challenges for the growing Indian economy. As Indian companies increase their scale and start entering various global markets the demand for credit will increase. Coupled with the RBI rules and regulations, which limit the exposure that a bank may have to a particular company or corporate group, will mean banks will be required to be bigger in size to cater to such increasing demands. In addition, a large bank may be less risky and have lower earnings volatility compared to a smaller bank, as large banks enjoy economies of scale and likely have a more diversified portfolio, potentially resulting in better credit ratings and lower cost of funds. These factors all contribute to increasing likelihood of consolidation in the banking system in India. Such consolidation would lead to a decreasing number of financial institutions, through which many of the private sector life insurance companies currently distribute their products. *(Source: CRISIL Report)*

Strong bancassurance networks and gaining market share

In Fiscal 2018, the top 10 private sector life insurance companies, ranked based on new business premium earned in that respective year, constituted approximately 85% market share (on a new business premium basis) of the private sector life insurance market. CRISIL Research expects that private sector life insurance companies with strong bancassurance networks will continue to gain market share in the Indian life insurance sector and outperform other insurance companies. *(Source: CRISIL Report)*

Movement in Industry Parameters

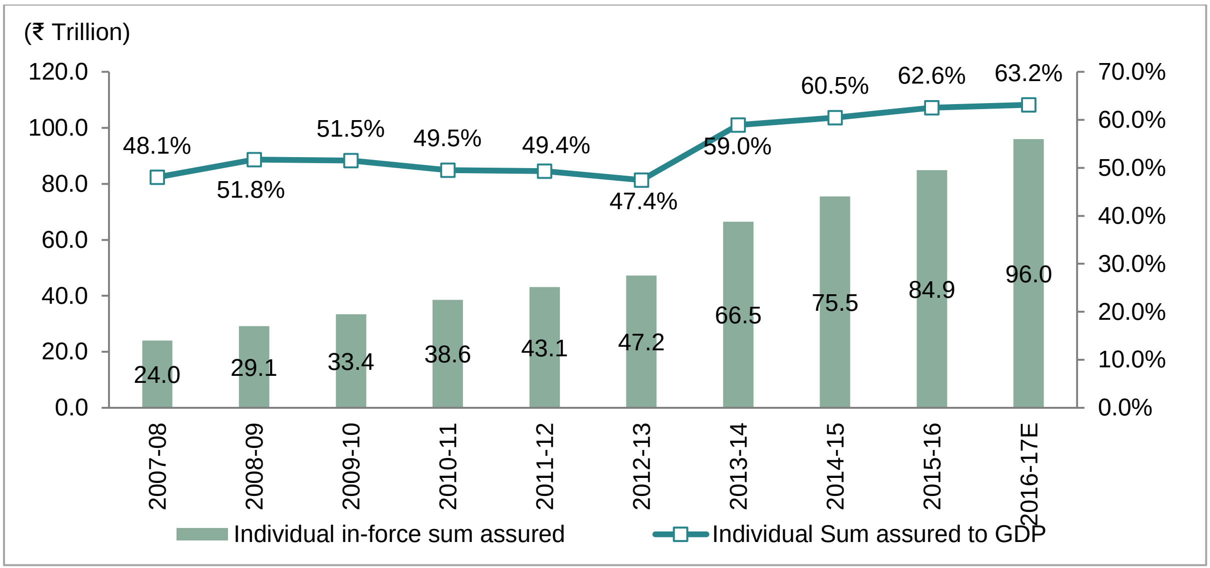
Increased life insurance coverage

The total sum assured, which is the absolute amount of benefit guaranteed to become payable on death of the policyholder or upon maturity of the policy (in accordance with the terms and conditions of the policy), under the individual life insurance business in India was ₹96 trillion as of Fiscal 2017. The sum assured for individual

[2] CRISIL Limited, *When India ages, whither pension for all?* (January 2015)

insurance in India is estimated to have increased at a CAGR of 16% from Fiscal 2011 to Fiscal 2017. As of Fiscal 2017, the total number of individual policies in force was 322 million and the total number of individual new policies issued was 26 million. In Fiscal 2018, 28 million individual new policies were issued. The number of lives covered under group schemes has grown at a CAGR of 25% from Fiscal 2007 to Fiscal 2017, reaching 180 million as of March 31, 2017. For private sector insurance companies, the number of lives covered under group policies grew at a CAGR of 36% from Fiscal 2007 to Fiscal 2017, relatively higher than the CAGR of 25% for the industry overall during the same period. *(Source: CRISIL Report)*

Trend in individual in-force sum assured

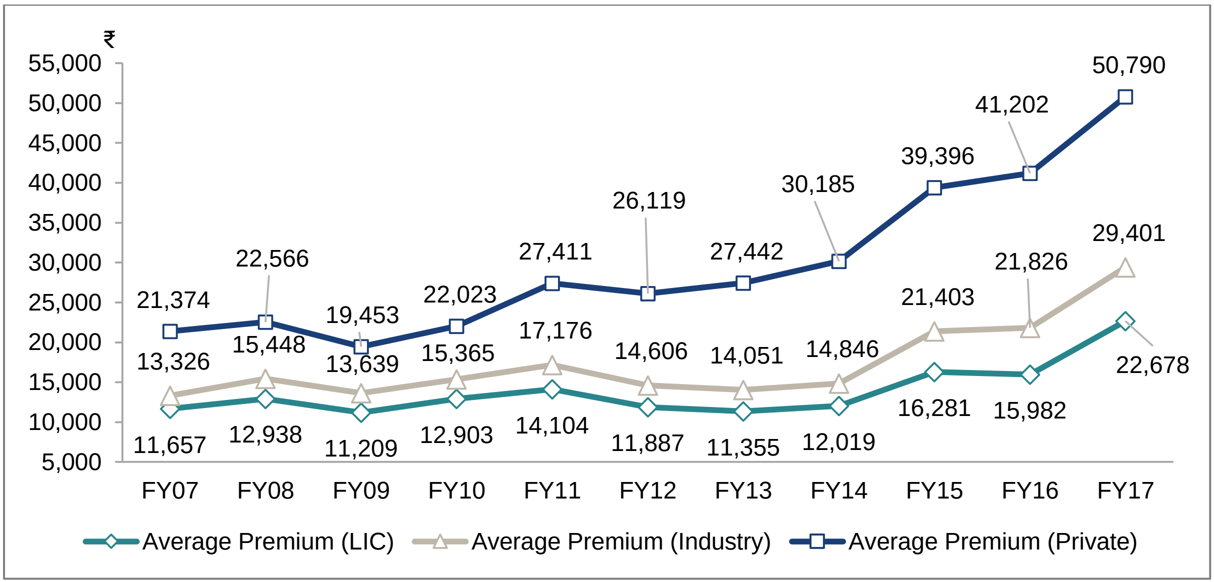


Source: IRDAI, Life Insurance Council, CRISIL Research estimates

Growth of average premium

The average premium (new business premium/total policies) for the Indian life insurance industry increased at a CAGR of 8% from Fiscal 2007 to Fiscal 2017, with the growth of private sector life insurance companies slightly higher at 9% CAGR during the same period. *(Source: CRISIL Report)*

Average premium for private sector life insurance companies and industry (individual business)

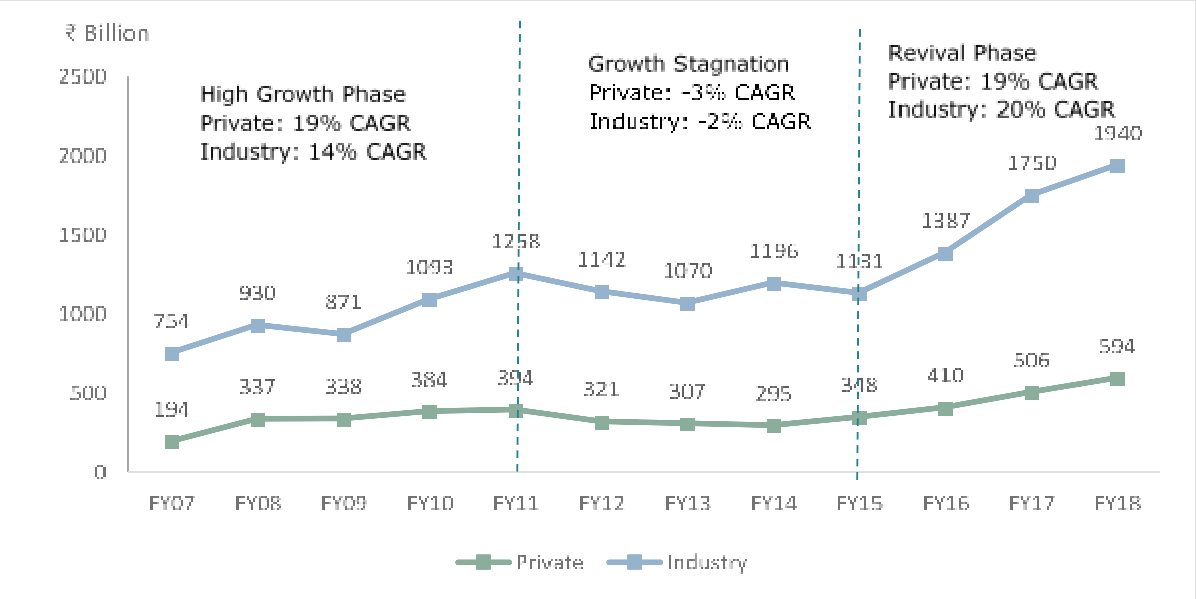


Source: IRDAI, CRISIL Research

Growth in new business premium

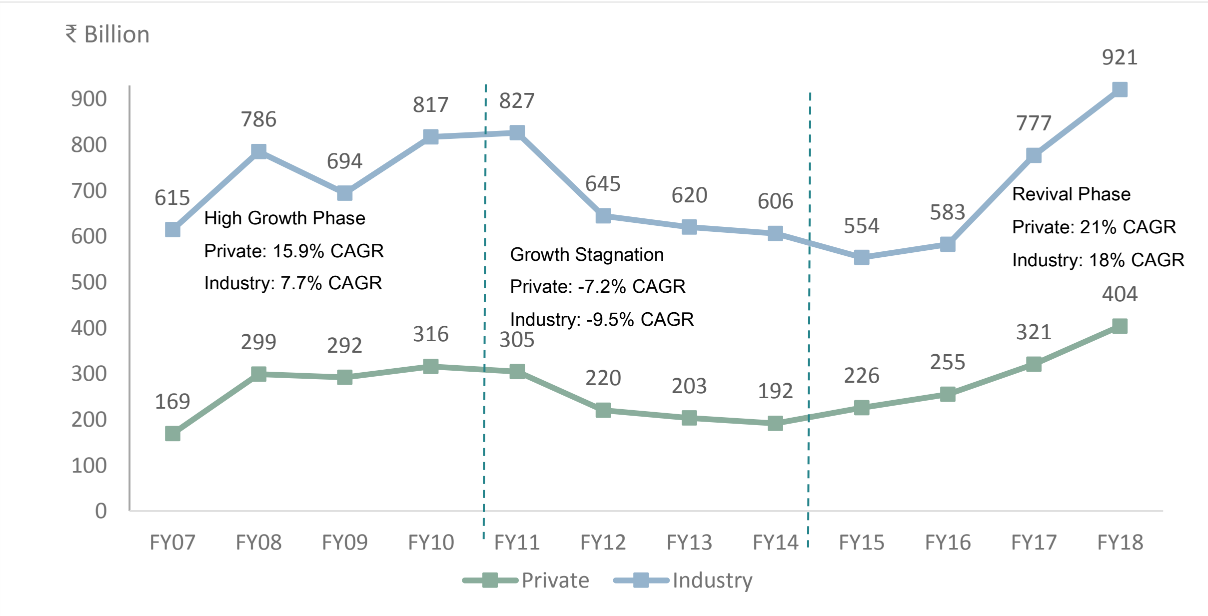
The life insurance industry saw an overall revival, on an new business premium basis, in Fiscal 2016. From Fiscal 2011 to Fiscal 2014, the new business premium of private sector life insurance companies declined at a CAGR of 9%, which was a greater decline than that of the industry overall, which fell at a CAGR of only 2%. However, the beginnings of recovery for private sector life insurance companies were visible in Fiscal 2015, as both new business premium and renewal premium grew approximately 18% and 12% year-on-year, respectively, and total new business premium for the industry overall grew at a CAGR of 13.5% from Fiscal 2014 to Fiscal 2017. In Fiscal 2018, the industry overall grew by approximately 11% year-on-year on a total new business premium basis, while the private sector life insurance companies grew by approximately 17% year-on-year. In Fiscal 2018, the industry overall grew by approximately 19% year-on-year on an individual new business premium basis, while the private sector life insurance companies grew by approximately 26% year-on-year. *(Source: CRISIL Report)*

Trend in new business premium for private sector life insurance companies and industry



Source: IRDAI, CRISIL Research

Trend in individual new business premium for private sector life insurance companies and industry



Source: IRDAI, CRISIL Research

Shift in distribution channels

Since the IRDAI permitted sale of insurance products through bancassurance channels, private sector life insurance companies have leveraged bancassurance channels to market their products. This gradually led to an increase in the share of bancassurance and a decline in the share of individual agents in the distribution of individual life insurance products. The share of bancassurance increased from 6% in Fiscal 2007 to 24% in Fiscal 2017 in the individual life insurance product business, driven by private sector life insurance companies. For private sector life insurance companies, new business from bancassurance channels increased from 16.6% in Fiscal 2007 to 53.9% in Fiscal 2017. The share of new business premium from individual agents for the industry decreased from 90.5% to 68.9% during the same period. *(Source: CRISIL Report)*

New business premium by distribution channels for private sector life insurance companies (individual life insurance product)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Individual agents	65.8	59.8	54.9	50.7	46.9	44.0	39.7	40.1	35.7	31.9	29.9
Corporate agents – Banks	16.6	18.9	20.8	24.9	33.2	39.0	43.1	43.6	47.4	51.7	53.9
Corporate agents – Others	8.4	11	10.9	10.3	8.7	7.5	6	4	3.4	3.0	3.0
Brokers	1.1	1.5	2	3.4	4.8	5.1	5.1	4.9	4.5	3.6	2.9
Direct selling*****	8.1	8.8	11.4	10.7	6.4	4.4	6.1	7.4	9.0	9.8	10.0

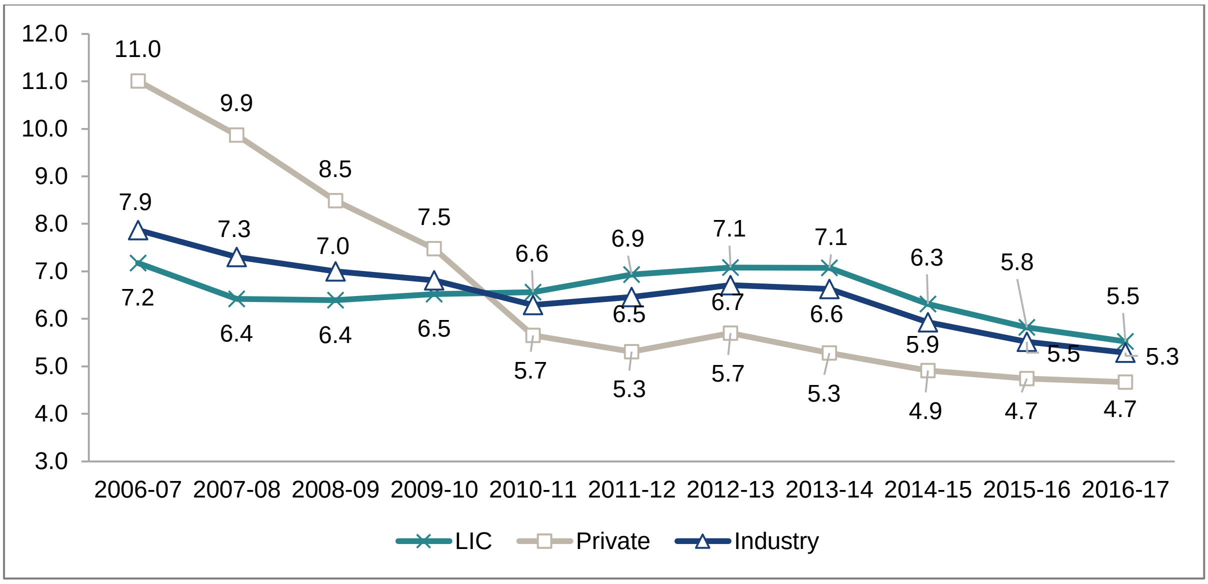
**Direct selling also includes business through referral and online channel*
Source: IRDAI, CRISIL Research

Private sector life insurance companies, such as SBI Life, ICICI Prudential, HDFC Standard, Max Life, PNB MetLife and Kotak Mahindra, leverage their captive bancassurance channels in order to sell their products. The vast geographic presence of these banks also provides these private sector life insurance companies advantage over life insurance companies that do not have their own bancassurance channels. Further, banks such as the State Bank of India ("**SBI**"), ICICI Bank and Punjab National Bank ("**PNB**") sell products exclusively for their affiliated life insurance companies, thereby aiding those companies in cross-selling products to bank customers. PNB MetLife's key bancassurance partners include PNB, Jammu and Kashmir Bank and Karnataka Bank. Apart from its largest bancassurance partner, PNB, which provides PNB MetLife with access to 7,059 bank branches as of December 31, 2017, Jammu and Kashmir Bank and Karnataka Bank provide it access to 1,746 bank branches, as of December 31, 2017. *(Source: CRISIL Report)*

Decline in commission expense ratio

The commission expense ratio on a total premium basis has declined considerably for the industry overall, due to the drop in commissions on linked products following the 2010 enactment of IRDAI regulations capping product charges. *(Source: CRISIL Report)*

Commission expense ratio (as % of total premium) of private sector life insurance companies lower than LIC's

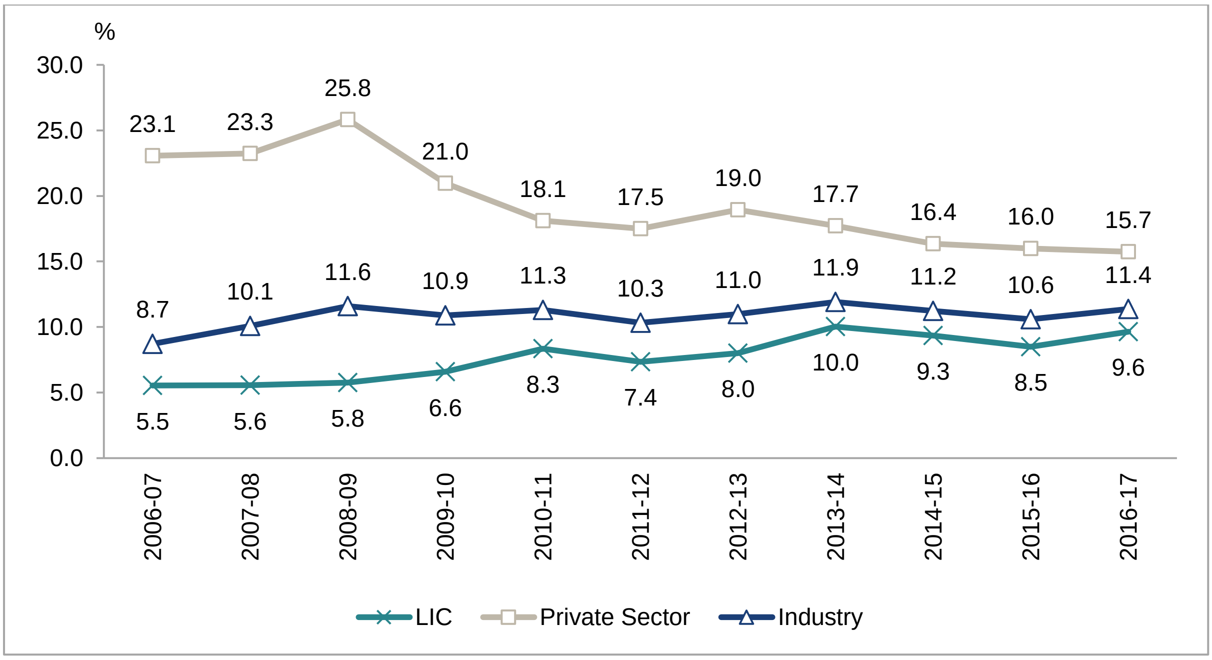


Source: IRDAI, CRISIL Research

Decline in operating expense ratio

Prior to 2010, private sector life insurance companies had a high operating expense ratio due to high infrastructure costs associated with expanding their geographic reach, and the ratio remained high despite increasing total premium from Fiscal 2007 to Fiscal 2010. After 2010, private sector life insurance companies consolidated and began focusing on cost efficiencies; however, their operating expense ratio improved only marginally due to the general slowdown in premium growth from Fiscal 2010 to Fiscal 2014. Operating expense during the period declined at a CAGR of 5% for private sector life insurance companies. Total premium also declined by a CAGR of 1%. After Fiscal 2014, the operating expense ratio improved as total premium grew at a CAGR of approximately 14% while operating expense increased at the lower rate of approximately 8% CAGR. *(Source: CRISIL Report)*

Operating-expense ratio (as % of total premium)



Source: IRDAI, CRISIL Research

Performance Comparison of the Top Ten Private Sector Life Insurance Companies

The table below sets forth a ranking of the ten largest private sector life insurance companies based on individual new business premium in Fiscal 2018 as compared to our Company.

Rank of top 10 private sector life insurance companies based on individual new business premium in Fiscal 2018

	Rank	Individual new business premium (₹ million)
PNB MetLife	8	12,544
SBI Life	1	84,059
ICICI Prudential Life	2	84,019
HDFC Standard	3	59,431
Max Life	4	39,834
Kotak Mahindra Old Mutual Life	5	19,719
Bajaj Allianz	6	14,558
Tata AIA	7	14,034
Birla Sunlife	9	11,523
Canara HSBC OBC Life	10	8,306

In the tables below, we have set forth the performance of the 10 largest private sector life insurance companies (as ranked above according to individual new business premium in Fiscal 2018) based on the metrics and for the periods indicated. The order in which PNB MetLife and the other top 10 private sector life insurance companies are presented in the tables below is based on their listing in the above table and is not meant to reflect their ranking among private sector life insurance companies with respect to any of the metrics presented in the tables below.

New business premium and individual new business premium in Fiscal 2018

	New business premium	**Individual new business premium**
	(₹ million)	
PNB MetLife	14,270	12,554
SBI Life	109,661	84,059
ICICI Prudential Life	92,118	84,019
HDFC Standard	113,496	59,431
Max Life	43,486	39,834
Kotak Mahindra Old Mutual Life	34,042	19,719
Bajaj Allianz	42,909	14,558
Tata AIA	14,890	14,034
Birla Sunlife	26,629	11,523
Canara HSBC OBC Life	12,275	8,306

Source: IRDAI, company reports, CRISIL Research

Market share of the private sector life insurance market, based on new business premium and individual new business premium, in Fiscal 2018

	New business premium	**Individual new business premium**
PNB MetLife	2.4%	3.1%
SBI Life	18.5%	20.8%
ICICI Prudential Life	15.5%	20.8%
HDFC Standard	19.1%	14.7%
Max Life	7.3%	9.9%
Kotak Mahindra Old Mutual Life	5.7%	4.9%
Bajaj Allianz	7.2%	3.6%
Tata AIA	2.5%	3.5%
Birla Sunlife	4.5%	2.9%
Canara HSBC OBC Life	2.1%	2.1%

Source: IRDAI, company reports, CRISIL Research

Market share of the Indian life insurance sector as a whole, based on new business premium and individual new business premium, in Fiscal 2018

	New business premium	**Individual new business premium**
PNB MetLife	0.7%	1.4%
SBI Life	5.7%	9.1%
ICICI Prudential Life	4.7%	9.1%

	New business premium	Individual new business premium
HDFC Standard	5.9%	6.5%
Max Life	2.2%	4.3%
Kotak Mahindra Old Mutual Life	1.8%	2.1%
Bajaj Allianz	2.2%	1.6%
Tata AIA	0.8%	1.5%
Birla Sunlife	1.4%	1.3%
Canara HSBC OBC Life	0.6%	0.9%

Source: IRDAI, Company reports, CRISIL Research

Growth in new business premium and individual new business premium from Fiscal 2017 to Fiscal 2018

	New business premium	Individual new business premium
PNB MetLife	24.2%	21.7%
SBI Life	8.1%	29.9%
ICICI Prudential Life	17.1%	20.4%
HDFC Standard	30.5%	41.5%
Max Life	18.6%	20.4%
Kotak Mahindra Old Mutual Life	19.5%	37.3%
Bajaj Allianz	30.4%	36.6%
Tata AIA	31.5%	33.4%
Birla Sunlife	5.1%	19.9%
Canara HSBC OBC Life	24.9%	32.5%

Source: IRDAI, company reports, CRISIL Research

Growth in new business premium and individual new business premium from Fiscal 2015 to Fiscal 2018

	New business premium	Individual new business premium
PNB MetLife	19.8%	20.2%
SBI Life	25.6%	30.8%
ICICI Prudential Life	20.0%	20.3%
HDFC Standard	27.4%	21.5%
Max Life	19.1%	19.0%
Kotak Mahindra Old Mutual Life	30.3%	38.1%
Bajaj Allianz	16.7%	11.3%
Tata AIA	68.2%	81.2%
Birla Sunlife	11.1%	14.6%
Canara HSBC OBC Life	37.0%	35.8%

Source: IRDAI, company reports, CRISIL Research

Product mix, based on new business premium, in Fiscal 2018

	Linked	Non-linked	Participatory (within non-linked)	Non-participatory (within non-linked)
PNB MetLife	18.2%	81.8%	44.5%	55.5%
SBI Life	55.9%	44.1%	42.0%	58.0%
ICICI Prudential Life	76.4%	23.6%	36.6%	63.4%
HDFC Standard	34.3%	65.7%	18.0%	82.0%
Max Life	32.7%	67.3%	74.3%	25.7%
Kotak Mahindra Old Mutual Life	44.1%	55.9%	29.0%	71.0%
Bajaj Allianz	40.6%	59.4%	13.0%	87.0%
Tata AIA	N.A.	N.A.	N.A.	N.A.
Birla Sunlife	N.A.	N.A.	N.A.	N.A.
Canara HSBC OBC Life	N.A.	N.A.	N.A.	N.A.

Note: N.A.: not available
Source: IRDAI, company reports, CRISIL Research

Commission ratio, as a percentage of total premium, in Fiscal 2018

	Commission/Total Premium
PNB MetLife	5.5%

	Commission/Total Premium
SBI Life	4.4%
ICICI Prudential Life	5.2%
HDFC Standard	4.6%
Max Life	7.1%
Kotak Mahindra Old Mutual Life	5.7%
Bajaj Allianz	2.7%
Tata AIA	8.4%
Birla Sunlife	4.6%
Canara HSBC OBC Life	4.5%

Source: Company filings, CRISIL Research

Operating expense ratio, based on total premium, in Fiscal 2018

	Operating Expense/Total Premium
PNB MetLife	20.6%
SBI Life	6.8%
ICICI Prudential Life	7.5%
HDFC Standard	13.4%
Max Life	12.9%
Kotak Mahindra Old Mutual Life	16.8%
Bajaj Allianz	15.9%
Tata AIA	20.0%
Birla Sunlife	13.8%
Canara HSBC OBC Life	13.1%

Source: Company filings, CRISIL Research

Channel mix, based on individual new business premium, in Fiscal 2018

	Individual agents	Corporate agents - banks	Corporate agents - others	Direct business	Others
PNB MetLife	5.4%	64.6%	0.0%	29.5%	0.5%
SBI Life	31.2%	67.4%	0.5%	0.8%	0.0%
ICICI Prudential Life	25.6%	52.6%	2.9%	16.0%	3.0%
HDFC Standard	13.2%	58.8%	4.8%	19.3%	3.9%
Max Life	23.6%	63.6%	2.6%	10.0%	0.3%
Kotak Mahindra Old Mutual Life	32.3%	60.6%	0.3%	5.1%	1.7%
Bajaj Allianz	79.2%	5.4%	1.2%	8.0%	6.3%
Tata AIA	32.9%	49.8%	0.6%	5.7%	11.1%
Birla Sunlife	68.7%	19.4%	1.4%	7.8%	2.7%
Canara HSBC OBC Life	0.0%	99.4%	0.0%	0.0%	0.6%

Source: Company filings, CRISIL Research

Persistency ratio, as a percentage of total premium, in Fiscal 2018

	13th	25th	37th	49th	61th
PNB MetLife	77.0%	58.3%	46.0%	37.1%	27.7%
SBI Life	83.0%	75.2%	70.0%	63.9%	58.4%
ICICI Prudential Life	86.8%	78.3%	68.8%	64.2%	54.5%
HDFC Standard	87.1%	77.4%	70.9%	62.2%	51.0%
Max Life	81.0%	72.0%	62.0%	57.0%	53.0%
Kotak Mahindra Old Mutual Life	85.5%	73.8%	69.1%	67.1%	61.8%
Bajaj Allianz	77.2%	58.2%	48.5%	42.3%	33.4%
Tata AIA	81.2%	71.6%	62.2%	63.5%	50.3%
Birla Sunlife	75.3%	64.4%	55.5%	49.5%	42.3%
Canara HSBC OBC Life	77.9%	69.2%	59.1%	53.4%	43.3%

Source: Company filings, CRISIL Research

Net profit in Fiscal 2018

	Net profit (₹ million)
PNB MetLife	1,417

	Net profit (₹ million)
SBI Life	11,504
ICICI Prudential Life	16,192
HDFC Standard	11,090
Max Life	5,276
Kotak Mahindra Old Mutual Life	4,134
Bajaj Allianz	7,161
Tata AIA	1,699
Birla Sunlife	1,668
Canara HSBC OBC Life	1,678

Source: Company filings, CRISIL Research

Geographic mix of branch partners of private sector life insurance companies as of December 31, 2017

	Rural	Urban and Semi-urban	Metropolitan
PNB MetLife	36.4%	43.7%	19.9%
SBI Life	30.7%	48.1%	21.2%
ICICI Prudential Life	19.6%	51.6%	28.7%
HDFC Standard	25.3%	52.5%	22.2%
Max Life	16.0%	52.3%	31.7%
Kotak Mahindra Old Mutual Life	12.6%	50.0%	37.3%
Bajaj Allianz	33.5%	54.0%	12.5%
Tata AIA	19.8%	50.3%	29.9%
Birla Sunlife	19.0%	51.2%	29.8%
Canara HSBC OBC Life	24.7%	50.9%	24.4%

Source: RBI, IRDAI, CRISIL Research

Average premium, based on individual business, in Fiscal 2018

	Average premium – individual business (₹)
PNB MetLife	57,105
SBI Life	58,905
ICICI Prudential Life	100,429
HDFC Standard	56,621
Max Life	70,963
Kotak Mahindra Old Mutual Life	58,350
Bajaj Allianz	47,208
Tata AIA	63,027
Birla Sunlife	46,500
Canara HSBC OBC Life	79,223

Source: Company filings, IRDAI, CRISIL Research

Claims settlement ratio, solvency ratio and surrender ratio in Fiscal 2018

	Claims settlement ratio	Solvency ratio	Surrender ratio
PNB MetLife	92.9%	202%	41.1%
SBI Life	98.5%	206%	16.8%
ICICI Prudential Life	98.1%	252%	47.1%
HDFC Standard	99.1%	192%	29.5%
Max Life	98.6%	275%	20.5%
Kotak Mahindra Old Mutual Life	99.3%	305%	20.5%
Bajaj Allianz	99.1%	592%	58.1%
Tata AIA	98.3%	293%	31.6%
Birla Sunlife	97.7%	214%	74.7%
Canara HSBC OBC Life	97.2%	382%	44.7%

Note: The above ratios/details have been derived from the limited information available in the public disclosures made by the insurance companies on their respective websites.

Source: Company filings, CRISIL Research

Return on equity in Fiscal 2018

	Return on equity
PNB MetLife	14%
SBI Life	19%
ICICI Prudential Life	24%
HDFC Standard	26%
Max Life	20%
Kotak Mahindra Old Mutual Life	20%
Bajaj Allianz	8%
Tata AIA	8%
Birla Sunlife	7%
Canara HSBC OBC Life	13%

Embedded value, value of new business margin and return on embedded value in Fiscal 2018

	Embedded value (₹ billion)	Value of new business margin	Return on embedded value
PNB MetLife	N.A.	N.A.	N.A.
SBI Life	190.7	16.2%	17.9%
ICICI Prudential Life	187.9	16.5%	22.7%
HDFC Standard	152.2	23.2%	21.5%
Max Life	75.1	20.2%	20.6%
Kotak Mahindra Old Mutual Life	N.A.	N.A.	N.A.
Bajaj Allianz	N.A.	N.A.	N.A.
Tata AIA	N.A.	N.A.	N.A.
Birla Sunlife	N.A.	N.A.	N.A.
Canara HSBC OBC Life	N.A.	N.A.	N.A.

Note: N.A.: not available

Source: IRDAI, Life Insurance Council, company reports, CRISIL Research

Market share of the private sector life insurance market, based on new business premium, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	2.3%	2.4%	2.4%	2.3%	2.4%
SBI Life	17.2%	15.9%	17.3%	20.0%	18.5%
ICICI Prudential Life	12.7%	15.3%	16.5%	15.5%	15.5%
HDFC Standard	13.7%	15.8%	15.8%	17.2%	19.1%
Max Life	7.7%	7.4%	7.0%	7.2%	7.3%
Kotak Mahindra Old Mutual Life	4.3%	4.4%	5.4%	5.6%	5.7%
Bajaj Allianz	8.8%	7.8%	7.0%	6.5%	7.2%
Tata AIA	1.5%	0.9%	1.8%	2.2%	2.5%
Birla Sunlife	5.7%	5.6%	5.4%	5.0%	4.5%
Canara HSBC OBC Life	2.1%	1.4%	2.1%	1.9%	2.1%

Source: Company reports, CRISIL Research

Market share of the private sector life insurance market, based on individual new business premium, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	3.0%	3.2%	3.6%	3.2%	3.1%
SBI Life	16.8%	16.6%	19.5%	20.2%	20.8%
ICICI Prudential Life	17.9%	21.4%	21.0%	21.7%	20.8%
HDFC Standard	13.3%	14.7%	14.3%	13.1%	14.7%
Max Life	10.8%	10.5%	10.3%	10.3%	9.9%
Kotak Mahindra Old Mutual Life	3.4%	3.3%	4.2%	4.5%	4.9%
Bajaj Allianz	6.1%	4.7%	3.5%	3.3%	3.6%
Tata AIA	1.4%	1.0%	2.4%	3.3%	3.5%
Birla Sunlife	4.6%	3.4%	2.8%	3.0%	2.9%
Canara HSBC OBC Life	1.5%	1.5%	2.0%	2.0%	2.1%

Source: Company reports, CRISIL Research

Market share of the Indian life insurance sector as a whole, based on new business premium, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	0.6%	0.7%	0.7%	0.7%	0.7%
SBI Life	4.2%	4.9%	5.1%	5.8%	5.7%
ICICI Prudential Life	3.1%	4.7%	4.9%	4.5%	4.7%
HDFC Standard	3.4%	4.9%	4.7%	5.0%	5.9%
Max Life	1.9%	2.3%	2.1%	2.1%	2.2%
Kotak Mahindra Old Mutual Life	1.1%	1.4%	1.6%	1.6%	1.8%
Bajaj Allianz	2.2%	2.4%	2.1%	1.9%	2.2%
Tata AIA	0.4%	0.3%	0.5%	0.6%	0.8%
Birla Sunlife	1.4%	1.7%	1.6%	1.4%	1.4%
Canara HSBC OBC Life	0.5%	0.4%	0.6%	0.6%	0.6%

Source: Company reports, CRISIL Research

Market share of the Indian life insurance sector as a whole, based on individual new business premium, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	1.0%	1.3%	1.6%	1.3%	1.4%
SBI Life	5.3%	6.8%	8.5%	8.3%	9.1%
ICICI Prudential Life	5.6%	8.7%	9.2%	9.0%	9.1%
HDFC Standard	4.2%	6.0%	6.3%	5.4%	6.5%
Max Life	3.4%	4.3%	4.5%	4.3%	4.3%
Kotak Mahindra Old Mutual Life	1.1%	1.4%	1.8%	1.8%	2.1%
Bajaj Allianz	1.9%	1.9%	1.5%	1.4%	1.6%
Tata AIA	0.4%	0.4%	1.1%	1.4%	1.5%
Birla Sunlife	1.4%	1.4%	1.2%	1.2%	1.3%
Canara HSBC OBC Life	0.5%	0.6%	0.9%	0.8%	0.9%

Source: Company reports, CRISIL Research

Commission ratio, based on total premium, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	5.7%	5.6%	5.7%	5.6%	5.5%
SBI Life	5.2%	4.7%	4.5%	3.7%	4.4%
ICICI Prudential Life	5.0%	3.6%	3.2%	3.4%	5.2%
HDFC Standard	4.3%	4.2%	4.3%	4.1%	4.6%
Max Life	9.4%	9.2%	8.9%	8.7%	7.1%
Kotak Mahindra Old Mutual Life	5.0%	5.8%	6.5%	6.3%	5.7%
Bajaj Allianz	2.5%	3.4%	2.7%	2.4%	2.7%
Tata AIA	4.0%	4.3%	6.0%	8.3%	8.4%
Birla Sunlife	4.9%	4.5%	3.9%	4.5%	4.6%
Canara HSBC OBC Life	2.0%	2.9%	2.7%	3.0%	4.5%

Source: Company reports, CRISIL Research

Operating expense ratio, based on total premium, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	24.2%	24.5%	26.5%	23.1%	20.6%
SBI Life	10.3%	9.2%	9.2%	7.8%	6.8%
ICICI Prudential Life	13.0%	10.8%	9.9%	10.5%	7.5%
HDFC Standard	10.6%	10.0%	11.5%	12.3%	13.4%
Max Life	16.5%	15.2%	13.6%	14.8%	12.9%
Kotak Mahindra Old Mutual Life	20.5%	22.0%	20.0%	18.1%	16.8%
Bajaj Allianz	23.0%	18.6%	18.8%	17.1%	15.9%
Tata AIA	18.7%	23.5%	19.4%	23.2%	20.0%
Birla Sunlife	19.0%	16.6%	16.2%	13.5%	13.8%
Canara HSBC OBC Life	14.6%	16.0%	13.3%	13.6%	13.1%

Source: Company reports, CRISIL Research

Average premium, for individual business, for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
			(₹)		
PNB MetLife	31,552	36,081	38,442	47,654	57,105
SBI Life	30,910	33,362	39,107	50,778	58,905
ICICI Prudential Life	44,098	75,491	92,313	99,418	100,429
HDFC Standard	28,895	37,823	31,799	38,817	56,621
Max Life	39,246	48,239	56,806	65,781	70,963
Kotak Mahindra Old Mutual Life	40,199	40,233	40,932	48,051	58,350
Bajaj Allianz	25,912	35,784	34,173	38,954	47,208
Tata AIA	22,974	32,823	45,036	57,416	63,027
Birla Sunlife	21,101	26,462	24,809	31,768	46,500
Canara HSBC OBC Life	54,728	54,755	66,592	68,827	79,223

Source: Company reports, IRDAI, CRISIL Research

Solvency ratio for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	228.0%	219.0%	211.0%	203.0%	202.0%
SBI Life	223.0%	216.0%	212.0%	204.0%	206.0%
ICICI Prudential Life	372.3%	336.9%	320.0%	280.7%	252.5%
HDFC Standard	194.0%	196.0%	198.0%	192.0%	192.0%
Max Life	485.0%	425.0%	343.0%	309.0%	275.0%
Kotak Mahindra Old Mutual Life	220.0%	239.0%	178.0%	175.0%	305.0%
Bajaj Allianz	734.0%	761.0%	793.0%	582.0%	592.0%
Tata AIA	409.0%	417.0%	348.0%	315.0%	293.0%
Birla Sunlife	186.0%	205.0%	211.0%	200.0%	214.0%
Canara HSBC OBC Life	359.0%	316.0%	411.0%	401.0%	382.0%

Source: Company reports, CRISIL Research

Claims settlement ratio for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	93.5%	95.4%	90.7%	90.2%	92.9%
SBI Life	93.9%	92.1%	95.9%	98.0%	98.5%
ICICI Prudential Life	94.6%	94.6%	96.7%	97.0%	98.1%
HDFC Standard	95.7%	92.9%	97.4%	99.2%	99.1%
Max Life	96.7%	97.3%	97.7%	98.4%	98.6%
Kotak Mahindra Old Mutual Life	97.6%	98.3%	98.5%	98.8%	99.3%
Bajaj Allianz	96.7%	96.7%	98.1%	98.9%	99.1%
Tata AIA	89.5%	94.0%	96.9%	96.5%	98.3%
Birla Sunlife	89.9%	96.1%	91.2%	95.9%	97.7%
Canara HSBC OBC Life	90.2%	92.6%	95.0%	95.3%	97.2%

Note: The above ratios/details have been derived from the limited information available in the public disclosures made by the insurance companies on their respective websites.
Source: Company reports, CRISIL Research

Surrender ratio for the fiscal years indicated

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
PNB MetLife	60.6%	65.1%	39.6%	40.8%	41.1%
SBI Life	48.6%	36.5%	21.5%	22.8%	16.8%
ICICI Prudential Life	91.0%	73.9%	58.5%	52.8%	47.1%
HDFC Standard	29.1%	42.4%	30.3%	27.5%	29.5%
Max Life	30.0%	30.4%	21.0%	20.5%	20.5%
Kotak Mahindra Old Mutual Life	53.8%	43.0%	24.1%	23.3%	20.5%
Bajaj Allianz	123.1%	111.9%	57.0%	54.8%	58.1%
Tata AIA	96.3%	141.8%	96.6%	61.5%	31.6%
Birla Sunlife	70.0%	66.6%	62.5%	69.3%	74.7%
Canara HSBC OBC Life	21.2%	83.9%	72.1%	61.6%	44.7%

Source: Company reports, CRISIL Research

The following table presents the population of India's metropolitan cities.

List of metropolitan cities in India[3]

City	Population	City	Population
Mumbai	18,394,912	Thiruvananthapuram	1,679,754
Delhi	16,349,831	Ludhiana	1,618,879
Kolkata	14,057,991	Nashik	1,561,809
Chennai	8,653,521	Vijayawada	1,476,931
Bengaluru	8,520,435	Madurai	1,465,625
Hyderabad	7,677,018	Varanasi	1,432,280
Ahmedabad	6,357,693	Meerut	1,420,902
Pune	5,057,709	Faridabad	1,414,050
Surat	4,591,246	Rajkot	1,390,640
Jaipur	3,046,163	Jamshedpur	1,339,438
Kanpur	2,920,496	Jabalpur	1,268,848
Lucknow	2,902,920	Asansol	1,243,414
Nagpur	2,497,870	Allahabad	1,212,395
Ghaziabad	2,375,820	Dhanbad	1,196,214
Indore	2,170,295	Aurangabad	1,193,167
Coimbatore	2,136,916	Amritsar	1,183,549
Kochi	2,119,724	Jodhpur	1,138,300
Patna	2,049,156	Ranchi	1,126,720
Kozhikode	2,028,399	Raipur	1,123,558
Bhopal	1,886,100	Gwalior	1,102,884
TRICHUR	1,861,269	Bhilai	1,064,222
Vadodara	1,822,221	Tiruchirappalli	1,022,518
Agra	1,760,285	Kota	1,001,694
Visakhapatnam	1,728,128		

Source: 2011 Census Data, RBI definition, CRISIL Research

Number of bank branches for PNB MetLife's bancassurance partners as of December 31, 2017

	Total	Rural	Urban and Semi-Urban	Metropolitan
Punjab National Bank	7,059	2,569	3,162	1,328
Jammu & Kashmir Bank Ltd	940	472	287	181
Karnataka Bank Ltd	806	167	402	237
American Express Banking Corp.	2	-	1	1
Madhya Bihar Gramin Bank	712	549	149	14
Sarva Haryana Gramin Bank	664	460	194	10
Sarva U.P. Gramin Bank	529	369	146	14
Himachal Pradesh Gramin Bank	232	217	15	-
Punjab Gramin Bank	291	228	60	3
Bank of Bahrain & Kuwait	4	-	1	3

Source: RBI, CRISIL Research

PNB MetLife's bancassurance partners bank branches by region as a percentage of each bank's total number of branches as of December 31, 2017

	Rural	Urban and Semi-Urban	Metropolitan
Punjab National Bank	36.4%	44.8%	18.8%
Jammu & Kashmir Bank Ltd	50.2%	30.5%	19.3%
Karnataka Bank Ltd	20.7%	49.9%	29.4%
American Express Banking Corp.	-	50.0%	50.0%
Madhya Bihar Gramin Bank	77.1%	20.9%	2.0%
Sarva Haryana Gramin Bank	69.3%	29.2%	1.5%
Sarva U.P. Gramin Bank	69.8%	27.6%	2.6%
Himachal Pradesh Gramin Bank	93.5%	6.5%	-
Punjab Gramin Bank	78.4%	20.6%	1.0%
Bank of Bahrain & Kuwait	-	25%	75%

Source: RBI, CRISIL Research

[3]Some cities have been re-named post the 2011 census; however, old names have been retained in the above table as per Census data

PNB branches by state as a percentage of total PNB branches as of December 31, 2017

State	% Share
Uttar Pradesh	19.5%
Punjab	10.4%
Bihar	8.6%
Haryana	7.8%
Rajasthan	7.7%
Himachal Pradesh	5.0%
Madhya Pradesh	4.5%
West Bengal	4.2%
Maharashtra	3.8%
Uttarakhand	3.7%
Nct of Delhi	3.5%
Gujarat	2.8%
Tamil Nadu	2.8%
Kerala	2.5%
Odisha	2.6%
Chhattisgarh	1.8%
Jharkhand	1.8%
Jammu & Kashmir	1.6%
Karnataka	1.2%
Telangana	1.2%
Assam	1.0%
Andhra Pradesh	0.9%
Chandigarh	0.6%
Meghalaya	0.2%
Goa	0.1%
Puducherry	0.1%
Tripura	0.0%
Arunachal Pradesh	0.0%
Manipur	0.0%
Andaman & Nicobar Islands	0.0%
Nagaland	0.0%
Dadra & Nagar Haveli	0.0%
Sikkim	0.0%
Daman & Diu	0.0%
Mizoram	0.0%

Source: RBI, CRISIL Research

Karnataka Bank branches by state as a percentage of total Karnataka Bank branches as of December 31, 2017

State	% Share
Karnataka	61.5%
Maharashtra	6.8%
Tamil Nadu	6.6%
Andhra Pradesh	4.2%
Nct of Delhi	3.2%
West Bengal	2.5%
Kerala	2.5%
Telangana	2.4%
Uttar Pradesh	1.4%
Gujarat	1.2%
Haryana	1.1%
Odisha	1.0%
Goa	0.9%
Madhya Pradesh	0.9%
Punjab	0.7%
Rajasthan	0.7%
Chhattisgarh	0.6%
Uttarakhand	0.5%
Jharkhand	0.4%
Chandigarh	0.2%
Assam	0.2%
Bihar	0.1%
Puducherry	0.1%

State	% Share
Sikkim	0.1%

Source: RBI, CRISIL Research

JKB branches by state as a percentage of total JKB branches as of December 31, 2017

State	% Share
Jammu & Kashmir	85.7%
Nct of Delhi	3.1%
Punjab	2.1%
Maharashtra	2.0%
Uttar Pradesh	1.5%
Haryana	1.1%
Karnataka	1.1%
Himachal Pradesh	0.5%
Tamil Nadu	0.5%
Gujarat	0.4%
Telangana	0.3%
Uttarakhand	0.3%
Kerala	0.2%
Madhya Pradesh	0.2%
West Bengal	0.2%
Bihar	0.1%
Chandigarh	0.1%
Chhattisgarh	0.1%
Goa	0.1%
Jharkhand	0.1%
Rajasthan	0.1%

Source: RBI, CRISIL Research

Banks' percentage of the total number of bank branches in Karnataka as of December 31, 2017

State	% Share
STATE BANK OF INDIA	18.3%
CANARA BANK	9.6%
SYNDICATE BANK	8.2%
PRAGATHI KRISHNA GRAMIN BANK	6.3%
KARNATAKA VIKAS GRAMEENA BANK	6.1%
VIJAYA BANK	6.0%
CORPORATION BANK	5.2%
KARNATAKA BANK LTD	4.7%
KAVERI GRAMEENA BANK	4.6%
ICICI BANK LIMITED	2.7%
HDFC BANK LTD.	2.5%
INDIAN OVERSEAS BANK	2.3%
AXIS BANK LIMITED	2.1%
KOTAK MAHINDRA BANK LTD.	1.7%
UNION BANK OF INDIA	1.6%
BANK OF INDIA	1.4%
ANDHRA BANK	1.2%
BANK OF BARODA	1.2%
CENTRAL BANK OF INDIA	1.2%
INDIAN BANK	1.1%
Other banks	*12.0%*

Source: RBI, CRISIL Research

Banks' percentage of the total number of bank branches in Jammu & Kashmir as of December 31, 2017

State	% Share
JAMMU & KASHMIR BANK LTD	44.1%
J & K GRAMEEN BANK	12.3%
STATE BANK OF INDIA	11.2%
ELLAQUAI DEHATI BANK	7.6%
PUNJAB NATIONAL BANK	6.2%
HDFC BANK LTD.	4.0%
ICICI BANK LIMITED	2.0%
CANARA BANK	1.9%

State	% Share
AXIS BANK LIMITED	1.4%
ORIENTAL BANK OF COMMERCE	1.3%
UCO BANK	1.1%
CENTRAL BANK OF INDIA	1.0%
Other banks	*5.9%*

Source: RBI, CRISIL Research

Individual new business premium for private sector life insurance companies, LIC and the Indian life insurance sector as a whole for the fiscal years indicated

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
			(₹ billion)			
Private	203.2	191.8	225.9	254.9	320.9	403.7
LIC	417.2	414.4	327.9	327.9	455.9	517.4
Industry	620.4	606.3	553.7	582.8	776.8	921.1

Source: IRDA, CRISIL Research

New business premium for private sector life insurance companies, LIC and the Indian life insurance sector as a whole for the fiscal years indicated

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
			(₹ billion)			
Private	307.5	295.1	348.2	409.8	506.3	593.1
LIC	762.6	901.3	783.2	976.7	1244.0	1,345.5
Industry	1070.1	1196.4	1131.4	1386.6	1750.2	1,938.7

Source: IRDA, CRISIL Research

BUSINESS

*The following information should be read together with the information contained in the sections titled "**Risk Factors**", "**Industry Overview**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Statements**" on pages 19, 111, 314 and 245, respectively. Unless otherwise stated or required by context, the financial information used in this section is derived from the Restated Financial Statements.*

Overview

We were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018, according to CRISIL (CRISIL Research, "Analysis of Life Insurance Industry in India", July 10, 2018). From Fiscal 2017 to Fiscal 2018, our total new business premium increased at a compounded annual growth rate of 24.23%, compared to the total new business premium for the Indian life insurance sector increasing at a compounded annual growth rate of 10.77% (Source: CRISIL). Our history and relationships with MetLife and PNB have enabled us to become a strong, professionally managed company with the capabilities necessary to take advantage of significant opportunities in the fast growing Indian life insurance market. We have a pan-India, multi-channel distribution network and a comprehensive product portfolio and provide an end-to-end customer-centric service experience. We believe this positions us well to access a broad Indian customer base and address the diverse and evolving needs of Indian customers. We seek to leverage our capabilities through our scalable platform to generate profitable growth, particularly in underpenetrated segments of India's life insurance market. The Indian life insurance market is the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premium in Fiscal 2017, according to Swiss Re Institute, sigma No 3/2017. Total new business premium in the Indian life insurance market grew at a compounded annual growth rate of 19.66% between Fiscal 2015 and Fiscal 2018 and 10.77% from Fiscal 2017 to Fiscal 2018 (Source: CRISIL). However, India continues to be an underpenetrated insurance market with a life insurance penetration of only 2.7% in Fiscal 2016, compared to a global average of 3.5% (Source: CRISIL). In addition, the protection gap in India, which is the difference between the insurance protection cover required and the cover actually insured in a particular period, is amongst the highest globally at US$8.5 trillion in 2014 (Source: CRISIL).

In Fiscal 2018, we had the fourth highest individual product mix based on total new business premium in India (Source: CRISIL). Our individual new business premium accounted for 92.12%, 89.74% and 87.90% of our total new business premium in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Our individual new business premium increased at a compounded annual growth rate of 20.25% from Fiscal 2015 through Fiscal 2018. In Fiscal 2018, our embedded value growth was 17.5%, our operating return on embedded value was 16.1% and our value of new business margin was 17.1%. Our profit before tax was ₹677.11 million, ₹1,034.22 million and ₹1,416.92 million in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

Our distribution network consists of our bancassurance, direct sales, agency and other distribution channels, through which we generated 65.02%, 27.53%, 4.80% and 2.65% of our total new business premium, respectively, and 64.59%, 29.48%, 5.43% and 0.51% of our individual new business premium, respectively, in Fiscal 2018. Our product portfolio covers three principal customer needs – savings, protection and pension, which in Fiscal 2018 accounted for 82.10%, 14.89% and 3.01% of our total new business premium, respectively, and 93.41%, 4.09% and 2.51% of our individual new business premium, respectively.

As of the date of this Draft Red Herring Prospectus, our two Promoters, MIHL and PNB, hold 26% and 30% of our Equity Shares, respectively. MetLife, including its subsidiaries and affiliates, is a leading global insurance company with a presence in more than 40 countries. MIHL, a subsidiary of MetLife, has been our shareholder since August 2001. PNB is the second largest bank in India based on total branches as of December 31, 2017 (Source: CRISIL). PNB has been our distribution partner since October 2011 and our shareholder since January 2013.

Our Competitive Strengths

We expect the following competitive strengths will enable us to continue growing our business while delivering value to our shareholders:

- Our pan-India, multi-channel distribution network positions us to access a demographically and geographically broad customer base across India.

- Our comprehensive product portfolio addresses the diverse and evolving needs of Indian customers, and is complemented by an end-to-end customer-centric service experience.

- Our scalable platform positions us for profitable growth.

- Our experienced management team.

Pan-India multi-channel distribution network with strong bancassurance partners

We have established a pan-India, multi-channel distribution network that includes productive bancassurance relationships with our bancassurance partners, as well as strong direct sales and agency channels that we actively manage through a consolidated operating model. Our pan-India distribution presence enables us to access a geographically and demographically broad Indian customer base, including a wide set of under-penetrated customer segments. Our distribution network allows us to have a balanced geographic business mix. In Fiscal 2018, we generated 42.47%, 39.30% and 18.23% of our individual new business premium from metro, urban and semi-urban, and rural geographies in India, respectively

Bancassurance. As of December 31, 2017, we had the second largest bancassurance platform in India based on number of scheduled bank branches across India (Source: CRISIL). Our key bancassurance partners include PNB, the second largest bank in India based on total branches as of December 31, 2017 (Source: CRISIL), as well as Jammu and Kashmir Bank Limited ("**JKB**") and Karnataka Bank Limited ("**KBL**"), which together with our other bancassurance partners, provided us access to 11,239 branches as of December 31, 2017.

- *PNB.* PNB is our largest bancassurance partner with 7,059 bank branches located across India and more than 100 million banking customers as of December 31, 2017. PNB has been exclusively distributing our life insurance products since October 2011. As of December 31, 2017, 18.8% of PNB's branches were located in metro areas, 44.8% were located in urban and semi-urban areas and 36.4% were located in rural areas, providing us access to a large number of India's geographic market segments (Source: CRISIL). In Fiscal 2018, 36.11%, 42.96% and 20.93% of our individual new business premium generated through PNB were from branches located in metro, urban and semi-urban and rural geographies, respectively. From Fiscal 2015 through Fiscal 2018, the total new business premium and individual new business premium that we generated through PNB grew at a compounded annual growth rates of 30.80% and 27.32%, respectively. We generated a total new business premium of ₹7,530.76 million and individual new business premium of ₹6,636.47 million through PNB in Fiscal 2018.

- *Other key bancassurance partnerships.* In addition to PNB, we also have other bancassurance partnerships, which include JKB and KBL, both of which have been our partners for more than 14 years each. These other relationships complement the PNB branch network. JKB has 940 bank branches as of December 31, 2017 (Source: CRISIL). JKB had a 44.1% share of all bank branches in Jammu and Kashmir state, which is highest among all banks in that state as of December 31, 2017 (Source: CRISIL). As of the date of this Draft Red Herring Prospectus, JKB holds 5.08% of our equity shares and exclusively distributes our life insurance products. KBL had 806 bank branches as of December 31, 2017. We benefit from the strong market position of KBL in South India (Source: CRISIL). We also have relationships with five Regional Rural Banks ("**RRBs**"), which are sponsored by PNB. We have also partnered with American Express Banking Corporation since July 2012 to distribute our life insurance products.

Direct sales and agency. We also have direct sales and agency sales channels that complement our bancassurance channel by allowing us to target more affluent metro, and urban and semi-urban customers through a sales process adapted to their needs.

- *Direct sales*. As of March 31, 2018, our direct sales channel included 4,048 insurance managers, who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks. As of March 31, 2018, we also had 225 loyalty managers who focus on servicing existing policies and cross selling products to our existing customers with the support of our lead management systems. Our insurance managers are generally located across urban areas and are present in 92 cities in India. In contrast, our loyalty managers focus on 18 key Indian cities and have a strong presence in metro areas. From Fiscal 2015 through Fiscal 2018, total new business premium and individual new business premium that we generated through our direct sales channel grew at a compounded annual growth rate of 18.53% and 25.72%, respectively. We generated 31.16%, 29.03% and 27.53% of our total new business premium and 31.84%, 30.29% and 29.48% of our individual new business premium through our direct sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

- *Agency*. Our agency sales channel comprises 6,452 exclusive agents as of March 31, 2018. These exclusive agents are not our employees but have contracts in place with us to sell only our life insurance products. We compensate our agents based on their performance. We seek to ensure that our agents provide quality services to our customers and source business efficiently. As of March 31, 2018, our agency force is present in 92 cities. We generated 9.30%, 5.65% and 4.80% of our total new business premium and 10.04%, 6.27% and 5.43% of our individual new business premium through our agency sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

We employ a consolidated operating model with a common group of sales managers to manage our insurance managers, loyalty managers and our exclusive agents in order to increase sales productivity and efficiency. We had an average of 890 sales managers dedicated to this operating model for Fiscal 2018. Our sales manager productivity, which we measure as total new business premium divided by the average number of sales managers for the period, increased from ₹1.79 million in Fiscal 2015 to ₹4.74 million in Fiscal 2018.

For reporting purposes, our direct sales channel also includes our website, through which we sell individual life insurance products. In addition, we have direct agreements with 627 corporate groups to provide them with group life insurance products to meet their employee benefit needs. In Fiscal 2018, direct sales of group life insurance products, which are primarily protection products, constituted 1.62% of our total new business premium.

Comprehensive product portfolio addressing the diverse and evolving needs of Indian customers and end-to-end customer-centric service experience

Comprehensive product portfolio. We have developed a comprehensive product portfolio that addresses the diverse and evolving needs of the various customer segments that we access through our pan-India multi-channel distribution network. Our product portfolio is focused on providing protection, savings and pension products that cater to customers' needs through various stages of their lives. We complement our broad product offering with an end-to-end customer-centric service experience. The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, is aimed at creating a longer-term value proposition for our customers. We are able to offer this proposition across our various market segments.

Within each product category, we target our products at attractive customer segments that we can effectively and efficiently access through each of our distribution channels. We offer savings products to a wide range of customers to fulfil their needs across different life-stages. We offer protection products, such as credit life, individual term and health insurance products, to bancassurance customers; individual term and health insurance products to our direct sales and agency sales channel customers; and group term products to our corporate customers. There is a growing need for protection products across various customer segments in India. Our targeted approach enables us to capture a greater portion of this attractive market segment. Consequently, we have consistently written a high proportion of protection products, which accounted for 17.14%, 15.75% and 14.89% of our total new business premium in each of Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. As of March 31, 2018, we offer 9 protection products, and believe we are well positioned to continue to focus on products that meet India's growing protection needs.

Similarly, our unit-linked segments cater to the specific customer needs of the more affluent metro and urban customers that we are able to access through our distribution network. In metro areas, our unit-linked segments accounted for 25.57% of our individual new business premium in Fiscal 2018, as compared to 15.10% in urban and semi-urban areas and 16.73% in rural areas, respectively.

End-to-end customer-centric service experience: We complement our product portfolio with an end-to-end customer-centric service experience enhanced by digitization and technology and support processes. We have an integrated approach to on-boarding customers through simplified underwriting and "straight-through processing" of customer proposal forms, which does not involve any manual underwriting. Once an application is logged in, it is processed through an automated underwriting engine. One of our key initiatives has been to streamline our pre-sales and sales processes through "e-branch", our digital platform officially launched in 2016. Our e-branch platform aims to provide a seamless, user-friendly customer experience from the prospective customer stage to policy issuance. It also helps us enhance our customer relationships and improve customer retention through customer interaction histories, calendars that manage customer engagement, analytics for customer funnel analysis, which analyzes the on-boarding process at various stages to target prospective customers, and alerts and notifications on various customer life events, policy anniversaries, birthdays and appointments. We have also created an online portal that provides customers access to their policy and fund information and allows them to pay their premium through their internet banking platform. We also have our Met Care Kit, which has the aim of simplifying the claims process by providing the customer with a comprehensive list of documents and forms required for processing a claim.

The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, has been a key contributor to improvements in our persistency ratios. Our 13th month persistency ratio has improved from 67.99% in Fiscal 2016 to 71.78% in Fiscal 2017 and 77.03% in Fiscal 2018. We expect that our product portfolio and our customer services will continue to drive improvements in our persistency ratios over the longer-term, including for subsequent premium.

Scalable platform, well-positioned for profitable growth

We have undertaken a series of initiatives involving both targeted investment and cost reduction measures in order to create an efficient, scalable platform that positions our business for profitable growth. Our initiatives have focused on investing in processes, technology, training and people to achieve higher revenue growth with limited additional net investment.

In relation to our bancassurance distribution network, we have invested in technologies such as sales force automation tools and our e-branch platform, which are intended to integrate seamlessly with the systems and processes of PNB to improve productivity and realize scale in our business. Our investment in this technology supports deployment across additional PNB branches, as well as deployment in other bancassurance partners. We have also successfully implemented digitization of our training content on PNB's internal portal, including our life insurance training program. This investment in training facilitates growth of the number of PNB bank sales persons, who are PNB employees qualified to sell our products in PNB's branch network, which will also increase sales productivity.

We manage our bancassurance channel through our bancassurance relationship managers. We increased the number of our PNB bancassurance relationship managers from an average of 1,708 in Fiscal 2015 to an average of 2,350 in Fiscal 2018, while the number of PNB's sales persons licensed to sell our products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018. The productivity of this structure, which we measure as our total new business premium divided by the average number of PNB bancassurance relationship managers for the period, increased from ₹1.97 million per annum in Fiscal 2015 to ₹3.20 million per annum in Fiscal 2018. Given the scalability of our existing network of relationship managers, we have the capacity to efficiently support and manage additional increases in the number of PNB qualified bank sales persons, allowing greater penetration of our PNB bancassurance channel.

The consolidated operating model for the management of our direct sales and agency sales channels is designed to efficiently scale our business. Our sales manager productivity, which we measure as total new business premium divided by average number of sales managers for the year, increased at a compounded annual growth rate of 38.25% from ₹1.79 million in Fiscal 2015 to ₹4.74 million in Fiscal 2018.

We have also made other investments in information technology to develop a resilient information technology architecture, which can support significant additional business without additional investment. In particular, we have invested in digitization across our business to improve productivity by reducing turnaround times, simplifying processes and reducing our dependence on paperwork and physical infrastructure. We have also made investments that improve our ability to use and process internal and external data effectively and have created an enterprise data warehouse in order to improve the overall quality of our data.

We have also undertaken other initiatives focused on reducing costs and exercised strong control over expense in order to support profitable growth over the longer-term. In particular, we have undertaken a number of cost control measures, including reducing the number of our Company branches from 161 as of March 31, 2014 to 110 as of March 31, 2018, reducing the number of our administrative and management employees in our consolidated operating model from 77 as of March 31, 2015 to 50 as of March 31, 2018 and reducing the number of our sales managers from 1,868 as of March 31, 2015 to 836 as of March 31, 2018.

As a result of our initiatives, we have improved our operating expense ratio from 24.53% in Fiscal 2015 to 20.61% in Fiscal 2018, while growing total new business premium at a compounded annual rate of 19.85% during the same period. Similarly, we grew our individual new business premium at a compounded annual growth rate of 20.25% between Fiscal 2015 and Fiscal 2018, while our expenses have increased by only 10.52% during the same period. Our operating return on embedded value has increased from 14.0% for the 12 month period ended

September 30, 2017, as reported by the Company, to 16.1% for Fiscal 2018, as reported in the Embedded Value Report included in this Draft Red Herring Prospectus. Our value of new business margin increased from 16.1% for the 12 month period ended September 30, 2017, as reported by the Company, to 17.1% in Fiscal 2018, as reported in the Embedded Value Report included in this Draft Red Herring Prospectus.

As our pan-India multi-channel distribution network and our comprehensive product portfolio enable us to drive further revenue growth, we expect that the scalability of our platform will enable us to reduce our operating expense ratio and continue to improve our profitability.

Experienced management team

Our experienced senior management team has in-depth industry knowledge and experience across each key functional area within our business. As of March 31, 2018, our Key Managerial Personnel had an average of approximately 20 years of experience. We have continually augmented our management team to bring new perspectives to our business. Our approach has enabled us to successfully implement the initiatives across our business that have increased our operational efficiencies, improved our financial performance and now position us to deliver profitable growth. We believe that our management team's vision and experience will enable us to capitalize on our strengths and implement our strategies in order to take advantage of significant opportunities in the fast growing Indian life insurance market.

Our Strategies

Our strategy is to leverage our competitive strengths to continue to grow our business while delivering value to our shareholders. We will seek to achieve this by:

- Increasing the activation of the PNB branch network and deepening our penetration of the PNB customer base.
- Growing and diversifying our multi-channel distribution footprint to strengthen our position in various geographies and customer segments.
- Deliver products aligned to the diverse needs of Indian customers supported by an end-to-end customer-centric service experience.
- Driving profitability by leveraging scale and increasing persistency.
- Utilizing information technology and implementing digitization to drive efficiencies.

Increase the activation of the PNB branch network and deepening our penetration of the PNB customer base

We intend to realize further potential in the PNB distribution network by increasing activation in the PNB branch network and deepening our penetration of the PNB customer base of activated branches. Activation occurs when a PNB branch sells at least one of our products in each month of a given period. We will continue to actively collaborate with PNB through a steering committee in order to identify high potential branches for activation, and pursue branch activation in phases based on our assessment of the relative potential of each branch. Once a branch has been identified, we are able to leverage our technology to provide the necessary training to PNB employees to enable them to obtain the license necessary to sell our products and the skills required to do so effectively. We are also able to deploy our e-branch technology in the branch to augment productivity. For Fiscal 2017 and for Fiscal 2018, our PNB branch activation was 34% and 38%, respectively, of all PNB branches. Consequently, our continued activation of PNB branches is expected to enable us to accelerate growth through the PNB distribution network.

More broadly, we intend to leverage our investments in our relationship with PNB to deepen our overall penetration of the PNB customer base across its branch network. Our strategy focuses on people, training, technology and products.

People: The number of PNB employees that are qualified to sell our insurance products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018. We intend to continue to increase the number of qualified PNB bank sales persons through training and licensing to more fully penetrate the PNB customer base. As the number of PNB bank sales persons grows, we expect we will be able to leverage our existing bancassurance relationship managers to drive productivity with limited incremental cost.

Training: We will also continue to focus on training in order to drive the productivity of the PNB branch network. In particular, we are undertaking training initiatives to enable PNB to more effectively identify sales opportunities and sales training to enable its employees to better market, cross-sell and up-sell our products. In addition, we have digitized our training content on PNB's internal portal, which has helped facilitate the increase in the number of bank sales persons who are qualified to sell our products in PNB's branch network.

Technology: We will continue to adapt and deploy technologies, such as sales force automation tools and our e-branch platform, that integrate with the systems and processes of PNB in order to deepen our penetration of the PNB customer base, increase the productivity of its sales force and enhance the PNB customer experience. As of March 31, 2018, 75% of new business sourced through PNB was through our e-branch platform.

Products: The PNB branch network provides us access to India's geographic market segments. We will continually develop and adapt our products to complement PNB's products and address the diverse and evolving needs of its customers with, for example, products such as credit life insurance products.

Grow and diversify our multi-channel distribution network to strengthen our position in various geographies and customer segments

We intend to grow and diversify our distribution network to expand our geographic and customer reach in order to generate new business, consistent with our profitability objectives. We plan to achieve this by strengthening our other existing bancassurance partner relationships and entering into new bancassurance partnerships and other relationships, as well as enhancing our direct sales and agency capabilities.

Strengthen other key bancassurance partnerships: We intend to strengthen our key bancassurance partnerships with JKB, which has a dominant market position in the state of Jammu and Kashmir and KBL, which has a strong market position in South India (Source: CRISIL). We will strengthen these relationships by leveraging the expertise and technology we have developed to increase the number of employees at JKB and KBL that are qualified to sell our insurance products, enhance productivity, integrate processes and enhance customer experience, while offering complementary products appropriate for their respective customer bases.

New bancassurance partnerships and other relationships: We will also continue to explore new bancassurance partnerships that provide us access to attractive geographies and customer segments and enable us to leverage our existing expertise and technology. In July 2017, we entered into a memorandum of understanding with India Post Payments Bank Limited ("**IPPB**") to provide group term life insurance cover to the account holders of IPPB pursuant to *Pradhan Mantri Jeevan Jyoti Beema Yojna*, a government-designed life insurance scheme in India, which was launched under the Government of India ("**GoI**") initiative to offer affordable protection to the mass segment of the Indian population. This relationship represents a significant opportunity for future cooperation with IPPB to offer our insurance products across India. In addition,we also recently entered into a distribution arrangement with Bank of Bahrain & Kuwait ("**BBK**") for distribution of our products to their customers through BBK's branches in India. We have also entered into insurance brokering arrangements with Marsh India Insurance Brokers Private Limited, a global insurance broker, and Coretree Insurance Brokers (India) Private Limited, an insurance broker, to sell our life insurance products. In addition, we are currently in advanced stages of executing a distribution agreement with a financial services company. We will continue to look for similar opportunities while we seek to develop these new relationships.

Focus on key markets for direct sales and agency distribution: We intend to leverage our consolidated operating model to further deepen our penetration in key metro areas and cities in which our insurance managers, loyalty managers and individual agents have a strong presence. Our consolidated operating model enables us to attract insurance managers, loyalty managers and exclusive agents, while enabling us to actively manage productivity through our existing network of sales managers.

Deliver products aligned to customer needs supported by an end-to-end customer-centric service experience

Our product strategy is to deliver products that are aligned to the needs of the Indian customer base in each of our distribution channels and across different geographic market segments. As we implement our strategies to access and penetrate attractive customer segments through our distribution network, we will continue to align our products by developing needs-based solutions supported by research across different life stages. We will implement our product strategy to create a longer-term value proposition for our customers and deliver profitable growth.

We will focus on catering to opportunities in the protection segment in India by providing differentiated products based on the customer segments we access through our different distribution channels:

- *Bancassurance:* We will focus on protection products that are complementary to our bancassurance partners' products and services.
- *Direct and agency:* We will focus on higher cover term plans and critical illness health cover that cater to more affluent metro and urban and semi-urban-based customers.
- *Online:* We will continue to offer innovative protection products with tailor-made options, such as life-stage based cover, child education support, joint life protection and whole life coverage.
- *Group:* We have a profitable and large group term life portfolio based on agreements we have with 627 corporate groups to provide them with group life insurance products, which are primarily protection products, to meet their employee benefit needs. We will selectively pursue additional agreements with quality corporate groups with the aim of achieving profitable growth.

In addition, we will continue to offer savings products across the unit-linked and non-unit-linked categories, based on the needs of our various customer segments and geographic market segments that we access through our distribution network.

Drive profitability by leveraging scale and improving persistency

We are focused on continually improving our financial results and delivering shareholder value by leveraging our scale and improving our persistency, which is the proportion of customers who continue to maintain their policies with us over certain defined periods as measured in terms of premium. A key aspect of our competitive strengths is the scalability of our platform and our strategy is aimed at enabling us to achieve the benefits of scale in order to drive profitability. In particular, the consolidated operating model we have implemented for our direct sales and agency channels, as well as our management structure for our bancassurance channel, enable us to increase the number of insurance managers, loyalty managers, individual agents and qualified bank sales persons across our key distribution channels to drive revenue growth with limited incremental investment. We plan to continue to improve efficiencies in customer on-boarding through process re-engineering and automation, including by increasing sales through our e-branch platform, auto-issuance of policies, risk-based underwriting and tele-medicals. Additionally, our investment in technologies enables us to continue to activate additional PNB branches efficiently, as well as deploy similar technology at our other bancassurance partners to realize scale in our business. As we realize the benefits of increased scale, we intend to continually calibrate our organizational structure and cost base in order to deliver profitable growth.

We also intend to achieve improvements in persistency by enhancing an end-to-end customer-centric service experience across the entire customer life cycle. In particular, we plan to drive persistency through targeted customer communications and by focusing on customer engagement and retention levels. We plan to increase customer engagement by increasing our responsiveness to them and through the use of a portal for accessing policy information and managing policies, a dedicated toll-free helpline for customers and services through short message service ("**SMS**"), and by providing multiple payment options to our customers, while increasing the use of auto-debit payments. In addition, we intend to increase the utilization of self-service transactions, which was 27% in Fiscal 2018, by managing the number of self-service options available to our customers, as well as of our customer engagement calendar to regularly reach out to our existing customers. In addition, increasing customer contactability, which we measure as the number of customers we were able to contact relative to the number of customers to whom we have sold our products for a given period, is a key factor in our ability to increase customer engagement with larger numbers of customers. In Fiscal 2018, our customer contactability was 94%. We also plan to continue to use analytics to improve our customer service and increase our renewal premium. For example, we have built propensity models that give lead indicators into customer preferences and segment the "insurability" of customers, which has helped to improve our customer engagement model and increase the productivity of our distribution and retention teams. In addition, we have increased the weight of subsequent premium persistency in our performance evaluation criteria of our management team and sales employees for incentives and career progression. With these initiatives, we aim to improve the satisfaction of our customers, the quality of our business and our persistency.

Utilize information technology and implement digitization to drive efficiencies

We have invested in advanced technologies to develop a flexible information technology architecture, which can accommodate significant increases in business. Our service-oriented technology architecture helps us interact with our customers, bancassurance partners, agents, employees and other intermediaries. These capabilities will become increasingly important as new technologies within our industry evolve and traditional ways of selling insurance and servicing customers evolve. We expect that our information technology systems and our commitment to continue to improve and utilize new technologies will be an important driver to achieving our targeted performance goals. Our information technology strategy is structured around three key concepts: “Data”, “Digitize” and “Disrupt”.

- *Data:* One of our key strategies is to improve our ability to process and leverage our data effectively in order to generate meaningful and actionable insights, such as predicting the behaviour of our existing and prospective customer base and segmenting our customers and business. We will continue to use data analytics to develop strategies to improve our persistency rates, reduce policy surrenders, help mitigate frauds and manage mortality experience. We will also continue to leverage our data analytics capabilities to improve the productivity and efficiency of our business operations.

- *Digitize:* We will continue to invest in digitization across our business to improve operational efficiencies, productivity and the scalability of our operations on a selective basis. These efforts are aimed at helping us to improve our sales productivity, operations and servicing through improved turnaround times, streamline processes and reduce our dependence on paperwork and physical infrastructure, as well as improve our end-to-end customer-centric service experience.

- *Disrupt:* Participants in the Indian life insurance industry are increasingly looking to increase sales and increase operational efficiencies (Source: CRISIL). We aim to develop disruptive technology to differentiate our business from our competitors. In 2016, we partnered with MetLife’s innovation center for Asia, LumenLab, to launch conVRse, a service application that provides a differentiated, immersive and personalized experience to customers through a virtual reality platform. We are currently piloting Khushi, a virtual assistant based on an artificial intelligence framework that can chat with an existing or prospective customer and help respond to queries related to their policies.

We plan to accelerate our digitization efforts and will explore innovative digital platforms, as well as utilizing artificial intelligence, machine learning, blockchain technology, robotic process automation, chatbot platforms and natural language processing**.**

Our Products

Our product strategy is to deliver products that are aligned to the needs of our customer base in each of our distribution channels. With our product portfolio, our focus is on providing protection, savings and pension products that cater to customers’ needs across various stages in their lives. Our product portfolio covers three principal customer needs—savings, protection and pension, which accounted for 82.10%, 14.89% and 3.01% of our total new business premium, respectively, and 93.41%, 4.09% and 2.51% of our individual new business premium, respectively, for Fiscal 2018. We feel this positions us well to access a broad Indian customer base and address the diverse and evolving needs of Indian customers.

As of March 31, 2018, we offered our customers 15 savings products, nine protection products and five pension products, along with eight optional product riders. The following table sets forth our new business premium for each of our savings, protection and pension product categories as a percentage of total new business premium by product category for the periods indicated:

	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
New business premium						
Savings	8,230.11	82.04%	9,368.71	81.55%	11,716.85	82.10%
Protection	1,719.53	17.14%	1,809.08	15.75%	2,124.67	14.89%
Pension	82.02	0.82%	310.06	2.70%	429.29	3.01%
Total	**10,031.66**	**100.00%**	**11,487.85**	**100.00%**	**14,270.81**	**100.00%**

Our savings and pension product portfolios comprise three principal product segments: participating, non-participating and unit-linked insurance segments, while all of our protection products fall in the non-participating product segment:

- *The participating segment* comprises insurance products in which policyholders participate in the profits and losses arising from an underlying participating fund. In accordance with IRDAI regulations, asset allocation in participating funds is made by our investment team and any surplus generated from the participating fund is shared between policyholders and shareholders based on a 90:10 ratio. The objective of a participating product is to provide stable, medium to long-term returns, through a combination of guaranteed and non-guaranteed benefits. The profits shared in the participating products are called "bonuses", which are declared annually and are discretionary. Bonuses are payable only on maturity or earlier upon death or surrender of the policy. Once declared, bonuses get attached to the policy;

- *The non-participating segment* comprises products that provide guaranteed benefits to the customer. The policy provides guaranteed benefits on death, survival and maturity to the customer; and

- *The unit-linked insurance segment* comprises products that offer a combination of insurance and investment, where investment decisions and risks associated with such investments are borne by the policyholders, and non-investment risks, such as mortality and morbidity risks, are borne by us. Asset allocation in unit-linked funds are decided by policyholders, who may choose from specific types of funds, including equity funds, debt funds or hybrid funds.

Savings products

Our savings products offer a safe and stable avenue of investment with the added protection of life cover benefit. Through our savings products, our customers are able to manage their wealth creation objectives, such as for regular income, savings and child education support, through different product alternatives. Our savings portfolio comprised 42.39% participating, 36.36% non-participating and 21.25% unit-linked segments as a percentage of our total savings new business premium in Fiscal 2018.

As of March 31, 2018, we offered individual customers 15 savings products, comprising five participating savings products, four non-participating savings products and six unit-linked savings products. The following table sets forth total new business premium generated from savings products by product segment for the periods indicated:

Savings portfolio	**Fiscal Year ended March 31,**					
	2016		**2017**		**2018**	
	(₹ in millions)	**(%)**	**(₹ in millions)**	**(%)**	**(₹ in millions)**	**(%)**
New business premium						
Participating	4,567.86	55.50%	4,950.82	52.84%	4,966.79	42.39%
Non-Participating	912.66	11.09%	3,403.72	36.33%	4,260.80	36.36%
Unit-Linked	2,749.59	33.41%	1,014.17	10.83%	2,489.27	21.25%
Total	8,230.11	100.00%	9,368.71	100.00%	11,716.85	100.00%

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

Protection products

Our protection products offer customers financial security at times of loss, such as death, critical illness, disability or an accident. They cater to the specific protection needs of customers during each stage of their lives—from young adult, unmarried, newly married, married with young children, married with grown-up children and elderly. Our protection products include individual term insurance plans that provide lump-sum benefits to the beneficiary on the occurrence of covered events like death, disability or illness and fixed-benefit health insurance plans that provide benefits on the occurrence of covered illness events during the period of the policy. We also offer protection products that are complementary to our bancassurance partners' products and services. These include income replacement products which can be paired with a bank savings account, as well as credit life products that provide coverage against loans. We also have direct agreements with 627 corporate groups to provide them with primarily group life insurance protection products to meet their employee benefit needs.

Although the majority of our protection policies expire without value at the end of the coverage period, there are policy variations that offer a refund of premium to the policyholder if the relevant covered event does not occur. All of our protection products fall into the non-participating product segment, where the benefits on death, disability or illness are guaranteed, and include the following principal product categories:

- *Individual term products* offer a guaranteed lump-sum benefit or an income stream for specified periods on the occurrence of contingent event like death, disability or illness of an individual during the period of coverage.

- *Individual health insurance products* offer fixed benefit coverage against covered critical illnesses.

- *Credit life term products* offer liability protection to our customers by covering repayment of outstanding loan in the event of death of the individual borrower.

- *Group term products* offer life cover on a yearly renewable basis to both employer-employee and non-employer-employee groups.

- *Protection riders* offer supplementary cover that can be attached to individual and group insurance products, on payment of additional premium. Riders provide additional death, disability or critical illness benefits to beneficiaries.

As of March 31, 2018, we offered customers nine non-participating protection products, comprising five individual protection products and four group protection products. In addition, we offered eight optional protection product riders, comprising four individual insurance riders and four group insurance riders as of March 31, 2018. Since March 31, 2018, we have also launched one additional group credit life protection product. In Fiscal 2018, 24.12%, 56.39% and 19.49% of our total new business premium generated from the sale of protection products were from the sale of individual products, credit life and group term life products, respectively.

The following table sets forth total new business premium for our protection products and riders for the periods indicated:

Protection portfolio	**Fiscal Year ended March 31,**					
	2016		**2017**		**2018**	
	(₹ in millions)	**(%)**	**(₹ in millions)**	**(%)**	**(₹ in millions)**	**(%)**
New business premium						
Non-Participating	1,719.53	100.00%	1,809.08	100.00%	2,124.67	100.00%
Total	**1,719.53**	**100.00**	**1,809.08**	**100.00**	**2,124.67**	**100.00**

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

Pension products

Our pension products are designed to offer individuals financial support after retirement by supplementing their retirement income. Depending on their life-stage and financial planning priorities, our customers may choose from participating, non-participating and unit-linked pension products. Our participating pension products include deferred pension plans, which assist our customers to accumulate money in order to secure post-retirement income. Our non-participating pension products include products such as our immediate annuity product which provides immediate guaranteed income post payment of single lump-sum. We also offer fund-based group pension products, which our corporate customers use as investment vehicles to back their pension and gratuity liabilities towards their employees on both traditional and unit-linked platforms.

As of March 31, 2018, we offered five pension products, comprising three non-participating products, one participating product and one unit-linked product. The following table sets forth total new business premium for our pension products by product segment for the periods indicated:

Pension portfolio	**Fiscal Year ended March 31,**					
	2016		**2017**		**2018**	
	(₹ in millions)	**(%)**	**(₹ in millions)**	**(%)**	**(₹ in millions)**	**(%)**
New business premium (Total)						
Participating	43.96	53.60%	194.56	62.75%	228.78	53.29%
Non-Participating	31.18	38.02%	105.65	34.07%	94.21	21.95%
Unit-Linked	6.87	8.38%	9.86	3.18%	106.29	24.76%
Total	**82.02**	**100.00%**	**310.06**	**100.00%**	**429.29**	**100.00%**

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

Individual and group products

As of March 31, 2018, we offered 22 individual products, seven group products and eight optional product riders. Since March 31, 2018, we have also launched one additional group credit life protection product. In Fiscal 2018, participating, non-participating and unit-linked products comprised 36.41%, 45.41% and 18.19% of our total new business premium, respectively. The tables below set forth the products we offer by product category, product and rider type and primary customer need addressed as of March 31, 2018:

Individual Products

Product Category	Segment/rider type	Primary customer need addressed/(number of products)
Savings	Participating	Wealth Creation (2) Income/Savings (1) Child Education (2)
	Non-Participating	Income/Savings (3) Wealth Creation (1)
	Unit-Linked	Wealth Creation (5) Child Education (1)
Protection	Non-Participating	Protection (Term) (2) Protection - Income replacement (1) Protection (Mass segment) (1) Protection (Term plus Health) (1) Protection (Individual) (1)* Health (Individual) (3)*
Pension	Participating	Deferred pension (1)
	Non-Participating	Immediate Annuity (1)

* Optional riders, which offer supplementary cover that can be attached to individual insurance products, on payment of additional premium.

Group Products

Product Category	Segment/rider type	Primary customer need addressed/(number of products)
Protection	Non-Participating	Protection (Group Term) (3) Protection (Group Credit Life) (1)* Health (Group) (4)**
Pension	Non- Participating	Traditional EB (1) Superannuation (1)
	Unit-Linked	Unit-Linked EB (1)

* Since March 31, 2018, we have also launched one additional group credit life protection product.
** Optional riders, which offer supplementary cover that can be attached to group insurance products, on payment of additional premium.

The table below sets forth the first-year premium, single premium and renewal premium for our individual and group products for the periods indicated:

	Fiscal Year ended March 31,			
	2015	2016	2017	2018
	(₹ in millions)			
First-year premium				
Individual products	7,144.55	9,138.10	10,115.02	12,173.93
Group products	984.45	443.41	543.15	437.08
Total	**8,129.00**	**9,581.51**	**10,658.17**	**12,611.01**
Single premium				
Individual products	70.00	103.17	194.49	370.20
Group products	91.62	346.98	635.19	1,289.60
Total	**161.62**	**450.15**	**829.68**	**1,659.80**
Renewal premium				
Individual products	15,136.52	16,581.05	19,457.08	23,816.35
Group products	1,184.71	1,665.63	1,415.87	1,447.95

	Fiscal Year ended March 31,			
	2015	2016	2017	2018
	(₹ in millions)			
Total	**16,321.24**	**18,246.68**	**20,872.95**	**25,264.30**
Total	**24,611.86**	**28,278.34**	**32,360.80**	**39,535.11**

Distribution

We have a pan-India multi-channel distribution network that includes productive bancassurance relationships and strong direct sales and agency channels that we manage through a consolidated operating model. Our distribution presence enables us to access a geographically and demographically broad Indian customer base, including a wide set of attractive, under-penetrated customer segments. As of March 31, 2018, our distribution network comprised the following channels:

- Our *bancassurance channel*, which includes our key partnerships with PNB, as well as JKB and KBL, which together with our other bancassurance partners, provided us access to 11,239 branches as of December 31, 2017.

- Our *direct sales and agency channels*, which complement our bancassurance channel by allowing us to target more affluent, metro- and urban-based customers through a sales process adapted to their needs:

  - Our *direct sales channel*, which included 4,048 insurance managers as of March 31, 2018, who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks and 225 loyalty managers who focus on servicing existing policies and cross selling additional products to our existing customers with the support of our lead management systems as of March 31, 2018, as well as sales of individual products online through our website and group sales; and

  - Our *agency channel*, which comprised 6,452 exclusive agents as of March 31, 2018. We compensate our agents based on their performance. We seek to ensure that our agents provide quality services to our customers and source business efficiently.

- Our *other distribution channel*, which includes insurance marketing firms, micro insurance and licensed insurance brokers.

Through our bancassurance, direct sales, agency and other distribution channels, we generated 65.02%, 27.53%, 4.80% and 2.65% of our total new business premium, respectively, and 64.59%, 29.48%, 5.43% and 0.51% of our individual new business premium, respectively, in Fiscal 2018.

The following table sets forth the contributions of each of our distribution channels to our individual new business premium for the periods indicated:

	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Bancassurance						
PNB	3,882.24	42.01%	5,069.51	49.17%	6,636.47	52.90%
JKB	686.38	7.43%	551.03	5.34%	686.04	5.47%
KBL	690.76	7.47%	749.15	7.27%	656.54	5.23%
Other banks	109.02	1.18%	144.42	1.40%	123.52	0.98%
	5,368.40	**58.09%**	**6,514.11**	**63.19%**	**8,102.57**	**64.59%**
Direct Sales						
Insurance Manager	2,484.43	26.88%	2,415.25	23.43%	2,908.05	23.18%
Loyalty Manager	386.97	4.19%	536.78	5.21%	621.95	4.96%
Direct Sales - others	70.65	0.76%	170.39	1.65%	167.47	1.34%
	2,942.06	**31.84%**	**3,122.41**	**30.29%**	**3,697.47**	**29.48%**
Agency	**928.11**	**10.04%**	**646.16**	**6.27%**	**680.62**	**5.43%**
Others	**2.69**	**0.03%**	**26.82**	**0.26%**	**63.47**	**0.51%**
Total	**9,241.26**	**100.00%**	**10,309.51**	**100.00%**	**12,544.13**	**100.00%**
Retail as % of total new	**-**	**92.12%**	**-**	**89.74%**	**-**	**87.90%**

	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
business premium						

The following table sets forth the contributions of each of our distribution channels to our weighted received premium for the periods indicated. Weighted received premium is defined as 100% of first year premium plus 10% of single premium.

	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Bancassurance						
PNB	3,924.27	40.77%	5,086.20	47.35%	6,544.33	51.22%
JKB	705.22	7.33%	567.16	5.28%	710.63	5.56%
KBL	691.93	7.19%	750.43	6.99%	659.99	5.17%
Other banks	130.24	1.35%	164.74	1.53%	127.43	1.00%
	5,451.67	**56.63%**	**6,568.53**	**61.15%**	**8,042.38**	**62.94%**
Direct Sales						
Insurance Manager	2,437.50	25.32%	2,345.94	21.84%	2,847.87	22.29%
Loyalty Manager	376.68	3.91%	509.11	4.74%	609.00	4.77%
Direct Sales - others	239.42	2.49%	369.95	3.44%	323.40	2.53%
	3,053.61	**31.72%**	**3,225.01**	**30.02%**	**3,780.27**	**29.59%**
Agency	917.41	9.53%	626.80	5.84%	618.97	4.84%
Others	203.84	2.12%	320.80	2.99%	335.36	2.62%
Total	**9,626.53**	**100.00%**	**10,741.13**	**100.00%**	**12,776.99**	**100.00%**

Geographic mix

Our distribution network provides us with a balanced geographic business mix. In Fiscal 2018, we generated 42.47%, 39.30% and 18.23% of our individual new business premium from metro, urban and semi-urban, and rural geographies in India, respectively.

We focus on targeting our products at the respective customer segments that we can access through each of our distribution channels. For example, we offer credit life and individual term products to bancassurance customers, individual term products to our direct sales and agency sales customers and group term products to our corporate customers. We do this in order to capture the growing need for protection products across various customer segments in India. Consequently, we have consistently written a high proportion of protection products, which accounted for 17.14%, 15.75% and 14.89% of our total new business premium in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. As of March 31, 2018, we offer 9 protection products aimed at helping to address India's growing protection needs.

Similarly, our unit-linked segments cater to the specific customer needs of the more affluent metro- and urban customers that we are able to access through our loyalty manager channel due to its focus on 18 key Indian cities and its strong presence in metro areas. In metro areas, unit-linked segments accounted for 25.57% of our individual new business premium in Fiscal 2018, while unit-linked segments accounted for 15.10% in urban and semi-urban areas and 16.73% in rural areas, respectively. In urban and semi-urban areas, our bancassurance channel is a high proportion of our distribution mix and we offer a balanced mix of participating and non-participating products while our unit-linked product mix is significantly lower in urban and semi-urban areas relative to our unit-linked segment in metro areas. In rural areas, our bancassurance channel is a relatively high proportion of our distribution mix and we offer a balanced mix of participating and non-participating products while our unit-linked product mix is low.

Average ticket size

For Fiscal 2016, Fiscal 2017 and Fiscal 2018, our average ticket size ("**ATS**") based on individual new business premium was ₹38,412.12, ₹47,589.97 and ₹57,105.48, respectively. Our ATS has increased at a compounded annual growth rate of 16.39% and our number of individual policies ("**NOP**") has increased at a compounded annual growth rate of 3.32% between Fiscal 2015 to Fiscal 2018.

The following table sets forth the NOP and ATS based on individual new business premium for our bancassurance, direct sales channel (including insurance managers, loyalty managers and others) and agency channels for the periods indicated:

	Fiscal Year ended March 31,					
	2016		2017		2018	
Channel	**NOP**	**ATS**	**NOP**	**ATS**	**NOP**	**ATS**
Bancassurance	153,437	34,987.65	148,097	43,985.44	153,939	52,634.95
Direct Sales						
Insurance manager	43,845	56,664.00	37,669	64,117.58	38,538	75,459.41
Loyalty manager	5,073	76,281.20	5,182	103,584.95	5,990	103,831.18
Others	5,650	12,504.87	10,727	15,884.45	9,541	17,552.58
	54,568	53,915.49	53,578	58,277.93	54,069	68,384.34
Agency	32,423	28,625.05	13,658	47,309.86	9,940	68,472.43
Others	154	17,489.14	1,299	20,650.26	1,718	36,945.15
Total	**240,582**	**38,412.12**	**216,632**	**47,589.97**	**219,666**	**57,105.48**

Our average ticket sizes are highest in metro areas, followed by urban and semi-urban areas, while average ticket sizes in rural areas are the lowest. As of March 31, 2018, our average ticket sizes were ₹75,249.70, ₹58,661.84 and ₹35,275.95 in metro, urban and semi-urban, and rural areas, respectively.

Bancassurance channel

Bancassurance is our largest distribution channel, generating 58.09%, 63.19% and 64.59% of individual new business premium for Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Individual new business premium generated by our bancassurance channel grew at a compounded annual growth rate of 22.40% between Fiscal 2015 and Fiscal 2018. As of December 31, 2017, we had the second largest bancassurance platform in India based on number of scheduled bank branches across India and our bancassurance platform was supported by PNB, the second largest bank in India based on total branches (Source: CRISIL).

Our key bancassurance partners include PNB, as well as JKB and KBL, which together with our other bank bancassurance partners, provided access to 11,239 branches as of December 31, 2017. In Fiscal 2018, savings, protection and pension products comprised 83.54%, 14.75% and 1.72% and participating, non-participating and unit-linked products comprised 29.60%, 54.34% and 16.06% of our product mix for our bancassurance partners based on total new business premium, respectively. The following table sets forth our product mix for PNB and our other bancassurance partners based on total new business premium for the periods indicated.

	Fiscal Year ended March 31,					
Channel/Product	2016		2017		2018	
	(₹ in millions)	**(%)**	**(₹ in millions)**	**(%)**	**(₹ in millions)**	**(%)**
Bancassurance						
PNB						
Protection						
Non-participating	648.40	11.24%	680.68	9.48%	982.22	10.59%
Savings						
Non-participating	531.39	9.21%	2,219.84	30.90%	2,893.66	31.19%
Participating	1,736.95	30.11%	2,263.51	31.51%	2,104.77	22.68%
Unit-linked	1,182.24	20.49%	276.15	3.84%	1,402.23	15.11%
Pension						
Non-participating	10.77	0.19%	31.59	0.44%	29.78	0.32%
Participating	6.56	0.11%	91.96	1.28%	118.11	1.27%
Unit-linked	-	0.00%	-	0.00%	-	0.00%
Total (PNB)	**4,116.32**	**71.36%**	**5,563.72**	**77.45%**	**7,530.76**	**81.16%**
Other partners						
Protection						
Non-participating	323.28	5.60%	282.78	3.94%	386.29	4.16%
Savings						
Non-participating	214.01	3.71%	687.74	9.57%	749.28	8.08%
Participating	1,039.41	18.02%	620.11	8.63%	513.50	5.53%
Unit-linked	75.61	1.31%	19.82	0.28%	87.69	0.95%
Pension						

Channel/Product	Fiscal Year ended March 31, 2016 (₹ in millions)	(%)	2017 (₹ in millions)	(%)	2018 (₹ in millions)	(%)
Non-participating	-	0.00%	-	0.00%	1.17	0.01%
Participating	-	0.00%	9.17	0.13%	10.19	0.11%
Unit-linked	(0.10)	0.00%	-	0.00%	-	0.00%
Total (Other partners)	**1,652.22**	**28.64%**	**1,619.61**	**22.55%**	**1,748.12**	**18.84%**
Total	**5,768.53**	**100.00%**	**7,183.34**	**100.00%**	**9,278.87**	**100.00%**

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

PNB

PNB is our largest bancassurance partner with 7,059 bank branches and more than 100 million banking customers as of December 31, 2017. PNB has been exclusively distributing our life insurance products since 2011. We generated total new business premium of ₹4,116.32 million, ₹5,563.72 million and ₹7,530.76 million and individual new business premium of ₹3,882.24 million, ₹5,069.51 million and ₹6,636.47 million through PNB in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. From Fiscal 2015 through Fiscal 2018, our total new business premium generated through PNB grew at a compounded annual growth rate of 30.80% and our individual new business premium generated through PNB grew at a compounded annual growth rate of 27.32%.

We benefit from PNB's pan-India operations and its diverse customer base, as well as its established brand equity in India. As of December 31, 2017, PNB's branches were located in every Indian state and each union territory except one, and 18.8% of PNB's branches were located in metro areas, 44.8% were located in urban and semi-urban areas and 36.4% were located in rural areas, providing us access to virtually all of India's attractive geographic market segments (Source: CRISIL). In Fiscal 2018, 36.11%, 42.96% and 20.93% of our individual new business premium generated through PNB were branches located in metro, urban and semi-urban, and rural geographies, respectively.

We, together with PNB, are actively working to increase activation using a phased approach based on our assessment of the activation potential and geographic location of PNB's branches. We have established a steering committee with PNB to identify opportunities for further activation. We have divided PNB branches into "exceptionally large", "very large", "large", "medium" and "small" branch categories, where the larger a branch is, the higher its activation target is, based on our branch activation criteria. For Fiscal 2017 and Fiscal 2018, our PNB branch activation, which we measure as a PNB branch that sells one of our products each month of a fiscal year, was 34% and 38%, respectively, of all PNB branches. Our continued activation of PNB branches is aimed at enabling us to accelerate growth through the PNB distribution network.

We have strived to increase PNB branch access and sales productivity by increasing activation, offering complementary products, training and leveraging technology. Internally, we manage our bancassurance channel through our bancassurance relationship managers. We increased the number of our PNB bancassurance relationship managers from an average of 1,708 in Fiscal 2015 to an average of 2,350 in Fiscal 2018, while the number of PNB's bank sale persons licensed to sell our products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018. The productivity of this structure, which we measure as our total new business premium divided by the average number of PNB bancassurance relationship managers for the period, increased from ₹1.97 million per annum in Fiscal 2015 to ₹3.20 million per annum in Fiscal 2018. Given the scalability of our existing network of PNB bancassurance relationship managers, we have the capacity to efficiently support and manage additional increases in the number of PNB qualified bank sales persons, allowing greater penetration of our PNB bancassurance channel.

We have also continually developed and adapted our products to complement PNB's products, such as by offering our protection products with PNB's savings accounts and our coverage against loan products with certain types of PNB's loans. We have also successfully implemented digitization of our training content on PNB's internal portal for our life insurance training program. This investment facilitates growth throughout PNB's branch network, which will enable us to continually increase the number of PNB bank sales persons qualified to sell our products in PNB's branch network, and assist us in increasing their sales productivity. As the number of PNB bank sales persons grows, we aim to leverage our existing bancassurance relationship managers in order to drive productivity with limited incremental cost. In addition, we have invested in integrating technologies such as sales force automation tools and our e-branch platform with the systems and processes of PNB to improve productivity and realize scale in our business. Our investment in this technology supports continued deployment across additional PNB branches.

As a result of these and other measures, the sales productivity of PNB's branches, which we measure as our total new business premium generated through PNB divided by the number of PNB branches, increased at a compounded annual growth rate of 28.10%, from ₹0.51 million per annum in Fiscal 2015 to ₹1.08 million per annum in Fiscal 2018.

Other bancassurance partners

We have productive bancassurance relationships of more than 14 years with each of JKB and KBL that complement the PNB branch network, as well as relationships with five RRBs.

JKB. JKB is one of our shareholders. As of the date of this Draft Red Herring Prospectus, JKB holds 5.08% of our equity shares. JKB has 940 bank branches as of December 31, 2017 (Source: CRISIL). JKB had a 44.1% share of all bank branches in Jammu and Kashmir state, which is highest among all banks in that state (Source: CRISIL). The individual new business premium and total new business premium that we generated through JKB branches grew at a compounded annual growth rate of 11.13% and 20.71%, respectively, between Fiscal 2015 and Fiscal 2018. We generated 5.47% of our individual new business premium through JKB branches in Fiscal 2018.

The productivity of our bancassurance relationship managers at JKB branches, which we measure as our total new business premium divided by the average number of bancassurance relationship managers for the period, increased from ₹1.46 million per annum in Fiscal 2015 to ₹2.79 million per annum in Fiscal 2018. In Fiscal 2018, our JKB branch activation, which we measure as a JKB branch that sells one of our products in each month of a given period, was 59% of all JKB branches.

KBL. We also benefit from the strong presence of KBL in south India with a total of 806 branches as of December 31, 2017. In addition to a strong market position in the state of Karnataka, KBL also has balanced geographic mix with 29.4%, 49.9% and 20.7% branches in metro, urban and semi-urban, and rural areas as of December 31, 2017 (Source: CRISIL). Our individual new business premium from KBL distribution grew at a compounded annual growth rate of 0.27% between Fiscal 2015 and Fiscal 2018. We generated 5.23% of our individual new business premium from KBL branches in Fiscal 2018.

The productivity of our bancassurance relationship managers at KBL branches, which we measure as our total new business premium divided by the average number of bancassurance relationship managers for the period, increased from ₹2.70 million per annum in Fiscal 2015 to ₹3.40 million per annum in Fiscal 2018. In Fiscal 2018, our KBL branch activation, which we measure as a KBL branch that sells one of our products in each month of a given period, was 55% of all KBL branches.

The following table sets forth our productivity from PNB, JKB and KBL bank branches, which we measure as total new business premium generated from a given bank divided by the number of its bank branches on March 31 of the relevant period.

Bancassurance partner	**Fiscal Year ended March 31,**		
	2016	**2017**	**2018**
	(₹ in millions)		
PNB	0.61	0.80	1.08
JKB	0.97	0.81	1.03
KBL	0.95	0.98	0.87

We have also partnered with American Express Banking Corporation since July 2012 to distribute our life insurance products.

RRBs. We have relationships with five RRBs, which include Sarva Haryana Gramin Bank, Himachal Pradesh Gramin Bank, Sarva Uttar Pradesh Gramin Bank, Punjab Gramin Bank and Madhya Bihar Gramin Bank. Our relationships with RRBs are sponsored by PNB. In Fiscal 2018, we generated 0.98% of our individual new business premium through RRB branches. The products we sell through RRBs are primarily lower ticket size savings products.

New bancassurance partnerships. We are continually exploring new bancassurance partnerships and other new relationships. In July 2017, we entered into a memorandum of understanding with IPPB to provide group term life insurance cover to the account holders of IPPB pursuant to *Pradhan Mantri Jeevan Jyoti Beema Yojna*, a government-designed life insurance scheme in India, which was launched under a GoI initiative to offer affordable protection to the mass market segment of the Indian population. As of March 31, 2014, IPPB was backed by India's postal network of over 154,882 post offices as of March 31, 2014, 89.86% of which were in rural areas (Source: Department of Posts (Ministry of Communications), CRISIL). Our relationship with IPPB represents an opportunity to offer our insurance products across India in the future. In November 2017, we also entered into a distribution arrangement with BBK for distribution of our products to their customers through BBK's branches in India. We will continue to look for similar opportunities while we seek to develop these new relationships.

Direct sales and agency channels

Our direct sales and agency sales channels complement our bancassurance channel by allowing us to target more affluent metro and urban and semi-urban customers through a sales process adapted to their needs.

- *Direct sales*. As of March 31, 2018, our direct sales channel included 4,048 insurance managers, who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks, and 225 loyalty managers who focus on servicing existing policies and cross selling additional products to our existing customers with the support of our lead management systems. Our insurance managers are generally located across urban areas and are present in 92 cities in India. Our loyalty managers focus on 18 key Indian cities and have a strong presence in metro areas. Our direct sales channel also comprises our group sales channel and our online sales channel.

- *Agency*. Our agency sales channel comprised 6,452 exclusive agents as of March 31, 2018. We compensate our agents based on their performance. We seek to ensure that our agents provide quality services to our customers and source business efficiently. As of March 31, 2018, our agency force is present in 92 cities.

We actively manage our insurance managers, loyalty managers and our exclusive agents under a consolidated operating model with a common group of sales managers to manage our insurance managers, loyalty managers and our exclusive agents in order to drive sales productivity and efficiency. For Fiscal 2018, we had an average of 890 sales managers dedicated to this operating model. Our sales manager productivity, which we measure as total new business premium divided by the average number of sales managers for the period, increased from ₹1.79 million in Fiscal 2015 to ₹4.74 million in Fiscal 2018.

Direct sales channel

Direct sales channel is our second largest channel, and we generated 31.16%, 29.03% and 27.53% of our total new business premium and 31.84%, 30.29% and 29.48% of our individual new business premium through our direct sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. From Fiscal 2015 through Fiscal 2018, our total new business premium generated through our direct sales channel grew at a compounded annual growth rate of 18.53% and our individual new business premium generated through our direct sales channel grew at a compounded annual growth rate of 25.72%.

In Fiscal 2018, savings, protection and pension products comprised 84.16%, 11.19% and 4.64% and participating, non-participating and unit-linked products comprised 50.80%, 25.65% and 23.55% of our product mix for our direct sales channel based on total new business premium, respectively. The following table sets forth our product mix across our direct sales channel based on total new business premium for the periods indicated.

	Fiscal Year ended March 31,					
Channel/Product	**2016**		**2017**		**2018**	
	(₹ in millions)	**(%)**	**(₹ in millions)**	**(%)**	**(₹ in millions)**	**(%)**
Direct Sales						
Insurance Manager						
Protection						
non-participating	190.63	6.10%	142.86	4.28%	116.63	2.97%
Savings						
non-participating	124.00	3.97%	330.07	9.90%	426.54	10.86%
participating	1,241.98	39.73%	1,572.30	47.15%	1,879.75	47.84%
unit-linked	889.01	28.44%	279.31	8.38%	388.40	9.89%
Pension						
non-participating	11.88	0.38%	24.90	0.75%	23.46	0.60%
participating	26.94	0.86%	65.81	1.97%	73.28	1.87%
Total (insurance managers)	**2,484.43**	**79.48%**	**2,415.25**	**72.43%**	**2,908.05**	**74.01%**
Loyalty Manager						
Protection						
non-participating	5.46	0.17%	3.95	0.12%	2.35	0.06%

Channel/Product	Fiscal Year ended March 31, 2016 (₹ in millions)	2016 (%)	2017 (₹ in millions)	2017 (%)	2018 (₹ in millions)	2018 (%)
Savings						
non-participating	2.72	0.09%	80.48	2.41%	102.94	2.62%
participating	34.02	1.09%	35.26	1.06%	32.46	0.83%
unit-linked	332.05	10.62%	376.59	11.29%	464.95	11.83%
Pension						
non-participating	8.28	0.26%	22.85	0.69%	8.65	0.22%
participating	4.44	0.14%	17.65	0.53%	10.61	0.27%
Total (loyalty managers)	**386.97**	**12.38%**	**536.78**	**16.10%**	**621.95**	**15.83%**
Others[1]						
Protection						
non-participating	248.13	7.94%	365.35	10.96%	320.87	8.17%
Savings						
unit-linked	-	0.00%	1.83	0.05%	11.84	0.30%
Pension						
non-participating	0.12	0.00%	6.08	0.18%	6.21	0.16%
unit-linked	6.34	0.20%	9.22	0.28%	60.15	1.53%
Total (Others)	**254.59**	**8.14%**	**382.47**	**11.47%**	**399.07**	**10.16%**
Total	**3,126.00**	**100.00%**	**3,334.49**	**100.00%**	**3,929.07**	**100.00%**

Note: Total new business premium for product segments include premium generated through sale of riders (if any).
(1) Includes our direct group sales channel and our online channel.

Insurance manager channel. Our insurance manager channel comprises a productive employee force spread across 92 cities as of March 31, 2018. As of March 31, 2018, we had 4,048 insurance managers who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks. Insurance managers have a wide geographical reach and a higher non-unit-linked savings mix than our other channels. For Fiscal 2018, our insurance managers generated 86.64% of their individual new business premium from the sale non-unit-linked products. For Fiscal 2018, 51.95%, 32.33% and 15.72% of our individual new business premium generated by our insurance manager channel was in metro, urban and semi-urban, and rural, respectively.

Our insurance manager distribution channel generated 23.18% of our individual new business premium in Fiscal 2018. Individual new business premium generated from our insurance manager channel grew at a compounded annual growth rate of 17.18% between Fiscal 2015 and Fiscal 2018. We are focused on continuing to grow this channel through quality hiring and increasing productivity.

Loyalty manager channel. Our loyalty manager channel is focused on 18 key Indian cities with a strong presence in metro areas. Loyalty managers typically have a higher unit-linked mix to cater to more affluent customer segments with more sophisticated insurance needs. They focus primarily on follow-up sales to, and generating leads from, our existing customer base. Our loyalty manager team also works closely with our branch operations units to identify and recommend appropriate products for walk-in customers and their referrals. For Fiscal 2018, 81.34%, 14.83%, and 3.83% of our individual new business premium generated by our loyalty manager channel was in metro, urban and semi-urban, and rural, respectively. Our loyalty manager team had 225 front line sales staff as of March 31, 2018 and is also supported by a lead management system.

Our loyalty manager channel generated 4.96% of our individual new business premium in Fiscal 2018. Individual new business premium generated from our loyalty manager channel grew at a compounded annual growth rate of 126.53% between Fiscal 2015 and Fiscal 2018.

Group sales channel. Our direct sales channel also comprises group sales channel where our employees market and distribute our group products, which include primarily group term insurance products. Our group sales channel is a proprietary channel in which our employees directly solicit business from corporations seeking to provide for their employee benefit needs. Our employees in this channel are typically located across larger cities within our network. We also actively seek opportunities to partner with banks, housing finance companies and non-banking financial companies to offer credit-linked life insurance and other products to their customers through our group sales channel. In Fiscal 2018, protection products comprised 71.35% of our group sales channel business.

Online channel. Our direct sales channel also comprises our online channel through which our customers can purchase our products directly through our website. Since Fiscal 2016, we have been gradually increasing the number of policies we sell and process online. Sales through our online channel comprised 1.33% of the individual new business premium that we generated in Fiscal 2018. In Fiscal 2018, protection products comprised 92.94%, respectively, of our online channel business. We also have an online presence for our key product segments. Our digital marketing team utilizes various tools (including search engine optimization and email, content and mobile marketing) to attract new customers.

Agency channel

We generated 9.30%, 5.65% and 4.80% of our total new business premium and 10.04%, 6.27% and 5.43% of our individual new business premium through our agency sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

In Fiscal 2018, savings, protection and pension products comprised 87.20%, 7.10% and 5.70% and participating, non-participating and unit-linked products comprised 58.05%, 22.28% and 19.66% of our product mix for our agency channel based on total new business premium, respectively. The following table sets forth our product mix across our agency channel based on total new business premium for the periods indicated.

Channel/Product	**Fiscal Year ended March 31, 2016**		**2017**		**2018**	
	(₹ in millions)	**(%)**	**(₹ in millions)**	**(%)**	**(₹ in millions)**	**(%)**
Agency						
Protection						
non-participating	101.06	10.83%	42.35	6.53%	48.62	7.10%
Savings						
non-participating	39.80	4.27%	78.61	12.12%	81.70	11.92%
participating	515.69	55.27%	441.56	68.07%	381.23	55.63%
unit-linked	270.17	28.96%	62.09	9.57%	134.65	19.65%
Pension						
non-participating	0.14	0.01%	14.03	2.16%	22.39	3.27%
participating	6.02	0.65%	9.97	1.54%	16.60	2.42%
unit-linked	0.10	0.01%	0.11	0.02%	0.09	0.01%
Total	**932.98**	**100.00%**	**648.72**	**100.00%**	**685.27**	**100.00%**

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

We are focused on selling individual non-unit-linked savings, term and health insurance products through this channel, with a wider geographical reach leading to higher non-unit-linked savings mix.

Other distribution channel

Our other distribution channel includes Insurance Marketing Firms ("**IMFs**"), micro insurance and licensed insurance brokers through which we sell our products. As of March 31, 2018, we had agreements with 45 IMFs through which we sell our products and 103 insurance brokers.

Our individual new business premium generated by our other distribution channel was 0.51% of our total individual new business premium in Fiscal 2018. In Fiscal 2018, savings, protection and pension products comprised 16.23%, 70.89% and 12.87% and participating, non-participating and unit-linked products comprised 14.59%, 73.34% and 12.07% of our product mix for our other distribution channel based on total new business premium, respectively.

New relationships

We have recently entered into insurance brokering arrangements with Marsh India Insurance Brokers Private Limited, a global insurance broker, and Coretree Insurance Brokers (India) Private Limited, an insurance broker, to sell our life insurance products.

Geographical Distribution of Premium

The following table sets forth the distribution of our individual new business premium across the metro, urban and semi-urban, and rural regions for the periods indicated.

	Fiscal Year ended March 31, 2018	
	(₹ in millions)	**%**
Metro	5,327.23	42.47

	Fiscal Year ended March 31, 2018	
	(₹ in millions)	**%**
Urban and semi-urban	4,929.82	39.30
Rural	2,287.08	18.23
Total	**12,544.13**	**100.00**

The following table sets forth the geographical distribution of our individual new business premium by Indian states where our individual new business premium was the highest for the periods indicated.

	Fiscal Year ended March 31, 2018	
Indian state	**(₹ in millions)**	**(%)**
Uttar Pradesh	2,002.95	15.97%
Delhi	1,848.64	14.74%
Punjab	1,348.46	10.75%
Karnataka	883.47	7.04%
Maharashtra	801.77	6.39%
Jammu & Kashmir	667.36	5.32%
West Bengal	661.24	5.27%
Himachal Pradesh	604.16	4.82%
Bihar	512.78	4.09%
Haryana	461.44	3.68%
Total	**9,792.28**	**78.06%**

The following tables set forth the distribution of our individual new business premium across the metro, urban and semi-urban, and rural regions by distribution channel for the periods indicated.

	Fiscal Year ended March 31, 2018					
	(₹ in millions)			**(%)**		
	Metro	**Urban and semi-urban**	**Rural**	**Metro**	**Urban and semi-urban**	**Rural**
Bancassurance						
PNB	2,396.10	2,851.23	1,389.14	36.11	42.96	20.93
Bancassurance – others	370.40	813.58	282.12	25.26	55.49	19.24
	2,766.49	**3,664.82**	**1,671.26**	**34.14**	**45.23**	**20.63**
Direct Sales						
Insurance Managers	1,510.62	940.22	457.21	51.95	32.33	15.72
Loyalty Managers	505.65	92.18	23.82	81.34	14.83	3.83
Direct Sales - others	108.41	44.53	14.83	64.62	26.54	8.84
	2,124.69	**1,076.93**	**495.86**	**57.46**	**29.13**	**13.41**
Agency	406.80	175.61	98.20	59.77	25.80	14.43
Others	29.24	12.47	21.76	46.07	19.64	34.28
Total	**5,327.23**	**4,929.82**	**2,287.08**	**42.47**	**39.30**	**18.23**

The following table sets forth the distribution of our individual new business premium across the metro, urban and semi-urban, and rural regions by product segment for Fiscal 2018.

	Fiscal Year ended March 31, 2018					
	(₹ in millions)			**Mix (%)**		
	Metro	**Urban and semi-urban**	**Rural**	**Metro**	**Urban and semi-urban**	**Rural**
Non-participating	1,754.81	2,137.32	966.72	32.94	43.35	42.27
Participating	2,210.39	2,047.87	937.67	41.49	41.54	41.00
Unit-linked	1,362.03	744.63	382.68	25.57	15.10	16.73
Total	**5,327.23**	**4,929.82**	**2,287.08**	**100**	**100**	**100**

Information Technology and Digitization

Information technology and our investments in digitization are key drivers of efficiencies within our business. We have invested in advanced technologies to develop a resilient and scalable information technology architecture. Our service-oriented technology architecture helps us interact with our customers, bancassurance partners, agents, employees and other intermediaries. Technology and innovation are key aspects of our efforts to provide a quality service experience to our customers. In addition, we integrate technologies such as sales force automation tools and our e-branch platform with the systems and processes of our bancassurance partners to improve productivity and realize scale in our business. We expect these capabilities to become increasingly important as new technologies within our industry evolve and traditional ways of selling insurance and servicing customers become less relevant. Our information technology systems and our commitment to continue to improve and utilize new technologies are aimed at providing us with competitive advantages and serving as an important driver to achieving targeted performance goals. Our information technology architecture is structured around three key concepts: "Data", "Digitize" and "Disrupt".

- ***Data.*** One of our key business objectives is to improve our ability to use and process internal and external data effectively. Being able to analyze a large amount of data to generate meaningful and actionable insights is key to us building a strong tech-driven distribution structure. We use data analytics to develop strategies to improve our persistency rates, reduce policy surrenders, help mitigate frauds and manage mortality experience. Together with our business teams, we have developed propensity scoring models that use statistics to predict the behaviour of our existing and prospective customer base and to segment our customers and business. We use these scores to adapt our approach to each customer segment in order to tailor targeted communications to different customer segments. We have also used propensity scoring models to segment the "insurability" of customers, ranking them from high to low risk, and to assist underwriters to segment risk and adopt the appropriate underwriting methodologies for different risk segments. We also use a similar scoring model to identify potential claims fraud. We have created an enterprise data warehouse in order to refine data, eliminate excess or redundant information and improve the overall quality of our data.

- ***Digitize.*** We have invested in digitization across our business to improve operational efficiencies, productivity and the scalability of our operations. These efforts have helped us to improve our turnaround times, simplify processes and reduce our dependence on paperwork and physical infrastructure. In addition, we have used digitization to make our customer experience more user-friendly and deliver a quality customer service experience. One of our key information technology initiatives has been to digitize our pre-sales and sales processes. Our digital platform, e-branch, aims to provide a seamless, user-friendly customer experience from the prospective customer stage to policy issuance. Our e-branch provides a customized and simplified customer on-boarding process. In addition, it helps to facilitate need-based selling by analysing the products that customers select and uses a financial planning module to aid customers in selecting the most appropriate insurance solution based on their needs. It also nurtures prospective sales through customer interaction histories, calendars that manage customer engagement, analytics for customer funnel analysis and alerts and notifications on various customer life events, policy anniversaries, birthdays and appointments. These help us to enhance our customer relationships. Our e-branch has a scalable platform that can be extended to our distribution partners quickly, as required. It is also integrated with our other core systems to enable real time data transfer and information exchange, which helps to improve our overall sales productivity by reducing processing time. It also interfaces with our bancassurance partners and government authorities to facilitate data pre-population and e-KYC.

- ***Disrupt.*** Life insurance providers in the Indian life insurance industry are increasingly looking to increase sales and increase operational efficiencies (Source: CRISIL). This creates potential challenges and opportunities for us and the industry. We aim to develop disruptive technology in order to differentiate our business from our competitors. In 2016, we partnered with MetLife's innovation center for Asia, LumenLab, to launch conVRse, a service application that provides a differentiated, immersive and personalized experience to customers through a virtual reality platform. ConVRse is an award winning and pioneering virtual reality service platform that has been well received by our customers. We are currently piloting Khushi, which is based on an artificial intelligence framework. Khushi is a virtual assistant that can chat with an existing or prospective customer and help respond to queries related to their policies. It has real-time access to policy-related information and is generally available online at any time. This is a pre-emptive, proactive and predictive application that aims to understand customers' requirements in order to provide customized responses to their queries.

We are gradually increasing our use of digital platforms. For example, in the month of April 2017, 35% of new policies were sourced through our digital platforms, compared to 67% in the month of March 2018. In Fiscal 2018, 57% of new policies were sourced through our digital platforms. We plan to continue our digitization efforts through innovating digital platforms, as well as by utilizing artificial intelligence, machine learning, blockchain technology, robotic process automation, chatbot platforms and natural language processing.

We have received and maintain the following international accreditations with respect to information technology:

Accreditation	Scope	Expiration
ISO/IEC 27001:2013	Management of information security of information technology services and datacenter services in accordance with the statement of applicability version number 2.0 dated December 2017	May 5, 2021 (renewed every three years)
ISO 22301:2012	Business continuity management systems covering information systems, datacenter services and IT support services	February 5, 2021 (renewed every three years)
ISO/IEC 20000-1:2011	Information technology service management covering the provision of application maintenance, production support and IT infrastructure management as per the latest service catalog	January 25, 2021 (renewed every three years)

Operations

Our operations unit focuses on customer on-boarding, underwriting, customer service management, retention, claims management, customer value management and advocacy and business excellence and innovations. Critical organization initiatives, such as crisis management, sanctions screening and regulatory compliance, Privacy and PCI (Payment Card Industry) / CRS (Common Report Standards) / FATCA (Foreign Asset Tax Compliance Act) compliance are also an integral part of our operations.

We have received and maintain the following international accreditations with respect to operations:

Accreditation	Scope	Expiration
ISO 9001:2015	Operation of quality management system.	April 19, 2019 (renewed annually)
Payment Card Industry Data Security Standard	Security standards relating to accepting, processing, storing and transmitting credit card information in a secure environment.	2018 (renewed annually)

We have also integrated our operations team with our sales team through our online communication platform, e-bandhan, where feedback from our sales team is gathered and made available to our management team. Our e-branch platform is also a critical part of our operations, providing an enhanced customer on-boarding experience.

We entered into a master services agreement dated May 13, 2014 ("**MSA**") with MetLife Global Operations Support Centre Private Limited ("**MGOSC**"), wherein MGOSC agreed to provide certain business process management services. As per the Company's outsourcing policy, the Company issued a request for proposals and in connection with that, also issued a termination notice with respect to the MSA on January 31, 2018 by giving six months' prior written notice to MGOSC. The Company has since selected a new service provider for these services.

Customer on-boarding and underwriting

We have streamlined and integrated our customer on-boarding and policy issuance processes to facilitate customer convenience, increase productivity, provide superior customer service, improve customer retention and create value for customers. We have an integrated approach to on-boarding customers through simplified underwriting and "straight-through processing" of customer proposal forms, which does not involve any manual underwriting. Once an application is logged in, it is processed through an automated underwriting engine. In Fiscal 2018, 73% of cases were issued as straight-through processing. As part of enhancing the ease and convenience of our integrated on-boarding process, we have also initiated digitization of our policy login and issuance process, allowing our distribution partners and sales employees to complete customer on-boarding and the policy issuance process entirely through our digital platforms at any time and in any location.

As part of our underwriting operations, we evaluate the type and the amount of risk that we are willing to accept during the customer on-boarding stage through a centralized underwriting process. We conduct periodic reviews of our underwriting procedures and policies to ascertain mortality risk exposures and to align with market conditions, customer preferences and the pricing bases of relevant products. Our qualified underwriters, who are specialized in specific products and distribution channels, perform qualitative and fair risk assessments, which includes assessments of the customer's mortality risk and risk of insurance fraud.

We have developed a risk scoring model that uses predictive analytics, which has been integrated into our underwriting module to identify high-risk customers for enhanced assessment. Such initiatives have assisted in both reducing the time needed to issue policies to low-risk customers and in conducting additional due diligence on high-risk customers, thereby improving the quality of our underwriting. We have also implemented the use of tele-medicals, where a team of qualified medical professionals assesses customers over the telephone. Tele-medicals enhance the customer experience by eliminating in-person medical examinations, the costs associated with medical tests and speed up policy issuance. Additionally, we have implemented a final verification process where, immediately after a policy is issued, our operations teams call the customer as a method of reducing the risk of mis-selling and also to ensure that customers are aware of product features and benefits. These controls have helped improve qualitative parameters such as our persistency ratios and claim experience.

Customer service

An important part of providing quality customer service experience to our customers is responding to their queries promptly and efficiently. In order to do this, we have set up a nationwide service helpline, with an interactive voice response system. In Fiscal 2016, Fiscal 2017 and Fiscal 2018, our service helpline handled more than 2.15 million customer queries. In Fiscal Year 2018, 81% of calls received by our nationwide service helpline were answered within 20 seconds. As of March 31, 2018, we also had customer service centers at each of our branches. In Fiscal 2018, approximately 27% of customer queries and requests were resolved through self-service modes of access. We intend to continue to enhance the internet-based self-service capabilities that we offer customers by implementing upgrades to our interactive voice response system and customer policy portal and new digital modes such as artificial intelligence. See "***—Information Technology and Digitization***" on page 160.

The number of complaints is the key metric for evaluating our business processes and the quality of our customer engagement. In Fiscal 2018, our average resolution rate for the turnaround time of customer complaints was 10.42 calendar days, compared to the 15 calendar day turnaround time prescribed by the IRDAI (Source: IRDAI).

The following table provides further details on the number of new customer complaints compared to the number of new policies issued for the periods indicated.

	Fiscal Year Ended March 31,		
	2016	**2017**	**2018**
Number of new customer complaints	4,477	4,447	4,470
New policies issued	240,582	216,632	219,666
Complaints per 10,000 new policies	186	205	203

The tables below set forth (i) the types of complaints we have received and (ii) details of the number of complaints by policyholders (whether by customers or third-party intermediaries) and the complaint resolution periods for each of the periods indicated. The types of complaints have been classified into five categories as follows:

- "sales related", which includes complaints such as those related to mis-selling, misrepresentation of facts, fraud and forgery of documents.
- "new business related", which includes complaints such as those related to issuance of policy, proposal processing, policy dispatch, decline and refunds.
- "policy servicing related", which includes post-issuance servicing related complaints, such as surrender not processed and pay-out not done.
- "claims related", which includes complaints such as death and survival claims; and
- "others", which includes a mix of sales and service complaints, including spurious calls and unit-linked

product-related concerns, such as those related to policy value and net asset value.

Fiscal Year 2016 Particulars	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	16	2,699	951	0	1,742	**22**
New business related	1	749	641	0	105	4
Policy servicing related	0	282	213	0	63	6
Claims related	2	454	349	0	102	5
Others	0	293	204	0	88	**1**
Total	**19**	**4,477**	**2,358**	**0**	**2,100**	**38**

Fiscal Year 2016 Duration pending	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	38	0	38
More than 15 days	0	0	0
Total	**38**	**0**	**38**

Fiscal Year 2017 Particulars	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	22	3,022	1,218	0	1,788	38
New business related	4	328	274	0	57	1
Policy servicing related	6	633	433	0	204	2
Claims related	5	364	268	0	98	3
Others	1	100	56	0	45	0
Total	**38**	**4,447**	**2,249**	**0**	**2,192**	**44**

Fiscal Year 2017 Duration pending	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	43	0	43
More than 15 days	1	0	1
Total	**44**	**0**	**44**

Fiscal Year 2018 Particulars	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	38	3,216	1,411	0	1,781	62
New business related	1	224	150	0	74	1
Policy servicing related	2	561	313	0	246	4
Claims related	3	299	185	0	114	3
Others	0	170	120	0	48	2
Total	**44**	**4,470**	**2,179**	**0**	**2,263**	**72**

Fiscal Year 2018 Duration pending	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	72	0	72
More than 15 days	0	0	0
Total	**72**	**0**	**72**

Customer retention

We have undertaken a number of customer retention initiatives in order to increase our persistency ratios. These initiatives have included:

- *Customer engagement:* Our focus on customer engagement has enabled us to increase our persistency, which is the proportion of customers who continue to maintain their policies with us over certain defined periods as measured in terms of premium. We also intend to increase the utilization of self-service transactions with the addition of more self-service options. Further, we continually refine our customer engagement calendar in order to engage with our existing customers at regular intervals.

- *Data analytics:* We continue to use analytics to increase our renewal premium. We have built propensity models which give lead indicators into customer preferences. Propensity models also help improve our customer engagement model and increase the productivity of our distribution and retention teams.

- *Linkage to Performance:* Persistency is a key parameter in the performance criteria of our management team and sales employees. We continue to strengthen our focus on persistency in our performance evaluation criteria.

- *Payment follow-up*: Structured payment reminders are sent to customers to pay their renewal premium. Our retention team also assists customers to revive policies that have lapsed.

- *Online portal access*: Our website offers customers an online portal with immediate access to their policy and fund information and allows them to pay their premium through the internet banking platform.

- *Diverse payment options:* Customers can make payments in a variety of other ways, including national electronic funds transfers, digital e-wallets, auto debit facilities and standing instruction mandates, as well as paying by cheque, credit card or direct deposit. With this, we aim to make the payment of renewal premium more convenient for customers and reduce instances of policy lapse.

Our continued efforts to provide superior service experience across the entire customer life cycle has resulted in an overall improvement in our persistency ratio. Our 13th month persistency ratio increased from 67.99% in Fiscal 2016 to 71.78% in Fiscal 2017 and 77.03% in Fiscal 2018.

The following table sets forth the persistency ratios (based on original annualized premium) for our individual business for the periods indicated:

Persistency (by premium)	**Fiscal Year Ended March 31,**		
	2016	**2017**	**2018**
13th month	67.99%	71.78%	77.03%
25th month	47.85%	53.15%	58.30%
37th month	41.38%	41.62%	46.00%
49th month	36.67%	37.84%	37.10%
61st month	20.20%	27.34%	27.72%

The following tables set forth our individual persistency ratios by the product categories saving, protection and pension for the periods indicated:

Persistency (by premium)	**Fiscal Year Ended March 31,**		
	2016	**2017**	**2018**
Saving products			
13th month	68.27%	71.47%	76.88%
25th month	47.86%	53.05%	57.76%
37th month	41.43%	41.66%	45.92%
49th month	37.59%	37.88%	37.05%
61st month	20.34%	27.10%	27.69%
Protection products			
13th month	65.60%	74.90%	79.14%
25th month	56.81%	54.35%	63.46%
37th month	41.11%	46.32%	46.61%
49th month	35.77%	38.05%	42.00%
61st month	26.22%	33.52%	35.20%
Pension products(1)			
13th month	N.A.	66.80%	79.20%
25th month	N.A.	N.A.	51.21%
37th month	N.A.	N.A.	N.A.
49th month	24.77%	N.A.	N.A.
61st month	10.11%	6.34%	N.A.

(1) Periods for which no premium was due to be collected have been indicated with "N.A."

The following tables set forth our individual persistency ratios by our distribution channels for the periods indicated:

Persistency (by premium)	Fiscal Year Ended March 31,		
	2016	2017	2018
Bancassurance			
13th month	67.44%	71.25%	76.09%
25th month	51.30%	56.53%	59.19%
37th month	44.85%	45.63%	49.65%
49th month	37.78%	41.36%	40.80%
61st month	22.57%	26.96%	30.96%
Direct Sales			
13th month	69.11%	72.60%	78.71%
25th month	39.16%	46.68%	56.88%
37th month	31.01%	32.52%	39.13%
49th month	62.65%	28.23%	28.33%
61st month	17.50%	59.53%	20.71%
Agency			
13th month	68.24%	72.46%	79.02%
25th month	46.01%	50.96%	57.91%
37th month	38.41%	38.55%	43.10%
49th month	35.34%	34.53%	34.14%
61st month	19.57%	25.84%	25.12%
Others			
13th month	75.20%	75.75%	79.66%
25th month	71.36%	65.42%	66.54%
37th month	61.21%	58.56%	57.90%
49th month	50.34%	58.75%	53.36%
61st month	20.50%	39.66%	46.96%

Claims management

We are committed to providing our customers with a superior claims settlement experience. Claims that we receive are processed and investigated in a standardized manner. We have established claims settlement procedures and formulated various claims settlement guidelines, which we update on a regular basis. In order to streamline these procedures and guidelines for customers, we also have our Met Care Kit, which has the aim of simplifying the claims process by providing the customer with a comprehensive list of documents and forms required for processing a claim.

Claimants can submit claims through various channels, including our existing branches, the branches of our distribution partners, through our call center and by direct courier. We use a data analytics-based model to categorize claims for processing investigative claims, assisting in detecting and reducing the risk of fraudulent claims. We have implemented a tiered authorization system to manage claims of differing value and to facilitate rapid claims processing.

The efficiency of our claims settlement improved from Fiscal 2017 to Fiscal 2018, with the average turnaround time for death claims decreasing from four days in Fiscal 2017 to two days in Fiscal 2018, upon receipt of all supporting documentation. Our overall claims settlement ratio for Fiscal 2018 was 92.36%.

The following table sets forth our settlement ratio (representing the number of claims that are settled as a percentage of the number of claims received) for the periods indicated.

Claims occurring after issuance	Fiscal Year Ended March 31,								
	2016			2017			2018		
	Individual	Group	Total	Individual	Group	Total	Individual	Group	Total
Less than one year	68.43%	99.22%	84.78%	77.48%	96.66%	85.30%	81.19%	95.20%	85.81%
One to three years	92.30%	99.63%	94.35%	89.62%	96.49%	91.99%	91.35%	96.10%	92.73%
Over three years	99.48%	100.00%	99.57%	98.20%	98.37%	98.22%	99.04%	99.53%	99.10%
Total	85.36%	99.38%	90.74%	87.14%	96.79%	90.20%	91.12%	96.19%	92.36%

We are currently piloting our "Claims Promise" initiative, which we launched in April 2018. Under the "Claims Promise" initiative, we aim to process all "non-early" death claims, which are claims that fall after three years from issuance of a relevant life insurance policy or from the date of declaration of good health reinstatement, within a turnaround time of five days upon receipt of all supporting documentation.

Customers

The following table sets forth the number of lives insured (individual and group) and the number of new business policies held by our individual customers as of the dates indicated:

	Fiscal Year Ended March 31,		
	2016	2017	2018
Number of lives insured (individual customers)	235,001	210,133	215,455
Number of lives insured (Group customers)	1,022,530	1,433,642	743,110
Number of new business policies (individual customers)	240,582	216,632	219,666

The following table sets forth the number of individual lives insured, number of individual new business policies, number of unique customers with more than one policy since inception and cross-sell percentage for individual customers for the periods indicated:

	Fiscal Year Ended March 31,		
	2016	2017	2018
Number of individual lives insured	235,001	210,133	215,455
Number of individual new business policies	240,582	216,632	219,666
Unique customer with more than one policy since inception	13,342	18,976	14,213
Cross sell ratio	5.68%	9.03%	6.60%

Reinsurance

Reinsurance is the insurance cover that is purchased by an insurance company (the "cedant") in order to share risks such as mortality and morbidity with another insurer (the "reinsurer"). Such arrangements help insurers manage their risk profile by limiting the financial impact of claims fluctuation, minimizing exposure to large individual claims, expanding their underwriting capacity and managing their capital efficiently. We have surplus risk and proportional reinsurance arrangements on a risk premium basis with varying retention levels by product classes. These retention levels are determined in accordance with IRDAI regulations and take into consideration our experience. We also enter into catastrophe reinsurance arrangements on an excess-of-loss basis, which mitigates the potential concentration risks that may arise if a localized event affects the workplace of one or more of our group insurance customers. We review these arrangements on a regular basis.

Our total reinsurance ceded, in terms of sum at risk, to third-party reinsurers in Fiscal 2016, Fiscal 2017 and Fiscal 2018 was ₹1,768,070 million, ₹1,427,544 million, ₹1,519,356 million, respectively. The share of total reinsurance ceded on sum assured in Fiscal 2016, Fiscal 2017 and Fiscal 2018 was 51.09%, 41.94% and 42.96%, respectively. See "***Financial Information***" on page 245 for additional information on reinsurance ceded to reinsurers. As of March 31, 2018, our proportion of reinsurance ceded based on the sum at risk, with our largest reinsurance counterparty, Munich Re and its subsidiaries was ₹613,544 million, which accounted for 40.38% of our total reinsurance ceded.

Our criteria for selecting reinsurers are based on relevant regulations and the assessment of the reinsurer's financial strength, terms of arrangement including limits for underwriting and claims, capacity of the reinsurer to write the risk, expertise provided by the reinsurer and past claims payment history. We also strategically diversify our reinsurance book to minimize third party credit risk. We monitor the financial condition of our third-party reinsurers on a regular basis and have not experienced any third-party reinsurer default since our inception.

The following table sets out the Standard & Poor's ("**S&P**") ratings for the periods indicated therein for the reinsurers with whom we have reinsurance arrangements:

		Rating		
		As of March 31,		
Reinsurer	Rating Agency	2016	2017	2018
Munich Re	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
RGA	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
AXA Vie	S&P	A+	AA-	AA-
Swiss Re	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
Gen Re	S&P	AA+	AA+	AA+
Hannover Re	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
GIC Re	A.M. Best	A- (Excellent)	A- (Excellent)	A- (Excellent)

Reinsurer	Rating Agency	Rating As of March 31, 2016	2017	2018
HCC	S&P	AA-	AA-	AA-
Arch Re	S&P	A+	A+	A+

S&P's "AA" range ("AA+", "AA", "AA-") is the second highest of nine ratings ranges and applies to an insurer that S&P regards as having very strong financial security characteristics that outweigh any vulnerabilities and likely to have the ability to meet financial commitments, differing only slightly from those rated higher. The "A" range ("A+", "A", "A-") is the third highest of nine ratings ranges and applies to an insurer that S&P regards as having strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are higher rated insurers. A plus (+) or minus (-) shows relative standing in a rating category. S&P and other agency ratings are not designed to be, and do not serve as, measures of protection or valuation offered to investors and such financial strength ratings are not to be relied upon with respect to making any investment.

The following table sets out the nature of our reinsurance arrangements with each reinsurer as well as the reinsurance premium paid to them in Fiscal Year 2018.

Reinsurer	Type of reinsurance arrangement (surplus / quota share)*	Type of reinsurance arrangement (obligatory / facultative)**	Reinsurance premium ceded for Fiscal 2018 (₹ millions)
Munich Re	Surplus and quota share	Obligatory and facultative	359.85
RGA	Surplus and quota share	Obligatory and facultative	214.16
AXA Vie	Surplus	Facultative	211.67
Swiss Re	Surplus and quota share	Obligatory and facultative	106.86
Gen Re	Surplus	Obligatory and facultative	13.36
Hannover Re	Surplus	Obligatory and facultative	16.98
GIC Re	Surplus and quota share/Catastrophe	Obligatory and facultative	1.87
HCC	Surplus/Catastrophe	Obligatory	4.52
Arch Re	Surplus/Catastrophe	Obligatory	0.70

* A quota share arrangement is an arrangement under which the reinsurer covers a specified percentage of the sum at risk. A surplus reinsurance arrangement is an arrangement under which the reinsurer covers the surplus of the sum at risk exceeding the ceding company's retention limits as laid out in the agreement between the reinsurer and the ceding company.
** An obligatory arrangement is an arrangement under which both the insurer and reinsurer are obliged to place and accept the risk. A facultative arrangement is an arrangement under which the insurer is free to place the reinsurance with any reinsurer. Similarly, the reinsurer may accept or reject the reinsurance offered.

Investments

Our total assets under management ("**AUM**") were ₹172.4 billion as of March 31, 2018, of which 39.9% was held in participating policyholders investments, 17.6% was held in non-participating policyholder investments, 36.4% was held in unit-linked policyholders' fund and 6.1% was held in shareholders' fund. As of March 31, 2018, 76.8% of total AUM was invested in fixed income instruments, 22.6% was invested in equities and ETF mutual funds and 0.6% in other investments.

Our investment function plays a crucial role in creating value for policyholders and shareholders. We invest the premium we receive from policies sold and income generated from existing investments in various asset classes. This is done with the objective of meeting future liabilities of the business underwritten as well as to generate superior risk-adjusted returns over the medium to long-term. Strong investment performance has the potential to lead to wealth creation for policyholders and shareholders in the medium to long-term. Additionally, it also enhances the competitiveness of our product offerings.

Investment Objectives and Processes

Our investment management is governed by an investment policy that is approved by our Board of Directors. We established an Investment Committee on January 5, 2002, which assists the Board of Directors in fulfilling its oversight responsibility for the investment assets. Our Investment Committee formulates the investment policy and establishes a framework for investment management and operations with adequate risk management controls. Our Investment Committee is responsible for ensuring adherence to our investment policies and other matters covered under the Investment Procedures Manual and reviewing modifications from time to time.

Our investment team, led by our Chief Investment Officer, performs day-to-day investment activities, such as developing and implementing strategies for managing our fixed income and equity portfolios based on the current market environment. The Chief Investment Officer is responsible for presenting investment performance to the Investment Committee and reporting on all credit-related and investment-related issues. The team consists of experienced fund managers, research analysts and dealers. Every investment is analyzed rigorously from a company, sector, as well as portfolio perspective before we make such an investment. There is a strong focus on ethics, compliance and risk management at every stage of the investment process. Regulatory compliance and risk limits are independently monitored by the investment team's middle-office function.

Investment Funds

Our investments are divided into two categories: policyholders' funds and shareholders' funds. The policyholders' funds are further divided into three categories: (a) participating funds, (b) non-participating funds and (c) unit-linked funds. In participating and non-participating funds, the decision on asset allocation is made by the investment team, in compliance with IRDAI guidelines. In unit-linked products, (i) the asset allocation is decided by policyholders through their choice of specific funds (equity fund, debt fund or hybrid funds) and (ii) the investment risk is directly borne by the policyholder.

The AUM of each of our policyholders' and shareholders' funds (as of the dates mentioned) are set out in the table below:

	As of March 31,					
	2016		2017		2018	
	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
	(₹ in billions, except percentages)					
Policyholders' funds						
Unit-linked funds	66.8	49.6%	67.7	44.7%	62.8	36.4%
Non-participating funds	19.2	14.2%	23.0	15.2%	30.4	17.6%
Participating funds	42.2	31.3%	53.9	35.5%	68.7	39.9%
Shareholders' funds	6.6	4.9%	7.0	4.6%	10.5	6.1%
Total	**134.8**	**100.0%**	**151.6**	**100.0%**	**172.4**	**100.0%**

Unit-linked funds

The objective of unit-linked funds is to create wealth for policyholders over the medium- to long-term, without taking undue risks, while meeting the specific objectives of individual fund. The investments in each fund are made in compliance with the fund mandate and exposure norms defined by the IRDAI.

Participating funds

The objective of participating funds is to generate returns that meet the reasonable expectation of policyholders regarding bonuses and benefits. This is achieved through appropriate asset-liability matching, as well as suitable investments to achieve returns for policyholders.

Non-participating funds

The objective of non-participating funds is to meet the projected benefits through appropriate investments while ensuring the safety and liquidity of funds. This is achieved through appropriate asset-liability matching.

Shareholders' funds

The primary objective of shareholders' fund is to maximize risk-adjusted returns while ensuring the safety of assets.

Investment Fund Performance

We base our investment philosophy on making investment decisions from a long-term perspective with an aim to generate higher risk-adjusted returns. Based on the fund objective of unit-linked funds, we identify a performance benchmark index (wherever a suitable benchmark is available). Additionally, we have used Morningstar Rating ("**Morningstar**"), an investment research and investment management firm, for performance assessment of unit-linked funds.

Morningstar rates funds using the Morningstar Risk-Adjusted Return Rating ("**MRAR**") framework, which provides quantitative assessment of a fund's past performance on a risk-adjusted basis using a scale of one-to-five stars, with five stars being the highest rating and one star being the lowest. As indicated in the table below, Morningstar has rated our key open unit-linked funds, except one, in the equity, debt and hybrid bond fund categories as three-stars and above over the five-year period ending March 31, 2018.

The following table sets forth the performance of our key open unit-linked funds with respect to the benchmark returns over each of the five-year and seven-year periods ended March 31, 2018. In addition, the table also sets forth the Morningstar rating, using the MRAR framework, of our key open unit-linked funds for the five-year period ending March 31, 2018.

	Five-year performance			**Seven-year performance**	
Fund	**Fund returns (annualized)**	**Benchmark returns (annualized)**	**Morningstar rating (MRAR Rating)**	**Fund returns (annualized)**	**Benchmark returns (annualised)**
Flexi Cap	14.6%	14.1%	*** (3-star)	10.0%	9.3%
Balancer II	10.6%	10.5%	*** (3-star)	8.6%	8.4%
Protector II	7.6%	8.6%	** (2-star)	8.6%	8.6%
Virtue II	17.4%	N.A.	***** (5-star)	11.6%	N.A.

N.A. = Benchmark not available.

Note: Morningstar Rating is based on MRAR, which is a measure of a fund's past performance after adjusting for risk. Morningstar sets the distribution of funds across the rating levels, assigning five-year star ratings as follows:

1. All funds in the category are sorted by MRAR % Rank for the respective time period in descending order.
2. Starting with the highest MRAR % Rank, those in the top 10% of such funds receive a 5-star rating.
3. The next 22.5% (i.e., ranking below the top 10% and up to the top 32.5%) of funds receive a 4-star rating, and the following 35% (i.e., ranking below the top 32.5% and up to the top 67.5%) of funds receive a 3-star rating.
4. The next 22.5% (i.e., ranking below the top 67.5% and up to the top 90%) of funds receive a 2-star rating.
5. The remaining funds (i.e., the bottom 10% of the category) receive a 1-star rating.

The following table sets forth the net investment income yield by fund category for the periods indicated:

	As of March 31,					
	2016		**2017**		**2018**	
	With unrealized gains	**Without unrealized gains**	**With unrealized gains**	**Without unrealized gains**	**With unrealized gains**	**Without unrealized gains**
Policyholders' funds						
Unit-linked funds	(4.1)%	9.6%	13.6%	12.7%	8.1%	15.8%
Non-participating funds	7.8%	8.9%	11.6%	8.4%	5.3%	8.3%
Participating funds	8.0%	9.0%	12.4%	8.9%	5.2%	9.0%
Shareholders' funds	8.2%	8.8%	11.2%	8.7%	5.8%	8.4%

Note: Yield is computed using Time Weighted Rate of Return as per modified dietz method.

Investment Portfolio

Our diversified investment portfolio primarily comprises of equities, government securities and corporate debt. Additionally, we also invest in fixed deposits, exchange traded funds (ETFs), liquid mutual fund units and 'other investments'.

As of March 31, 2018, the total AUM was ₹172.4 billion, including 37.2% in government securities, 34.0% in corporate debt and 22.6% in equities (including ETFs).

The following table sets forth, as of March 31, 2018, the composition of AUM across different asset classes:

	Linked	**% of total**	**Non-participating**	**% of total**	**Participating**	**% of total**	**Shareholders**	**% of total**	**Total**	**% of total**
	(₹ in billions, except percentages)									
Government securities	5.6	8.9%	16.6	54.7%	35.7	51.9%	6.3	60.4%	64.2	37.2%
Corporate bonds										
AAA	10.5	16.7%	12.5	41.1%	30.0	43.7%	2.9	27.8%	55.9	32.4%
AA+/AA	1.1	1.7%	0.4	1.5%	0.3	0.4%	0.1	0.5%	1.9	1.1%
AA- or below	0.0	0.0%	0.2	0.5%	0.4	0.6%	0.3	2.8%	0.8	0.5%
Equity Shares(1)	36.5	58.1%	0.3	0.9%	2.1	3.1%	0.0	0.1%	39.0	22.6%
Money market instruments	8.1	13.0%	0.4	1.3%	0.2	0.3%	0.9	8.4%	9.6	5.6%
Others(2)	1.0	1.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	1.0	0.6%
Total	**62.8**	**100.0%**	**30.4**	**100.0%**	**68.7**	**100.0%**	**10.5**	**100.0%**	**172.4**	**100.0%**

(1) Equity shares include listed equity, exchange traded funds and additional tier-one bonds.
(2) Others include net current assets for linked funds.

As required by the Insurance Regulatory and Development Authority in India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, as amended, all our investments in debt securities are considered as "held to maturity".

The following table sets forth, as of the dates mentioned, the book value and market value of these investments.

	As of March 31,					
	2016		2017		2018	
			(₹ in billions)			
	Balance sheet value	Market value	Balance sheet value	Market value	Balance sheet value	Market value
"Held to maturity" investments in non-linked and shareholder funds	67.9	70.5	83.4	88.6	107.6	109.9

Equity investments

Our equity portfolio is well diversified and consists of investments in high-quality stocks with an adequate blend of growth and value stocks. The stock selection is based on rigorous and thorough research and analysis, in accordance with the investment framework. As per IRDAI regulations, we are not permitted to invest in equity derivatives.

As of March 31, 2018, 91% of our equity investment was in companies forming part of the NIFTY 50 Index. The following table sets forth, as of March 31, 2018, the breakdown of equity investments by sectors that accounted for more than 5% of total equity investments:

	As of March 31,					
	2016		2017		2018	
	Equity investment*	% of total	Equity investment*	% of total	Equity investment*	% of total
Sector**	(₹ in billions, except percentages)					
Financial and insurance activities	10.3	25.7%	10.5	25.7%	10.4	29.0%
Computer programming, consultancy and related activities	7.1	17.7%	4.8	11.8%	4.6	12.9%
Manufacture of motor vehicles, trailers and semi-trailers	3.7	9.2%	4.0	9.9%	3.5	9.8%
Manufacture of coke and refined petroleum products	3.4	8.4%	3.7	9.1%	3.5	9.7%
Infrastructure sector	1.6	3.9%	2.7	6.7%	2.2	6.1%
Civil engineering	2.1	5.3%	1.8	4.3%	2.1	5.9%
Manufacture of tobacco products	2.6	6.5%	2.8	6.8%	1.9	5.2%
Manufacture of pharmaceuticals, medicinal, chemical and botanical products	2.5	6.2%	2.7	6.5%	1.5	4.1%
Manufacture of chemicals and chemical products	1.3	3.2%	2.1	5.1%	1.3	3.6%

(*) Equity investments include listed equity securities and additional tier-1 (AT1) bonds.
(**) Industrial sectors as defined under National Industrial Classification (NIC) 2008.

Fixed income investments

Our fixed income portfolio consists of government securities, corporate debt and money market instruments. We aim to maintain a fixed income portfolio of high asset quality. As of March 31, 2018, sovereign debt and AAA bonds constituted 98% of the AUM of our fixed income portfolio, based on ratings provided by SEBI-registered rating agencies. We have not had any defaults or delayed payments in our fixed income portfolio.

The following table shows the breakdown of fixed income portfolio by credit rating:

	As of March 31,					
	2016		2017		2018	
	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
	(₹ in billions, except percentages)					
Government securities	49.3	61.7%	52.3	53.2%	64.2	52.3%
Corporate bonds						

	As of March 31,					
	2016		2017		2018	
	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
AAA	28.6	35.7%	42.7	43.5%	55.9	45.5%
AA+/AA	2.0	2.5%	3.2	3.3%	1.9	1.5%
AA- or below	0.0	0.1%	0.0	0.0%	0.8	0.7%
Total	**79.9**	**100.0%**	**98.2**	**100.0%**	**122.9**	**100.0%**

Our corporate debt portfolio constituted 22.8%, 30.3% and 34.0% of the total AUM as of March 31, 2016, March 31, 2017 and March 31, 2018, respectively. Our corporate bond investments are diversified across industries as well as issuers. All investments are in compliance with the IRDAI prescribed limits with respect to single company, group and sector exposure.

The following table sets forth, as of March 31, 2018, the breakdown of our corporate debt holdings by sectors that constituted more than 5% of total investments in corporate debt:

	As of March 31,					
	2016		2017		2018	
	Corporate debt investment	% of total	Corporate debt investment	% of total	Corporate debt investment	% of total
	(₹ in billions, except percentages)					
Financial and insurance activities	8.6	27.2%	15.3	33.4%	22.8	38.8%
Infrastructure sector	13.6	43.1%	18.5	40.3%	22.3	38.0%
Housing sector	7.6	23.9%	10.3	22.3%	11.4	19.4%

Risk Management

We are exposed to different types of internal and external risks. Our Lines of Businesses assess our risks, together with advisory review from Enterprise Risk Management, Ethics & Compliance, Internal Audit, Legal and Information Security functions (collectively, "**Control Functions**"). All the Heads of Control Functions have direct reporting relationship to the Managing Director to maintain the autonomy of these functions. Process Risks are identified through:

- Standards Operating Procedures ("**SOP**") review and assessment by the Risk, Compliance, and Legal Management teams before implementation;
- Self-Risk and Control assessment carried out by each Line of Business function for appropriate Risk Identification Treatment and Mitigation; and
- Compliance reviews, which include regulatory compliance checks across enterprise and Branch Office reviews and which are included in our Enterprise Risk Management reports.

Our Enterprise Risk Management Policy sets out our approach to risk management, recognizing that each individual member of our businesses has a role to play in risk management. It specifically defines the roles and respective accountabilities of our Board of Directors, Audit Committee, Management Risk committees, Control Functions, Management and Internal Audit teams. The policy outlines the businesses risk criteria and appetite which is to be applied when assessing adverse events and considering the impact of these on the businesses ability to achieve their objectives.

We base our risk appetite on a set of criteria defined in relation to a set of consequences and the likelihood of these events occurring. We assess risks as critical, high, medium or low in significance and such risks are subsequently managed according to these ratings. The assigned risk criteria is approved by the Board of Directors and reviewed to reflect any changes in the internal and external environment, which may alter our tolerance to risk events.

Our risk mitigation plan is continuously tracked through a risk register. The risk register indicates the level of risks faced by the organization identified through functional key risk indicators for areas exposed to critical and high risks, as well as the consequences, exposure and identified mitigants of the risks, in order to control the risks. These risks are derived from our discussions with various stakeholders and internal reviews. Our Enterprise Risk function continuously monitors these risks and also presents these risks to our Board of Directors in the quarterly held board meetings.

Our approach to risk management includes three "lines of defense". Firstly, we have functional teams that have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. Secondly, we have functional governance and advisory teams, such as our Enterprise Risk Management and other Control Functions, that provide oversight and assist management in implementing, monitoring and reporting on operational risk programs. Thirdly, we conduct internal audits that provide an independent review of the efficacy of our risk assessment and management.

Risk Management Committees

Our Investment Committee of our Board of Directors monitors the suitability of assets and liabilities under traditional lines of business, and our Asset Liability Management and Risk Management ("**ALMR**") Committee of our Board of Directors reviews, on at least a quarterly basis, the ALM position of each of the funds under our general account and provides advice regarding possible measures to be taken to minimize any duration mismatch between assets and liabilities. Our Board has approved an ALM policy in accordance with the guidelines issued by the IRDAI and in view of the nature of our liabilities and invested assets.

Additionally, our ALMR Committee reviews on a quarterly basis the completeness of the risk assessments performed at Company level and advises our senior management on the appropriateness of the management action plans developed to mitigate the top and emerging risks at an enterprise level.

Our Executive Risk Management Committee ("**RMC**"), which meets on a quarterly basis, reviews and assesses the risk impact on the Company's defined risk tolerance limit, approves the Company's risk management structure and operational framework within the Enterprise Risk Management scope and framework and approves implementation of strategies to be undertaken to reduce risk exposures over time. The RMC also considers emerging risks across the industry and reviews the appropriateness of new mitigation programs. Various sub-committees, including our Information Security Committee, Underwriting and Claims Committee, Outsourcing Committee, Investment Monitoring Committee have been set up for specific risk assessment and mitigation plans.

For further information on our board committees and our Board of Directors, see "***Management***" on page 202.

Competition

The Indian insurance industry is highly competitive, with 24 public and private life insurance companies operating in India as of March 31, 2018, according to CRISIL. We track the progress of the top ranked private life insurance companies in India across key metrics.

The key metrics on which we compare ourselves with our competition are growth, product mix, expense efficiency, quality (as measured by persistency), value of new business margin and operating return on embedded value.

According to CRISIL, we were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018. In addition, our product mix had a higher share of non-linked products amongst our primary competitors (Source: CRISIL).

The following table sets forth total new business premium growth, individual new business premium growth, non-linked product mix based on new business premium, expense ratio based on new business premium, persistency, operating return on embedded value and value of new business margin for the top 10 private sector life insurance companies, based on individual new business premium, in India for Fiscal 2018. However, the order in which PNB MetLife and the other top 10 private sector life insurance companies are presented in the table below is not meant to reflect their ranking among private sector life insurance companies, either based on individual new business premium or with respect to any of the metrics presented in the table below.

Company	Fiscal Year ended March 31, 2018 Total new business premium growth	Individual new business premium growth	Non-Linked Product Mix based on new business premium	Operating Expense Ratio based on new business premium	Persistency (13th month based on premium)	Operating Return on Embedded Value	Value of new business margin
PNB MetLife	24.2%	21.7%	81.8%	57.1%	77.0%	16.1.%	17.1%
SBI Life	8.1%	29.9%	44.1%	15.7%	83.0%	17.9%	16.2%
ICICI Prudential	17.1%	20.4%	23.6%	22.0%	86.8%	22.7%	16.5%
HDFC Standard	30.5%	41.5%	65.7%	27.8%	87.1%	21.5%	23.2%
Max Life	18.6%	20.4%	67.3%	37.0%	81.0%	20.6%	20.2%
Kotak Mahindra Life Insurance Company*	19.5%	37.3%	55.9%	32.6%	85.5%	N.A.	N.A.
Bajaj Allianz	30.4%	36.6%	59.4%	28.1%	77.2%	N.A.	N.A.
Tata AIA	31.5%	33.4%	N.A.%	56.0%	81.2%	N.A.	N.A.
Birla Sunlife	5.1%	19.9%	N.A.%	30.7%	75.3%	N.A.	N.A.
Canara HSBC OBC Life	24.9%	32.5%	N.A.	29.8%	77.9%	N.A.	N.A.

* Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.

Note: N.A.: not available

Source: IRDAI, company reports, CRISIL, except with respect to operating return on embedded value and value of new business margin for PNB MetLife, which are contained in the Embedded Value Report

Brand Strength and Marketing

We benefit from the brand equity of PNB, which is the second largest bank in India by number of branches, and MIHL, which is a subsidiary of MetLife. MetLife, including its subsidiaries and affiliates, is a leading global insurance company with a presence in more than 40 countries.

We believe the PNB MetLife brand name is associated with attributes such as trust and empathy. Through continued marketing activities and need-based media campaigns, our marketing function aims to reinforce these attributes and position us as the most trustworthy and customer-centric brand choice for life insurance products in India. For example, we promoted need-based selling through our "Circle of Trust" campaign across our bancassurance partners' branches and in 2016 we launched a film called *Magician*, which focuses on the uncertainty of life and the need to be insured. The film was widely viewed and won a Bronze at the Spikes Asia 2016 Awards. In 2018, we also launched a film called *Joy Da*, which promotes extending life insurance coverage to the age of 99 years, which has generated 8 million views through digital platforms.

In addition, in our view there is a strong link between health, fitness and the wellbeing of individuals and the growth of our business. We actively promote and support various sporting events, including badminton and marathons in India, which we associate with the promotion of healthy living. For example, in conjunction with MetLife, we have been sponsors of the badminton BWF Superseries for the past four years and have conducted other nation-wide badminton events to promote health and fitness among consumers, including the PNB MetLife Junior Badminton Championship, which is the largest national badminton program for school children in India. The third season of our PNB MetLife Junior Badminton Championship marked the launch of our "3D Pro Badminton Challenge" app, which had more than 1 million downloads as of the date of this Draft Red Herring Prospectus. In addition, we have promoted numerous walkathons and marathons through our '#RunForHappiness' platform, including the Satara Hill Half Marathon, which draws participants from across India and around the world.

As part of our efforts to offer superior customer experience and promote our products through digital platforms, in 2016 we launched the PNB MetLife Infinity application. The PNB MetLife Infinity application is a secure digital hub that allows users to create a digital legacy by enabling them to share important documents, images, videos and memories with their nominees in case something were to happen to them. To drive awareness and get people to experience the application, we launched a campaign called #AnythingCanHappen which focuses on the unpredictability of life and reinforces the need for insurance and the importance of safeguarding important documents and memories. This application won the Finnoviti award for innovation in the Banking, Financial Services and Insurance sector in 2017.

We have also actively aimed at increasing our promotion of various products online. For example, in order to promote our critical illness plan PNB MetLife Mera Heart and Cancer Care, we introduced "Dr. Jeevan", an artificial intelligence-powered interactive chatbot solution on the Facebook Messenger platform for a limited time.

Accreditations, Awards and Achievements

Various industry organizations and other bodies have conferred awards to us in recognition of our achievements across several domains. The following table sets forth examples of the awards we have won in the categories of innovation, products and marketing, beyond business, digital, website and training:

Category	Award
Innovation	*Banking Frontiers Finnoviti Award* (2018) for our conVRse platform *Best Use of Technology to Enhance Customer Experience*, for conVRse customer service platform at the Zendesk Customer Experience Awards (2018) *Innovation of the Year*, 21st Annual Asia Insurance Industry Awards (2017) for conVRse customer service platform (together with LumenLab) *Best Technology Innovation*, Fintelekt Insurance Awards (2017) for conVRse *Digital Innovation Award*, in the Virtual Reality category at the BFSI Digital Innovation Awards (2017) hosted by Indian Express Group for our conVRse platform
Products and Marketing	*Best Use of Social Media in Marketing*, Global Marketing Excellence Awards (2017) for our *#MakeTime social media* campaign *Best Product Innovation Award for Mera Heart and Cancer Care (MHCC)*, National Awards for Excellence in Insurance (2017) *Best Product Innovation,* Life Insurance Leadership Awards (2017) for Mera Heart and Cancer Care (MHCC) *Spikes Asia Bronze* Award (2016) for our *Life Mein Twist* campaign *Best Use of Social Media in Marketing,* ABP News (2016) for #AnythingCanHappen social media campaign
Beyond Business	*Best Employee Diversity & Inclusion Company*, Employee Engagement Leadership Awards (2018) *100 Best Companies for Women,* Working Mother and AVTAR (2017 and 2016) *ACEF for the CSR programme*, CSR Excellence Awards (2016) *Most Sustainable Company of India,* India Sustainability Leadership Summit (2015)
Digital/ Information Technology	*CIO Crown* (2017), Digital Innovation – Inclusive Awards for our Next Gen IT backbone *Dell EMC Transformer Award* (2016) for IT transformation *Express Intelligent Enterprise Award* (2016) for data center
Website	*Celent Model Insurer Asia Award* (2016) as a model insurer in Asia *Website of the Year,* E-Commerce Summit (2016)
Training	*National Award for Best Use of Technology in Training and Development,* World HRD Congress (2017) *Best Education Training Campaigns,* Asia Training & Development Excellence Awards (2016) *Best Sales Development Program,* Asia Training & Development Excellence Awards (2016)
Risk Management	*Special Commendation for Golden Peacock Award for Risk Management (2016)*

Employees

As of March 31, 2018, we had 9,845 employees, including 4,052 part-time employees, in over 100 cities in India. Our individual agents are not our employees. We have competitive financial rewards in line with our philosophy of pay for performance. Our compensation program differentiates pay increases based on performance. We aim to differentiate ourselves with an open, ethical and performance based culture and pride ourselves with rewarding talent through principles of meritocracy. In addition to a fixed salary, all employees have an opportunity to earn variable pay, such as performance bonuses or sale incentives. We have an annual variable incentive program that is applicable to all roles in the company that are not sales related, while all sales roles have sales incentive programs. The annual variable incentive program is calculated based on a combination of organizational performance and individual performance criteria. Both of these programs are directly linked to achievement of key business targets and regulatory requirements. Annual pay increases are also based on employee performance and market benchmarking, designed to provide fair compensation while also encouraging productivity and self-motivation. We have also instituted an employee stock option plan. For details of our employee stock option plan, see "***Capital Structure—Employee Stock Option Scheme***" on page 82.

We promote learning and leadership by our employees and emphasize thought leadership, with the aim of strengthening our Company and the "PNB MetLife" brand. We also offer our employees an opportunity for long-term career development by providing a platform for their learning and growth based on merit. We also seek to foster an inclusive, supportive work environment for our employees, with diversity and inclusion key to our core values. We continue to work with our stakeholders to improve our talent management framework and strengthen our organizational capabilities.

Intellectual Property

PNB MetLife India Insurance Company Limited has pending applications with the Trade Marks Registry in India for the following trademarks:

Mark	Application Number	Class	Date filed
CIRCLE OF TRUST and Logo in English	2641386	36-INSURANCE AND FINANCIAL SERVICES	Dec 12, 2013
CIRCLE OF TRUST and Logo (in Hindi)	2638052	36-INSURANCE AND FINANCIAL SERVICES	Dec 5, 2013
CIRCLE OF TRUST	2581134	36-INSURANCE AND FINANCIAL SERVICES	Aug 16, 2013

Pursuant to the PNB Trademark Agreement, PNB has granted us a non-exclusive right to use the term "PNB" in the corporate name and brand of our Company. Pursuant to the IIPLA, our Company has been granted a royalty free, non-exclusive and non-transferable right to use the "MetLife" trademark and logo, along with other intellectual properties covered under the agreement, in India.

See "***Risk Factors—Our business and its continued growth are highly dependent on PNB in several respects, and any adverse developments with respect to our relationship with PNB or PNB itself may have a material adverse effect on our business, financial condition, results of operations and prospects***", "***—Any termination of, disruption to, or any adverse change affecting our relationships with the MetLife group may have a material adverse effect on our business, financial condition, results of operations and prospects***" and "***History and Certain Corporate Matters—Material agreements***" on pages 19, 26 and 197, respectively.

Corporate Governance

Our Board of Directors is at the center of our Corporate Governance and oversees the management's efforts to serve and safeguard the interest of our stakeholders. The Board requires that we make timely disclosures and share accurate information regarding our financials and performance, as well as our leadership and governance. We have also put in place various policies which aid us in ensuring effective governance and which help us achieve our Corporate Governance objectives.

Ethics and Compliance

Our Board of Directors, through our Audit Committee, oversees our compliance framework. We have implemented various internal policies, such as our employee code of conduct, general administrative policy on ethical sales practices, policy to prevent and redress sexual harassment at work, employee grievance management policy, anti-bribery and anti-corruption policy, privacy policy, whistle-blower policy, actuarial development program policy, policy on Anti-Money Laundering ("**AML**") and code of conduct for personal investments to ensure compliance with relevant laws and regulations issued. We have an Ethics and compliance team and a Chief Compliance Officer who reports to the Board Audit Committee on various compliance matters.

Our compliance team identifies, and disseminates to all relevant functions, all relevant and applicable laws, regulations and circulars issued by the IRDAI and monitors the adequacy of our compliance framework. We have a well-defined Compliance Risk Management Program ("**CRMP**"), which monitors Compliance risks associated with our business and addresses any such risks through implementing our Compliance policies and procedures. Our Compliance function has also established a certification process, whereby the head of each Company department certifies, on a quarterly basis, that their department is in compliance with statutory and regulatory guidelines and our internal policies. Our Compliance function also conducts Branch Office reviews, to monitor the compliance activities at the branch level. On a quarterly basis, our Chief Compliance Officer updates the Audit Committee on any compliance failures, regulatory actions, key regulatory developments and key steps taken to ensure compliance.

Complaints or grievances of malpractice against both sales and non-sales persons, employees or agents are investigated by the relevant functional teams, such as our human resources or Compliance function. The investigating team makes a determination and then proposes an appropriate response by the Company. Any disputed cases are presented to our Malpractice Actioning Committee. Our Malpractice Actioning Committee, which consists of the head of each of our human resources department and our compliance and legal departments, is authorized to make the final decision with regard to the recommendations on each disputed case made by the relevant functional team.

Our compliance efforts are further supported through a risk-based internal audit approach, which is aimed to provide reasonable assurance to the Audit Committee and the senior management regarding the adequacy and effectiveness of the Company's risk management and control framework. Key internal audit observations and recommendations are reported to the Audit Committee on a quarterly basis and implementation of such recommendations is actively monitored.

For details of other disclosures regarding our Company, see "***Other Regulatory and Statutory Disclosures***" on page 403.

Legal Proceedings

We are a party to certain legal actions and regulatory proceedings, including criminal matters related to contested insurance claims, allegations of mis-selling, disputes with customers on sale practices and related disputes. For details of the litigation involving our Company, Directors and Promoters, see "***Outstanding Litigation and Material Developments***" on page 377.

Properties

We have three corporate offices, located in Lower Parel in Mumbai, Goregaon in Mumbai and Gurgaon. We are headquartered in Mumbai, India.

As of March 31, 2018, we own one property in Bangalore (our registered office in Bangalore) and one property in Mumbai (Lower Parel) and have leased 108 properties across India.

See "***Risk Factors—Internal Risks and Risks Associated with our Business—A majority of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations***" on page 35.

Corporate Social Responsibility Initiatives

We have constituted a Corporate Social Responsibility ("**CSR**") Committee in accordance with the Companies Act requirements. The duties and responsibilities of the CSR Committee include formulating and recommending our CSR Policy to our Board of Directors, monitoring the implementation of the CSR Policy and setting the budget for our CSR activities. In addition, we have a CSR Management Committee, which monitors the progress and completion of CSR projects, reviews CSR plans and goals, determines whether proposed additional CSR spending will be presented to our Board of Directors for approval, audits CSR spending and presents progress reports to our Board of Directors.

The key focus areas of our CSR Program are:

- **Financial Inclusion:** Providing low-income families and individuals with the financial tools to improve their lives in identified segments, including (a) unorganized sector – daily wage earners, (b) women's rights and (c) small-scale farmers.

- **Health Initiatives:** Undertaking initiatives on preventative healthcare, raising awareness and working with relevant partners and *Swachh Bharat Abhiyan*, a cleanliness campaign by the GoI.

- **Education and Vocational Training:** Providing opportunities for children in identified locations to get access and help in getting education in schools, helping those who have withdrawn from the school system with skills training.

- **Disaster Relief and Rehabilitation activities:** Providing medical aid, food supply, supply of clean water, rebuilding of houses or any other activity that can be aligned to relief and rehabilitation efforts.

- **Promotion of nationally recognized sports, such as badminton:** Providing scholarships for talented underprivileged children to pursue their dream of excelling in the sport.

- **Insurance awareness initiatives**.

We have undertaken a number of insurance awareness initiatives across India in order to demystify insurance, including workshops for customers, publishing insurance awareness leaflets and thought pieces and digital initiatives and campaigns such as #DoubleSureForTomorrow and #KhushiyonKiSuraksha.

In line with our CSR objectives, we focus on women's health and skill development, child education and sports.

We have undertaken a number of initiatives across India to improve access to education and children's rights. For example, working with Child Rights and You ("**CRY**"), an Indian non-profit, and in conjunction with the Jammu Kashmir Association of Social Workers, we have helped facilitate the creation of youth activity centers and computer labs to provide opportunities for children to gain access to education and learn computer skills. Through our association with CRY, we have provided opportunities, through annual scholarships for training and coaching, to underprivileged children to learn to play badminton and participate in the PNB MetLife Junior Badminton Championship. The PNB MetLife Junior Badmintonship tournaments are being conducted in 10 cities across India. In the city of Varanasi, we launched, in partnership with Drishtee, a non-governmental organization, a project called "Sakhi Swavlamban", which aims to help rural women and widows bridge the opportunity gap by teaching them practical skills. The program is intended to improve the financial capacity and access to opportunities of marginalized women, allowing them to become self-reliant and entrepreneurial.

KEY REGULATIONS AND POLICIES IN INDIA

*The following description is an indicative summary of the relevant regulations and policies currently in force in India that are applicable to our business, as prescribed by the Government of India and other regulatory bodies. The information detailed in this chapter has been obtained from various legislations, including rules and regulations and their descriptions promulgated by the regulatory bodies and the bye laws of the respective local authorities that are available in the public domain. The regulations set forth in this chapter may not be exhaustive, are intended only to provide general information to the investors and are neither designed as nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see "**Government and Other Approvals**" beginning on page 399. Except as otherwise specified in this Draft Red Herring Prospectus, taxation statutes including the Income Tax Act, 1961, Central Goods and Services Tax Act, 2017, Central Sales Tax Act, 1956, Central Excise Act, 1944, Service Tax under the Finance Act, 1994, applicable state and local sales tax statutes and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. With effect from July 1, 2017, Goods and Services Tax Laws (including Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, States Goods and Services Tax Act, 2017 and Union Territory Goods and Services Tax Act, 2017) are applicable to our Company. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to amendment, change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Set forth below are certain significant Indian legislations and regulations which are generally adhered to by the industry that we operate in.*

1. ***The Insurance Act, 1938, and the Insurance and Regulatory Development Authority Act, 1999 (as amended by the Insurance Laws (Amendment) Act, 2015), (the "Insurance Act" and the "IRDAI Act" respectively)***

   The Insurance Act was established for consolidating the law relating to the business of insurance and for regulating the insurance sector in India. It provides the broad legal framework from which the IRDAI was derived. The IRDAI Act established the IRDAI to regulate, promote and ensure orderly growth of insurance sector in India and protect the interests of policyholders.

   The Insurance Act, as amended prescribes various parameters for controlling and regulating the insurance industry by mandating registration of insurance companies and insurance intermediaries, setting requirements in relation to capital, capital structure, voting rights and maintenance of registers of beneficial owners of shares, opening of new places of business, accounts and balance sheet, audit of financial statements, actuarial reporting and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins, restriction on dividends, limits on expenses of management, reinsurance, provisions regarding investments and loans and restrictions with respect to the same. Under the Insurance Act, an insurer is required to be "Indian owned and controlled". For further details, see "***Guidelines on Indian Owned and Controlled*** ("***IRDAI O&C Guidelines***")" on page 181.

   Additionally, the Insurance Act also provides various powers to the IRDAI to issue directions, search and seize, conduct investigations and inspections, and exercise control over the management of insurance companies. Further, the Insurance Act has taken extra measures to regulate the insurance industry by providing a robust legal framework surrounding the amalgamation and transfer of insurance businesses. Penalties which can be imposed on insurance companies and insurance intermediaries are also set out under the Insurance Act.

   As regards investment of assets, the Insurance Act mandates insurers to keep assets invested in a prescribed manner in Government securities and other approved investments. Further, these instruments are required to be held by the insurers free of any encumbrance, charge, hypothecation or lien. Certain restrictions on investments of assets and controlled funds have also been prescribed, including investment in shares or debentures of a private limited company. In this regard, the IRDAI has issued the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and a master circular in May 2017, on the same. For further details, see "***Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") and the Master Circular on Investments, 2017***" on page 179.

   Any appointment, re-appointment or termination of appointment or amendment of the terms of remuneration, of a managing or whole-time director, manager or chief executive officer of an insurance company requires the prior approval of the IRDAI.

The IRDAI has issued the "***Insurance Regulatory and Development Authority of India (Listed Indian Insurance Companies) Guidelines, 2016***", which are applicable to all insurance companies whose equity shares are listed on the stock exchanges and to the allotment process pursuant to a public issue. As regards such insurance companies, the transfer of equity shares are required to be undertaken in the manner prescribed under the aforementioned guidelines. For further details, see the "***Insurance Regulatory and Development Authority of India (Listed Indian Insurance Companies) Guidelines, 2016 ("Listed Insurance Company Guidelines")***" on page 180.

2. ***The Insurance Laws (Amendment) Act, 2015 (the "Insurance Amendment Act")***

The Insurance Amendment Act has introduced several changes in the scheme of the Insurance Act, amongst other things, in relation to ownership and control, capital, enhancement of enforcement powers of the IRDAI and the responsibilities of agents and intermediaries. As regards foreign investors, the cap on aggregate holding of equity shares by foreign investors, including portfolio investors, has been raised to 49% of the paid up capital from the erstwhile 26%, and insurance companies are required to be "Indian owned and controlled". Therefore, both the ownership and control are required to remain in Indian hands. Further, the Insurance Amendment Act has permitted insurers to raise capital through instruments other than equity. In this regard, the IRDAI has issued regulations which permit insurers to raise capital through preference share capital and subordinated debt subject to receipt of prior approval from the IRDAI. It has also granted powers to the IRDAI to regulate several day to day activities of insurance companies. It has also eliminated certain redundant clauses such as those on acceptance of deposits by insurance companies, appointment of chief agent and principal agent etc. The Insurance Amendment Act has also enhanced penalties for insurers for contravention of any of the provisions of the Insurance Act ranging from ₹ 0.1 million for each day during which contravention continues, ₹ 10 million to ₹ 250 million for different kinds of violations. A person who carries on the business of insurance without obtaining a certificate of registration may be punishable with a penalty of up to ₹ 250 million and with imprisonment extending up to 10 years.

By virtue of the Insurance Amendment Act, no policy of life insurance can be called in question on any ground whatsoever after the expiry of three years from the date of the policy (i.e., from the date of issuance of the policy, date of commencement of risk, date of revival of the policy or date of the rider to the policy, whichever is later) except on the ground of fraud or on the ground that any statement or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived, or rider issued, subject to the conditions stipulated under the Insurance Act. Further, the Insurance Amendment Act has simplified the process for payment to nominees of a policyholder and has also vested the policyholder with the power to assign an insurance policy, wholly or in part, provided that such assignment is *bona fide*, not contrary to public interest and not for the purpose of trading of the insurance policy.

3. ***Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000, as amended ("IRDAI Registration Regulations")***

The IRDAI Registration Regulations make it mandatory for any applicant desiring to carry on the business of insurance in India to obtain a certificate of registration from IRDAI, prior to commencing business. The IRDAI Registration Regulations also set out the overall process for seeking such registration, including eligibility criteria, fees for registration, grounds for rejection, action upon rejection, and effect of rejection of an application for registration. These regulations provide guidance with respect to renewal, cancellation and suspension of certificate of registration. These regulations also prescribe the manner in which foreign investment in an Indian insurance company is to be computed, and require compliance with the "Indian owned and controlled" requirements. Further, the IRDAI Registration Regulations prescribe that an insurer is required to pay an annual fee to the IRDAI.

4. ***Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") and the Master Circular on Investments, 2017***

The IRDAI Investment Regulations have been issued by the IRDAI on August 1, 2016, in supersession of the IRDAI (Investment) Regulations, 2000. These regulations segregate a life insurer's total investment assets into three categories: (i) shareholders' funds representing solvency margin, non-unit reserves of unit-linked insurance business, participating and non-participating funds of policyholders, funds of variable insurance products including one year renewable pure group term assurance business at their carrying value; (ii) policyholders' funds of pension, annuity business and group business including funds of variable insurance products at their carrying value; and (iii) policyholders' unit reserves of the unit linked insurance business, including funds of variable insurance products at their market value as per guidelines issued under these regulations, from time to time. The manner and limits up to which amounts can be invested out of these investment assets has been defined under these regulations and additionally, limits at various asset classes and exposure to credit instruments, including limits based on credit ratings, have also been prescribed under these regulations. The maximum exposure limits for a single 'investee' company, group of investee companies and for the industry sector to which the investee company belongs have been defined. Insurers are also required to implement investment risk management systems and processes, implementation of which is required to be certified by a chartered accountant's firm and the same are subject to audit at least once every two financial years.

The IRDAI Investment Regulations also stipulate certain investment management mechanisms, including constitution of an investment committee, formulating an investment policy, risk management, and audit and reporting to management. Further, the net asset value of the insurer, computed in respect of each segregated fund shall be subject to a daily concurrent audit. The insurer is also required to have in place a model code of conduct, approved by the board of directors, to prevent insider/personal trading by officers involved in various levels of investment operations in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

5. ***Insurance Regulatory and Development Authority of India (Listed Insurance Companies) Guidelines, 2016 ("Listed Insurance Company Guidelines")***

The Listed Insurance Company Guidelines are applicable to all insurers whose equity shares are listed on the stock exchanges and to the allotment process pursuant to the public issue. Amongst other things, these guidelines:

a. require self-certification of fit and proper criteria by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid up equity share capital of the insurer. The self-certification is to be filed with the insurance company and such filing is considered as deemed approval of IRDAI for the purpose of Section 6A(4)(b)(iii) of the Insurance Act;

b. require prior approval of the IRDAI, if the acquisition of equity shares will/ is likely to take the aggregate holding of an acquirer, his relatives, associate enterprises and persons acting in concert with such acquirer, to 5% or more of the paid up equity share capital of the insurer or entitles such acquirer to exercise 5% or more of the total voting rights of the insurer;

c. provide that any existing major shareholder (i.e. a shareholder having or likely to have an 'aggregate holding' (as defined under these guidelines) of 5% or more of the paid up equity share capital of the insurer), who has previously obtained permission of the IRDAI as a major shareholder, may acquire up to 10% of the equity shares or voting rights of the concerned insurer without prior approval of IRDAI, subject to, *inter alia*, furnishing to the insurer, details of the source of funds for such incremental acquisition. However, if the shareholding of the major shareholder, along with persons acting in concert, results in the aggregate holding exceeding or likely to exceed 10% of the paid up equity share capital or of the total voting rights of the insurer, then such an acquisition would require prior fresh approval of the IRDAI; and

d. provide criteria for determining of 'fit and proper' status

In addition to the above, the Listed Insurance Company Guidelines also prescribe continuous monitoring obligations by insurers in case of major shareholders. These guidelines also prescribe the following shareholding limits for an insurance company:

Category of Shareholders	Promoter and Promoter Group (minimum)(1)	All Shareholders in the long run (except Promoters)				
		Natural Persons	Legal Persons			
			Non-financial institution/entities	Financial institution		Others(3)
				Non-regulated or non-diversified and non-listed(2)	Regulated, diversified and listed/supranational institution/public sector undertaking/government	
Shareholding Caps	50%	10%	10%	15%	30%	As permitted on a case to case basis.

(1) *The promoter includes Indian promoter and also includes a foreign investor who has taken a stake in the concerned insurance company in such capacity. Where the present holding is below 50%, such holding shall be the minimum holding.*

(2) *In case of financial institutions that are owned to the extent of 40% or more or controlled by individuals, the shareholding would be deemed to be by a natural person and the shareholding will be capped at 10%.*

(3) *High stake/ strategic investment by non-promoters through capital infusion by domestic or foreign entities/ institution shall be permitted on a case to case basis under circumstances such as relinquishment by existing promoters, rehabilitation/ restructuring of problem/ weak insurers/ entrenchment of existing promoters or in the interest of the insurance company or in the interest of consolidation in the insurance sector, etc. The shareholders permitted to hold 10% or more in an insurance company will be subject to a minimum lock-in period of five years.*

6. ***Indian Insurance Companies (Foreign Investment) Rules, 2015 ("Foreign Investment Rules") and IRDAI O&C Guidelines, as amended from time to time***

The Central Government has notified the Foreign Investment Rules for the purposes of governing foreign investment in Indian insurance companies and for determining the quantum of such investments. Under these provisions, the 'total foreign investment' in an Indian insurance company should be calculated in accordance with the IRDAI Registration Regulations, read with the Consolidated FDI Policy of the Government of India. Under the Foreign Investment Rules, the 'total foreign investment', both direct and indirect, in an Indian insurance company shall not exceed 49% of the paid up equity capital of such company. Further, it provides that the ownership and control of an Indian insurance company shall remain in the hands of resident Indian entities at all times.

The IRDAI has also prescribed the IRDAI O&C Guidelines dated October 19, 2015 in connection with the requirements for Indian insurance companies to be "Indian owned and controlled". The key provisions under these guidelines with respect to "control" are as follows:

- a majority of the directors (excluding independent directors) on the board of an Indian insurance company are required to be nominated by the Indian promoter / Indian investor;
- key management person(s) excluding the chief executive officer may be nominated by the foreign investor provided that such appointment is subsequently approved by the board of directors, wherein a majority of the directors (excluding independent directors) are nominees of the Indian promoter / Indian investor;
- the Chairman of the board of the Indian insurance company is required to be nominated by the Indian promoter / Indian investor, in the event such chairman has a casting vote;
- control over significant policies should be exercised by the board of directors; and
- quorum shall mean and include presence of majority of Indian directors, irrespective of whether a foreign investor's nominee is present or not.

7. ***Guidelines for Corporate Governance for insurers in India, 2016 ("IRDAI CG Guidelines")***

On May 18, 2016, the IRDAI has issued the IRDAI CG Guidelines, replacing the corporate governance guidelines issued on August 5, 2009. The IRDAI CG Guidelines are applicable from the financial year 2016-2017 onwards and highlight certain corporate governance requirements stipulated under the Companies Act, 2013. These guidelines stipulate the governance structure in insurance companies, including board of directors, key management personnel, constitution of various mandatory committees, role of appointed actuaries, appointment of auditors, whistle blower policy and certain disclosure requirements in relation to financial statements, including quantitative and qualitative information on financial and operating ratios, actual solvency margin *vis-a-vis* required margin, description of risk management architecture, payments made to group entities from the policyholders funds and pecuniary relationships with non-executive directors.

8. ***Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015 ("IRDAI Transfer Regulations")***

Section 6A(4)(b) of the Insurance Act stipulates that an unlisted insurance company shall not, without the prior approval of the IRDAI, register any transfer of its shares where: (i) after the transfer, the total paid-up holding of the transferee in the shares of the company is likely to exceed 5% of its paid-up capital; or (ii) where, the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds 1% of the paid-up equity capital of the insurer.

With a view to further regulate transfer of shares and ownership of unlisted insurance companies in India, the IRDAI has introduced the IRDAI Transfer Regulations, wherein the term 'transfer of shares' includes transfer of shares as well as transmission and fresh issuances of equity shares which lead to a change in the shareholding pattern of an insurance company. The requirement for approval of the IRDAI set out under Section 6A(4)(b) of the Insurance Act is also stipulated under the IRDAI Transfer Regulations. While granting approval, the IRDAI can impose lock-ins on promoters and/ or foreign investors and impose conditions in connection with funding of the insurance company to ensure that the company remains compliant with regulatory solvency requirements.

The IRDAI Transfer Regulations also prescribe ceilings on holdings of Indian investors. In case of one or more investors (excluding foreign investors) in an insurance company, an investor cannot hold more than 10% of the paid up equity share capital of such insurance company. Further, all such investors, excluding foreign investors, are permitted to jointly hold a maximum of 25% of the paid up equity share capital of such insurance company.

9. ***Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies Transacting Life Insurance Business) Regulations, 2015 ("IRDAI Issuance of Capital Regulations")***

Under the IRDAI Issuance of Capital Regulations, every insurer transacting life insurance business, proposing to undertake a public issue of its shares (whether as a fresh issue, offer for sale or a combination thereof) is required to obtain the approval of the IRDAI, prior to submitting its draft red herring prospectus with SEBI, and within one year from the date of issue of the IRDAI's approval, is required to file its draft red herring prospectus with SEBI. The IRDAI Issuance of Capital Regulations, *inter alia*, prescribe the manner and procedure for issuance of capital, timelines for IRDAI approval, the considerations for grant of approval and the conditions that the IRDAI may impose while granting approval.

10. ***File and Use Guidelines***

The file and use guidelines are prescribed from time to time by the IRDAI, in relation to the products that life insurance companies are entitled to introduce in the market. Each product, along with product designs, key features of underlying policies and premium range proposed to be charged, is required to be pre-approved by the IRDAI, before such product can be introduced in the market by our Company. Once a product has been approved by the IRDAI, no changes to the product are permitted unless prior approval of the IRDAI has been obtained. Deviations from the approved product may potentially attract penalties prescribed under the Insurance Act.

The IRDAI has issued a circular dated March 7, 2017 for "***File & Use procedure for minor modifications under existing products and riders offered by Life Insurers***". By virtue of this circular, certain minor modifications to approved products and riders will be allowed without following the complete procedure prescribed under the File and Use Guidelines.

11. ***Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017 ("Appointed Actuary Regulations") and Insurance Regulatory and Development Authority of India***

(Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 (the "Actuarial Report Regulations")

The Insurance Act prescribes the requirement of an annual investigation by an actuary of the financial condition of the life insurance business, including valuation of liabilities and preparation of an actuarial report thereon. The Appointed Actuary Regulations state that an insurer shall not carry on business of insurance without an appointed actuary and require that the insurers appoint a person fulfilling the eligibility requirements, to act as an appointed actuary, after seeking the approval of the IRDAI in this regard. The appointed actuary is required to render actuarial advice to the management of the insurer in relation to product designing and pricing, insurance contract wording, investments and reinsurance. The appointed actuary is required to ensure solvency of the insurer and comply with requirements in relation to the certification of the valuation of assets and liabilities and maintenance of solvency margin in the manner prescribed and is required to draw the management's attention to any action required to be taken to avoid any contraventions of the Insurance Act or prejudice to the interests of policyholders. In relation to life insurance business, an appointed actuary is also required to, inter alia, certify the actuarial report, abstract and other returns required under the Insurance Act.

The IRDAI has also issued the Actuarial Report Regulations dated April 13, 2016, which stipulate procedures for preparation of actuarial reports and abstracts and also provide for valuation methods and parameters to be included in such actuarial reports and abstracts.

12. ***Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016***

These regulations prescribe the procedures to be followed by insurers for determining the value of assets, liabilities and solvency margin of insurers. Further, these regulations require insurers to prepare a statement of valuation of assets, determine amount of liabilities and solvency margin of insurers in the formats prescribed under the regulations on an annual basis. As per these regulations, every life insurer is required to maintain its available solvency margin at a level which is not less than the higher of: (i) 50% of the amount of minimum capital as stated under Section 6 of the Insurance Act; and (ii) 100% of the required solvency margin, which is currently 150%, failing which the IRDAI shall act in accordance with Section 64VA(2) of the Insurance Act, i.e. the insurer may be wound up by the court if an application is preferred by the IRDAI to this effect. If, at any time, an insurer does not maintain the required control solvency margin, such insurer is required to, in accordance with the directions issued by the IRDAI, submit a financial plan to the IRDAI, indicating a plan of action to correct the deficiency within a specified period not exceeding six months.

13. ***Insurance Regulatory and Development Authority (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013***

These regulations prescribe the procedure for implementation of a scheme of amalgamation and transfer by life insurers, which includes filing an application with the IRDAI and obtaining its approval. Prior to grant of final approval, the IRDAI may cause an independent actuarial valuation of insurance business of the transacting parties.

14. ***Insurance Regulatory and Development Authority (Distribution of Surplus) Regulations, 2002***

These regulations set out the procedures for distribution of surplus by insurers. Every life insurer is required to separately maintain: (i) a life fund for participating policyholders; and (ii) a life fund for non-participating policyholders. These regulations provide that a life insurer may, on the advice of his appointed actuary, reserve a part of the actuarial surplus (also referred to as valuation surplus) arising out of a valuation of assets and liabilities made for a financial year, to its shareholders, which shall be: (i) 100%, in case of a life fund maintained for non-participating policyholders; and (ii) one-ninth of the surplus allocated to policyholders in case of a life fund maintained for participating policyholders. Prior approval of the IRDAI is required in cases where the said allocation is not one-ninth of the surplus. Further, an insurer shall not allocate or reserve more than 10% of the said actuarial surplus to its shareholders.

15. ***Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016 ("Health Insurance Regulations")***

The Health Insurance Regulations are applicable to all registered life insurers, general insurers and health insurers, conducting health insurance business. Health insurance products are permitted to be offered by entities with a valid registration to carry on life insurance, general insurance or health insurance business under the IRDAI Registration Regulations.

Life insurers are permitted to offer long term individual health insurance products i.e., for a term of five years or more provided that the premium for such products shall remain unchanged for at least a period of every block of three years, provided further that life insurers may not offer indemnity based products either at individual or group level and are required to withdraw all existing indemnity based products. Further, single premium products cannot be offered under unit linked health insurance policies. Group health policies may be offered by any insurer for a term of one year except credit linked products where the term can be extended up to the loan period not exceeding five years.

All particulars of any health insurance product are, after introduction, revision or modification, required to be reviewed by the appointed actuary at least once a year. If the product is found to be financially unviable, or is deficient, the appointed actuary may revise the product appropriately.

Insurers are required to ensure that the premium for a health insurance policy is based on, among other things, age of the policyholder. Insurers are required to have in place a board-approved health insurance underwriting policy, which shall be periodically reviewed. Other provisions of the Health Insurance Regulations include filing, pricing, designing, administering of health insurance policies, special provisions for senior citizens and health services agreements.

The IRDAI has also issued "*Guidelines on Standardisation in Health Insurance*" dated July 29, 2016, pursuant to the Health Insurance Regulations, which contains standard definitions of terminology to be used in health insurance policies, standard nomenclature and procedures for critical illnesses etc. to enable prospective policyholders and insured to understand these policies without ambiguity.

The IRDAI has also issued "*Guidelines on Product Filing in Health Insurance Business*" dated July 29, 2016, which set out, *inter alia*, provisions in respect of file and use procedures, use and file procedures, guidelines on withdrawal of products, group insurance and wellness features /benefits.

16. ***Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers Transacting Life Insurance Business) Regulations, 2016***

These regulations prescribe that in any financial year, no life insurance company shall spend as 'expenses of management' an amount exceeding: (i) the amount of commission or other remuneration paid to insurance agents and insurance intermediaries in respect of their business transacted in the financial year, as may be allowed by the IRDAI from time to time; (ii) commission and expenses reimbursed on reinsurance inward; and (iii) operating expenses. These regulations clarify that the sum of (i), (ii) and (iii) above shall not exceed an amount computed on the basis of percentages of its total gross premium written in India during the year in respect of various segments of business, the relevant percentages being as specified in the aforesaid regulations. Further, for financial years 2016-2017, 2017-2018 and 2018-2019 (and onwards), insurers are deemed to be compliant with the limits of expenses of management prescribed under these regulations provided that the actual expenses of management do not exceed 120%, 110% and 100% of the allowable expenses for each of these financial years, respectively.

The IRDAI has also prescribed certain actions to be taken against insurers in case of any non-compliance, including restriction on performance incentives for the managing director, chief executive officer, whole time directors and key management, possible restrictions on opening of new places of business and removal of managerial personnel and/or appointment of administrator.

17. ***Insurance Regulatory and Development Authority of India (Maintenance of Insurance Records) Regulations, 2015***

These regulations prescribe the manner in which the records of every policy issued and record of every claim is to be maintained by the insurer. These regulations require records of policies and claims to be mandatorily maintained in electronic form, records to be complete and accurate and the system of maintenance to have necessary security features. The insurer is required to form a board approved policy for the manner and maintenance of the policies and records, including having a detailed plan to review the implementation of the maintenance and storage of records. Such review is required to be overseen by the risk management committee of the board of the insurer. These regulations require records held in electronic mode pertaining to all the policies issued and all claims made in India to be held in data centres located and maintained in India only.

18. ***Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000, as amended, and Master Circular on Insurance Advertisements, 2015***

These regulations prescribe certain compliances and controls in relation to insurance advertisements issued by insurers, insurance intermediaries or insurance agents, who are required to establish and maintain a system of control over the content, form and method of dissemination of all advertisements relating to its insurance policies. In addition, these regulations prohibit the publication of insurance advertisements by persons other than insurance companies and properly licensed insurance intermediaries. Insurers are required to ensure that advertisements are not unfair or misleading in as much as, it should clearly identify the insurance product, describe benefits as detailed in the provisions of the policy and indicate the risks involved in the policy.

Additionally, the IRDAI has issued a Master Circular dated August 13, 2015 in this regard prescribing the do's and don'ts which are to be adhered to by insurers and insurance intermediaries while publishing advertisements. The Master Circular also stipulates a time frame of seven days within which all released advertisements are required to be filed with the IRDAI.

19. ***Insurance Regulatory and Development Authority (Linked Insurance Products) Regulations, 2013***

These regulations apply to all linked insurance products offered by life insurance companies, which are required to be offered only through non-participating products available under two categories: (i) unit linked products; and (ii) variable linked products. It requires the minimum death benefit of life insurance products and individual pension products and the minimum death or health related benefits under health insurance products to be not less than 105% of all premiums paid until the date of death.

The regulations specify, *inter alia*, benefits payable on free-look period, surrender value, top-up premium, withdrawals and settlement options. Further, the regulations define groups for purposes of insurance, segregated on the basis of the relationship between master policyholder and underlying members, and specify the products that may be offered to such groups. In addition, the IRDAI has also prescribed caps on various charges levied on customers investing in unit-linked insurance products. The regulations further prescribe the requirements for revival of a policy upon its discontinuance, the revival period and the obligations of an insurer upon revival.

20. ***Insurance Regulatory and Development Authority (Non-linked Insurance Products) Regulations, 2013 ("IRDA Non-Linked Insurance Products Regulations")***

The IRDAI Non-Linked Insurance Products Regulations are applicable to all products offered by life insurance companies under the non-linked platform. These regulations classify the product structure as participating products (referred to as par-products) and non-participating products (referred to as non-par products). These regulations provide broad specifications in relation to the minimum amount of benefits payable on death and maturity and administration of such benefits. Additionally, the IRDAI Non-Linked Insurance Products Regulations provide separately for pension products and general provisions in relation to pension and annuity products along with specifications in relation to surrender value, options on surrender and options on vesting in relation to such products.

Further, the regulations also define groups for purposes of insurance, segregated on the basis of the relationship between master policyholder and underlying members, and specify the products that may be offered to such groups.

21. ***Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015***

These regulations require that insurance services/ products are made accessible in rural, socially and economically backward regions of India. These regulations cast obligations on every insurer to undertake certain insurance related business in rural and social sectors. Every insurer is required to put in place effective operational procedures for accurate classification of its business obligations in the rural sector and social sector and furnish an annual certificate prepared by the chief executive officer or the principal officer within 90 days from the end of the financial year together with actual business details of obligations fulfilled towards these regulations.

22. ***Insurance Regulatory and Development Authority of India (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016, as amended***

These regulations have come into force on April 1, 2017. These regulations prescribe certain caps on the amount of commission, remuneration and reward payable by insurers to insurance agents and insurance intermediaries.

The regulations require an insurer to have a written policy for payment of commission or remuneration or reward to insurance agents and insurance intermediaries, which is required to be approved by the board of the insurer. The regulations also lay down provisions for rewards as a means of payout over and above the commission/remuneration for insurance agents and for those insurance intermediaries whose revenues from activities other than insurance intermediation does not exceed 50% of their total revenues from all activities. These regulations provide that no reward is to be paid to an insurance intermediary whose revenue from activities other than insurance intermediation is more than 50% of their total revenue from all activities.

23. ***Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015***

In addition to equity shares, insurance companies have now been permitted to issue preference shares and debentures (as defined in the Companies Act, 2013 and satisfying the criteria specified under these regulations) in compliance with the provisions of these regulations. These regulations prescribe parameters regarding seniority of claims, maturity periods, reporting requirements to be undertaken by insurers and procedures for issue of 'other forms of capital'. The issuance of 'other forms of capital' by insurance companies requires specific prior approval of the IRDAI.

24. ***Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015***

These regulations govern corporate agents and prescribe code of conduct and compliances for corporate agents who undertake functions as distributors of insurance products. The regulations broadly set out the procedures and eligibility criteria in relation to the application for seeking registration as a corporate agent. The regulations also set out requirements for furnishing of information, clarification and personal representation for the purposes of registration including details in relation to the minimum capital requirements, validity, renewal and conditions of registration. Importantly, these regulations have implemented optional open architecture permitting corporate agents to distribute products of more than one insurance company (in each insurance vertical) subject to a maximum of three insurance companies in any insurance vertical, i.e. up to a maximum of three insurance companies each in life insurance, general insurance and health insurance. Every corporate agent is required to have a board approved policy on the manner of soliciting and servicing insurance products. The policy is also required to address the manner of adopting and implementing open architecture.

25. ***Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations, 2016***

The IRDAI has issued these regulations on April 15, 2016 (which came into force on April 1, 2016), which provide for the appointment of individual agents by insurers. Under these regulations, an agent is permitted to act as an agent for one life, general, health and mono-line insurer each. The regulations stipulate a code of conduct which every agent is required to adhere to and also requires insurers to frame a board approved policy covering 'agency matters' as listed in the regulations and file the same with the IRDAI every year before March 31.

26. ***Insurance Regulatory and Development Authority of India (Outsourcing of Activities by Indian Insurers) Regulations, 2017 ("IRDAI Outsourcing Regulations")***

The IRDAI has notified the IRDAI Outsourcing Regulations on April 20, 2017, which define the areas of work that should be conducted by the insurer itself and those which can be assigned to third-parties. The IRDAI Outsourcing Regulations are applicable to outsourcing arrangements entered into by insurers with outsourcing service providers located in India or outside India.

The IRDAI Outsourcing Regulations require an insurer to put in place an outsourcing policy (approved by the board) and set out the items to be covered therein. The board is required to constitute an outsourcing committee which is, inter alia, responsible for effective implementation of outsourcing policy, validating the insurer's need to perform the activities proposed for outsourcing, and annual performance evaluation of each of the outsourcing service providers and reporting exceptions to the board of directors.

Outsourcing arrangements shall be governed by written agreements which describe all important aspects of the outsourcing arrangement, including the rights and obligations of the parties. It also provides materiality thresholds for outsourcing contracts and key risks such as strategic risk, reputation risk, compliance risk, operational risk, exit strategy risk, contractual risk, informational risk, concentration risk etc., which are required to be evaluated by the outsourcing committee.

Under the IRDAI Outsourcing Regulations, activities of an insurance company such as decision making in underwriting and claims, product design, actuarial functions and risk management, investment and related functions, fund accounting, policyholder grievances redressal, approving advertisements, compliance with AML and KYC guidelines, etc. and all integral components of these activities cannot be outsourced.

27. ***Insurance Regulatory and Development Authority (Life Insurance-Reinsurance) Regulations, 2013 and Insurance Regulatory Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015***

In terms of Section 101A of the Insurance Act and these regulations, insurers are required to reinsure with Indian reinsurers such percentage of sum assured on each policy as may be specified, with the previous approval of the Central Government, by the IRDAI. The IRDAI may specify the percentage of the sum assured on each policy to be re-insured and different percentages may be specified for different classes of insurance; however, such percentage should not exceed 30% of the sum assured on such policy. The regulations provide that the reinsurance programme of every insurer is to be guided by certain objectives, including maximizing retention within the country, securing the best possible protection for reinsurance costs incurred, and ensuring that the reinsurance policy does not lead to fronting of insurance business.

All reinsurance arrangements are to be documented and filed with the IRDAI. Every insurer is also required to file with the IRDAI a copy of every reinsurance treaty contract in respect of that year, together with the list of reinsurers, their ratings and their shares in the reinsurance arrangement.

These regulations also specify conditions that need to be satisfied by reinsurers in case any reinsurance business is placed outside India. These regulations prohibit a life insurer to enter into a reinsurance treaty arrangement with its promoter company or its associate/ group company, except on terms which are commercially competitive in the market and with the prior approval of the IRDAI.

Additionally, the Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 dated October 19, 2015, prescribe the eligibility criteria for registration of branch offices of foreign reinsurers, including obtaining approval from home country regulator, registration in a national regulatory environment and with whom the Government of India has a signed double taxation avoidance agreement, minimum net owned fund, minimum credit rating, solvency margin, minimum assigned capital etc., as prescribed by the IRDAI.

28. ***Insurance Regulatory and Development Authority (Manner of Receipt of Premium) Regulations, 2002***

These regulations govern the manner in which any person or any policyholder can pay premiums to an insurer.

29. ***Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015***

These regulations lay down norms for every insurer who seeks to open a place of business within or outside India. Each such insurer is required to obtain the approval of the IRDAI prior to opening such an office or branch. These regulations also prescribe the nature of activities that can be undertaken by places of business within and outside India and lay down the norms for opening, closure or relocation of branches or offices in India, foreign branch office, etc. and in addition, prescribe certain reporting requirements to the IRDAI.

30. ***Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002***

Life insurers are required to prepare financial statements in a format prescribed under these regulations. Each balance sheet, revenue account, receipts and payment account and profit and loss account of an insurer is required to conform with Accounting Standards issued by the ICAI, other than Accounting Standard 3 (Cash Flow Statements) and Accounting Standard 17 (Segment Reporting), with respect to which the regulations provide specific guidance. Estimation of liabilities against life insurance policies is required to be determined by appointed actuaries and the assumptions used in such preparations are to be disclosed by way of notes to accounts. Further, the liability is to be calculated such that together with future premium payments and investment income, the insurer is able to meet all future claims and payouts (including bonus entitlements to policyholders) and expenses.

31. ***Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 ("Protection of Policyholders' Interests Regulations")***

The Protection of Policyholders' Interests Regulations mandate insurers to have in place a policy approved by its board of directors for protection of policyholders' interests, which is required to provide the steps that an insurer proposes to take for matters such as insurance awareness, expeditious resolution of complaints, and preventing mis-selling and unfair business practices at point of sale and service. The Protection of Policyholders' Interest Regulations prescribe the form and content requirements that are required to be fulfilled by insurers in relation to their policy documents, proposal forms and prospectuses. The insurers are mandated to disclose in their policy documents all material information such as the terms and conditions of a policy, details of premium payable, free look period, requirements to be fulfilled for lodging a claim, coverage of the policy, exclusions, grounds for cancellation, and details of grievance redressal mechanism available to policyholders. Further these regulations set out the procedure that is required to be followed by insurers for expeditiously settling any claims made by a policyholder.

32. ***Guidelines on usage of Trade Logo of Promoting Partners of Insurance Companies, 2014***

The 'Guidelines on usage of Trade Logo of Promoting Partners of Insurance Companies' dated May 5, 2014 require insurers to observe certain risk mitigation norms to ensure that the interests of the policyholders are completely protected. In the event an insurer adopts the trade logo of any of its promoting partners, then there shall be: (i) a prominent disclosure in all its insurance advertisements indicating that the trade logo belongs to the promoter entity and is being used by the insurer under license; (ii) in place a written agreement setting forth the underlying terms and conditions (including the consideration and the term of the agreement) and the same shall be subject to the jurisdiction of Indian courts.

33. ***Guidelines on Remuneration of Non-executive Directors and Managing Director /Chief Executive Officer / Whole-time Directors of Insurers, 2016 (the "Remuneration Guidelines")***

The Remuneration Guidelines issued by the IRDAI on August 5, 2016, prescribe adoption of a remuneration policy for non-executive directors and chief executive officers/ whole time directors/ managing directors of private sector insurers. Under these guidelines, while the amount of remuneration for each non-executive director is capped at ₹ 1 million per annum, the remuneration for the chairman may be decided by the board of directors at their discretion. Additionally, it has been prescribed that the insurer may pay sitting fees and reimburse expenses to non-executive directors for participation in board and other meetings, subject to compliance with the provisions of the Companies Act, 2013.

The guidelines provide that while designing remuneration arrangements, it should be ensured that there is proper balance between fixed pay and variable pay. Further, the guidelines also prohibit the provision of 'guaranteed bonus' from being part of the remuneration plan of the chief executive officers, whole time directors and managing directors.

34. ***Guidelines On Information And Cyber Security For Insurers, 2017***

The Guidelines on Information and Cyber Security for Insurers issued by the IRDAI on April 7, 2017, require all insurance companies to implement an information and cyber security policy to deal with the protection of policyholder data and regulate sharing of such data with intermediaries and other regulated entities. Further, insurance companies are required to appoint a chief information security officer, who will be responsible for implementation of the insurer's information and cyber security policy, by April 30, 2017 and complete a comprehensive cyber security audit by March 31, 2018.

35. ***Guidelines On Stewardship Code For Insurers in India, 2017***

On March 20, 2017, the IRDAI issued Guidelines on Stewardship Code for Insurers in India, in relation to their role in the management of listed companies in which they have invested. The stewardship code, effective from Fiscal 2018, requires insurance companies to adopt a policy with respect to voting and other conduct at general meetings of investee companies within six months from the date of issue of these guidelines and disclose the policy on their website after seeking approval from their board of directors (within 30 days of such approval). Further, insurers are required to file an annual status report justifying any non-compliance with the principles enshrined in the stewardship code.

36. ***Insurance Regulatory and Development Authority of India (Minimum Limits for Annuities and Other Benefits) Regulations, 2015***

These regulations were notified by the IRDAI on August 31, 2015 and are applicable to all products offered by life insurers which are approved by the IRDAI after August 31, 2015. These regulations provide that no life insurer shall pay, or undertake to pay, an amount of benefit excluding any profit or bonus on any policy of insurance issued, less than: (i) annuity of ₹ 1,000 per month; (ii) gross sum of ₹ 5,000 (except under micro-insurance and health insurance business); and (iii) gross sum of ₹ 1,000 for micro-insurance and health insurance business; provided that this shall not prevent any insurer from converting any policy into a paid-up policy of any value or payment of surrender value of any amount. The IRDAI may approve annuities and other benefits lower than the amount specified above, under extraordinary circumstances.

37. ***Insurance Regulatory and Development Authority of India (Micro Insurance Regulations), 2015***

These regulations were notified on March 13, 2015 and supersede the Insurance Regulatory and Development Authority (Micro Insurance) Regulations, 2005. These regulations, inter alia, permit life insurers to offer life micro insurance products which are defined to mean products where the sum assured does not exceed ₹ 200,000, and the annual premium for a variable product under non-linked, non-par platform does not exceed ₹ 6,000. These regulations also permit life insurers to offer general micro insurance products through a tie-up with a general insurer. These regulations provide for the appointment of micro insurance agents who shall exclusively distribute micro insurance products and set out the terms of appointment of such agents.

38. ***Master Circular on Unclaimed Amount of Policyholders, 2017 and Senior Citizens' Welfare Fund Rules (SCWF), 2016***

The IRDAI has notified a Master Circular dated July 25, 2017 on Unclaimed Amount of Policyholders. Additionally, the Ministry of Finance has notified the Senior Citizens' Welfare Fund Rules, 2016 which mandate the transfer of unclaimed amounts of policyholders held by insurers beyond 10 years as on September 30, 2017 to the Senior Citizens' Welfare Fund on or before March 01, 2018 and thereafter on an annual basis i.e. on or before March 1, each year.

According to the provisions of the circular, no insurer is permitted to appropriate or write back any part of the unclaimed amounts belonging to the policyholders/beneficiaries under any circumstances. The Policyholder Protection Committee is required to oversee timely payout of policyholders' dues and the Audit Committee is required to oversee the compliance of provisions of this circular. Every insurer is required to display information about any unclaimed amount of ₹ 1,000 or more on their respective websites. Insurers shall maintain a single segregated fund to manage all unclaimed amounts and the sum of such fund shall be invested in money market instruments, liquid mutual funds and/or fixed deposits of scheduled banks or such other instruments as may be permitted by the IRDAI.

39. ***Anti-Money Laundering / Counter-Financing of Terrorism (AML/CFT) - Guidelines for Life Insurers***

The Prevention of Money Laundering Act, 2002 ("**PMLA**") brought into force with effect from July 1, 2005, is applicable to all financial institutions which include life insurers. The IRDAI has issued a Master Circular on Anti Money Laundering / Counter-Financing of Terrorism (AML/CFT) - Guidelines for Life

Insurers dated September 28, 2015, as a part of the program on anti-money laundering/ counter-financing of terrorism for the insurance sector. The obligation to establish an anti-money laundering program applies to our Company as a life insurer and our Company is responsible for guarding against insurance products being used to launder unlawfully derived funds or to finance terrorist acts.

In order to discharge the statutory responsibility to detect possible attempts of money laundering or financing of terrorism, every life insurer needs to have an anti-money laundering / counter-financing of terrorism program which should at a minimum include:

(i) Internal policies, procedures, and controls;

(ii) Appointment of a principal compliance officer and a designated director;

(iii) Recruitment and training of employees/agents; and

(iv) Internal control/audit.

40. ***Insurance Ombudsman Rules, 2017 ("Ombudsman Rules")***

The Ombudsman Rules dated April 25, 2017 prescribe the manner in which a complaint can be made against an insurer, its agents and intermediaries. Insurers are required to comply with the recommendations of the insurance ombudsman in relation to a complaint within a period of 15 days of the receipt of such recommendations and intimate the insurance ombudsman of its compliance. In the event a complaint is not settled by such recommendations, the insurance ombudsman shall pass an award and insurers are required to comply with the award within 30 days of the receipt of the acceptance letter by the complainant and intimate its compliance to the ombudsman.

41. ***Insurance Regulatory and Development Authority of India (Issuance of E-Insurance Policies) Regulations, 2016***

The IRDAI has issued these regulations on June 13, 2016, and these regulations have come into force on October 1, 2016. These regulations require that every insurer soliciting insurance business through electronic mode shall create an e-proposal form similar to the physical proposal form approved by the IRDAI, and such form should enable capture of information in electronic form, which would enable easy processing and servicing. These regulations also provide for issuance of electronic insurance policies which fulfil the criteria specified in the regulations.

42. ***IRDAI Guidelines on Insurance e-commerce 2017***

The IRDAI has issued Guidelines on Insurance e-commerce on March 9, 2017 to promote e-commerce in insurance space which is expected to lower the cost of transacting insurance business and bring higher efficiencies and greater reach. These guidelines regulate the e-commerce business of insurers. As per these guidelines, insurers and insurance intermediaries are required to obtain prior approval of the IRDAI for establishing an insurance self-network platform for undertaking insurance e-commerce activities in India. However, an insurance agent is not permitted to set up a separate insurance self-network platform but can use the respective insurer's self-network platform, if available. The insurer has been made responsible for compliance with these guidelines on behalf of the insurance agents.

43. ***IRDAI Circular on Implementation of Ind-AS in the Insurance Sector 2017***

On June 28, 2017, the IRDAI issued a circular, pursuant to which implementation of Ind-AS in the insurance sector has been deferred for a period of two years and shall be implemented for periods beginning on or after April 1, 2020. However, the requirement for submitting proforma Ind-AS financial statements on a quarterly basis remains applicable in terms of the IRDAI circular dated December 30, 2016.

44. ***Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015***

These regulations provide for the conditions which are required to be fulfilled by subscribers for exiting or withdrawing funds from the National Pension System, including the conditions, frequency, and limit of withdrawals from individual pension accounts, and the requirement of procuring an annuity from an empanelled annuity service provider at the time of exit. The regulations also provide for the criteria and procedure for obtaining empanelment as an annuity service provider under the regulations.

45. ***Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015, as amended***

The PFRDA notified the PFRDA (Pension Fund) Regulations, 2015 on May 14, 2015. These regulations seek to standardize the framework for monitoring, supervision and internal control of pension funds in order to facilitate protection of subscribers and proper management of risk. These regulations, inter alia, prescribe: (i) the manner of certification for registration of pension funds; (ii) the eligibility criteria for persons seeking to act as sponsors of pension funds; (iii) the procedure for grant of certificate of registration and related fees; (iv) procedure and mechanism for obtaining a certificate for commencement of business; and (v) requirements with respect to operational compliances, such as maintenance of books of accounts and records, frequency and manner of computation of net asset values, and calculation of investment management fees. These regulations also specify obligations and responsibilities of pension funds, including a code of conduct, duties and functions of a pension fund and empower the PFRDA to audit and inspect the books, accounts and records of a pension fund for any purpose. Any violation of the provisions of these regulations and the PFRDA Act, amongst other things, may lead to suspension, cancellation or withdrawal of the certificate of registration granted to a pension fund.

46. ***Regulations prescribed by the IRDAI for insurance brokers, web aggregators and insurance marketing firms***

Insurance brokers are granted a certificate of registration by the IRDAI in accordance with the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 and are, *inter alia*, required to adhere to the capital requirements, maintenance of minimum net worth, deposit requirements. They also have to adhere to a code of conduct as prescribed by the regulations. The maximum commission or remuneration payable by life insurers on insurance products to such brokers is set out under Insurance Regulatory and Development Authority of India (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016.

The IRDAI has also notified the Insurance Regulatory and Development Authority of India (Web Aggregators) Regulations, 2017, which contain certain provisions in respect of the supervision and monitoring of web aggregators. In addition, the Insurance Regulatory and Development Authority of India (Registration of Insurance Marketing Firm) Regulations, 2015 have been notified to govern registration and operations of insurance marketing firms.

47. ***Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations, 2016 ("Insurance Agents Regulations")***

The Insurance Agents Regulations govern the manner in which insurers may appoint individual insurance agents to solicit insurance business on their behalf. These regulations prescribe detailed provisions governing matters, *inter alia*, such as the process to be followed by an insurer for appointment of an insurance agent, insurance agency examination, board approved policy of the insurer on agency matters, code of conduct applicable to insurance agents, suspension of appointment of an agent and general conditions for appointment of agents.

48. ***Other Regulations and Circulars***

On July 12, 2016, the IRDAI issued a circular in relation to operationalisation of the Central KYC Records Registry (the "**CKYCR**"), in order to facilitate banks and financial institutions with Know Your Customer ("**KYC**") related information, so as to avoid multiplicity of undertaking KYC each time any financial product(s) or service(s) are availed of by a customer. The Central Registry of Securitisation and Asset Reconstruction and Security Interest of India (the "**CERSAI**") has been authorized to perform the functions of CKYCR, which includes receipt, storage, safeguarding and retrieving of KYC records of a client in digital form. The CERSAI has finalised the KYC template for individuals and the operating guidelines for uploading KYC records by reporting entities to CKYCR. Life insurers are required to upload KYC records only in respect of individual policyholders where policies are completed on or after July 15, 2016. In addition, insurers are required to submit a monthly statement of the number of KYC records to be uploaded and records actually uploaded to the IRDAI.

In addition to the above, our Company and its subsidiaries are required, to the extent relevant, to comply with the provisions of the Companies Act, 2013, FEMA, labour laws, various tax related legislations, various other IRDAI related regulations, notifications and guidelines, and other applicable statutes and policies along with the rules formulated thereunder for their day-to-day operation.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated on April 11, 2001 at Bengaluru, Karnataka as MetLife India Insurance Company Private Limited, as a private limited company under the Companies Act, 1956. Further, our Company obtained the certificate of registration from the IRDAI to undertake life insurance business on August 6, 2001. Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated December 4, 2007, the name of our Company was changed to MetLife India Insurance Company Limited and a fresh certificate of incorporation was issued by the RoC on January 9, 2008. Subsequently, PNB became a shareholder of our Company and the name of our Company was changed to its present name as approved by our Shareholders pursuant to a special resolution dated January 16, 2013 and a fresh certificate of incorporation was issued by the RoC on January 22, 2013.

Changes in registered office

Date of change	Details of change in the address of our registered office	Reason for change
May 1, 2016	Our registered office changed from "Brigade Seshamahal, 5, Vani Vilas Road, Basavanagudi, Bengaluru 560 004" to "Unit No. 701, 702 & 703, Raheja Towers, West Wing, Municipal No. 26/27, M G Road, Bengaluru 560 001".	Convenience and better administration

Our main objects

The main objects of our Company as contained in our Memorandum of Association are:

1. To carry on, directly or through career agents and brokers, the business of life insurance in all its branches, and to grant and effect insurance of all kinds for payment of money by way of a single payment, several payments or otherwise upon the death, marriage, birth or failure of the attainment of a given age by any person or persons, upon the expiration of any fixed or ascertainable period, upon the happening of any other contingency or event dependent upon or connected with human life, upon or connected with the occurrence of any contingency or event that would or might be taken to affect the interest whether vested, contingent, expectant or otherwise of any person or persons in any property subject or not to any such events as aforesaid happening in the lifetime of any other person or persons, or upon the loss or recovery of contractual or testamentary capacity in any person.

2. To grant and operate pension plans and annuities of all kinds, including fixed, variable and/ or unit linked plans, whether dependent on human life or otherwise and whether perpetual or terminable and whether immediate or deferred and whether contingent or otherwise.

3. To carry on and engage in the business of providing individual life, accident, non-medical health and personal travel insurance products as well as group life, accident and non-medical health insurance products, both linked and non-linked business, whether participative or non-participative, directly or through career agents and brokers, to provide fee based financial planning services related to the aforementioned products and non-life insurance products, to distribute savings and retirement products and services, such as short and long term disability, long term care, dental insurance and other related products and services, and to provide and distribute asset management products and services.

4. To purchase, deal in, and lend on the security of life reversionary and other interests, whether absolute, contingent or expectant and whether terminable or not, in property of all kinds, including annuities and policies of assurance, to redeem, cancel and extinguish by purchase, surrender or otherwise any policy, security, grant or contract issued or assumed by, taken for, entered into by, or transferred to, our Company, and to give to any class or section of those who insure or have dealings with our Company any rights for or in relation to any fund or funds or any rights to participate in the profits of our Company, or in the profits of any particular branch or part of its business, either equally with other classes or sections or otherwise, and any other special privileges, advantages and benefits, either by way of rebate or otherwise, subject nevertheless to the rights of existing policyholders under policies already issued to them and for the time being in force.

5. To re-insure and counter-insure all or any risks connected with any of the businesses aforesaid, and to carry on any other business that may seem to our Company capable of being conveniently carried on in connection with any of the above specified objects or calculated directly or indirectly to enhance the value of or render profitable any of our Company's property or rights.

The main objects clause as contained in the Memorandum of Association enables our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Since the incorporation of our Company, the following changes have been made to our Memorandum of Association:

Date of change/ Shareholders' resolution	Nature of amendment
September 18, 2003	The authorized share capital of our Company was increased from ₹ 1,100,000,000 divided into 110,000,000 equity shares of ₹ 10 each to ₹ 1,600,000,000 divided into 160,000,000 equity shares of ₹ 10 each.
September 20, 2004	The authorized share capital of our Company was increased from ₹ 1,600,000,000 divided into 160,000,000 equity shares of ₹ 10 each to ₹ 2,350,000,000 divided into 235,000,000 equity shares of ₹ 10 each.
September 27, 2005	The authorized share capital of our Company was increased from ₹ 2,350,000,000 divided into 235,000,000 equity shares of ₹ 10 each to ₹ 3,550,000,000 divided into 355,000,000 equity shares of ₹ 10 each.
June 23, 2006	The authorized share capital of our Company was increased from ₹ 3,550,000,000 divided into 355,000,000 equity shares of ₹ 10 each to ₹ 5,300,000,000 divided into 530,000,000 equity shares of ₹ 10 each.
February 5, 2007	The authorized share capital of our Company was increased from ₹ 5,300,000,000 divided into 530,000,000 equity shares of ₹ 10 each to ₹ 8,800,000,000 divided into 880,000,000 equity shares of ₹ 10 each.
December 4, 2007	Our Company's name was changed from "MetLife India Insurance Company Private Limited" to "MetLife India Insurance Company Limited".
December 4, 2007	The authorized share capital of our Company was increased from ₹ 8,800,000,000 divided into 880,000,000 equity shares of ₹ 10 each to ₹ 15,000,000,000 divided into 1,500,000,000 equity shares of ₹ 10 each.
June 30, 2008	The authorized share capital of our Company was increased from ₹ 15,000,000,000 divided into 1,500,000,000 equity shares of ₹ 10 each to ₹ 18,000,000,000 divided into 1,800,000,000 equity shares of ₹ 10 each.
December 15, 2008	The authorized share capital of our Company was increased from ₹ 18,000,000,000 divided into 1,800,000,000 equity shares of ₹ 10 each to ₹ 24,000,000,000 divided into 2,400,000,000 equity shares of ₹ 10 each.
September 8, 2011	The authorized share capital of our Company was increased from ₹ 24,000,000,000 divided into 2,400,000,000 equity shares of ₹ 10 each to ₹ 30,000,000,000 divided into 3,000,000,000 equity shares of ₹ 10 each.
January 16, 2013	Our Company's name changed from "MetLife India Insurance Company Limited" to its present name.
December 13, 2017	Sub-clause 18 of Part B of Clause III of the Memorandum of Association was amended.
May 26, 2018	The 'Other Objects' clause of the Memorandum of Association were merged with the 'Incidental or Ancillary Objects' clause.

Business and management

For a description of our business, services, products, technology, marketing, the description of the activities, market of each segment, growth, standing with reference to the prominent competitors and geographical segment, see **"*Business*"**, **"*Industry Overview*"** and **"*Management's Discussion and Analysis of Financial Condition and Results of Operations*"** beginning on pages 140, 111 and 314, respectively. For details of the management of our Company and its managerial competence, see "***Management*"** beginning on page 202.

Total number of shareholders of our Company

As on the date of this Draft Red Herring Prospectus, our Company has eight shareholders. For further details on the shareholding of our Company, see "***Capital Structure - Shareholding pattern***" on page 89.

Major events and milestones

The table below sets forth some of the major events in the history of our Company.

Calendar Year	Details
2001	• Incorporation of our Company as "MetLife India Insurance Company Private Limited" • Our Company established bancassurance partnerships with Jammu and Kashmir Bank Limited and Karnataka Bank Limited
2008	• Our Company was converted into a public limited company and named as 'MetLife India Insurance Company Limited' • Total premium of our Company crossed ₹ 10,000 million
2011	Our Company entered into a distribution agreement with PNB
2013	Our Company entered into a joint venture with PNB and the name of the Company changed to its present name
2014	AUM of our Company crossed ₹ 100,000 million
2015	Our Company forayed into online and the health insurance segment
2016	• Number of individual policies in force, by our Company, crossed one million mark • Total new business premium of our Company crossed ₹ 10,000 million • Certificate of registration for Quality Management System – ISO 9001:2015 from BSI
2017	• Our Company established bancassurance partnerships with Bank of Bahrain and Kuwait BSC • Our Company entered into a memorandum of understanding with India Post Payments Bank Limited to sell Pradhan Mantri Jeevan Jyoti Beema Yojna ("**PMJJBY**") • Total new business premium from our bancassurance partner 'Punjab National Bank' crossed ₹ 5,000 million
2018	Management System Certificates for IT Service Management System Standards: ISO/IEC 20000-1:2011, ISO/IEC 22301:2012 and ISO/IEC 27001:2013 from DNV GL – Business Assurance

Awards and accreditations

Calendar Year	Details
2018	• Award for the 'Best use of Technology to Enhance Customer Experience' for 'conVRse' at the Zendesk Customer Experience Awards

Calendar Year	Details
	• 'Best Employee Diversity & Inclusion Company' at the Employee Engagement Leadership Awards 2018
2017	• Banking Frontiers Finnoviti Award for Infinity-Mobile App for Digital Legacy • Best Product Innovation Award for Mera Heart and Cancer Care at National Awards for Excellence in Insurance • Best Technology Initiative of the Year at National Awards for Excellence in Insurance • Best Technology Innovation Life Insurance at Fintelekt Insurance Awards 2017 • Banking Frontiers Finnoviti Award for 'ConVRse' • Digital Innovation Award at BFSI Digital Innovation Awards in 'Virtual Reality' category • National Award for Excellence in Training and Development for Best Use of Technology for Training hosted by World HRD Congress • Global Marketing Excellence Awards for Best Use of Social Media in Marketing • Technology Initiative for the year' for conVRse at the Life Insurance Leaderships Award • Best Product Innovation for Mera Heart and Cancer Care at the Life Insurance Leaderships Award • Best Use of Social Media in Marketing • Global Marketing Excellence Award for our #MakeTime social media campaign • 100 Best India-2017 award for Best Companies for Women by Working Mother and AVTAR • Innovation of the Year, 21st Annual Asia Insurance Industry Awards for 'ConVRse' customer service platform (together with LumenLab)
2016	• Best use of Social Media in Marketing award by ABP News • Spikes Asia Bronze award for 'Life Mein Twist' campaign • 100 Best India-2016 award for Best Companies for Women award by Working Mother and AVTAR • ACEF CSR Excellence Award for social impact and best cause advocacy' awareness campaign for helping child labourers and drop-outs in Kashmir find their way back to school • Dell EMC Transformers award received for IT Transformation • Express Intelligent Enterprise Awards for Data Centre • Celent Model Insurer Asia award as a Model Insurer Asia- Digital and Omnichannel • Best Website of the Year award at the E-Commerce Summit • Best Education Training Campaigns and Programs at Asia Training & Development Excellence Awards • Best Sales Development Program at Asia Training & Development Excellence Awards • Special Commendation for Golden Peacock Award for Risk Management • Banking Frontiers Finnoviti Award for our Infinity digital application • Best Use of Social Media in Marketing, ABP News for (#AnythingCanHappen social media campaign)

Calendar Year	Details
	• Express Intelligent Enterprise Award awarded by the Express Group
2015	• 50 Most Sustainable Companies of India Award at the India Sustainability Leadership Summit and Awards

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, which may have had a material effect on our profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Capital raising (equity/ debt)

Our Company has not availed of any term loans and/ or other credit facilities and therefore no capital has been raised through debt. For details regarding capital raised through equity, see "***Capital Structure - Share Capital History***" on page 81.

Strike and lock-outs

We have not experienced any strike, lock-outs or labour unrest since our Company's incorporation.

Time and cost overrun

Our Company has not implemented any projects and has, therefore, not experienced any time or cost overruns in relation thereto.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by our Company.

Our Company has not availed of any term loans and/or other credit facilities and, therefore, there have not been any defaults or rescheduling of borrowings from financial institutions/banks or conversion of loans into equity by our Company.

Injunctions or restraining order against our Company

As on the date of this Draft Red Herring Prospectus, our Company is not operating under any injunction or restraining order.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

As on the date of this Draft Red Herring Prospectus, our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation or revalued its assets.

Material agreements

1. Shareholders' Agreement entered into between MIHL, PNB, MPCL, MPEL, EIL, IGE, Manimaya, JKB and our Company dated December 4, 2012, as amended

A shareholders' agreement dated December 4, 2012 (the "**SHA**") was entered into among MIHL, PNB, MPCL, MPEL, EIL, IGE, Manimaya, JKB (collectively, the "**Shareholders**") and our Company to set out the terms and conditions of their relationship as shareholders of our Company and certain matters connected therewith. Under the SHA, the business of our Company is to conduct the business of life insurance in India.

The SHA was amended by way of an amendment agreement dated December17, 2012. The SHA was further amended by way of an amendment agreement dated April 16, 2016 (the "**2016 April Amendment Agreement**") executed between the Shareholders and our Company, post the amendment of the Insurance Act, 1938 by the Insurance Laws (Amendment) Act, 2015 and the issuance of the Indian Insurance Companies (Foreign Investment) Rules, 2015 dated February 19, 2015 and the IRDAI Guidelines on "Indian owned and controlled" dated October 19, 2015. The SHA was further amended by way of an amendment agreement dated October 18, 2016 (the "**2016 October Amendment Agreement**") executed between the Shareholders and our Company, wherein certain additional amendments were carried out further to the guidance received from the IRDAI.

The key provisions of the SHA are summarised below:

(a) *Board of Directors*: In terms of the SHA, MIHL is entitled to nominate three directors (including the Chairman), PNB is entitled to nominate three directors, EIL and IGE (collectively, the "**Elpro Group**") are entitled to collectively nominate two directors and MPCL and MPEL (collectively, the "**Pallonji Group**") are entitled to collectively nominate two directors on the Board of our Company. The independent directors are appointed by the Board on the recommendation of the Nomination and Remuneration Committee of our Company. Further, one director is to be the Managing Director of our Company. For further details, see "***Main Provisions of our Articles of Association***" on page 476.

(b) *Transfer of Shares*: The SHA contains certain transfer restrictions *vis-a-vis* the Equity Shares of our Company. The transferring shareholders are required to grant a right of first refusal to the existing shareholders before offering the Equity Shares held by them to third parties. Further, there are certain tag along rights also set out under the SHA.

(c) *Name and Branding*: As per the SHA, PNB has executed a name and trademark license agreement for granting a license to our Company for using the term "PNB" in the corporate name and brand of our Company. Further, if PNB's shareholding in our Company falls below 20%, either our Company or PNB can issue a notice to the other to remove "PNB" from the corporate name and brand of our Company. However, any dilution in PNB's shareholding (i) pursuant to any mandatory dilution under the applicable laws; or (ii) pursuant to non-subscription by PNB of any fresh Shares shall not, for the purposes of removal of the "PNB" name from the corporate name and brand of our Company, be considered as a dilution of PNB shareholding. For further details in relation to the usage of "PNB", see "***PNB Trademark Agreement***" on page 201.

(d) *Veto Rights*: As per the SHA, there are certain matters pertaining to our Company in respect of which no decisions or actions can be taken except with the affirmative vote of one director nominated by each of MIHL, the Pallonji Group, the Elpro Group and PNB. These include individual borrowing by our Company in excess of US$ 200,000 other than in the ordinary course of business, any loan or credit extended by our Company to any person other than in the ordinary course of business, an unsecured loan extended by our Company to any person in excess of 2% of our Company's total investments or US$ 500,000 other than in the ordinary course of business, any agreement between our Company and any Shareholder involving a payment in excess of US$ 100,000 per annum except for any payments related to the cost of any employees seconded by MIHL to our Company and any costs incurred by a Shareholder to purchase or provide goods or services to or on behalf of our Company without profit to the Shareholder, the giving of any guarantee or indemnity by our Company other than in the ordinary course of business, the commencement or defense of any material litigation, arbitration, or other proceedings (other than normal debt collection or other actions in the ordinary course of business), the recommendation to Shareholders of any declaration or payment of any dividend distribution to Shareholders, any recommendation to Shareholders with respect to merger, consolidation, amalgamation, liquidation, or winding up, whether voluntary or compulsory, of our Company.

(e) *Termination:* The SHA shall continue in effect unless terminated by mutual agreement of the Shareholders, provided that if any Shareholder ceases to own any Shares of our Company, the SHA shall stand terminated to the extent of such Shareholder only. Further, pursuant to the fourth amendment agreement to the PNB Shareholders' Agreement dated July 24, 2018, the SHA will automatically terminate upon the listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering.

The special rights of the Shareholders under the SHA, to the extent incorporated in part A of our Articles of Association, such as the right to nominate directors on the board are subject to such right being approved by the members of our Company through a special resolution at the first general meeting of our Company held post listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering.

2. Shareholders' Agreement dated July 24, 2018 entered into between MIHL and PNB

A shareholders' agreement dated July 24, 2018 (the "**2018 SHA**") was entered into between MIHL and PNB (collectively, the "**Promoters**") to set out the terms and conditions of their relationship as shareholders of our Company and certain matters connected therewith. In the IPO process and post-IPO, the Promoters agree to be classified as the 'promoters' of our Company and 'persons acting in concert' for the purposes of SEBI Takeover Regulations, until such time that any party ceases to be a promoter of the Company in compliance of the laws. Under the terms of the 2018 SHA, the Promoters have recorded their inter se rights and obligations in respect of the Company applicable post completion of this Offer.

The key provisions of the 2018 SHA are summarised below:

(a) *Board of Directors*: In terms of the SHA, subject to approval by members of the Company through a special resolution passed at one or more general meetings of the Company held post listing of the Securities pursuant to the IPO, each of the Promoters cannot nominate any Directors, if its individual percentage of shareholding in our Company is less than 6.75%, can nominate one Director, if its individual percentage of shareholding in our Company is between 6.75% and up to 13.5%, and can nominate two Directors, if its individual percentage of shareholding in our Company is above 13.5%. For further details, see "***Main Provisions of our Articles of Association***" on page 476.

(b) *Issue of New Securities*: The 2018 SHA states that in case there is any further issue of securities by the Company which remains unsubscribed post completion of the process mandated for such an issue under law, subject to it being permissible under law, one or both of the Promoters shall have the right but not the obligation to such unsubscribed securities (or any part thereof), *pro rata* to their then ownership interest in the Company.

(c) *Transfer of Shares*: The 2018 SHA states that, subject to certain conditions, the transferring party is required to offer a right of first refusal to the other party before offering the Equity Shares held by it to third parties.

(d) *Name and Branding*: The 2018 SHA, while referring to the PNB Trademark Agreement with PNB, provides that if PNB's shareholding in the Company falls below 20%, PNB can issue a notice to the Company to remove "PNB" from the corporate name and brand of the Company and terminate the PNB Trademark Agreement. However, the aforementioned rights shall not accrue to PNB in the event of any dilution in PNB's shareholding to below 20% pursuant to (i) non-subscription by PNB of any securities that are offered by the Company to it, including offers made pursuant to rights issues; and/or (ii) non-subscription by PNB of any securities pursuant to bonus issues, for the purposes of removal of the "PNB" name from the corporate name and brand of our Company. In case of any conflict between the terms of 2018 SHA and PNB Trademark Agreement, the latter will prevail. For further details in relation to the usage of "PNB", see "***PNB Trademark Agreement***" on page 201.

(e) *Termination:* The 2018 SHA shall continue in effect unless terminated by mutual agreement of the Promoters, provided that if any Promoter ceases to own any Shares of our Company, and ceases to be a 'promoter' in compliance with applicable laws, the Promoter will be entitled to deliver a written notice to the other party terminate the 2018 SHA.

The special rights, as agreed between MIHL and PNB under the 2018 SHA, to the extent incorporated in Part A of our Articles of Association, such as the right to nominate directors on the Board are subject to such rights being approved by the members of our Company through a special resolution at the first general meeting of our Company held post listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering.

3. Other shareholders' agreements:

There are other bilaterial agreements and letter agreements which MIHL has entered into with each of MPCL, MPEL, EIL, IGE, Manimaya and JKB, all of which will terminate upon the listing of the shares of our Company on a recognized stock exchange, pursuant to an initial public offering, except as provided below. The details of the aforesaid agreements are as follows:

i. Amended and restated shareholders' agreement entered into between MIHL, EIL and IGE dated December 4, 2012, as amended on April 16, 2016 and October 18, 2016. Further, MIHL, EIL and IGE entered into an option letter agreement dated May 7, 2018 (as amended by letter dated June 27, 2018) and subsequently an amendment agreement dated July 25, 2018 to terminate the amended and restated shareholders' agreement between MIHL, EIL and IGE and the option letter agreement. The shareholders' agreement contains substantially similar provisions as that of the SHA, except that it also contains certain non-compete obligations between the parties. The shareholders' agreement, the option letter agreement and the amendment agreement shall be terminated in entirety upon the listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering. MIHL and IGE are parties to a deed of indemnity dated 16 January 2013, which will survive the abovementioned initial public offering;

ii. Amended and restated shareholders' agreement entered into between MIHL, MPCL and MPEL dated December 4, 2012, as amended on April 16, 2016 and October 18, 2016. Further, MIHL, MPCL and MPEL entered into a letter agreement dated December 4, 2012 and subsequently an amendment agreement dated July 25, 2018 to terminate the amended and restated shareholders' agreement between MIHL, MPCL and MPEL and the letter agreement. The shareholders' agreement, the letter agreement and the amendment agreement shall be terminated in entirety upon the listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering;

iii. Amended and restated shareholders' agreement entered into between MIHL and Manimaya dated December 4, 2012, as amended on April 16, 2016 and October 18, 2016. Further, MIHL and Manimaya entered into a letter agreement dated December 4, 2012 and subsequently an amendment agreement dated July 25, 2018 to terminate the amended and restated shareholders' agreement between MIHL and Manimaya and the letter agreement. The shareholders' agreement, the letter agreement and the amendment agreement shall be terminated in entirety upon the listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering; and

iv. Amended and restated shareholders' agreement entered into between MIHL and JKB dated December 4, 2012, as amended on April 16, 2016 and October 18, 2016 and subsequently an amendment agreement dated July 25, 2018 to terminate the amended and restated shareholders' agreement between MIHL and JKB. The shareholders' agreement and the amendment agreement shall be terminated in entirety upon the listing of Equity Shares on a recognized stock exchange, pursuant to an initial public offering.

4. IPO Agreement entered into between MIHL, PNB, MPCL, MPEL, EIL, IGE, Manimaya, JKB and our Company dated December 4, 2012

As per the IPO Agreement, matters with regard to an IPO are to be dealt with by a committee constituted in accordance with the terms of the IPO Agreement.

5. Trademark License Agreement entered into between Metropolitan Life Insurance Company and our Company dated December 5, 2014, as amended

A trademark license agreement dated December 5, 2014 (the "**MetLife Trademark Agreement**") was entered into between Metropolitan Life Insurance Company and our Company to set out the terms and conditions for granting of a royalty free, non-exclusive, and non-transferable license to our Company to use the licensed trademarks of Metropolitan Life Insurance Company in India as its own trade name or logo, or incorporated into its own trade name or logo, or for other business purposes mentioned therein subject to the terms and conditions specified in the MetLife Trademark Agreement. Metropolitan Life Insurance Company may terminate this agreement upon giving a written notice to our Company or the agreement will automatically terminate if our Company ceases to be under common ownership with

Metropolitan Life Insurance Company individually upon sale, divesture or dissolution, in whole or part of our Company. The MetLife Trademark Agreement is valid until December 31, 2019.

6. ***Name and Trademark License Agreement entered into between PNB and our Company (then known as MetLife India Insurance Company Limited) dated December 4, 2012***

A name and trademark license agreement dated December 4, 2012 (the "**PNB Trademark Agreement**") was entered into between PNB and our Company to set out the terms and conditions for granting of a royalty free and non-exclusive license by PNB to our Company to use the name and the trademarks of PNB as its own trade name or logo, including by co-branding the insurance products, or incorporated into its own trade name or logo, or for other business purposes mentioned therein, subject to the terms and conditions specified in the PNB Trademark Agreement. Our Company or PNB may terminate this agreement by giving notice to the other party if the collective ownership interest of PNB or its affiliates falls below 20% in our Company.

7. ***Intercompany Intellectual Property License Agreement entered into between MetLife and its affiliates dated January 1, 2008, as amended on December 21, 2017***

An intercompany intellectual property license agreement ("**IIPLA**") was entered amongst MetLife affiliates including our Company. As per the terms and conditions specified in the IIPLA, each signatory to the IIPLA was the licensor and the licensee for the usage of various intellectual property throughout the enterprise as a part of each signatory's normal business activities. Under the IIPLA, each licensor grants to each licensee a non-exclusive and non-transferable right to use its intellectual property. The IIPLA was valid until December 31, 2017, which has been extended for a further period of two years pursuant to an amendment dated December 21, 2017.

Other agreements

For details of the agreements in relation to the business and operations of our Company, see "***Business***" on page 140.

Holding company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Draft Red Herring Prospectus, our Company has does not have any subsidiaries or group companies.

Confirmations

Guarantees provided by the Promoter Selling Shareholders

Except a bank guarantee issued by PNB on behalf of our Company to the Unique Identification Authority of India ("**UIDAI**") for ₹ 2.5 million towards availing of Aadhar authentication services from UIDAI and guarantees issued by PNB and MIHL as part of their ordinary course of business, our Promoter Selling Shareholders have not given any guarantees to third parties that are outstanding as of the date of this Draft Red Herring Prospectus.

Strategic and financial partnerships

Our Company does not have any strategic or financial partners.

MANAGEMENT

Under the Articles of Association, our Company is authorised to have not less than three and not more than 16 Directors. As on the date of this Draft Red Herring Prospectus, we have 16 Directors on our Board, comprising one Executive Director, seven Non-Executive Directors and eight Independent Directors, including three women Directors. The Chairman of our Board, Mr. Lyndon Emanuel Oliver, is a Non-Executive Director. The present composition of our Board and its Committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013, SEBI Listing Regulations and IRDAI CG Guidelines.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name, Designation, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Mr. Lyndon Emanuel Oliver *Designation:* Chairman and Non-Executive Director *Occupation*: Professional *Nationality:* American *Address*: 5, Timothy Wy, Avon, CT 06001, USA *Term:* Liable to retire by rotation *DIN:* 07561067	53	Indian companies Private Companies • Nil Public Companies • Nil Foreign companies • MetLife Asia Limited; • MetLife Global Holding Company I GmbH; • MetLife Global Holding Company II GmbH; • MetLife Insurance Limited; and • MetLife General Insurance Limited.
Mr. Ashish Kumar Srivastava *Designation:* Managing Director and Chief Executive Officer *Occupation*: Service *Nationality:* Indian *Address*: Flat 802, Tower 4, The Close (N), Nirvana Country, Gurgaon 122 018, Haryana, India *Term:* Five years from October 1, 2017 to September 30, 2022 *DIN:* 00355075	52	Indian companies Private Companies • Nil Public Companies • Nil Foreign companies • Nil
Mr. Bharat Raj Kannan *Designation:* Non-Executive Director *Occupation*: Service *Nationality:* American *Address*: 1-4-6-202 Kanda Sarugakolho, Atlas Chiyoda, Tokyo, Japan 1010064 *Term:* Liable to retire by rotation *DIN:* 07893143	43	Indian companies Private Companies • Nil Public Companies • Nil Foreign companies • MetLife Financial Services Co. Limited (Korea);

Name, Designation, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
		• BIDV MetLife Life Insurance Limited Liability Co. (Vietnam); and • Sino-US United MetLife Insurance Company Limited (China).
Mr. Sunil Mehta *Designation:* Non-Executive Director *Occupation:* Professional *Nationality:* Indian *Address:* 6, Himmat Nagar, Tonk Road, Jaipur 302 018, Rajasthan, India *Term:* Liable to retire by rotation *DIN:* 07430460	58	Indian companies Private Companies • Nil Public Companies • Corporation Bank; • India Infrastructure Finance Company Limited; • Indian Institute of Banking and Finance; • PNB Housing Finance Limited; • PNB Gilts Limited; • PNB Investment Services Limited; • PNB International Limited; and • Punjab National Bank. Foreign companies • Nil
Mr. Lingam Venkata Prabhakar *Designation:* Non-Executive Director *Occupation*: Service *Nationality:* Indian *Address*: A-265, Ganpat Andalkar Block, Asiad Village Complex *Term:* Liable to retire by rotation *DIN:* 08110715	55	*Indian companies* *Private Companies* • Nil *Public Companies* • Punjab National Bank; *Foreign companies* • Nil
Mr. Pheroze Kersasp Mistry *Designation:* Non-Executive Director *Occupation*: Business *Nationality:* Indian *Address*: 901, Bakhtavar, 9th Floor Shahid Bhagat Singh Road, Colaba, Mumbai 400 005, Maharashtra, India *Term:* Liable to retire by rotation *DIN*: 00344590	55	Indian companies Private Companies • M. Pallonji and Company Private Limited; • M. Pallonji Shipping Private Limited; • M. Pallonji Trading Private Limited; • M. Pallonji Enterprises Private Limited; • M. Pallonji Logistics Private Limited; • M. Pallonji Ventures Private Limited; • Pallonji Coatings Private Limited; • Pallonji Industrial Finishers Private Limited; • Pallonji Investment and Finance Private Limited; • Pallonji Leasing Private Limited; • Ravson Investments Private Limited; and • OHNICIO Private Limited. Public Companies

Name, Designation, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
		• Nil Foreign companies • M. Pallonji Shipping Singapore Private Limited; • M. Pallonji Shipping Marshall Islands Private Limited; • MP Logistics (MI) Limited; and • M. Pallonji Logistics Singapore Private Limited.
Mr. Surbhit Dabriwala *Designation:* Non-Executive Director *Occupation*: Business *Nationality:* Indian *Address*: 41/1, Jhowtolla Road, Ballygunge, Kolkata 700 019, West Bengal, India *Term:* Liable to retire by rotation *DIN:* 00083077	43	Indian companies Private Companies • First Apartments Private Limited; • Faridabad Capital Holdings Private Limited; and • Zenox Trading and Manufacturing Private Limited. Public Companies • Dabri Properties & Trading Company Limited; and • Elpro International Limited Foreign companies • Nil
Mr. Erach Kotwal *Designation:* Non-Executive Director *Occupation*: Advocate *Nationality:* Indian *Address*: 18-B, IL-Palazzo, Little Gibbs Road, Mumbai 400 006, Maharashtra, India *Term:* Liable to retire by rotation *DIN:* 07617479	58	Indian companies Private Companies • Nil Public Companies • Nil Foreign companies • Nil
Ms. Anisha Motwani *Designation:* Independent Director *Occupation*: Brand and Innovation Consultant *Nationality:* Indian *Address*: Block no. 8, House No. 24, South Patel Nagar, Delhi 110 008, India *Term:* Appointed for a period of three years from February 7, 2017 until February 6, 2020 *DIN:* 06943493	55	Indian companies Private Companies • Quintessentially Lifestyle Services (India) Private Limited; and • Angel Broking Network Private Limited. Public Companies • Prataap Snacks Limited; • Abott India Limited; • India Shelter Finance Corporation Limited; and • L&T Investment Management Limited.

Name, Designation, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
		Foreign companies • Nil
Dr. Archana Niranjan Hingorani *Designation:* Independent Director *Occupation*: Self-Employed *Nationality:* Indian *Address*: 10, Jeevan Dhara, Dr. Ambedkar Road, Bandra West, Mumbai 400 050, Maharashtra, India *Term:* Appointed for a period of three years from June 30, 2017 until June 29, 2020 *DIN:* 00028037	52	Indian companies Private Companies • Edmobile Labs Private Limited. Public Companies • Alembic Pharmaceuticals Limited; • SIDBI Venture Capital Limited; • 5 Paisa Capital Limited; and • DEN Networks Limited. Foreign companies • Nil
Mr. Neeraj Swaroop *Designation:* Independent Director *Occupation*: Corporate Executive *Nationality:* Indian *Address*: 1202 Somerset CHSL, Central Avenue, Near D mart, Hiranandani Gardens, Powai, Mumbai 400 076, Maharashtra, India *Term:* Appointed for a period of three years from October 10, 2017 until October 9, 2020 *DIN:* 00061170	59	Indian companies Private Companies • Small Business Fincredit India Private Limited Public Companies • Nil Foreign companies • Nil
Mr. Sunil Gulati *Designation:* Independent Director *Occupation*: Professional *Nationality:* Indian *Address*: 703, Sterling Sea Face, Dr. AB Road, Worli, Mumbai 400 018, Maharashtra, India *Term:* Appointed for a period of three years from May 28, 2018 until May 27, 2021 *DIN:* 00016990	56	Indian companies Private Companies • Thirumeni Finance Private Limited; • Adani Capital Private Limited; • Empays Payment Systems India Private Limited; • Merisis Advisors Private Limited; • Visage Holdings and Finance Private Limited; • Samunnati Financial Intermediation and Services Private Limited; • Cointribe Technologies Private Limited; and • Paradime Technologies Private Limited. Public Companies • Fincare Small Finance Bank. Foreign companies • Nil
Mr. Nitin Chopra	59	Indian companies

Name, Designation, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Designation: Independent Director *Address:* C 94, The Summit, DLF Phase 5, Sector 54, Gurgaon 122 011, Haryana, India *Occupation:* Independent Consultant *Nationality:* Indian *Term:* Appointed for a period of three years from May 28, 2018 until May 27, 2021 *DIN:* 0213333		Private Companies • Connect (India) Mobile Technologies Private Limited. Public Companies • Vodafone M Pesa Limited; • Vodafone Business Services Limited; and • Mobile Commerce Solutions Limited. Foreign companies • Nil
Ms. Sonu Bhasin *Designation:* Independent Director *Occupation*: Consultant *Nationality:* Indian *Address*: Block no. 7, Flat no. 8, Brady Flats, Sorab Bharucha Road, Colaba, Mumbai, 400 005, Maharashtra, India *Term:* Appointed for a period of three years from May 28, 2018 until May 27, 2021 *DIN:* 02872234	54	Indian companies Private Companies • Nil Public Companies • Whirlpool of India Limited; • Mahindra First Choice Services Limited; • Vodafone Mobile Services Limited; • Sutlej Textiles and Industries Limited; • Transcorp International Limited; and • Max Speciality Films Limited. Foreign companies • Nil
Mr. Abhaya Prasad Hota *Designation:* Independent Director *Occupation*: Management Consultant *Nationality:* Indian *Address*: Flat no. 62, Building a4, Maker Kundan Garden, Juhu Tara Road, Santacruz West, Mumbai 400 049, Maharashtra, India *Term:* Appointed for a period of three years from May 28, 2018 until May 27, 2021 *DIN:* 02593219	61	Indian companies Private Companies • Nil Public Companies • IDBI Intech Limited; Motilal Oswal Asset Management Company Limited; and • The Federal Bank Limited. Foreign companies • Nil
Mr. Joginder Pal Dua *Designation:* Independent Director *Occupation*: Management advisory *Nationality:* Indian *Address*: 1715, DLF Phase 4, Gurgaon 122 002, Haryana, India *Term:* Appointed for a period of three years from May 28, 2018 until May 27, 2021	65	Indian companies Private Companies • Nil Public Companies • Century Plyboards (India) Limited; • Skipper Limited; • Capital Trust Limited; and • Vikram Solar Limited.

Name, Designation, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
DIN: 02374358		Foreign companies • Nil

In compliance with Section 152 of the Companies Act, 2013, not less than two-thirds of our non-independent Directors are liable to retire by rotation.

Arrangement or Understanding with Major Shareholders

Except for Mr. Sunil Mehta and Mr. Lingam Venkata Prabhakar, who have been nominated by PNB, Mr. Lyndon Emanuel Oliver and Mr. Bharat Raj Kannan who have been nominated by MIHL, Mr. Pheroze Kersasp Mistry who has been nominated by Pallonji Group, Mr. Surbhit Dabriwala who has been nominated by Elpro Group and Mr. Erach Kotwal who is the joint representative of Pallonji Group and Elpro Group, none of our Directors or other members of senior management have been appointed pursuant to an understanding or arrangement with our Shareholders, customers, suppliers or others.

Brief profiles of our Directors

Mr. Lyndon Emanuel Oliver is the Chairman and Non-Executive Director of our Company. He holds a bachelor's degree in science and a master's degree in business administration from the University of Alabama, USA. He has qualified with the Board of Accountancy as a Certified Public Accountant in the State of Florida, USA. He has been on the Board since August 10, 2016 and was re-appointed as a Director on August 10, 2017. He was appointed as our Chairman pursuant to a board resolution dated January 28, 2018, with effect from January 9, 2018. He has held a number of executive, managerial and financial management roles in various companies, with financial, product pricing, tax, financial planning and management analysis experience.

Mr. Ashish Kumar Srivastava is the Managing Director and Chief Executive Officer ("**MD and CEO**") of our Company. He holds a post graduate diploma in personnel management from Xavier Institute of Social Service, Ranchi. He has also attended advanced certificate courses from Richard Ivey School of Business, Michigan Ross School of Business and Cornell University. He joined our Company as Head of Human Resources in 2013. He was then associated as Vice President, Head of Human Resources with MetLife for Middle East and Africa from October 1, 2015 to December 31, 2016. He was then re-appointed as our Managing Director and Chief Executive Officer on October 1, 2017. He has over 26 years of experience in a range of industries including banking and financial services sector in Asia, Middle East and Africa, with experience in building sustainable strategies, change management, transforming and enhancing leadership capabilities. He has also been with the IBL Group, Mauritius as its head of human resources and communications between December 2012 and June 2013. Prior to joining our Company, he was working with Canara HSBC Life Insurance from April 2008 to November 2012. He has also worked at Hindustan Coca Cola Beverages and the Taj Group. He has also served as a director on the board of HSBC Operations & Processing India Private Limited from June 28, 2004 to May 30, 2008.

Mr. Bharat Raj Kannan is a Non-Executive Director of our Company. He holds a bachelor's degree in business administration from Temple University, Philadelphia, Pennsylvania, USA and a master's of science degree in human resources from Kellstadt Graduate School of Business, DePaul University, Chicago, Illinois, USA. He has also attended INSEAD's Management Acceleration Program. He has been on our Board since August 2, 2017. He has many years of experience in employee management and distribution. He was the head of Employee Benefits for Asia, focused on enhancing MetLife's employee benefits capabilities across the region, before being appointed as the senior vice president, chief distribution officer of Asia from September 1, 2015. Prior to joining our Company, Mr. Bharat Raj Kannan spent over 11 years at Aon from February 2004 to March 2015. He also served as director, Aon Risk Solutions Japan Limited where he lead their foreign local client division while directly managing their large scale international relationships and was also the chief executive officer of Aon Insurance Brokers (Malaysia), Kuala Lumpur.

Mr. Sunil Mehta is a Non-Executive Director of our Company. He holds a master's degree in business administration in finance. He has been on our Board since August 2, 2017. He has many years of experience in administrative and functional capacities in offices for agriculture, retail, credit and planning and development. Prior to joining our Company, he was an executive director at Corporation Bank. He has served as the general manager of Allahabad Bank and is currently the chief executive officer and managing director on the board of PNB. He has participated in a seminar on 'Economic Challenges by developing Economics' in Turkey.

Mr. Lingam Venkata Prabhakar is a Non-Executive Director of our Company. He has been on our Board since July 19, 2018. He has many years of professional experience. He is an executive director of PNB.

Mr. Pheroze Kersasp Mistry is a Non-Executive Director of our Company. He holds a bachelor's degree in science from University of California and a master's degree in business administration from Cornell University. He is also a fellow of the Institution of Engineers (India). He has been on our Board since April 20, 2001 and was reappointed for a period of one year with effect from August 10, 2017. He has many years of experience in business administration. He is the director of M. Pallonji & Co. Private Limited, which is engaged in providing logistics, industrial coating and painting on a contract basis and setting up wind turbines.

Mr. Surbhit Dabriwala is a Non-Executive Director of our Company. He holds a bachelor's degree in arts from University of Pennsylvania. He has been on our Board since August 1, 2004, and was reappointed for a period of one year with effect from August 10, 2017. He is a promoter and non-executive non-independent director on the board of EIL. He has many years of experience in manufacturing and real estate sectors.

Mr. Erach Kotwal is a Non-Executive Director of our Company. He holds a master's degree in law from University of Cambridge. He has been on our Board since November 23, 2016, and was reappointed for a period of one year with effect from August 10, 2017. He is an Advocate, practicing in the High Court at Mumbai since 1984 and has 31 years of legal experience.

Ms. Anisha Motwani is an Independent Director of our Company. She holds a bachelor's degree in science from University of Rajasthan, Jaipur and a master's degree in business administration from University of Rajasthan. She has many years of experience in marketing, brand and digital strategies, management and financial services. Prior to joining our Company, she worked with McCann Erickson from 1991 to 1993 and Leo Burnett from December 1, 2000 to December 31, 2003. She is also associated with marketing for several known companies. She has won many awards for her creative excellence. She is also a columnist at Huffington Post and regularly publishes her point of view on many subjects including gender diversity, social marketing, business and consumer trends in leading publications

Dr. Archana Niranjan Hingorani is an Independent Director of our Company. She holds a bachelor's degree in arts from the University of Mumbai, a master's degree in business administration from the Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She has 23 years of experience in financial services and private equity fund investment. Prior to joining our Company, she was associated with the IL&FS Group for 22 years, in various capacities, including being the CEO of IL&FS Investment Managers Limited. She has been the recipient of various awards such as 'Ten most influential women in private real estate investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today, '25 Most Influential Women in Asia Asset Management' by Asian Investor in May, 2014, and 'Distinguished International Alumnus' in the year 2016 by the Katz Graduate School of Business, University of Pittsburgh, USA.

Mr. Neeraj Swaroop is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in business administration from Indian Institute of Management, Ahmedabad. He also holds a post-graduation degree in retail bank management from University of Virginia. He has many years of experience in financial services and consumer goods industry. Prior to joining our Company, he was the country head for India of the Singapore Exchange from January 2017 to June 2018. Mr. Neeraj Swaroop has been associated with Standard Chartered Bank, in various capacities, including being the chief executive officer of its Singapore franchise from 2014 to 2015, the chief executive officer for nine south-east Asian countries from 2012 to 2013 and the chief executive officer for its India, Bangladesh, Sri Lanka, Nepal and Afghanistan franchise from 2005 to 2011.

Mr. Sunil Gulati is an Independent Director of our Company. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Delhi and a master's degree in business administration from the Indian Institute of Management, Ahmedabad. He also completed a course on 'Governing the Corporation: Global Perspectives in the Indian Context' from The Wharton School, University of Pennsylvania. He has 29 years of experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy. He is the non-executive chairman of Merisis Advisors, a boutique investment bank. He is an advisor to Ambit Finvest, Insense Analytics and WEH Ventures. Prior to joining our Company, he was working with the RBL Bank for six years, from 2010 to 2016 as the chief risk officer, held various positions at Yes Bank between 2006 and 2010, and was the chief operating officer for GE Capital Services India from 2004. He was also designated as the head of investment banking and managing director in the corporate finance department at ING Bank. He was also the executive vice president in ING Vysya Bank Limited. He was also on the board of trustees for ING Investment Management in India between 2012 and 2014 and was associated with Bank of America, in India and Hong Kong from 1989 to 2001. Mr. Sunil Gulati is also a charter member of TiE and their fintech special interest group. He is also a member of the advisory board of S.P. Jain Global Management School and a visiting faculty to Goa Institute of Management.

Mr. Nitin Chopra is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Kanpur and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has many years of experience in the financial services industry. Prior to joining our Company, he was associated with RBL Bank from 2010 to 2015, as its head of retail and consumer banking, where he oversaw business banking, retail branch banking, retail assets and liabilities, credit cards, HNI business and marketing functions. Mr. Nitin Chopra was also associated with Bharti AXA Life Insurance, as its chief executive officer from May 2006 to April 2010. He has been an independent director on the boards of various companies, including Vodafone m-pesa Limited and Vodafone Business Services Limited.

Ms. Sonu Bhasin is an Independent Director of our Company. She holds a bachelor's degree of science in mathematics from St. Stephen's College, Delhi University and a master's degree in business administration from Faculty of Management Studies, Delhi University. She has many years of experience in business, retail and banking. Prior to joining our Company, she has worked with various Tata companies such as Tata Housing Development Company Limited, Rallis India Limited and Tata Press Limited. She was also the chief operating officer of Tata Capital Limited. Ms. Sonu Bhasin was also the group president, branch banking at Yes Bank between August 2011 and October 2012, president, retail banking and business head at Axis Bank between July 2005 and July 2011. She is also the author of the book 'The Inheritors – Stories of Entrepreneurship and Success'.

Mr. Abhaya Prasad Hota is an Independent Director of our Company. He holds a bachelor's and master's degree in English literature from Sambalpur University and is a Certified Associate of the Indian Institute of Bankers. He has many years of experience in banking technology and regulatory compliance. He is currently on the boards of Federal Bank, IDBI Intech and Motilal Oswal Asset Management Company. Mr. Abhaya Prasad Hota is also a part time consultant to World Bank, as an expert on national payment system to World Bank missions. Prior to joining our Company, he has worked for 28 years with the Reserve Bank of India in the areas of operating payments system platforms and payment system policy and for eight years as the managing director and chief executive officer of National Payments Corporation of India.

Mr. Joginder Pal Dua is an Independent Director of our Company. He holds a bachelor's degree in law from Meerut University and a master's degree in economics from Punjab University. He has many years of experience in banking, finance and financial reconstruction. He has served as a member of the governing board of Indian Institute of Banking and Finance and Xavier Institute of Management, Bhubaneshwar. Prior to joining our Company, he was the member of the Board of Industrial and Financial Reconstruction between January 2013 and May 2015 and its chairman from May 2015 to January 2016. He was also the executive director of Allahabad Bank between November 2007 and December 2009 and chairman and managing director between December 2009 and August 2012. Prior to joining Allahabad Bank, he was the general manager at Oriental Bank of Commerce.

Relationship between Directors

None of our Directors is related to each other.

Terms of Appointment of our Executive Directors

Ashish Kumar Srivastava

Ashish Kumar Srivastava was appointed as the Managing Director and Chief Executive Officer of our Company for a period of five years from October 1, 2017 to September 30, 2022 by a board resolution dated October 10, 2017, shareholders resolution dated December 13, 2017, IRDAI letter approving his appointment dated September 27, 2017 and an appointment letter dated August 11, 2017. For details of the remueration paid to Mr. Ashish Kumar Srivastava for Fiscal 2018, see "- ***Compensation paid to our Executive Director***" on page 210.

Payment or benefit to Directors of our Company

The compensation paid or payable in the form of remuneration or sitting fees to our Directors for Fiscal 2018 are set out below:

1. Compensation paid to our Executive Director

Following are the details in relation to the remuneration of our Managing Director and Chief Executive Officer, Mr. Ashish Kumar Srivastava for Fiscal 2018, which he is entitled to receive per annum, in such capacity:

Particulars	Amount *per annum* (₹)
Fixed remuneration (inclusive of all taxable and non-taxable emoluments, allowances, perquisites, benefits and statutory contribution)	₹ 22.57 million
Annual discretionary bonus*	Amount will range from 45% to 90% of fixed remuneration with an annual target opportunity of 60% of annual fixed pay, which is currently ₹ 10.8 million
Joining bonus (to be paid in the month of joining)	₹ 6.86 million.
Others benefits	1. Car with driver; 2. Club membership; 3. Group medical insurance cover; 4. Group personal accident cover; and 5. Group life insurance cover.

***** *Annual discretionary bonus is subject to the annual review by the Board and is payable after approval from the IRDAI. For Fiscal 2018, the amount for annual bonus is pending for payout, since IRDAI approval is awaited.*

He was paid ₹ 28.67 million in Fiscal 2018, which amount does not include non-taxable reimbursements and employers' contribution of provident fund.

In addition, Mr. Ashish Kumar Srivastava, our MD and CEO, is entitled to certain numbers of restricted units as may be granted to him from time to time under the MetLife Restricted Unit Agreement (the "**Restricted Unit Agreement**", and, such units, the "**Restricted Units**"), as well as certain numbers of performance units as may be granted to him from time to time under the MetLife Performance Unit Agreement (the "**Performance Unit Agreement**", and, such units, the "**Performance Units**"), subject in both cases to the terms and conditions of the MetLife 2015 Stock and Incentive Compensation Plan, effective January 1, 2015 (the "**MetLife Plan**"). The Restricted Units and the Performance Units are together referred to as the ("**MetLife Units**").

The payment due under the Restricted Unit Agreement is linked to the closing price of the shares of MetLife as on the dates of determination, in three annual tranches, commencing from the date of grant (currently, from February 28, 2017, in terms of a letter issued to Mr. Ashish Kumar Srivastava by American Life Insurance Company, an affiliate of MetLife).

The payment due under the Performance Unit Agreement is linked to the meeting of certain performance goals by MetLife, at a formula which is determined by the closing price of the shares of MetLife, multiplied by the final performance factor, which may be up to 175% of the performance units held by an eligible grantee, at the conclusion of the specified performance period, January 1, 2017 to December 31, 2017, immediately preceding the date of grant (currently, from February 28, 2017, in terms of a letter issued to Mr. Ashish Kumar Srivastava by American Life Insurance Company, an affiliate of MetLife).

Such payments may be made in cash, subject to applicable withholding tax, by any one or more affiliates of MetLife, including our Company. The MetLife Plan, including the Restricted Unit Agreement and the Performance Unit Agreement, is governed under the laws of Delaware.

Mr. Ashish Kumar Srivastava currently holds 1,579 accumulated and outstanding MetLife Units, to vest in tranches in December 2018, March 2019, December 2019 and March 2020, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, although the quantum of such payment cannot presently be ascertained, as it is linked to the closing stock price and performance of MetLife, as described above. As on the date of the DRHP, 1044 units have vested with Mr. Ashish Kumar Srivastava. Further, an amount of ₹ 2.27 million for MetLife Units vested in December 2017, February 2018 and March 2018 is due for payout and is pending approval from the IRDAI.

Mr. Ashish Kumar Srivastava is also entitled to incentives under the annual LTI Plan. For a description of the LTI Plan, see "***- Bonus or profit sharing plan for KMPs***" on page 230.

2. Compensation paid to our Non-Executive Directors and Independent Directors

Pursuant to the resolution passed by our Board on May 29, 2018 our Independent Directors are entitled to receive a sitting fee of ₹ 0.1 million for attending each meeting of our Board and ₹ 0.08 million for attending each meeting of the committees.

Details of the sitting fees paid by our Company to the Non-Executive Directors and Independent Directors in Fiscal 2018 are as follows:

S. No	Name of Director	Total Amount of Sitting Fees Paid (in ₹ million)
1.	Mr. Lyndon Emanuel Oliver	Nil
2.	Mr. Bharat Raj Kannan	Nil
3.	Mr. Lingam Venkata Prabhakar	Nil
4.	Mr. Pheroze Kersasp Mistry	Nil
5.	Mr. Surbhit Dabriwala	Nil
6.	Mr. Sunil Mehta	Nil
7.	Mr. Erach Kotwal	Nil
8.	Ms. Anisha Motwani	1.45
9.	Dr. Archana Niranjan Hingorani	1.2
10.	Mr. Neeraj Swaroop	0.4
11.	Mr. Sunil Gulati	Nil*
12.	Mr. Nitin Chopra	Nil*
13.	Ms. Sonu Bhasin	Nil*
14.	Mr. Abhaya Prasad Hota	Nil*
15.	Mr. Joginder Pal Dua	Nil*

** Mr. Sunil Gulati, Mr. Nitin Chopra, Ms. Sonu Bhasin, Mr. Abhaya Prasad Hota and Mr. Joginder Pal Dua were appointed in Fiscal 2019, hence no compensation were paid to them in Fiscal 2018.*

3. Compensation paid or payable from our Subsidiaries

As on the date of filing of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

4. Loans to Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding loans availed by our Directors from our Company.

As on the date of this Draft Red Herring Prospectus, none of our Directors is related to the beneficiaries of loans, advances and sundry debtors of our Company.

5. Bonus or profit sharing plan for the Directors

Our Company does not have a bonus or profit sharing plan for our Directors.

However, for information on certain incentives paid or payable from time to time to Mr. Ashish Kumar Srivastava, our MD and CEO, under the MetLife Plan, see "***-Payment or benefit to Directors of our Company - Compensation paid to our Executive Directors***" on page 210.

Shareholding of our Directors

1. Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

None of our Directors holds any shares in our Company as on the date of this Draft Red Herring Prospectus.

2. Shareholding of Directors in our Subsidiaries

As on date of filing of this Draft Red Herring Prospectus, our Company does not have any subsidiaries.

Service contracts with Directors

There are no service contracts entered into with any Directors, which provide for benefits upon termination of employment.

Interest of Directors

Our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them. For further details, see "***- Payment or benefit to Directors of our Company***" on page 209.

Our Directors may also be interested to the extent of Equity Shares, if any held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer. Additionally, the Directors may be interested to the extent of stock options that have been or may be granted to them from time to time under ESOP Scheme 2017. For further details regarding the shareholding of our Directors and ESOP Scheme 2017, see "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" and "***Capital Structure – Employee Stock Option Scheme***" on pages 90 and 82. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

None of our Directors has been declared as a Wilful Defaulters.

Interest in land and property

Our Directors are not interested in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus, or presently intended to be acquired by it.

None of our Directors has any interests in any transaction by our Company for acquisition of land, construction of building and supply of machinery.

Interest in promotion of our Company

None of our Directors have any interest in the promotion of our Company, as on the date of this Draft Red Herring Prospectus. For more information, see "***– Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 90.

Directorships of Directors in listed companies

Our Directors are not, and for the five years prior to the date of this Draft Red Herring Prospectus, have not been on the board of any listed company whose shares have been/were suspended from being traded on BSE or NSE.

Except as provided below, none of our Directors has been or is a director on the board of any listed companies which have been or were delisted from any stock exchange(s):

S. No	Name of the company	Name of the stock exchange(s) on which the company was listed	Date of delisting on stock exchanges	Whether the delisting was compulsory or voluntary delisting:	Reasons for delisting	Whether the company has been relisted	Date of relisting, in the event the company is relisting	Name of the stock exchange(s) on which the company was relisted	Term of directorship (along with relevant dates) in the company
					Mr. Surbhit Dabriwala				
1.	EIL	Pune Stock Exchange	April 13, 2015	Voluntary Delisting	Pune Stock Exchange ceased to be a stock exchange with effect	No	No	No	Not applicable

	from April 13, 2015	

Except as disclosed below, none of our Directors is associated with the securities market in any manner.

1. Mr. Lingam Venkata Prabhakar is associated with PNB, which is a SEBI registered entity. SEBI has not initiated any action against PNB, as on date, except as disclosed in "***Outstanding Litigation and Material Developments***" on page 377. For further details, see "***Pending action by statutory or regulatory authorities against PNB***", on page 391;

2. Mr. Sunil Mehta is associated with PNB, PNB Investment and PNB Gilts Limited, which are SEBI registered entities. SEBI has not initiated any action against any of these entities, as on date, except for PNB, as is disclosed in "***Outstanding Litigation and Material Developments***" on page 377. For further details, see "***Pending action by statutory or regulatory authorities against PNB***", on page 391; and

3. Mr. Pheroze Kersasp Mistry is associated with Pallonji Leasing Private Limited, which is a SEBI registered entity. SEBI has not initiated any action against Palonji Leasing Private Limited, as on date. However, SEBI had, in the past, and more recently, by way of its letter dated February 25, 2011 sought payment of allegedly overdue fees from Pallonji Leasing Private Limited. Pallonji Leasing Private Limited responded to such letters, with its most recent letter dated March 22, 2011 conveying that it had not carried out any merchant banker activity and that its registration certificate as a merchant banker was cancelled and surrendered. There has been no further correspondence in this regard from SEBI till date.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below. All directors, except Executive Directors and Independent Directors, whose terms are defined at the time of their appointments on the Board, are subject to retirement by rotation at every Annual General Meeting as per our Articles of Association.

Name of Director	Date of Change	Reasons
Mr. Lingam Venkata Prabhakar	July 19, 2018	Appointment
Mr. Sanjiv Sharan	May 30, 2018	Resignation
Mr. Doulat Raj Mohnot	May 29, 2018	Resignation
Mr. Sunil Gulati	May 28, 2018	Appointment
Mr. Nitin Chopra	May 28, 2018	Appointment
Ms. Sonu Bhasin	May 28, 2018	Appointment
Mr. Abhaya Prasad Hota	May 28, 2018	Appointment
Mr. Joginder Pal Dua	May 28, 2018	Appointment
Mr. Lyndon Emanuel Oliver	January 28, 2018	Change in Designation
Mr. Neeraj Swaroop	October 10, 2017	Appointment
Mr. Ashish Kumar Srivastava (Appointment as CEO and MD)	October 1, 2017	Change in Designation
Mr. Doulat Raj Mohnot	September 12, 2017	Appointment
Mr. Surbhit Dabriwala	August 10, 2017	Re-Appointment
Mr. Pheroze Kersasp Mistry	August 10, 2017	Re-Appointment
Mr. Erach Kotwal	August 10, 2017	Re-Appointment
Mr. Lyndon Emanuel Oliver	August 10, 2017	Re-Appointment
Mr. Vijay Chopra	August 5, 2017	Resignation
Mr. Sunil Mehta	August 2, 2017	Appointment
Mr. Bharat Raj Kannan	August 2, 2017	Appointment
Dr. Archana Niranjan Hingorani	June 30, 2017	Appointment
Ms. Kastity Ha	May 19, 2017	Resignation
Mr. Sanjiv Sharan	May 8, 2017	Appointment
Ms. Usha Ananthasubramaniam	May 5, 2017	Resignation
Mr. M. Balachandran	April 23, 2017	Resignation
Mr. Ashish Kumar Srivastava (Appointment as Principal Officer)	March 31, 2017	Appointment
Mr. Tarun Chugh	March 31, 2017	Retirement
Mr. Bhupinder Singh Passi	February 28, 2017	Resignation
Ms. Anisha Motwani	February 7, 2017	Appointment
Ms. Vibha Paul Rishi	September 7, 2016	Resignation

Name of Director	Date of Change	Reasons
Mr. Lyndon Emanuel Oliver	August 10, 2018	Appointment
Mr. Toby S. Brown	August 10, 2016	Resignation
Ms. Mehli Mistry	August 1, 2016	Resignation
Mr. Bhupinder Singh Passi	July 14, 2016	Appointment
Mr. Kastity Ha	May 3, 2016	Appointment
Ms. Gauri Shankar	March 31, 2016	Resignation
Ms. Usha Ananthasubramniam	December 23, 2015	Appointment

Payment of non-salary related benefits

Except as stated in "***-Compensation paid to our Executive Directors***", "***-Compensation paid to our Non-Executive Directors and Independent Directors***", "***-Compensation paid or payable from our Subsidiaries***" and "***Financial Statements-Related Party Transactions***", our Company has not, in the last two years preceding the date of this Draft Red Herring Prospectus, paid, and nor does it intend to pay, any non-salary related amount or benefits to our Directors.

Appointment of relatives to a place of profit

None of the relatives of the Directors has been appointed to an office or place of profit in our Company.

Borrowing Powers

Our Company can borrow or lend as per the provisions of the Companies Act, 2013, Insurance Act, IRDAI Act and other applicable laws, including rules and regulations issued thereunder. Our Company does not have any outstanding loans as on the date of this Draft Red Herring Prospectus.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. The provisions of the IRDAI CG Guidelines are also applicable to our Company. Our Company is in compliance with applicable law, specifically the corporate governance requirement of the SEBI Listing Regulations to the extent applicable, the Companies Act, 2013, the IRDAI CG Guidelines and the SEBI ICDR Regulations in respect of corporate governance particularly in relation to constitution of the Board and Committees of our Board. The corporate governance framework is based on an effective independent board of directors, separation of the board of directors' supervisory role from the executive management team and constitution of the committees of the board of directors, each as required under law.

Our Board is constituted in compliance with the Companies Act, 2013, the SEBI Listing Regulations and in accordance with best practices in corporate governance in relation to the composition of our Board and constitution of committees thereof. The Board functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board detailed reports on its performance periodically.

Board Committees

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations, the IRDAI CG Guidelines and the Companies Act, 2013:

(a) the Audit Committee;

(b) the Nomination and Remuneration Committee (the "**NRC**");

(c) the Stakeholders' Relationship Committee (the "**SRC**");

(d) the Corporate Social Responsibility ("**CSR**") Committee;

(e) the ALM and Risk Management Committee;

(f) the Investment Committee;

(g) the Policyholders Protection Committee (the "**PPC**"); and

(h) the With Profits Committee (the "**WPC**").

Audit Committee

Our Audit Committee was constituted pursuant to a resolution passed by our Board dated June 30, 2008 and was last reconstituted pursuant to a resolution of our Board dated July 7, 2018, and is in compliance with the Companies Act, 2013, the SEBI Listing Regulations and the IRDAI CG Guidelines. The Audit Committee currently comprises:

1. Dr. Archana Niranjan Hingorani – *Chairperson*

2. Ms. Anisha Motwani – *Member*

3. Mr. Neeraj Swaroop – *Member*

4. Mr. Lyndon Emanuel Oliver – *Member*

5. Mr. Lingam Venkata Prabhakar - *Member*

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference: The Audit Committee performs the following functions with regard to accounts and financial management, as per the terms of reference approved by the Board on May 29, 2018.

A. The Audit Committee shall have the powers, including the following:

   i. to investigate any activity within its terms of reference;

   ii. to seek information from any employee;

   iii. to obtain outside legal or other professional advice; and

   iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Set forth below are the terms of reference of the Audit Committee

(a) Functions and Responsibilities:

   i. Financial Statements:

      a. Examination of Financial statements and Auditors report thereon. The Committee shall oversee the financial reporting, statement of cash flow and disclosure processes both on an annual and quarterly basis with particular reference to:

         i. Matters required to be included in Directors responsibility statement in Board's report pursuant to Section 134 of Companies Act, 2013

         ii. Changes, if any in accounting policies and practices and reasons for the same

         iii. Major accounting entries involving estimates based on the exercise of judgment by management

         iv. Significant adjustment made in the financial statements arising out of audit findings

         v. Compliance with listing and other applicable requirements relating to financial statements

         vi. Disclosure of any related party transactions

         It shall set up procedures and processes to address all concerns relating to adequacy of checks and control mechanisms.

      b. Oversight on the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the insurer, whether raised by the auditors or by any other person

c. The audit committee shall mandatorily review the following information:

   i. management discussion and analysis of financial condition and results of operations;

   ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;

   iii. management letters / letters of internal control weaknesses issued by the statutory auditors;

   iv. internal audit reports relating to internal control weaknesses; and

   v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

   vi. statement of deviations:

      a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

      b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

ii. Internal Audit:

   a. Oversee the efficient functioning of the internal audit department and review its reports. The committee will additionally monitor the progress made in rectification of irregularities and change in processes wherever deficiencies have come to notice.

   b. review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

   c. discussion with internal auditors of any significant findings and follow up there on.

iii. Related Party Transactions:

   a. Approval or any subsequent modification of transactions of the company with related parties;

   b. Audit Committee may grant omnibus approval for Related party Transactions proposed to be entered into by the Company subject to the such conditions as specified in the Related Party Transaction Policy of the Company.

iv. Others:

a. responsible for the recommendation of the appointment, remuneration, performance and to provide oversight to the work of the auditors (internal/statutory/Concurrent/Any other Auditor as per regulatory stipulations). In case of statutory audit, the independence of the external auditors shall be ensured (Although the approval of appointment, remuneration and removal of the statutory auditors shall be done by the shareholders at the general body meeting). Further, the requirement of specific approval by the Board is limited to cases wherein work, other than statutory audit, is proposed to be assigned to statutory auditors or their associates. The Audit committee will also review and monitor the auditors independence and performance.

b. discuss with the statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussions to address areas of concern Further, discuss with the statutory auditors periodically about internal control systems, the scope of the audit including the observations of the auditors (where applicable) and review and approve the quarterly/half yearly and annual financial statements as the case may be and submit to the Board of Directors and also ensure compliance with the Internal control systems.

c. act as a Compliance Committee to discuss the level of compliance in the Company and any associated risks and shall monitor and report to the Board on any significant compliance breaches.

d. Any additional work other than financial or statutory/internal audit that is entrusted to the auditor or any of its associated persons or companies shall be specifically approved by the Board keeping in mind the necessity to maintain the independence and integrity of the audit relationship. All such work entrusted to the auditor or its associates shall be specifically disclosed in the Notes to Accounts forming part of the annual accounts of the insurer. However, it may be ensured that the insurance companies comply with Section 144 of the Companies Act, 2013 before deciding to provide any additional work to the Statutory Auditors.

e. Scrutiny of inter-corporate loans and investments;

f. valuation of undertakings or assets of the company, wherever it is necessary;

g. evaluation of internal financial controls and Risk Management systems (may rely on review made by the ALM & Risk Management Committee)

h. To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

i. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

j. The Audit Committee shall have authority to investigate into any matter in relation to items specified below or referred to it by the Board and for this purpose shall have full access to information contained in the records of the company and external professional advice if necessary-

    vii. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;

    viii. review and monitor the auditor‘s independence and performance, and effectiveness of audit process;

    ix. examination of the financial statement and the auditors‘ report thereon;

    x. approval or any subsequent modification of transactions of the company with related parties:

    xi. scrutiny of inter-corporate loans and investments;

    xii. valuation of undertakings or assets of the company, wherever it is necessary;

    xiii. evaluation of internal financial controls and risk management systems;

    xiv. monitoring the end use of funds raised through public offers and related matters.

k. reviewing the findings of any internal investigations by the Internal Auditors / Ethics & Compliance into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature (as per the materiality policy approved by the Board) and reporting the matter to the board;

l. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; to review the functioning of the whistle blower mechanism;

m. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

n. Any other matter, as may be stipulated under the Companies Act 2013 / IRDA regulations / such other regulations as may be applicable from time to time.

(b) Authority

d. The Audit Committee operates under the Authority of the Board and is allowed to access any Business Information considered relevant by Audit Committee in discharging its responsibilities.

e. The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor‘s report but shall not have the right to vote.

f. The Committee may also discuss any related issue with the Internal and Statutory Auditors and the management of the company. The statutory auditors will also have access to the Board of Directors through the Audit committee. The Auditors and the Key Managerial Personnel shall have a right to be heard at the meetings of the Audit Committee but shall not have a right to vote.

- The Board’s report shall disclose the composition of the Audit Committee and where the Board has not accepted the recommendation of the Audit Committee, the same shall be disclosed in such report along with reasons therefore.

NRC

Our NRC was constituted pursuant to a resolution passed by our Board dated April 1, 2013 and was last reconstituted pursuant to a resolution of our Board dated May 29, 2018. Our NRC is in compliance with the Companies Act, 2013, the SEBI Listing Regulations and the IRDAI CG Guidelines. Our NRC currently comprises:

1. Mr. Neeraj Swaroop – *Chairperson*
2. Mr. Abhaya Prasad Hota – *Member*
3. Mr. Sunil Gulati – *Member*
4. Dr. Archana Niranjan Hingorani – *Member*
5. Mr. Lyndon Emanuel Oliver – *Member*
6. Mr. Sunil Mehta – *Member*
7. Mr. Surbhit Dabriwala – *Member*
8. Mr. Pheroze Kersasp Mistry – *Member*

Scope and terms of reference: The terms of reference of the NRC, as per the terms of reference approved by the Board on May 29, 2018, are set forth below:

(a) Functions and Responsibilities

i. To identify persons who are qualified to become directors in accordance with laid down criteria (determining qualifications, positive attributes and independence of a director), to scrutinize their declarations before appointment / reappointment and recommend to the Board their appointment and removal.

ii. To scrutinize the applications and details submitted by the aspirants for appointment as the Key Managerial Persons (as defined under the IRDAI Guidelines and the Companies Act), make independent reference checks to verify the accuracy of their information and credentials and to recommend their appointment / termination to the Board for its approval and to ensure that such proposed appointments/ re-appointments of KMPs are in conformity with the Board approved policy on retirement/ superannuation.

iii. To determine, review and formulate on behalf of the Board and on behalf of the shareholders with agreed terms of reference, the Company's policy on remuneration packages and any compensation payment, for the CEO, the Executive Directors, Key Management Persons (KMPs) of the Company. Further to ensure that the remuneration package is aligned appropriately with the performance objectives laid down and as per the Remuneration Policy of the Company.

iv. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

v. To develop measures to carry out evaluation of Board and Directors performance, and for this purpose, to formulate the Performance Evaluation Policy for the Board as a whole, its various Committees and individual Directors.

vi. To review the talent management and succession process to ensure business continuity.

vii. To make available its terms of reference, its role, the remuneration policy / philosophy of the company, the authority delegated to the Committee by the Board, and what it has done for the year under review to the shareholders in the Annual Report.

viii. To formulate, review and recommend various Policies and processes as may be required under the IRDAI guidelines, the Listing regulations or under the Companies Act or as may be directed and delegated to it by the Board from time to time.

ix. Roll out, Administration & Superintendence of any Share based employee benefits scheme including ESOP, ESPS, ESOS etc as may be approved by the Shareholders of the Company in line with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2015; IRDAI Regulations; and the provisions of the Companies Act and any rules made thereunder, as may be amended from time to time.

x. To formulate the detailed terms and conditions of the schemes referred under i) as per the provisions specified by SEBI (including as amended from time to time) and frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003 by the trust, the company and its employees, as applicable.

xi. To devise a policy on diversity of board of directors;

xii. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

xiii. Other terms as may be delegated to it by the Board of Directors or as may be specified under the Companies Act 2013 or IRDAI regulations or SEBI Guidelines.

(b) Authority

The Committee operates under the authority of the Board and is allowed to access any Business Information considered relevant by it to mitigate any potential HR issues.

SRC

Our SRC was constituted by a resolution of our Board dated May 29, 2018, in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our SRC currently comprises:

1. Ms. Sonu Bhasin – *Chairperson*

2. Ms. Anisha Motwani – *Member*

3. Mr. Ashish Kumar Srivastava – *Member*

Scope and terms of reference: The terms of reference of our SRC, as per the terms of reference approved by the Board on May 29, 2018, are as follows:

(a) Functions and responsibilities

i. The Committee shall consider and oversee the implementation of the objectives stated in this Charter.

ii. The Committee shall resolve complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, issue of duplicate certificates and new certificates on split/consolidation / renewal etc., transfer / transmission, dematerialization and rematerialization of equity shares and oversee the performance of the Register and Transfer Agents and recommend measures for overall improvement in the quality of investor services.

iii. The Committee shall review the Company's obligations towards meeting environment, health and safety requisites for the benefit of Stakeholders.

iv. The Committee shall periodically provide updates to the Board.

v. To Committee may consult with other committees of the Board, if required, while discharging its responsibilities.

vi. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

vii. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

(b) Authority

The Committee operates under the authority of the Board and is allowed to access any business information considered relevant by it to mitigate any potential with security holders.

CSR Committee

Our CSR Committee was constituted by a resolution of our Board dated April 28, 2014 and was last reconstituted pursuant to a resolution of our Board dated May 29, 2018. The CSR Committee is in compliance with the Companies Act, 2013 and the IRDAI CG Guidelines. The CSR Committee currently comprises:

1. Mr. Sunil Gulati – *Chairperson*

2. Mr. Surbhit Dabriwala– *Member*

3. Mr. Erach Kotwal – *Member*

Scope and terms of reference: The terms of reference of the CSR Committee, as per the terms of reference approved by the Board on May 29, 2018, are set forth below:

(a) Functions and Responsibilities

i. Formulation and recommendation to the Board, of the " Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;

ii. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (i);

iii. Monitoring the Corporate Social Responsibility Policy of the Company from time to time;

iv. Reviewing the progress made in each of the CSR areas identified by the company and impact created and updating the Board on a regular basis;

v. Ensuring that the CSR activities and the calculation of CSR expenditure are in line with the IRDAI regulatory Guidelines and the Companies Act 2013, and rules framed therewith;

vi. Any other item, as may be directed by the Board from time to time.

(b) Authority

The Committee operates under the authority of the Board and is allowed to access any Business Information considered relevant by it to mitigate any potential CSR related issues.

ALM and Risk Management Committee

Our ALM Committee and Risk Management Committee were constituted by resolutions of our Board dated December 15, 2009. The Board, by resolution dated February 26, 2010, decided to merge ALM Committee and Risk Management Committee to form a single committee called ALM and Risk Management Committee and was last reconstituted pursuant to a resolution of our Board dated July 7, 2018. Pursuant to the IRDAI CG Guidelines, the Risk Management function is under the overall guidance and supervision of the Chief Risk Officer, appointed with a clearly defined role. The Risk Management Committee is in compliance with the Companies Act, 2013, the SEBI Listing Regulations and the IRDAI CG Guidelines. The Risk Management Committee currently comprises:

1. Mr. Joginder Pal Dua – *Chairperson*

2. Mr. Nitin Chopra – *Member*

3. Mr. Bharat Raj Kannan – *Member*

4. Mr. Erach Kotwal – *Member*

5. Mr. Surbhit Dabriwala – *Member*

6. Mr. Ashish Kumar Srivastava – *Member*

7. Mr. Lingam Venkata Prabhakar – *Member*

Scope and terms of reference: The terms of reference of ALM and Risk Management Committee, as per the terms of reference approved by the Board on May 29, 2018, are set forth below:

(a) Functions and Responsibilities

a. Risk Management

The Committee shall:

i. Establish effective and strong Risk Management framework and recommend to the Board the Risk Management policy and processes for the organization.

ii. Approve the risk tolerance limits and assess the cost and benefits associated with risk exposure.

iii. Review the Company's risk- -reward performance to align with overall policy objectives.

iv. Discuss and consider best practices in risk management in the market and advise the management;

v. Assist the Board in effective operation of the risk management system by performing specialized analysis and quality reviews; and for this purpose, to monitor, review and approve the recommendations made by the Management regarding appropriate mitigation strategies.

vi. Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.

vii. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.

viii. Report to the Board, details on the risk exposures and the actions taken to manage the exposures; review, monitor and challenge where necessary, risk mitigation undertaken by the Company

ix. Review the solvency position of the Company on a regular basis.

x. Monitor and review regular updates on business continuity.

xi. Formulation of a Fraud monitoring policy and framework for approval by the Board.

xii. Monitor implementation of Anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.

xiii. Review compliance with the guidelines on Insurance Fraud Monitoring Framework as may be issued by the IRDAI from time to time.

xiv. Such other matters as may be delegated by the Board from time to time.

b. *Assets Liabilities Management*

ALM is an ongoing process of formulating, implementing, monitoring and revising strategies related to assets and liabilities to achieve an organization's financial objectives, given the organization's risk appetite, risk tolerances, and business profile. It lays down the framework to ensure that the insurer invests in a manner which would enable it to meet its cash flow needs and capital requirements at a future date to mitigate liquidity risk and solvency stipulations. As part of its ALM responsibilities, the functions of the Committee shall include:-

i. Setting the insurer's risk/reward objectives and access policyholder expectations.

ii. Quantifying the level of risk exposure and assessing the expected rewards and costs associated with the risk exposure.

iii. Formulating and implementing optimal ALM strategies and meeting risk/reward objectives.

iv. The strategies must be laid down both at product level and enterprise level.

v. Ensuring that liabilities are backed by appropriate assets and manage mismatches between assets and liabilities to ensure they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity.

vi. Monitoring risk exposure at periodic intervals and revising ALM Strategies where required.

vii. Reviewing, approving and monitoring systems, controls and reporting used to manage balance sheet risks including any mitigation strategies.

viii. Regular review and monitoring of mismatch between assets and liabilities and the acceptable tolerance limits for mismatch, if any.

ix. Ensuring that management and valuation of all assets and liabilities comply with standards, prevailing legislation and internal and external reporting requirements.

x. Submitting the ALM information before the Board at periodic intervals. Annual review of strategic asset allocation.

xi. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities.

xii. Managing capital requirements at the company level using the regulatory solvency requirements

xiii. Reviewing, approving and monitoring capital plans and related decisions over capital transactions (e.g. dividend payments, acquisitions, disposals, etc.)

xiv. Such other matters as may be delegated by the Board from time to time.

c. For discharging its responsibilities, the Committee shall formulate, review and recommend various Policies and processes as may be directed and delegated to it by the Board such as Outsourcing Policy, Financial Condition Report, Report on data errors and Boundary conditions, System Certifications before product launches, Annual Persistency Report, Underwriting and Reinsurance Policies, Anti-Fraud Policy, Policy on Expense of Management, Policies on ALM and Capital Management, various IT, Risk Management and Security Policies etc.

(b) Authority

The ALM & Risk Management Committee operates under the authority of the Board and is allowed to access any Business Information considered relevant by it to mitigate any potential ALM, compliance or risk management issues.

Investment Committee

Our Investment Committee was constituted by a resolution of our Board dated January 5, 2002 and was last reconstituted pursuant to a resolution of our Board dated July 7, 2018. The Investment Committee is in compliance with the IRDAI CG Guidelines. The Investment Committee currently comprises:

1. Mr. Abhaya Prasad Hota – *Chairperson*
2. Ms. Archana Niranjan Hingorani – *Member*
3. Mr. Ashish Kumar Srivastava – *Member*
4. Mr. Surbhit Dabriwala – *Member*
5. Mr. Lingam Venkata Prabhakar – *Member*
6. Mr. Niraj Ashwin Shah – *Chief Financial Officer*
7. Mr. Sanjay Kumar – *Chief Investment Officer*
8. Mr. P. K. Dinakar – *Appointed Actuary*
9. Mr. Anjan Bhattacharya – *Chief Risk Officer*

Scope and terms of reference: The terms of reference of the Investment Committee, as per the terms of reference approved by the Board on May 29, 2018, are set forth below:

(c) Functions and responsibilities: The Committee plays a crucial role in managing investments out of policyholders' funds and shareholders' funds of the Company, and shall be responsible for :-

i. Recommending the investment policy and laying down and monitoring the operational framework for the investment operations of the Company. The policy should focus on a prudential Asset Liability Management (ALM) supported by robust internal control systems.

The Investment Policy and operational framework should, inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management / mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.

ii. Implementing the Investment Policy duly approved by the Board, and to review it from time to time based on the performance of investments and evaluation of dynamic market conditions.

iii. Formulation of an effective reporting system to ensure compliance with the policy set out by it apart from Internal /Concurrent Audit mechanisms for a sustained and ongoing monitoring of Investment Operations.

iv. Such other matters as may be specified by the IRDAI and as directed by the Board from time to time. For assessment of credit risk and market risk, the members of the Committee should not be influenced only by the credit rating. The Committee should independently review their investment decisions and ensure that support by the internal due diligence process is an input in making appropriate investment decisions.

(b) Authority

The Committee operates under the authority of the Board and is allowed to access any Business Information considered relevant by it to mitigate any potential issues that has a bearing over its Investment policy and protection of Policyholders' interests.

PPC

Our PPC was constituted by a resolution of our Board dated December 15, 2009 and was last reconstituted pursuant to a resolution of our Board dated July 7, 2018. The PPC is in compliance with the IRDAI CG Guidelines. The PPC currently comprises:

1. Ms. Anisha Motwani – Chairperson
2. Mr. Bharat Raj Kannan – *Member*
3. Mr. Erach Kotwal – *Member*
4. Mr. Ashish Kumar Srivastava – *Member*
5. Ms. Sonu Bhasin – *Member*
6. Mr. Lingam Venkata Prabhakar – *Member*

Scope and terms of reference: The terms of reference of the PPC, as per the terms of reference approved by the Board on May 29, 2018, are set forth below:

(a) Functions and Responsibilities

The functions and responsibilities of the Committee shall include:-

i. Adoption of standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof.

ii. Establish effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.

iii. Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.

iv. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.

v. Review the measures and take steps to reduce customer complaints at periodic intervals.

vi. Ensure compliance with the Turn around time for servicing of Policyholders request and other regulatory requirements related to Policyholders as issued by the IRDAI from time to time and review the satus of settlement of other customer benefit payouts like Surrenders, Loan, Partial withdrawal requests etc.

vii. Ensure adequacy of disclosure of “material information” to the policyholders. These disclosures shall comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.

viii. Provide details of grievances at periodic intervals in such formats as may be prescribed by the Authority.

ix. Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims.

x. Reviewing Repudiated claims with analysis of reasons.

xi. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.

xii. The Committee shall recommend a policy on customer education for approval of the Board and ensure proper implementation of the same.

xiii. he Committee is also to be apprised about the ageing analysis of unclaimed amount of Policyholders (‘Form A’), progress of settlement of unclaimed amount of Policyholders (‘Form B’) and the steps taken to identify the claimants and create awareness.

xiv. Such other matters as may be prescribed by the IRDAI and by the Board of Directors from time to time, including review and recommendation of various Policies and processes as may be directed and delegated to it by the Board.

(b) Authority

The Committee operates under the authority of the Board and is allowed to access any Business Information considered relevant by it to mitigate any potential policyholder protection issues.

WPC

Our WPC was constituted by a resolution of our Board dated May 23, 2013 and was last reconstituted pursuant to a resolution of our Board dated May 29, 2018. The WPC is in compliance with the IRDAI CG Guidelines. The WPC currently comprises:

1. Mr. Nitin Chopra – *Chairperson*

2. Mr. Joginder Pal Dua – *Member*

3. Mr. Ashish Kumar Srivastava – *MD and CEO*

4. Mr. P. K. Dinakar – *Appointed Actuary*

5. Ms. Padmaja R. – an independent actuary, appointed in accordance with the IRDAI Corporate Governance Guidelines

Scope and terms of reference: The terms of reference of our WPC, as per the terms of reference approved by the Board on May 29, 2018, are set forth below:

(a) Functions and Responsibilities:

a. The Committee shall carry out the functions of determining the following:-

i. the share of assets attributable to the policyholders

ii. the investment income attributable to the participating fund of policyholders

iii. the expenses allocated to the policyholders

b. The Committee will review and approve

   i. manner in which asset shares are developed eg. Expense allocation, charges towards capital and taxes etc. and ensuring that the methods (allocation of expenses, investment income allocated, charges etc.), models and assumptions adopted by the Appointed Actuary are appropriate

   ii. if the reserves set up in respect of par policies are appropriate and consistent with the Asset shares estimated

   iii. Bonus levels across different categories of policyholders and if the bonus declarations are in line with the policyholders' reasonable expectations

   iv. balance between regular and terminal bonuses

   v. annual report prepared on the With Profits Business every year

   vi. any other related matters therein and as may be directed by the Board from time to time.

c. The Committee shall ensure appropriate process control to ensure the safety of the par fund assets and its separation and independence from the life company funds, and that the par fund is managed equitably across the par policyholders and meets the policyholder reasonable expectations.

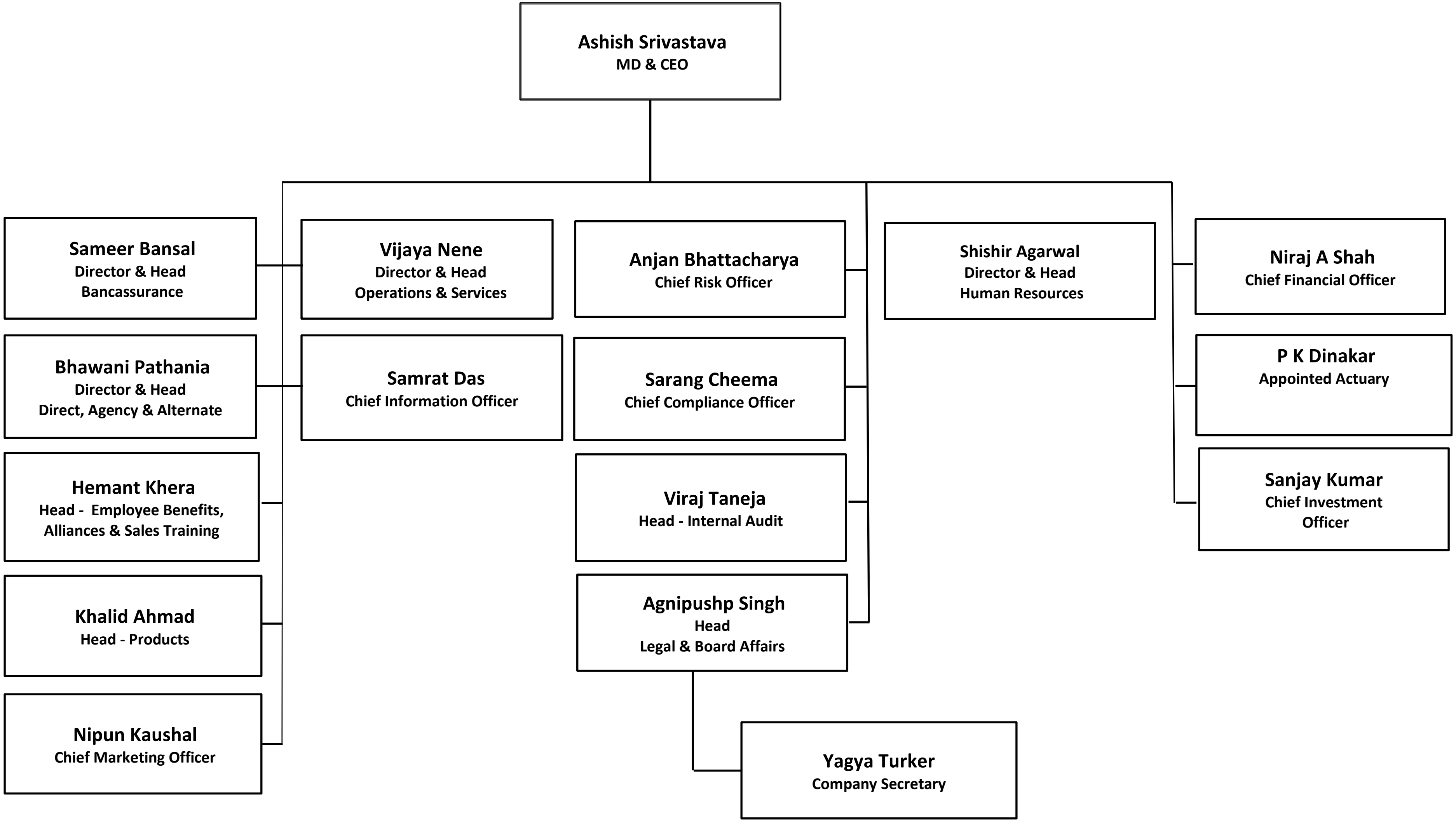
d. The Committee will prepare a report on the With Profits business every year which will be attached to the Actuarial Report and Abstract furnished by the Insurers to IRDAI.

e. The Committee will formulate various Policies and processes as may be required for discharging its responsibilities under this Charter.

(b) Authority

The Committee operates under the authority of the Board and is allowed to access any Business Information considered relevant by it to mitigate any potential policyholder protection issues.

Management Organization Structure



KMPs

In addition to Mr. Ashish Kumar Srivastava, whose details are provided in "***– Brief Profiles of our Directors***" on page 207, the details of our other KMPs as on the date of this Draft Red Herring Prospectus are set forth below.

Mr. Niraj Ashwin Shah, aged 43 years, joined our company on May 4, 2015 and was appointed as the Chief Financial Officer on July 21, 2016. He holds a post graduate diploma in management from Indian Institute of Management, Bangalore and is a chartered accountant, registered with the Institute of Chartered Accountants of India. He has 20 years of experience in insurance and banking industries in areas including finance, strategy, products, marketing, business analytics, investment banking and audit. Prior to joining our Company he was associated with ICICI Prudential Life Insurance Company Limited. During Fiscal 2018, he was paid a gross amount of ₹ 26.80 million, and has additionally been paid ₹ 1.02 million under the LTI Plan in June 2018 accrued for Fiscal 2018. He is also currently entitled to ₹ 1.76 million payable by our Company under the LTI Plan. He is also entitled to a payment of ₹ 7.3 million to be paid in July, 2018 as a part of one time retention plan. He is also currently entitled to 661 accumulated and outstanding MetLife Units, to vest in tranches in December 2018 and March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Mr. Sameer Bansal, aged 44 years, joined our company on February 1, 2007 and was designated as the Director& Head - Bancassurance on May 18, 2016. He holds a bachelor's degree in engineering from Mangalore University and post graduate diploma in management from the International Management Institute, New Delhi. He has 19 years of experience in management. During Fiscal 2018, he was paid a gross amount of ₹ 23.82 million, and has additionally been paid ₹ 1 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 1.68 million payable by our Company under the LTI Plan. He is also entitled to a payment of ₹ 5.6 million to be paid in July, 2018 as a part of one time retention plan. He is also currently entitled to 563 accumulated and outstanding MetLife Units, to vest in tranches in December 2018 and March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Mr. Bhawani Singh Pathania, aged 43 years, joined our company on April 1, 2015 and was designated as the Director & Head – Direct, Agency and Alternate on May 18, 2016. He holds a post graduate diploma in business management from the Institute of Management and Technology, Ghaziabad. He has 19 years of experience in sales. During Fiscal 2018, he was paid a gross amount of ₹ 20.50 million, and has additionally been paid ₹ 0.77 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 1.32 million payable by our Company under the LTI Plan. He is also entitled to a payment of ₹ 4.38 million to be paid in July, 2018 as a part of one time retention plan. He is also currently entitled to 633 accumulated and outstanding MetLife Units, to vest in tranches in December 2018 and March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Ms. Vijaya Sanjay Nene, aged 51 years, joined our company on January 12, 2006 and was designated as the Director & Head - Operations and Services of our Company on May 18, 2016. She holds an advanced diploma in management from ICFAI University. She has 27 years of experience in the life insurance industry in the areas of regulatory, compliance, risk, underwriting, claims and operations. Prior to joining our Company she was associated with Birla Sun Life Insurance Company Limited. During Fiscal 2018, she was paid a gross amount of ₹ 18.94 million, and has additionally been paid ₹ 0.7 million accrued for Fiscal 2018 under the LTI Plan in June 2018. She is also currently entitled to ₹ 1.20 million payable by our Company under the LTI Plan. She is also entitled to a payment of ₹ 4.00 million to be paid in July, 2018 as a part of one time retention plan. She is also currently entitled to 133 accumulated and outstanding MetLife Units, to vest in March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Mr. Samrat Ashim Das, aged 47 years, joined our company on April 18, 2016 and was designated as the Chief Information Officer of our Company on May 18, 2016. He holds a master's degree of business administration from Pune University. He has 22 years of experience across industries like pharmaceuticals, IT consulting, insurance and investment management and mutual funds. During Fiscal 2018, he was paid a gross amount of ₹ 12.95 million and has additionally been paid ₹ 0.37 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 0.63 million payable by our Company under the LTI Plan.

Mr. P. K. Dinakar, aged 52 years, joined our company on July 31, 2013 and was appointed as the Appointed Actuary on August 23, 2013. He holds a bachelor's degree in science from Calicut University and a master's degree in statistics from Cochin University of Science and Technology and is a fellow of the Institute of Actuaries of India. He has 28 years of experience in life insurance industry and handling actuarial functions. During Fiscal 2018, he was paid a gross amount of ₹ 19.07 million, and has additionally been paid ₹ 0.43 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 0.74 million payable by our Company under the LTI Plan. He is also entitled to a payment of ₹ 2.98 million to be paid in July, 2018 as a part of one time retention plan. He is also currently entitled to 405 accumulated and outstanding MetLife Units, to vest in tranches in November 2018, December 2018 and March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Mr. Sanjay Kumar, aged 48 years, joined our company on February 1, 2008 and was appointed as the Chief Investment Officer on June 3, 2015. He holds a bachelor's degree in chemical engineering from Jadavpur University and master's degree in business administration from Faculty of Management Studies (FMS), University of Delhi. He has 22 years of experience in financial services. During Fiscal 2018, he was paid a gross amount of ₹ 19.26 million and has additionally been paid ₹ 0.94 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 1.63 million payable by our Company under the LTI Plan. He is also currently entitled to 181 accumulated and outstanding MetLife Units, to vest in March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Mr. Khalid Ahmad, aged 38 years, joined our company on September 1, 2015 and was appointed as the Head – Products on December 1, 2016. He holds a bachelor's degree in science from University of Calcutta and a post graduate diploma in management studies from Management Development Institute, Gurgaon. He has 15 years of experience in insurance, banking and logistics. Prior to joining our company, he was associated with ICICI Prudential Life Insurance Company Limited. He has also been associated with Reliance Nippon Life Insurance Company Limited from May 2013 to August 2015. During Fiscal 2018, he was paid a gross amount of ₹ 10.30 million, and has additionally been paid ₹ 0.27 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 0.47 million payable by our Company under the LTI Plan. He is also entitled to a payment of ₹ 1.6 million to be paid in July, 2018 as a part of one time retention plan.

Mr. Hemant Khera, aged 46 years, joined our company on December 3, 2012 and was designated as the Head – Employee Benefits, Alliances and Sales Training of our Company on May 18, 2016. He is a chartered accountant, and has many years of experience in institutional business including public relations, NBFCs and life insurance. During Fiscal 2018, he was paid a gross amount of ₹ 12.05 million and has additionally been paid ₹ 0.34 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 0.58 million payable by our Company under the LTI Plan. He is also currently entitled to 109 accumulated and outstanding MetLife Units, to vest in March 2019, the monetary equivalent of which shall be payable by our Company, as an affiliate of MetLife, under the terms of the MetLife Plan, described above.

Mr. Nipun Kaushal, aged 43 years, joined our company on March 7, 2018 and was appointed as Chief Marketing Officer. He holds a bachelor's degree in mechanical engineering from Karnataka University and a post graduate diploma in management from International Management Institute, Delhi. He also holds a sloan master's degree in leadership and strategy from London Business School. He has 18 years of experience in marketing and corporate communications. During Fiscal 2018, he was paid a gross amount of ₹ 0.41 million.

Mr. Agnipushp Singh, aged 43 years, joined our company on May 5, 2017 and was appointed as Head – Legal & Board Affairs. He holds a bachelor's degree in commerce from University of Delhi and a bachelor's degree in law from Symbiosis School of Law, Pune. He has 18 years of experience in legal advisory. During Fiscal 2018, he was paid a gross amount of ₹ 12.68 million.

Mr. Sarang Kamalkishore Cheema, aged 37 years, joined our company on April 1, 2016 and was appointed as the Chief Compliance Officer on April 20, 2016. He holds a bachelor's degree in commerce and is a qualified chartered accountant. He has also cleared the Certified Information Systems Auditor examination. He has more than 13 years of experience in compliance, internal audit, risk management and forensics. Prior to joining our Company, he was associated with SBI Life Insurance Company Limited, KPMG India and ICICI Prudential Life Insurance Company Limited. During Fiscal 2018, he was paid a gross amount of ₹ 7.04 million and has additionally been paid ₹ 0.21 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 0.35 million payable by our Company under the LTI Plan.

Mr. Anjan Bhattacharya, aged 37 years, joined our company on October 15, 2013 and was appointed as the Chief Risk Officer. He holds a bachelor's degree in science from University of Delhi and a post graduate diploma in management from International Management Institute, Delhi. He has 17 years of experience in internal audit, enterprise risk management, governance and controls, forensics and business advisory. During Fiscal 2018, he was paid a gross amount of ₹ 6.58 million and has additionally been paid ₹ 0.14 million accrued for Fiscal 2018 under the LTI Plan in June 2018. He is also currently entitled to ₹ 0.25 million payable by our Company under the LTI Plan.

Ms. Viraj Taneja, aged 40 years, joined our company on February 8, 2016 and was appointed as the Head – Internal Audit. She holds a bachelor's degree in commerce from University of Mumbai and is a chartered accountant, registered with the Institute of Chartered Accountants of India. She has 17 years of experience in strategic audit planning, internal auditing methodologies, risk assessment and assurance. During Fiscal 2018, she was paid a gross amount of ₹ 7.88 million and has additionally been paid ₹ 0.23 million accrued for Fiscal 2018 under the LTI Plan in June 2018. She is also currently entitled to ₹ 0.39 million payable by our Company under the LTI Plan.

Mr. Shishir Vijaykumar Agarwal, aged 48 years, was appointed as the Director and Head - Human Resources of our Company on May 2, 2018. He holds a bachelor's degree in engineering in industrial electronics from University of Pune and a post graduate diploma in personnel management and industrial relations from XLRI, Jamshedpur. He has 22 years of experience in human resource management, employee relations and talent management. During Fiscal 2018, he was not paid any remuneration.

Ms. Yagya Turker, aged 37 years, joined our company on July 12, 2017 and was appointed as the Company Secretary on August 10, 2017. She is a company secretary, registered with the Institute of Company Secretaries of India**.** She has 14 years of experience in company secretarial services. During Fiscal 2018, she was paid a gross amount of ₹ 2.27 million.

In this regard, the details of the PNB MetLife India Insurance Company Limited Long Term Incentive Plan (the "**LTI Plan**") are as described under "***- Bonus or profit sharing plan for KMPs***" on page 230.

Status of KMPs

All the KMPs are permanent employees of our Company.

Relationship among KMPs

None of our KMPs is related to each other, in terms of the definition of 'relative' under Section 2(77) of the Companies Act, 2013.

Bonus or profit sharing plan for KMPs

There is no profit sharing plan for the KMPs. Our Company makes bonus payments, in accordance with their respective terms of appointment.

However, certain of our employees are entitled to incentives under the LTI Plan, which was approved and adopted by our Board on November 23, 2016, as described under their respective names, under "***- KMPs***" on page 228.

The LTI Plan has been devised, in accordance with applicable IRDAI Guidelines, to ensure a competitive reward philosophy and strategy, drive sustainable business performance by linking executive pay with long-term business performance indicators, and to drive value creation and align executive pay with our Shareholders' interests.

Under the LTI Plan, full-time employees of our Company at or above certain grades, meeting eligibility criteria approved by the NRC on an annual basis, are eligible for cash payment of an incentive (subject to applicable tax borne by plan participants) varying between 10-40% of their fixed pay, based on organizational performance targets and their actual achievement.

The quantum for actual grant under our LTI Plan is based on our Company's embedded value growth performance on an annual basis (based on our Company's most recent fiscal-year performance), with LTI grant ranging from 0-110%, as per a grid based on percentage of target embedded value growth ranging from >75%-110%. Our Board will be responsible for setting embedded value growth targets and measurement, based on proposals recommended by our NRC to our Board for approval. In any fiscal year, our Board may decide to provide more than 110% grant at 110% embedded value growth performance.

The vesting period for the LTI Plan is three years, with 33% vesting each year, commencing from the first anniversary of the grant. In the event an LTI recipient leaves our Company during the vesting period and prior to the pay-out, the unvested amount would be vested and payable immediately, in a pro-rated manner, in case of death, disability or retirement, or would be forfeited in case of resignation or termination for cause. In case of change in control, the treatment would be as approved by our NRC. Any employee who has resigned or is serving notice as on the date of pay-out is not eligible for LTI pay-out.

The LTI Plan is subject to the approval of our Shareholders subsequent to the Offer.

Also, with regard to Mr. Ashish Kumar Srivastava, our MD and CEO, see "***-Payment or benefit to Directors of our Company - Compensation paid to our Executive Director***" on page 210.

Shareholding of KMPs

Other than as provided under "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 90, none of our KMPs holds any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service Contracts with KMPs

There are no service contracts entered into with any of our KMPs, which provide for benefits upon termination of employment. Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including KMPs, is entitled to any benefit upon termination of such officer's employment or superannuation.

Interest of KMPs

None of our KMPs has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business and allotments under the ESOP Scheme 2017, if any. Our KMPs may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

Contingent and deferred compensation payable to KMPs

Other than deferred compensation payable to certain KMPs whose details are provided in "***–KMPs***" on page 228, there is no contingent or deferred compensation payable to our KMPs, which does not form part of their remuneration, as described above.

However, for information on certain incentives paid or payable from time to time to Mr. Ashish Kumar Srivastava, our MD and CEO, see "***-Payment or benefit to Directors of our Company - Compensation paid to our Executive Director***" on page 210.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our KMPs has been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

Changes in KMPs during the last three years

The changes in our KMPs during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below.

Name	Designation	Date of change
Sarang Kamalkishore Cheema	Chief Compliance Officer	Appointed on April 20, 2016
Niraj Ashwin Shah	Chief Financial Officer	Appointed on July 21, 2016 (earlier resigned as Chief Marketing Officer on July 20, 2016)
Phanesh M. S. V. S.	Chief Financial Officer	Resigned on July 20, 2016
Samrat Ashim Das	Chief Information Officer	Designated on May 18, 2016
Abishek Krishan Kumar Rathi	Chief Marketing Officer	Appointed on August 10, 2016 and Resigned on May 2, 2017
Nipun Kaushal	Chief Marketing Officer	Appointed on March 7, 2018
Biswajit Choudhury	Chief of Internal Audit	Resigned on February 8, 2016
Rashmi Sharma	Company Secretary	Resigned on April 13, 2017
Yagya Turker	Company Secretary	Appointed on August 10, 2017
Shishir Vijaykumar Agarwal	Director & Head - Human Resources	Appointed on May 2, 2018

Name	Designation	Date of change
Tim Braswell	Director & Head - Human Resources	Designated on May 18, 2016 and Resigned on March 1, 2018
Vijaya Sanjay Nene	Director and Head - Operations and Services	Designated as on May 18, 2016 (earlier resigned as Chief Compliance Officer on January 12, 2016). Re-designated on June 5, 2018
Amit Jaiswal	Head - Alternate Distribution	Designated on May 18, 2016 and resigned on September 29, 2017
Pooja Garg Khan	Head - Corporate Affairs & Communications	Designated on May 18, 2016 and resigned on September 8, 2017
Viraj Taneja	Head - Internal Audit	Appointed on February 8, 2016 and Re-designated on June 5, 2018
Agnipushp Singh	Head - Legal & Board Affairs	Appointed on May 5, 2017
Anil P. M.	Head - Legal & Board Affairs	Designated on May 18, 2016 and Resigned on February 10, 2017 (also held position of Chief Compliance Officer from January 12, 2016 to April 19, 2016)
Khalid Ahmad	Head - Products	Appointed on August 10, 2016
Ashish Kumar Srivastava	MD & CEO	Appointed on October 1, 2017 (earlier designated as Interim CEO and Principal Officer from March 31, 2017 to September 30, 2017)
Tarun Chugh	MD & CEO	Resigned on March 31, 2017
Bhawani Pathania	Director & Head - Direct, Agency & Alternate	Re-designated on June 5, 2018
Sameer Bansal	Director & Head - Bancassurance	Re-designated on June 5, 2018
Hemant Khera	Head - Employee Benefits, Alliances & Sales Training	Re-designated on June 5, 2018
Sanjay Kumar	Chief Investment Officer	Re-designated on June 5, 2018
Anjan Bhattacharya	Chief Risk Officer	Re-designated on June 5, 2018

Loans to and deposits from KMPs

As on the date of this Draft Red Herring Prospectus, there are no outstanding loans availed of by our KMPs from our Company.

Employee stock option and stock purchase schemes

For details of the employee stock option plan of our Company, ESOP Scheme 2017, see "***Capital Structure-Employee Stock Option Scheme***" on page 82.

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Red Herring Prospectus, or is intended to be paid or given, other than in the ordinary course of their employment.

PROMOTERS AND PROMOTER GROUP

I. Our Promoters

The Promoters of our Company are Punjab National Bank and MetLife International Holdings LLC. Our Company is an "Indian owned and controlled" company under the Insurance Act and applicable regulations thereunder. As on the date of this Draft Red Herring Prospectus, PNB holds 603,865,285 Equity Shares and MIHL holds 523,349,913 Equity Shares, which constitutes 30.00% and 26.00%, respectively, of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, see "***Capital Structure - History of Build up, Contribution and Lock-in of Promoters' Shareholding***" on page 84.

Details of our Promoters

Corporate Information

1. *Punjab National Bank*

PNB was established in 1894 by way of registration under the Indian Companies Act, 1882 as Punjab National Bank Limited. PNB commenced banking operations on April 12, 1895 in Lahore, presently in Pakistan. On June 29, 1947, the registered office of PNB was shifted from Lahore to New Delhi. Subsequently, on July 19, 1969, PNB was nationalized and reconstituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended and was renamed as Punjab National Bank. The corporate office of PNB is situated at Plot No. 4, Sector-10 Dwarka, New Delhi 110 075, India.

PNB is a public sector bank offering banking products and services to corporate and commercial, retail and agricultural customers. PNB commenced operations in 1895 and has expanded operations to provide services and products across India.

In 2002, 20% of GoI's ownership in PNB was divested through an initial public offer and in March 2005, in order to meet future capital requirements, PNB undertook a follow-on public offer, pursuant to which the shareholding of GoI was further diluted to 57.80%. As on March 31, 2018, the shareholding of the GoI was 62.25%.

The equity shares of PNB were listed on BSE on April 26, 2002 and NSE on April 26, 2002. The equity shares of PNB are currently listed on NSE and BSE.

Promoters and natural persons in control of PNB:

The promoter of PNB is:

1. President of India, acting through the Ministry of Finance, GoI.

Board of Directors:

1. Mr. Sunil Mehta (non-executive chairperson);
2. Mr. Sunil Mehta (managing director and chief executive officer);
3. Mr. K. Veera Brahmaji Rao;
4. Mr. Sanjiv Sharan;
5. Mr. Lingam Venkata Prabhakar;
6. Dr. Rabi N. Misra;
7. Mr. Ravi Mital;
8. Mr. Mahesh Babbo Gupta;
9. Mr. Sudhir Nayar; and
10. Mr. Sanjay Verma.

Shareholding Pattern

The authorised share capital of PNB is ₹ 30,000,000,000 divided into 15,000,000,000 equity shares of face value of ₹ 2.

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The shareholding pattern of PNB as on June 30, 2018 is as follows:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)				No. of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized from (XIV)
								No. of Voting Rights			Total as a % of total voting rights			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	**Promoter & Promoter Group**	1	1718445145	0	0	1718445145	62.25	1718445145	0	1718445145	63.68	0	62.25	1718445145	100.00			1718445145
(B)	**Public**	532918	1042128082	0	0	1042128082	37.75	980188307	0	980188307	36.32	0	37.75		0	18940817	1.82	1035520854
(C)	**Non Promoter-Non Public**	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0
(1)	**Shares underlying Custodian/Depository Receipts**	0	0	0	0	0	0	0	0	0	0.00	0	0.00		0			0
(2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0.00	0	0.00		0			0
	Total (A)+(B)+(C)	532919	2760573227	0	0	2760573227	100.00	2698633452	0	2698633452	100.00	0	100.00	1718445145	62.25			2753965999

Changes in management or control

There has been no change in control or management of PNB in the last five years immediately preceding the filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number of PNB and the address of the registrar of companies where PNB is registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

Financial Performance

The following table sets forth details of the brief audited financial results of PNB for Fiscal 2016, Fiscal 2017 and Fiscal 2018.

(in ₹ million, except share data)

Particulars	Fiscal 2016	Fiscal 2017	Fiscal 2018
Equity capital	3,927.20	4,258.90	5,521.10
Reserves (excluding revaluation reserves)	385,667.50	391,824.50	382,492.10
Sales/total income	569,035.00	572,256.60	576,081.90
Profit after tax	(36,897.70)	11,872.40	(121,300.50)
Basic earnings per share	(19.32)	5.78	(54.71)
Diluted earnings per share	(19.32)	5.78	(54.71)
Net asset value per share	198.41	186.13	140.56

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Share price information

The following table sets forth details of the highest and lowest price on BSE during the six months preceding the date of this Draft Red Herring Prospectus:

(in ₹)

S. No.	Month	Monthly High	Monthly Low
1.	June 2018	94.65	72.35
2.	May 2018	96.00	74.30
3.	April 2018	106.80	90.50
4.	March 2018	103.70	91.30
5.	February 2018	174.55	92.00
6.	January 2018	197.60	162.75

Source: www.bseindia.com

The following table sets forth details of the highest and lowest price on NSE during the six months preceding the date of this Draft Red Herring Prospectus:

(in ₹)

S. No.	Month	Monthly High	Monthly Low
1.	June 2018	94.70	71.65
2.	May 2018	96.00	74.15
3.	April 2018	106.75	90.50
4.	March 2018	103.75	91.25
5.	February 2018	174.60	92.00
6.	January 2018	197.00	162.65

Source: www.nseindia.com

The closing equity share price of PNB on July 26, 2018, prior to the date of filing of this Draft Red Herring Prospectus on BSE and NSE were ₹ 79.90 and ₹ 79.85, respectively.

Mechanism for redressal of investor grievance

The board of directors of PNB has constituted a stakeholders' relationship committee in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 to look into the redressal of shareholder/investor complaints such as transfers or credit of shares to demat accounts and non-receipt of dividend/interest/annual reports.

Investor grievance

As at June 30, 2018, there are no investor complaints pending with respect to PNB.

2. ***MetLife International Holdings, LLC***

MIHL was incorporated on December 30, 1993 under the laws of the Delaware, United States of America. MIHL converted from a Delaware corporation to a Delaware limited liability company on May 28, 2015.

MIHL's principal business address is 200 Park Avenue, New York, New York, USA 10166 and its registered address is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, USA. MIHL's registered number with the Delaware Secretary of State – Division of Corporations is 2365973.

MIHL is 100% directly owned by MetLife Global Holding Company II GmbH, which is 100% directly held by MetLife Global Holding Company I GmbH, which is 100% directly held by American Life Insurance Company, which is 100% directly held by MetLife. MetLife (NYSE: MET) is the publicly traded parent company of the MetLife group. Neither MIHL nor any of its direct or indirect parent companies are controlled by a natural person.

As on the date of this Draft Red Herring Prospectus, MIHL holds 523,349,913 Equity Shares, representing 30.00% of the paid up capital of our Company. The principal activity of MIHL is to act as the holding company for some of the MetLife group companies and own interests in over 20 financial services companies operating in over 10 countries .

The equity shares of MIHL are currently not listed on any stock exchange, inside and outside India.

Board of Managers:

1. John McCallion; and

2. William O' Donnell;

Shareholding Pattern

MIHL does not have any share capital.

Changes in management or control

There has been no change in control or management of MIHL in the last three years immediately preceding the filing of this Draft Red Herring Prospectus.

Promoters of MIHL:

MIHL is a part of the MetLife group, whose ultimate parent company is MetLife.

Our Company confirms that the corporate registration number and bank account number of MIHL shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

Financial Performance

The following table sets forth details of the brief financial results of MIHL for the years ended December 31, 2015, 2016 and 2017:

(*In USD million*)

Particulars[#]	As of and for the year ended December 31, 2015	As of and for the year ended December 31, 2016	As of and for the year ended December 31, 2017
Total liabilities	32,537	30,400	34,519
Total equity	7,331	7,228	6,701
Income*	619	747	908

*# The above unaudited financial information is derived from the consolidated income statement and balance sheet of MIHL and its subsidiaries, prepared on the basis for inclusion in the consolidated audited financial statements of MIHL ultimate parent company, MetLife, and its subsidiaries in conformity with accounting principles generally accepted in the United States of America ("**US GAAP**").*
** Income from continuing operations, net of income tax.*

Interests of our Promoters and Related Party Transactions

Interest of our Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and any dividend or other distributions payable, if any, by our Company. For further details of our Promoters' shareholding, see "***Capital Structure - History of Build up, Contribution and Lock-in of Promoters' Shareholding***" and "***Management - Interest of Directors***" on page 84 and 212.

Further, except as disclosed in "***Financial Statements – Related Party Transactions***" on page 310, "***Business – Information Technology and Digitization***" on page 160 and "***Risk Factors - Any termination of, disruption to, or any adverse change affecting our relationships with the MetLife group may have a material adverse effect on our business, financial condition, results of operations and prospects***" on page 26, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus nor proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Interest of Promoters in the Property of our Company

Except as stated otherwise in *"**Financial Statements – Related Party Transactions**"* on page 310, our Promoters do not have any interest in any property acquired by our Company during the two years preceding the date of filing of this Draft Red Herring Prospectus or any property proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building or supply of machinery.

Except as stated otherwise in *"**Financial Statements – Related Party Transactions**"* on page 310, our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Company does not have any sundry debtors. Accordingly, our Promoters are not related to any sundry debtors.

Payment of Benefits and Guarantees

Except as stated otherwise in *"**Financial Statements**"* and in *"**- Interests of Promoters**"* on pages 245 and 238, respectively, no benefit or amount has been given or paid to our Promoters or members of our Promoter Group within the two years preceding the date of filing this Draft Red Herring Prospectus or intended to be paid or given to our Promoters or members of our Promoter Group.

Companies with which our Promoters have disassociated in the last three years

Our Promoters have disassociated themselves from the following companies during the preceding three years:

Name of Promoter	Name of company from which disassociated	Reasons for disassociation	Date of disassociation (in terms of shareholding)
MIHL	MetLife Global, Inc.	Dividend for all issued and outstanding shares of MetLife Global, Inc. to MetLife, Inc.	May 26, 2015
	MetLife Mexico Cares, S.A. de C.V	Transfer of our equity interest to MetLife Global Holding Company II GmbH	June 13, 2015
	MetLife AFORE S.A. de C.V. and its subsidiaries	Sold	February 20, 2018

Name of Promoter	Name of company from which disassociated	Reasons for disassociation	Date of disassociation (in terms of shareholding)
PNB	UV Asset Reconstruction Company Limited	Disinvestment	January 18, 2017
	CRISIL	Disinvestment	June 21, 2018
	BSE	Disinvestment	June 18, 2018
	Investment Information and Credit Rating Agency of India Limited	Disinvestment	June 28, 2018

Common Pursuits of our Promoters

Except for the following, our Promoters are not involved with any venture which is in the same line of activity or business as us:

i. Interests of MIHL in respect of other companies, entities and ventures (including as a member or shareholder) that are engaged in undertaking life insurance outside India;

ii. Interest of PNB in respect of PNB Insurance Broking Private Limited, a subsidiary of PNB. However, PNB Insurance Broking Private Limited is non-functional, the broking license has been surrendered and steps are being initiaioed for its winding-up.

Other undertakings and confirmations

Neither the Company nor its Promoters and Directors has been categorized as willful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on willful defaulters issued by the RBI.

Further except as disclosed in "***Outstanding Litigation and Material Developments***" on page 377, there has been no violation of any securities laws committed by our Promoters and Promoter Group in the past nor have they been subject to any penalties by the SEBI or any other regulatory authority, court or tribunal inside or outside India and no such proceedings are currently pending against any of them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority]

Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority

II. Promoter Group

The Companies that form a part of our Promoter Group are as follows:

1. American Life Insurance Company;
2. AmMetLife Insurance Berhad;
3. AmMetLife Takaful Berhad;
4. Asset Care and Reconstruction Enterprise Limited;
5. Asset Reconstruction Company (India) Limited;
6. Best Market S.A.;
7. BIDV MetLife Life Insurance Limited Liability Company;
8. Compania Inversora MetLife S.A.;
9. CSC E-Governance Services India Limited;
10. DRUK PNB Bank Limited;
11. Everest Bank Limited;
12. Excelencia Operativa y Tecnologica, S.A. de C.V.;
13. Himachal Pradesh Gramin Bank;
14. JSC Tengri Bank Kazakhstan;
15. Madhya Bihar Gramin Bank;

16. MAXIS GBN S.A.S.;
17. MetLife Administradora de Fundos Multipatrocinados Ltda.;
18. MetLife Asia Limited;
19. MetLife Financial Services, Co., Ltd;
20. MetLife General Insurance Limited;
21. MetLife Global Holding Company I GmbH;
22. MetLife Global Holding Company II GmbH;
23. MetLife Global Holdings Corporation S.A. de C.V.;
24. MetLife Insurance and Investment Trust;
25. MetLife Insurance Company of Korea Limited;
26. MetLife Insurance Limited;
27. MetLife International Limited, LLC;
28. MetLife Investments PTY Limited;
29. MetLife Ireland Holdings One Limited;
30. MetLife Ireland Treasury d.a.c.;
31. MetLife Limited;
32. MetLife Mas, S.A. de C.V.;
33. MetLife Mexico Holdings S. de R.L. de C.V.;
34. MetLife Mexico S.A.;
35. MetLife Mexico Servicios S.A. de C.V.;
36. MetLife Pensiones Mexico S.A.;
37. MetLife Planos Odontologicos Ltda.;
38. MetLife Seguros de Retiro S.A.;
39. MetLife Seguros S.A.;
40. MetLife Servicios S.A.;
41. MetLife Worldwide Holdings, LLC;
42. Metropolitan Global Management, LLC;
43. Metropolitan Life Seguros e Previdencia Privada S.A.;
44. Metropolitan Life Insurance Company of Hong Kong Limited;
45. ML Capacitacion Comercial S.A. de C.V.;
46. MLA Comercial, S.A. de C.V.;
47. MLA Servicios S.A. de C.V.;
48. Natiloportem Holdings, LLC;
49. PNB (International) Limited;
50. PNB Gilts Limited;
51. PNB Housing Finance Limited;
52. PNB Insurance Broking Private Limited;
53. PNB Investment Services Limited;
54. Pridhvi Asset Reconstruction & Securitisation Company Limited;
55. Principal Asset Management Company Private Limited;
56. Principal Trustee Company Private Limited;
57. Punjab Gramin Bank-NSLRMR;
58. Sarva Haryana Gramin Bank;
59. Sarva UP Gramin Bank;
60. The Direct Call Centre PTY Limited;
61. UTI-Asset Management Company Limited; and
62. UTI-Trustee Company Limited;

Life Insurance Corporation of India ("**LIC**") which holds more than 10% of the share capital of PNB has not been considered as a Promoter Group. LIC is a public sector insurance company and a financial institution. LIC has made a financial investment in PNB among many similar investments made by LIC in various entities. LIC does not exercise direct or indirect control or any significant influence over PNB. Further, the Promoter Group does not include any companies in which PNB may have acquired an equity interest pursuant to any debt restructuring as part of its ordinary course of business as a scheduled commercial bank and investments of PNB that are classified as non-performing investments, and PNB does not promote any of these companies.

Other confirmations

(a) None of our Promoters or members of our Promoter Group has been debarred or prohibited from accessing the capital market for any reasons by SEBI or any other authorities.

(b) None of our Promoters or members of our Promoter Group has been identified as Wilful Defaulters.

(c) For details in relation to legal proceedings involving our Promoters, see "***Outstanding Litigation and Material Developments – Litigation involving our Promoters***" on page 390.

For certain other confirmations, see "***Other Regulatory and Statutory Disclosures***" on page 403.

GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, i.e., Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("**AS 18**") as per the Restated Consolidated Financial Information, and any other companies as per the materiality policy adopted by the Board pursuant to its resolution dated November 15, 2017, which was further modified pursuant to a resolution by our Board on May 18, 2018 (the "**Materiality Policy**").

Accordingly, our Company does not have any Group Companies as of the date of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscals, as per the requirements under Accounting Standard 18 "***Related Party Disclosures***", see "***Financial Statements - Annexure – XXX: Restated Statement of Related Party Transactions***" on page 310.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Insurance Act and the Companies Act, 2013. The dividend policy of our Company was approved and adopted by our Board through a circular resolution dated May 18, 2018.

Pursuant to the dividend policy, our Company may declare dividend from, inter alia, distributable earning after meeting all its statutory obligations. The declaration of dividend is required to be in compliance with Companies Act, 2013, Insurance Act, the SEBI Listing Regulations and our Article of Association. The dividend policy stipulates, *inter alia*, certain financial and external factors which will be considered before declaration of dividend by our Board. Such factors include profitability and key financial metrics, available solvency margin, capital expenditure requirements and such other factors and or material events which our Board may consider. Further, our Board is required to decide declaration of dividend at its meeting and not by way of resolution passed by circulation. The final dividend shall be approved by our Shareholders at the AGM on the basis of the recommendation made by our Board.

For details in relation to our capability to pay a dividend, see "***Risk Factors – We are currently unable to pay dividends to our shareholders and our ability to pay dividends to our shareholders in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.***" on page 30. No dividend has been declared by our Company during the last five Fiscals, preceding the date of this Draft Red Herring Prospectus.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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To
The Board of Directors
PNB MetLife India Insurance Company Limited
Unit No. 701, 702 & 703,
7th Floor, West Wing, Raheja Towers,
26/27 M G Road,
Bangalore – 560001,
Karnataka

Independent Auditors Report on Restated Financial Information in connection with the Initial Public Offering of PNB MetLife India Insurance Company Limited (the Company)

Dear Sirs,

1. This report is issued in terms of engagement letter of K.S. Aiyar & Co., Chartered Accountants, Mumbai and Thakur, Vaidyanath Aiyar & Co, Chartered Accountants, New Delhi dated 4th June, 2018 in connection with the proposed Initial Public offering of the Company.

2. The accompanying restated financial information, expressed in Indian Rupees, in Millions, of PNB MetLife India Insurance Company Limited (hereinafter referred to as the "Company") comprising Financial Information in paragraph A below and Other Financial Information in paragraph B below (hereinafter together referred to as "Restated Financial Information"),has been prepared by the Management of the Company in accordance with the requirements of section 26 of the Companies Act 2013 (hereinafter referred to as the "Act") read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, (the "Rules"), Para 1 & 2 of Schedule I Part (c) of Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 (referred to as the "IRDAI Regulations") issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors of the Company at its meeting held on 12th July, 2018 and initialled by us for identification purposes only.

MANAGEMENT'S RESPONSIBILITY FOR THE RESTATED FINANCIAL INFORMATION

3. The preparation of the Restated Financial Information, which is to be included in the Draft Red Herring Prospectus ('DRHP'), is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company, at its meeting held on 12th July 2018 for the purpose set out in paragraph 15 below. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

AUDITORS' RESPONSIBILITIES

4. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, Guidance Note on Reports in Company Prospect uses (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of section 26 of the Act read with applicable provisions within Rule 4 to Rule 6 of the Rules, the IRDAI Regulations and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the Rules, the IRDAI Regulations and the SEBI Regulations in connection with the Issue.

5. Our examination of the Restated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S."), standards of the US Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.

A. Financial Information as per audited financial statements:

6. We have examined the following financial statements of the Company contained in Restated Financial Information of the Company which are based on and derived from the audited financial statements of the Company:

   a) the 'Restated Summary Statement of Assets and Liabilities" as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure I);

b) the "Restated Summary Statement of Revenue Account (also called the "Policyholders' Account" or the "Technical Account") of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure II);

c) the "Restated Summary Statement of Profit and Loss (also called the "Shareholders' Account" or the "Non-Technical Account") of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure III);

d) the "Restated Summary Statement of Receipts and Payments Account of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 (enclosed as Annexure IV);

7. The Restated Financial Information, expressed in Indian Rupees, in millions, has been prepared by the Company's management from the audited financial statements of the Company as at and for each of the five years ended March 31, 2018, March 31, 2017. March 31, 2016, March 31, 2015 and March 31, 2014 (all of which were expressed in Indian Rupees in thousands), read with paragraphs 8 and 14 below, on which the respective joint statutory auditors have expressed unmodified audit opinions vide their reports dated 1st June, 2018, 9th May, 2017, 3rd May, 2016, 2nd May, 2015, and 28th April, 2014 respectively. Audit of the financial statements of the Company for the year ended on March 31, 2018 was jointly done by K.S. Aiyar & Co., Chartered Accountants, Mumbai along with Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi and audit of the financial statements of the Company for the year ended March 31, 2017 and March 31, 2016 was jointly done by Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi along with Kalyaniwala & Mistry LLP, Chartered Accountants, Mumbai and Fraser & Ross, Chartered Accountants, Bangalore respectively. Audit of the financial statements of the Company for each of the years ended March 31, 2015 and March 31, 2014 was jointly done by M.P. Chitale & Co., Chartered Accountants, Mumbai and Fraser & Ross, Chartered Accountants, Bangalore. We have relied on these audited financial statements and the respective auditors report thereon.

8. We draw your attention to the following:

a) The Restated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies given in Annexure V (as described in paragraph B);

b) The Restated Financial Information does not contain all the disclosures required by the Insurance Regulatory and Development Authority (preparation of Financial Statements and Auditor's Report of the Insurance Companies) Regulations, 2002 and orders /directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI") from time to time in this regard.

9. We have not audited any financial statements of the Company as at any date or for any period subsequent to March 31, 2018. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the company as at any date or for any period subsequent to March 31, 2018.

B. Other Financial Information

10. At the Company's request, we have also examined the following other financial information relating to the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and for the years ended on March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 proposed to be included in the DRHP, prepared by the Management of the Company and as approved by the Board of Directors of the Company in their meeting held on 12th July 2018 and annexed to this report.

a) Restated Statement of Premium Income of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure IX);

b) Restated Statement of Commission Expenses of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure X);

c) Restated Statement of Operating Expenses related to Insurance business of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XI);

d) Restated Statement of Expenses other than those directly related to Insurance business of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XII);

e) Restated Statement of Benefits Paid (net) of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XIII);

f) Restated Statement of Share Capital of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XIV);

g) Restated Statement of Pattern of Shareholding of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XIVA);

h) Restated Statement of Reserves and Surplus of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XV);

i) Restated Statement of Borrowings of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XVI);

j) Restated Statement of Investments – Shareholders of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (enclosed as Annexure XVII);

k) Restated Statement of Investments - Policyholders of the Company as at March 31, 2018, March 31,2017, March 31, 2016, March 31, 2015 and March 31, 2014.(enclosed as Annexure XVIIA);

l) Restated Statement of Assets held to cover linked liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. (enclosed as Annexure XVIIB);

m) Restated Statement of Loans of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. (enclosed as Annexure XVIII);

n) Restated Statement of Fixed Assets of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XIX);

o) Restated Statement of Cash and Bank Balances of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015and March 31, 2014. (enclosed as Annexure XX);

p) Restated Statement of Advances and other assets of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXI);

q) Restated Statement of Current Liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. (enclosed as Annexure XXII);

r) Restated Statement of Provisions of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. (enclosed as Annexure XXIII);

s) Restated Statement of Miscellaneous Expenditure (to the extent not written off or adjusted) of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. (enclosed as Annexure XXIV);

t) Summary of Significant Accounting Policies and Notes to the Restated Financial Information of the Company as at and for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014. (enclosed as Annexure V);

u) Statement of Adjustments to the Audited Financial Statements of the Company as at and for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure VI);

v) Restated Statement of Capitalization of the Company as at March 31, 2018 (enclosed as annexure XXVI).

w) Restated Statement of Accounting Ratios of the Company as at and for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure VII);

x) Restated Statement of Segment Disclosure of the Company as at and for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure VIII);

y) Restated Statement of Secured and Unsecured Borrowings of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXXI);

z) Restated Statement of Debtors of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXVIII);

aa) Restated Statement of Other Income of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXV);

bb) Restated Statement of Dividend of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014.(enclosed as Annexure XXIX);

cc) Restated Statement of Related Party Transactions of the Company as at and for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXX);

dd) Restated Statement of Tax Shelter of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXVII);

ee) Restated Statement of Aggregate Book Value and Market Value of Quoted Investments of the Company as at March 31, 2018, March 31,2017, March 31, 2016, March 31, 2015 and March 31, 2014. (enclosed as Annexure XXXII);

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

OPINION

12. In our opinion:

i) The Restated Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with the basis of preparation and respective Summary of significant accounting policies and Notes have been prepared in accordance with the Act, the Rules, the IRDAI Regulations and the SEBI Regulations;

ii) Adjustments have been made with retrospective effect in respect of changes in the accounting policies of the Company (as disclosed in Annexure VI to this report) to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31, 2018 for all the reporting periods;

iii) In the audited Financial Statements of the Company for the Financial Year 2017-18, the accumulated deficit of ₹ 13,003.35 million as at March 31, 2017 in the Revenue Account (Policyholder's Account) pertaining to non-par segments has been absorbed in the Shareholders' funds – Reserves and Surplus – Balance of Profit at the yearend in the Balance Sheet.
For the purpose of restated financial statements, the above treatment is given effect to as of April 1, 2013. From FY 2013-14 onwards, the non-par segment surplus for each of the financial year has been transferred from Policyholders' Account to Shareholders' Account.

iv) Material regroupings in previous year figures disclosed in audited financial statements for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 have been given impact in these restated financial statements for all the respective reporting years.

v) There were no qualifications in the Auditor's Report on the audited financial statements for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 which require any adjustments; and

vi) There are no extra-ordinary items which need to be disclosed separately in the restated financial statements for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by the earlier statutory auditors on the audited financial statements for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

OTHER MATTERS

14. The Auditors' Report on the audited Financial Statements of the Company for each of the five financial years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 includes one 'Other matter' paragraph that the actuarial valuation of liabilities for life policies in-force and for policies in respect of which premium has been discontinued but liability exists is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"), which has been duly certified by the Appointed Actuary in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial statements and Auditors Report Insurance Companies) Regulations, 2002. Inter-alia the Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with generally accepted actuarial principles and practices, requirements of the Insurance Act, 1938, (as amended in 2015) as applicable at that point of time, Regulations notified by the IRDAI and Actuarial Practice Standards issued by the Institute of Actuaries of India in accordance with IRDAI. Accordingly, we have also relied upon the Appointed Actuary's certificate given at that point of time for the respective years / period for forming our opinion on the Restated Financial Information of the Company.

Restriction on Use

15. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the issue, to be filed by the Company with the SEBI, IRDAI and the concerned stock exchanges.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No: 100186W

Partner. Rajesh S. Joshi
Membership No.038526

Place: Mumbai
Date : 12th July, 2018

For **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No. 000038N

Partner. K.N. Gupta
Membership No.09169

Place: Mumbai
Date : 12th July, 2018

Annexure - I

Restated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
SOURCES OF FUNDS:					
SHAREHOLDERS' FUNDS					
Share capital	20,128.84	20,128.84	20,128.84	20,128.84	20,128.84
Reserves and surplus	-	-	-	-	-
Credit/(Debit) Fair value change account	(0.13)	2.87	-	-	-
Total shareholders' funds	**20,128.71**	**20,131.71**	**20,128.84**	**20,128.84**	**20,128.84**
Borrowings	105.20	170.63	217.72	-	-
POLICYHOLDERS' FUNDS					
Credit/(Debit) Fair value change account	37.80	25.17	-	-	-
Policy liabilities	99,172.41	74,887.02	56,862.66	44,844.93	36,615.20
Insurance reserves	-	-	-	-	-
Provision for linked liabilities -Non unit	394.03	424.14	368.35	362.53	240.82
Provision for linked liabilities - Unit	57,092.71	61,802.49	61,580.97	68,307.02	62,854.98
Total policyholders' funds	**156,696.95**	**137,138.82**	**118,811.98**	**113,514.48**	**99,711.00**
Funds for discontinued policies					
- Discontinued on account of non- payment of premium	5,749.23	5,924.86	5,242.32	4,729.15	2,468.00
Funds for future appropriations	1,790.88	1,522.73	1,659.16	1,336.74	427.12
TOTAL	**184,470.97**	**164,888.75**	**146,060.02**	**139,709.21**	**122,734.96**
APPLICATION OF FUNDS:					
Investments					
Shareholders'	10,532.43	7,032.83	6,499.13	5,983.84	5,652.17
Policyholders'	99,038.81	76,830.41	61,431.43	48,342.03	38,316.93
Assets held to cover linked liabilities	62,841.94	67,727.35	66,823.30	73,036.16	65,322.96
Loans	368.47	288.38	242.76	191.98	158.70
Fixed assets	795.05	716.56	726.98	456.75	206.04
Current assets					
Cash and bank balances	2,898.19	2,625.06	2,224.87	1,715.34	2,143.44
Advances and other assets	8,242.22	6,669.00	3,684.81	3,270.34	2,879.58
Total Current assets (A)	**11,140.41**	**9,294.06**	**5,909.68**	**4,985.68**	**5,023.02**
Less :					
Current liabilities	9,361.35	7,562.18	7,186.04	5,590.63	4,888.72
Provisions	261.26	232.05	214.83	201.32	186.04
Total Current Liabilities and Provisions (B)	**9,622.61**	**7,794.23**	**7,400.87**	**5,791.95**	**5,074.76**
Net current assets (C) = (A)-(B)	**1,517.80**	**1,499.83**	**(1,491.19)**	**(806.27)**	**(51.74)**
Miscellaneous expenditure (to the extent not written off or adjusted)	-	-	-	-	-
Debit balance in Profit and Loss Account (Shareholders' Account) (Refer: Note 3.21 of Annexure V)	9,376.47	10,793.39	11,827.61	12,504.72	13,129.90
TOTAL	**184,470.97**	**164,888.75**	**146,060.02**	**139,709.21**	**122,734.96**

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

Annexure - II

Restated Summary of Revenue Account (Policyholders' Account/Technical Account)

(₹ in million)

Particulars	For the year ended				
	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Premiums earned - net					
(a) Premium	39,535.11	32,360.80	28,278.34	24,611.86	22,405.87
(b) Reinsurance ceded	(929.96)	(971.74)	(1,006.07)	(956.41)	(653.30)
(c) Reinsurance accepted	-	-	-	-	-
	38,605.15	**31,389.06**	**27,272.27**	**23,655.45**	**21,752.57**
Income from Investments					
(a) Interest, dividends and rent - net of accretion / amortisation of discount / premium	9,580.87	8,108.62	7,193.39	6,261.58	5,172.47
(b) Profit on sale/redemption of investments	7,582.88	5,675.41	4,613.28	7,270.22	6,355.28
(c) (Loss) on sale/ redemption of investments	(815.77)	(513.22)	(1,034.18)	(414.72)	(4,800.43)
(d) Transfer /gain on revaluation/change in fair value *	(2,871.67)	1,935.28	(7,945.45)	6,685.14	4,651.99
Other Income					
(a) Interest on policy loans	34.36	28.76	22.52	19.55	16.13
(b) Miscellaneous income	185.43	143.68	106.14	119.28	93.40
Contribution from the Shareholders' Account	484.31	691.84	262.83	242.73	537.07
Total (A)	**52,785.56**	**47,459.43**	**30,490.80**	**43,839.23**	**33,778.48**
Commission	2,154.76	1,796.52	1,614.63	1,384.32	1,267.67
Operating expenses related to Insurance business	8,148.39	7,466.34	7,493.31	6,036.50	5,419.97
Service tax /Goods and Services tax on charges	385.92	358.46	355.68	326.78	-
Provision for doubtful debts	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Provision for Income Tax (Refer: Note 3.9 of Annexure V)	-	-	-	-	-
Provisions (other than taxation)	-	-	-	-	-
(a) For diminution in the value of investments (Net)	-	-	-	-	-
(b) Advances & Recoveries	(4.69)	48.46	80.46	20.48	29.45
Total (B)	**10,684.38**	**9,669.78**	**9,544.08**	**7,768.08**	**6,717.09**
Benefits paid (net)	21,084.35	17,690.83	14,307.36	18,682.54	16,081.52
Interim & Other bonuses paid	25.93	16.81	9.50	5.75	1.17
Change in valuation of liability in respect of life policies					
(a) Gross**	21,758.56	20,253.40	6,004.80	16,352.24	9,170.48
(b) Amount ceded in reinsurance	(2,388.69)	(1,269.19)	(194.13)	(287.61)	(167.55)
(c) Amount accepted in reinsurance	-	-	-	-	-
Total (C)	**40,480.15**	**36,691.85**	**20,127.53**	**34,752.92**	**25,085.62**
Surplus/(Deficit) (D) = (A) - (B) - (C)	**1,621.03**	**1,097.80**	**819.19**	**1,318.23**	**1,975.77**
Appropriations					
Transfer to Shareholders' account	1,352.88	1,234.24	496.77	408.61	1,837.23
Transfer to other reserves	-	-	-	-	-
Balance being Funds for future appropriations	268.15	(136.44)	322.42	909.62	138.54
Surplus/(Deficit) after appropriation	-	-	-	-	-
Total (D)	**1,621.03**	**1,097.80**	**819.19**	**1,318.23**	**1,975.77**
Details of Total Surplus/(Deficit)					
(a) Interim bonuses paid	25.93	16.81	9.50	5.75	1.17
(b) Allocation of bonus to policyholders'	2,128.33	1,321.95	838.11	584.51	354.18
(c) Surplus shown in the Revenue Account	1,621.03	1,097.80	819.19	1,318.23	1,975.77
Total Surplus/(Deficit)	**3,775.29**	**2,436.56**	**1,666.80**	**1,908.49**	**2,331.12**

* Represents the deemed realised gain as per norms specified by the authority

** Represents mathematical reserves after allocation of bonus.

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

As required by Section 40B (4) of the Insurance Act,1938, we certify that all expenses of management in respect of life insurance business transacted by the Company in India have been fully debited to the Revenue Account as expenses.

Annexure - III

Restated Summary of Statement of Profit and Loss Account (Shareholders' Account / Non-Technical Account)

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Amount transferred from the Policyholders' Account (Technical Account)	1,352.88	1,234.24	496.77	408.61	1,837.23
Income from Investments					
(a) Interest, dividends and rent - net of accretion/ amortisation of discount/ premium)	645.98	566.90	528.09	494.17	456.87
(b) Profit on sale/redemption of investments	-	-	0.16	0.01	6.49
(c) Loss on sale/redemption of investments	-	-	-	-	(0.25)
Total	**645.98**	**566.90**	**528.25**	**494.18**	**463.11**
Other income	-	-	-	-	-
Total Income (A)	**1,998.86**	**1,801.14**	**1,025.02**	**902.79**	**2,300.34**
Expenses other than those directly related to the insurance business	97.63	75.08	61.39	34.88	6.11
Bad debts written off	-	-	-	-	-
Transfer to Policyholders' fund	-	-	-	-	-
Provisions (other than taxation)	-	-	-	-	-
(a) For diminution in the value of investments	-	-	-	-	-
(b) Provision for doubtful debts	-	-	-	-	-
(c) Others (Refer: Note 3.23 of Annexure V)	-	-	23.69	-	7.32
Contribution to Policyholder's Account	484.31	691.84	262.83	242.73	537.07
Total (B)	**581.94**	**766.92**	**347.91**	**277.61**	**550.50**
Profit / (Loss) before tax	**1,416.92**	**1,034.22**	**677.11**	**625.18**	**1,749.84**
Provision for taxation (Refer: Note 3.9 of Annexure V)	-	-	-	-	-
Profit / (Loss) after tax	**1,416.92**	**1,034.22**	**677.11**	**625.18**	**1,749.84**
Appropriations					
(a) Balance at beginning of the year	(10,793.39)	(11,827.61)	(12,504.72)	(13,129.90)	(14,879.74)
(b) Interim dividends paid during the year	-	-	-	-	-
(c) Proposed final dividend	-	-	-	-	-
(d) Dividend distribution tax	-	-	-	-	-
Profit / (Loss) carried forward to balance sheet	**(9,376.47)**	**(10,793.39)**	**(11,827.61)**	**(12,504.72)**	**(13,129.90)**
Earning / (Loss) Per Share (Basic)	**0.70**	**0.51**	**0.34**	**0.31**	**0.87**
Earning / (Loss) Per Share (Diluted)	**0.70**	**0.51**	**0.34**	**0.31**	**0.87**

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

Annexure - IV

Restated Summary Statement of Receipts and Payments Account

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Cash Flows from the Operating Activities:					
Premium received from policyholders, including advance receipts	40,150.44	33,678.69	28,887.34	25,535.50	22,675.83
Other receipts	219.65	196.09	127.72	119.18	93.69
Payments to the re-insurers, net of commissions and claims/ benefits	(122.82)	(162.21)	(261.37)	(137.67)	(170.41)
Payments of claims/benefits	(21,427.90)	(18,624.14)	(14,035.61)	(19,066.49)	(16,134.38)
Payments of commission and brokerage	(2,088.73)	(1,753.27)	(1,573.44)	(1,386.60)	(1,262.78)
Payments of other operating expenses	(7,917.52)	(9,767.25)	(7,336.53)	(6,500.67)	(5,685.06)
Preliminary and pre-operative expenses	-	-	-	-	-
Deposits, advances and staff loans	(49.35)	(25.93)	(49.53)	(7.05)	(11.47)
Income taxes paid (Net)	-	-	-	-	-
Service tax/Goods Services Tax paid	(1,282.79)	(1,232.23)	(793.02)	(750.50)	(733.24)
Other payments	-	-	-	-	-
Cash flows before extraordinary items	7,480.98	2,309.75	4,965.56	(2,194.30)	(1,227.82)
Cash flow from extraordinary operations	-	-	-	-	-
Net cash flow from operating activities (A)	**7,480.98**	**2,309.75**	**4,965.56**	**(2,194.30)**	**(1,227.82)**
Cash flows from Investing Activities:					
Purchase of fixed assets	(247.80)	(199.84)	(237.97)	(208.52)	(415.49)
Proceeds from sale of fixed assets	2.02	22.54	4.67	6.47	72.10
Purchase of Investements	(77,008.19)	(68,208.91)	(63,320.06)	(66,616.21)	(995,857.93)
Loans disbursed	(85.13)	(45.87)	(53.11)	(13.74)	(6.98)
Loans against policies	-	-	-	-	-
Sales/ Maturity of investments	59,334.52	53,625.20	57,037.47	65,040.58	992,323.17
Repayments received	-	-	-	-	-
Rents/Interests/ Dividends received	9,460.81	8,024.84	7,297.67	6,511.30	5,260.42
Investments in money market instruments and in liquid mutual funds (Net)	1,335.92	4,872.48	(5,184.70)	(2,953.68)	-
Expenses related to investments	-	-	-	-	-
Net cash flow from investing activities (B)	**(7,207.85)**	**(1,909.56)**	**(4,456.03)**	**1,766.20**	**1,375.29**
Cash flows from Financing Activities:					
Proceeds from issuance of share capital	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-
Repayments of borrowing	-	-	-	-	(13.23)
Interest/dividends paid	-	-	-	-	-
Net cash flow from financing activities (C)	**-**	**-**	**-**	**-**	**(13.23)**
Effect of foreign exchange rates on cash and cash equivalents, net	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents: (A+B+C)	**273.13**	**400.19**	**509.53**	**(428.10)**	**134.24**
Cash and cash equivalents at the beginning of the year	**2,625.06**	**2,224.87**	**1,715.34**	**2,143.44**	**2,009.20**
Cash and cash equivalents at the end of the year	**2,898.19**	**2,625.06**	**2,224.87**	**1,715.34**	**2,143.44**

The accompanying Summary of Significant Accounting Policies and Notes to Accounts (Annexure - V) and other schedules and disclosures (Annexures VI - XXXII) are an integral part of this statement.

Annexure - V

Summary of Significant Accounting Policies and Notes to Accounts

1. CORPORATE INFORMATION

PNB MetLife India Insurance Company Limited ('the Company') was incorporated in India on April 11, 2001 as a Private Limited Company and was converted into a Public Limited Company effective from January 9, 2008 under the Companies Act, 1956. On August 6, 2001, the Company obtained the Certificate of Registration to engage in the business of life insurance from the Insurance Regulatory and Development Authority of India ('IRDAI') and the said certificate of registration continues to be in force as at March 31, 2018.

The Company offers life insurance, pension, health, retirement and investment products to Individual and Group segments. The products sold under these businesses comprise participating, non-participating, pension, health and unit linked products. Some of these products have riders attached to them such as Accident and Disability Benefit, Waiver of Premium, Level Term and Critical Illness.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Restated Statement of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the Restated Statement of Revenue Account (Policyholders' Account / Technical Account), Restated Statement of Profit and Loss Account (Shareholders' Account / Non-Technical Account) and the Restated Receipts and Payments Account for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 (together referred as "Restated Financial Statements") and other financial information have been extracted by the Management from the audited Financial Statements of the Company for the respective years ("Audited Standalone Financial Statements").

The audited Financial Statements of the Company as of and for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were prepared under the historical cost convention and on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) in compliance with the applicable accounting standards as specified under section 133 of the Companies Act' 2013 (the 2013 Act) read with the Rule 7 of the Companies (Accounts) Rules 2014 and as prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDA Financial Statements Regulations'), provisions of the Insurance Regulatory and Development Authority Act, 1999, the Insurance Act, 1938, the Insurance Laws (Amendment) Act 2015, to the extent applicable and the relevant provisions of the Companies Act, 2013.

The Restated Financial Statements and other financial information have been prepared by the management in connection with the proposed listing of equity shares of the Company with National Stock Exchange of India (NSE) Limited and Bombay Stock Exchange (BSE) Limited (together "the stock exchanges"), in accordance with the requirements of:

a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013;

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time (together referred to as the "SEBI Regulations") and

c) Para 1 & 2 of Schedule I Part (c) of Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 (referred to as the "IRDAI Regulations") issued by the Insurance Regulatory and Development Authority of India (the "IRDAI")

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the Company's management make estimates and assumptions that affect the reported amount of income and expense for the period, reported balances of assets and liabilities and disclosures related to contingent liabilities and contingent assets as of the date of the financial statements. Examples of such estimates include valuation of policy liabilities, provision for linked liabilities, provisions for doubtful debts, valuation of unlisted securities, if any, future obligations under employee retirement benefits plans and useful lives of fixed assets, etc. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the financial statements. Any differences of actual to such estimates are recognised in the period in which the results are known or materialised.

2.3 Revenue recognition

i. Premium:

New business premium in respect of non-linked policies including rider premium is recognised on acceptance of risk. For all the policies which are in force as at the Balance Sheet date, subsequent premium of the first year and renewal premiums are recognised as income when due. In respect of linked policies, premium income including rider premium is recognised when the associated units are allotted.

Premium on lapsed policies are recognised as income when such policies are reinstated. Top up premiums are considered as single premium.

ii. Income from unit linked policies:

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges, etc., are recovered from the unit linked funds in accordance with the terms and conditions of policies issued and are recognized when due.

iii. Income earned on Investments:

Interest income is recognized on an accrual basis for all funds.

Amortization of premium or accretion of discount at the time of purchase of debt securities is recognized over the remaining period of maturity on a straight line basis.

Dividend income is accounted for on “ex-dividend” date in case of listed equity and preference shares and in case of unlisted shares recognized when the right to receive the dividend is established.

In case of linked business, Profit or loss on sale / redemption of investment securities is calculated as the difference between net sale proceeds and weighted average cost on the date of sale.

In case of other than linked business, Profit or loss on sale / redemption of equity shares, preference shares and units of mutual fund includes the accumulated changes in the fair value previously recognized under “Fair Value Change Account” in the Balance Sheet. In case of Debt securities, the profit or loss on sale / redemption is calculated as the difference between net sales proceeds and weighted average amortized cost on the date of sale.

Unrealized gains and losses arising out of valuation of Linked – Policyholders’ Investments are recognized in the respective fund’s Revenue Account.

2.4 Income from Loans against policies

Interest income on loans against policies is accounted for on an accrual basis.

2.5 Reinsurance premium

Reinsurance premium ceded is accounted for on due basis at the time of recognition of premium income basis the treaty arrangement with the reinsurers.

2.6 Acquisition costs

Acquisition costs are the expenses which are incurred to source and issue the insurance contract. These costs are expensed in the period in which they are incurred.

2.7 Benefits paid (including claims settlement costs)

Death, health and surrender claims are accounted for on receipt of intimation subject to eligibility as per policy terms and conditions. Maturity claims & periodical benefits are accounted when due for payment. Surrenders, lapses (after expiry of lock in period) and withdrawals under linked policies are accounted in the respective funds when the associated units are deallocated.

Reinsurance recoverable is accounted for when the corresponding claim expenditure is recognized

2.8 Liability for life policies in force and paid up policies

Liabilities for life policies in force and also policies in respect of which premium has been discontinued but a liability exists, is calculated by the Appointed Actuary on the basis of Gross Premium valuation method in accordance with accepted actuarial practice, professional guidance notes issued by the Institute of Actuaries of India, provisions of the Insurance Act, 1938 (as amended in 2015) and the relevant regulations notified by the IRDAI from time to time. The liabilities are calculated in a manner that together with estimated future premium income and investment income, the Company can meet estimated future claims (including bonus entitlements to policyholders) and expenses. The linked policies carry two types of liabilities – unit liability representing the fund value of policies and non-unit liability to meet any likely deficiencies in the charges under the policy which might arise on account of mortality, expenses and other elements

Actuarial method and assumptions are given in note 3.2 of Annexure V.

2.9 Investments:

Investments are made in accordance with the Insurance Act, 1938 (as amended in 2015), the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, and other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recognised at cost on the date of purchase which includes brokerage and related taxes and excludes pre-acquisition interest accrued, if any.

Classification:

Investments maturing within twelve months from Balance Sheet date and investment made with the specific intention to dispose them off within twelve months from Balance Sheet date are classified as Short term investments. Investments other than Short term investments are classified as Long term investments. Equity shares are classified as Long term investment.

Valuation – Shareholders' investments and Non-linked Policyholders' investments:

All debt securities including Government securities are considered as 'held to maturity' and accordingly stated at amortized cost.

The difference between the acquisition price and the face value of Treasury bills, Certificate of Deposits, Commercial Papers and Collateral Borrowing and Lending Obligation (CBLO) is amortised and recognized as income / expenses over the remaining term of these instruments, on a straight line basis. In case of zero coupon bonds, redemption value is considered as the face value.

As prescribed by IRDAI, for valuation of listed equity shares and Exchange Traded Fund (ETF) equity, the Company has selected National Stock Exchange (NSE) as the Primary Exchange and the Bombay Stock Exchange (BSE) as the secondary exchange. Accordingly the closing price of NSE is used for the purpose of valuation of equity shares. If the security is not listed / not traded on NSE but traded on the BSE, then the closing price of BSE is used. Additional Tier I Bonds (AT-1 Bonds) are valued at market value using Credit Rating Information Services of India Ltd. (CRISIL) Bond valuer.

Mutual fund units as at the balance sheet date are valued at the previous business day's net asset values (NAV).

Unrealised gains/losses arising due to changes in the fair value of mutual funds, listed equity shares and AT-1 Bonds are taken to "Fair value change Account" in the Balance Sheet. In case of diminution, other than temporary, the amount of diminution is recognised as an expense in the Revenue / Profit and Loss Account, as applicable.

Fixed deposits with banks are valued at cost.

Valuation – Assets held to cover linked liabilities:

All Debt securities, including Government securities are valued at market value, using CRISIL Bond Valuer / CRISIL Gilt Prices, as applicable.

Money market instruments – Treasury bills, Certificate of Deposits, Commercial Papers, CBLO are being stated at amortized cost.

As prescribed by IRDAI, for valuation of listed Equity shares and ETF equity, the Company has selected National Stock Exchange (NSE) as the Primary Exchange and the Bombay Stock Exchange (BSE) as the secondary exchange. Accordingly the closing price of NSE is used for the purpose of valuation of equity shares. If the security is not listed / not traded on NSE but traded on the BSE, then the closing price of BSE is used Mutual fund units as at the balance sheet date are valued at the previous business day's net asset values.

Rights / Bonus entitlements, if any, are accounted on ex-rights / ex-bonus date of the principal stock exchange.

Fixed deposits with banks are valued at cost.

Transfer of Investments:

Transfer of Investments from Shareholders' to Policyholders' to meet the deficit in the Policyholders fund account are effected at lower of cost (for debt securities net amortized cost) or market value on the previous day. The transfer of Investment between unit linked funds is done at the prevailing market price.

Impairment of Investment

The Company periodically assesses using internal and external sources and at each Balance Sheet date whether there is an indication of impairment of investment. In case of impairment, other than temporary, the carrying value of such investment is reduced to its fair value and the impairment loss is recognised in the Revenue / Profit and Loss Account as applicable. However, at the Balance Sheet date if there is an indication that a previously recognised impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

Provision for Non-Performing Assets (NPA)

In accordance with the IRDAI regulations on "Prudential norms for income recognition, asset classification, provisioning and other related matters in respect of debt portfolio" vide Circular No 32/2/F&A/Circulars/169/Jan 2006-07 dated January 24, 2007, adequate provisions have been made to cover amounts outstanding in respect of all NPA and standard assets. All assets where the interest and / or instalment of principal repayment remain overdue for more than 90 days (i.e., one quarter) are classified as NPA at the Balance Sheet date.

2.10 Fixed assets and depreciation / amortisation

Tangible Assets:

An item of property, plant & equipment that qualifies for recognition as an asset is stated at cost less accumulated depreciation and impairment losses, if any. Cost includes the purchase price and any cost directly attributable in bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of asset is added to its book value only if such expenditure results in an increase in the future economic benefit from the existing assets. All other expenditure on existing assets is charged to the Revenue Account / Profit & Loss, as the case may be, for the period during which such expenditure is incurred. Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset.

Depreciation is charged on pro-rata basis from the date of such addition or, as the case may be up to the date on which such asset has been sold or discarded.

Advances paid towards the acquisition of fixed assets as at the Balance Sheet date and cost of fixed assets, which are not ready for its intended use as at such date are disclosed as capital work in progress.

Depreciation is provided on the straight line method (SLM) as per the useful lives of the assets as specified in Schedule II of the Companies Act, 2013. Considering the value of the assets, any assets costing ₹ 5,000 or less are fully depreciated in the year of purchase. The estimated useful lives of assets are as follows:

Asset class	Estimated useful life
Building	60 years
Leasehold improvements	Lease period, not exceeding 5 years
Furniture and fittings	10 years
Information technology equipment	3 years
Leased Information technology Equipment	3 years
Information technology server and network equipment	6 years
Leased vehicles	Primary lease period, not exceeding 5 years
Office equipment	5 years

The residual value and the useful life of an asset is reviewed at each Balance sheet date and if expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate in accordance with AS 5 – 'Accounting for Net Profit or Loss for the period, Prior Period items and Changes in Accounting Policies'.

Intangible Assets:

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are added to its book value only when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably.

Software expenses are amortised using straight line method over license period not exceeding 3 years. Subsequent expenditures are amortised over the remaining useful life of the original software.

2.11 Leases:

Finance leases:

Leases where lessor effectively transfers to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to the Revenue Account.

Operating leases:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease rentals including escalations are recognized as an expense in the Revenue Account on a straight-line basis over the lease period.

2.12 Impairment of assets

The Company periodically assesses, using internal and external sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2.13 Policy Loans

The Loans against policies are stated at historical cost (less repayments), subject to provision for impairment, if any.

2.14 Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the period end closing rates. The resulting exchange gain or loss is reflected in the Revenue Account or Profit and Loss Account, as applicable.

2.15 Taxation

A. Direct Taxes:

(i) Current taxes:

Current tax expense is determined on estimated taxable income in accordance with the provisions of the Income-tax Act, 1961, as amended from time to time, applicable to life insurance companies.

(ii) Deferred taxes:

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisation.

B. Indirect Taxes

Service tax/GST liability is set-off against eligible tax credits available from tax paid on input services. Unutilized credits, if any, are carried forward for future set-off under "Advances and other assets".

2.16 Employee benefits

Short-term employee benefits:

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. These benefits include performance incentives, short term compensated absence etc. The undiscounted amount of short-term employee benefits expected to be paid are recognised during the period when the employee renders the service.

Defined contribution plans:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when service are rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Revenue Account in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation and same is determined based on the actuarial valuation at the Balance Sheet date using the projected unit credit method.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. Actuarial gains and losses due to change in actuarial valuation of such employee benefit plans are recognised in the period of occurrence for all employee benefits.

Long term Incentive plan (LTIP):

Performance stock units (PSU) and Restricted stock units (RSU) were granted to eligible employees' basis defined parameters until December 2016. The vesting of these stock units was based on common stock (share) price of MetLife Inc. as at the vesting date. The liability and corresponding expense is accounted for on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date and is trued-up at the time of vesting / payment.

Basis the revised IRDAI guidelines on 'Indian Owned and Controlled' in 2016, a new LTI program was implemented effective January 2017. The said program is a deferred cash plan and the quantum of grant to eligible employees is based on performance of PNB MetLife. The proportionate liability and corresponding expense is accounted for in line with the vesting period.

ESOP & Cash LTI Scheme 2017:

The Company has introduced an ESOP scheme in December 2017 wherein certain eligible employees are granted options to subscribe to equity shares of the Company which vest in a graded manner. The vested options may be exercised within a specified period. The grant is conditional and contingent upon listing of shares of the Company by December 31, 2018.

In accordance with the Guidance Note on 'Accounting for Employee Share-based payments', the Company follows the intrinsic value method to account for its share based employee compensation plan. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period.

A Cash LTI scheme was introduced for eligible employees who are not covered under the ESOP 2017 scheme. The scheme is also contingent upon listing of the shares of the Company by December 31, 2018. The proportionate liability and corresponding expense is accounted for in line with the vesting period.

2.17 Statement of Receipts and Payments

The Statement of Receipts and Payments has been prepared in accordance with the direct method prescribed in Accounting Standard 3, 'Cash Flow Statement'.

2.18 Segment Reporting

As per Accounting Standard 17 on 'Segment Reporting' read with the IRDAI Regulations, the Company is required to report segment results separately for the participating, non-participating, health, unit linked and pension business segments ('the business segments').

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

The following basis has been used for allocation of revenue, expenses, assets and liabilities to the business segments:

(a) Premium income, Commission, Benefits paid, Operating Expenses, Investments and Policyholders' liabilities which are directly identifiable with business segments are disclosed under respective business segment.

(b) Fixed assets, current assets, current liabilities and provisions, which cannot be directly attributable to the business segments, are allocated to the business segments on the basis of one of the below mentioned factors as deemed appropriate considering the nature of item:

- Average in-force policies
- New business premium

(c) Expenses which are not directly attributable to the business segments are apportioned on the basis of following factors as deemed appropriate considering the nature of expenses.

- Average in-force policies
- New business premium

(d) The method of allocation of operating expenses has been decided based on the nature of the expense and its logical correlation with various business segments as was done in the previous year.

2.19 Funds for Future Appropriations (FFA)

The Funds for Future Appropriations (FFA) represents the surplus in Participating (PAR) segment which is not allocated to Policyholders' or Shareholders' as at the Balance Sheet date. Transfers to and from the fund reflect the quarterly surplus / deficit of income over expense of PAR segment. The cost of bonus to Policyholders' and Shareholders' is transferred to or from the FFA through a charge or credit to the Revenue Account at the year end.

The FFA in the linked business represents surplus on the lapsed policies unlikely to be revived. This surplus is required to be held within the Policyholders' fund till the time Policyholders' are eligible for revival of their policies. After expiry of the revival period, the FFA would be appropriated towards the surplus.

2.20 Earnings per share(AS 20)

As required by AS 20, basic earnings per share are calculated by dividing the net profit or loss for the period available to equity shareholders by the weighted average number of equity shares outstanding during the period. Further, for the purpose of calculating diluted earnings per share, the weighted average number of shares outstanding during the period including that of subscription received against rights issue (pending allotment) is adjusted for the effects of all dilutive potential equity shares.

2.21 Provisions, Contingent liabilities and Contingent assets

The Company creates a provision for claims, litigation, assessment, fines, penalties, etc. when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in financial statements since they may result in the recognition of income that may never be received unless it becomes virtually certain that an inflow of economic benefits will arise and accordingly the asset and the related income shall be recognized in the financial statements of the period in which the change occurs.

3. NOTES TO ACCOUNTS

3.1 Contingent liabilities

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Partly paid up investments	Nil	Nil	Nil	Nil	Nil
Claims, other than those under policies, not acknowledged as debts	69.11	58.72	49.81	18.24	25.61
Claims under policies not acknowledged as debts	328.38	265.79	170.12	160.75	73.58
Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil	Nil	Nil	Nil
Guarantees given by or on behalf of Company	2.50	Nil	Nil	Nil	Nil
Statutory demands / liabilities in dispute not provided for*	1,566.35	1,324.85	1,907.59	1,997.57	1,423.06
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil	Nil	Nil	Nil
Unclaimed amount of Policyholders' transferred to Senior Citizens' Welfare Fund	0.78	Nil	Nil	Nil	Nil

*represents statutory demands and liabilities in dispute / likely to be in dispute, not provided for, relating to the show cause cum demand notices / assessment orders received / likely to be received by the Company from the various Tax authorities.

- ₹ 1,457.21 million as at March 31, 2018 (₹ 1,307.88 million as at March 31, 2017, ₹ 1,306.3 million as at March 31, 2016, ₹ 1,738.51 million as at March 31, 2015, ₹ 1,311.47 million, ₹ 880.37 as at March 31, 2013) pertain to demand from Service Tax authorities towards disallowance of CENVAT credit.

- The Income Tax authorities have raised a demand of ₹ Nil as at March 31, 2018 (₹ 16.98 million as at March 31, 2017, ₹ 14.34 million as at March 31, 2016, ₹ 12.04 million as at March 31, 2015, ₹ 2.45 million as at March 31, 2014, ₹ 3.66 million as at March 31, 2013) towards Tax Deducted at Source.

- The Income Tax authorities have made an appeal of ₹ 109.14 million as at March 31, 2018 (₹ Nil for the year ended March 31, 2017, ₹ 586.95 million for the year ended March 31, 2016, ₹ 247.02 million for March 31, 2015, ₹ 109.14 million for March 31, 2014, ₹ Nil for March 31, 2013) for the assessment years 2010-11 and 2012-13.

  The Company has filed its submissions / appeals against these show cause cum demand notices / appeals / assessment orders with the concerned appellate service Tax and Income Tax authorities and have been advised by the experts that the grounds of submissions / appeal are well supported in law, in view of which the company does not expect any significant liability to arise in this regard.

3.2 Actuarial method and assumptions underlying the valuation of policy liabilities

The actuarial value of the policy liabilities has been estimated using actuarial assumptions and methods which are consistent with:

(a) generally accepted actuarial practices;

(b) the provisions of The Insurance Act, 1938 and any amendments thereof;

(c) regulations and guidelines issued by the IRDAI; and

(d) the relevant guidance notes issued by the Institute of Actuaries of India

The assumptions are based on prudent estimates of the future experience, and hence include margins for adverse deviations over and above the best estimate assumptions. A brief of the assumptions used in actuarial valuation is as below.

- The interest rates reflect the expected long term yields on the investments backing these liabilities with a margin for adverse deviations.

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Valuation of Interest for Participating Products	6.00%*	6.00%	6.00%	6.00%	6.00%
Valuation of Interest for Non – Participating Products	5.50%	5.50%	5.50%	5.50%	5.50%

*The valuation rate of interest has been taken as 6 percent per annum for all the financial years ending as on March 31, 2018, 2017, 2016, 2015 and 2014. for participating products excluding below listed products where 6.25 per cent per annum for all the financial years ending as on March 31, 2018, 2017, 2016, 2015 and 2014 is used:

- Met Suvidha Par (UIN 117N017V01)
- Met Monthly Income 15 Pay (UIN 117N070V01)
- Met Monthly Income 7 Pay (UIN 117N064V01)
- Met Monthly Income Plan (UIN 117N050V01)

Mortality:

Mortality assumptions are set in accordance with Clause 5(2) of Schedule II of the IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016, in reference to the published Indian Assured Lives Mortality table (2006-08) and are based on the latest experience analysis of the business. In the case of annuity benefits, mortality assumption is based on the LIC Annuitants (1996-1998) table. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience.

Expenses:

The allowance for commissions is on the basis of the actual rates of renewal commission payable to the financial advisors. The renewal expenses are allowed in the valuation both as a percentage of premium and on per policy basis. Claim related expenses have also been factored for all the individual products. The expense inflation rate is as mentioned below:

Expenses	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Expense Inflation	5.8 % p.a.	5.5 % p.a.	5.5 % p.a.	5.5 % p.a.	5 % p.a.

Persistency:

The expected persistency has been assumed based on the experience of the Company and varies by duration of the policy and by nature of products

Future Bonuses:

For participating business, the bonus rates allowed for future declarations in reserves is consistent with the valuation assumptions.

The policy liability for the Group one year renewable business has been calculated as the unexpired premium reserve. In case of group products with term more than one year, Gross Premium Method has been used. For group products administered as cash accumulation account, the account values of the policies are considered as reserve.

In addition to the estimated policy liabilities based on the above methodology and assumptions, additional provision has been made for IBNR claims.

The reserves for unit-linked life and pension business comprise two parts - unit reserves and non-unit reserves. Unit reserves represent the value of units attached to the unit linked policies as on the valuation date. Non-unit reserves are calculated taking into consideration the future expected cash outgoes and incomes in respect of all in-force unit linked policies.

Reinsurance Credit:

The reinsurance credit has been appropriately factored into the calculation of the reserves by projecting the expected mortality benefits that would arise on account of reinsurance and deducting the expected reinsurance premiums payable.

Other provisions include –

- Provisions for free look cancellations have been allowed for individual non-linked and linked products based on experience.
- Provision has been made for any additional expenses that the Company may have to incur if it were to close to new business twelve months after the valuation date.
- Reserves have been kept for lapsed policies eligible for revivals.
- Extra mortality risk premiums charged for extra risk have been set aside as reserve.
- Adequate rider reserves have been set aside
- Additional reserves have been set where deaths have already occurred but liability continues to exist, like cases wherein waiver of premium option has been availed

Adequate margins for adverse deviations are taken in the valuation assumptions as per the regulations and guidelines issued by IRDAI and the guidance note issued by Institute of Actuaries of India. All in-force policies as per the policy administration database have been considered for the estimation of policy liabilities.

3.3 Encumbrances on assets

Assets of the Company are free from encumbrances, other than vehicles and information technology equipment on finance lease, which have been capitalised in accordance with Accounting Standard 19 on 'Leases' as notified by the Companies (Accounting Standards) Rules, 2006.

3.4 Capital commitments

There are no commitments made and outstanding for loans and investments. The estimated amount of commitments made by the Company and not provided for (net of advances) for fixed assets are as follows:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Commitment for Fixed Assets	83.87	115.80	97.04	62.19	32.42

3.5 Lease commitments

As stated in paragraphs 2.11 above, the Company acquired information technology equipment and Computer software under finance lease. The minimum amounts payable in future on finance leases and their present value are as follows:

(₹ in million)

Present Value of MLPs Outstanding	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Not Later than 1 Year	42.99	51.70	47.08	Nil	Nil
1 to 5 years	62.21	118.93	170.63	Nil	Nil
Later than 5 years	Nil	Nil	Nil	Nil	Nil
Total	**105.20**	**170.63**	**217.72**	**Nil**	**Nil**

(₹ in million)

Year	Particulars	Total	Not Later than 1 Year	1 to 5 years	Later than 5 years
March 31, 2018	Minimum lease payments ('MLPs') outstanding	115.30	49.41	65.88	Nil
	Less: Finance charges	10.09	6.42	3.67	Nil
	Present value of MLPs outstanding	**105.21**	**42.99**	**62.21**	**Nil**
March 31, 2017	Minimum lease payments ('MLPs') outstanding	197.65	65.88	131.77	Nil
	Less: Finance charges	27.02	14.18	12.84	Nil
	Present value of MLPs outstanding	**170.63**	**51.70**	**118.93**	**Nil**

(₹ in million)

Year	Particulars	Total	Not Later than 1 Year	1 to 5 years	Later than 5 years
March 31, 2016	Minimum lease payments ('MLPs') outstanding	263.53	65.88	197.65	Nil
	Less: Finance charges	45.82	18.80	27.02	Nil
	Present value of MLPs outstanding	**217.71**	**47.08**	**170.63**	**Nil**

The Company has acquired premises (office and residential premises), computers and motor vehicles on operating lease. Lease payments on cancellable and non-cancellable lease arrangements are charged to the Revenue Account and the Profit and Loss Account. The future minimum lease payments in respect of non- cancellable operating leases as at the Balance Sheet date are as follows:

(₹ in million)

Present Value of MLPs Outstanding	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Not Later than 1 Year	20.02	35.75	55.70	25.25	6.82
1 to 5 years	9.25	23.35	74.15	35.46	12.98
Later than 5 years	Nil	Nil	Nil	Nil	Nil
Total	**29.27**	**59.10**	**129.85**	**60.71**	**19.80**

(₹ in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Operating Lease payments recognized in the Revenue account	189.40	173.36	196.54	147.11	326.78

There are no transactions in the nature of sub-lease.

3.6 Death claims outstanding

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Claim Settled & unpaid for more than 6 months	34.65	24.34	5.36	9.72	2.75

3.7

a) Value of investment contracts where settlement or delivery is pending:-

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Linked Business					
Purchases where deliveries are pending	128.32	564.03	771.69	337.88	206.67
Sales where receipts are pending *	227.25	1,110.97	264.70	85.46	356.61
Non-Linked Business					
Purchases where deliveries are pending	579.77	-	290.72	-	258.39
Sales where receipts are pending *	114.82	-	-	-	-

* There are no investment contracts where sales have been made and payments are overdue.

b) Disclosure under clause 13 (D) (7) of IRDA Investments (Fifth Amendments) Regulations, 2013

All applications for unit linked business received upto 3 p.m. on last business day have been processed with the applicable NAV of last business day.

3.8 Deposits under Local Laws:

The Company does not have any assets that are required to be deposited under local laws or otherwise encumbered in or outside India as required under Para C of Part II of Schedule A of IRDA (Preparation of Financial Statements and Auditors report) Regulations, 2002 other than deposits required under Section 7 of the Insurance Act, 1938 (as amended in 2015) as disclosed vide note 3.27 of Annexure V. However, following amounts has been held as security deposit with J&K State Commercial Tax department.

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Held as Security Deposits with J&K State Commercial Tax Department	0.62	0.40	0.40	0.40	0.40

3.9 Taxation

In view of the carry forward accumulated losses, the Company has not made any provision towards current tax. Deferred tax asset has not been recognized in the absence of virtual certainty of future taxable income against which the deferred tax asset can be realized.

3.10 Managerial Remuneration

(a) The appointment and remuneration of managerial personnel is in accordance with the requirements of Section 34A of the Insurance Act, 1938 as amended from time to time including the amendment brought by the Insurance Laws (Amendment) Act, 2015 and has been approved by the IRDAI.

(b) Details of Managerial Remuneration are as follows :

(₹ in million)

Particulars	For the year ended March 31, 2018*	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Salary & Allowances	28.05	25.47	36.80	30.47	71.22
Contribution to provident fund	0.43	1.11	1.02	0.84	1.03
Value of perquisites	0.04	0.81	0.81	0.50	Nil
Total	**28.52**	**27.39**	**38.63**	**31.81**	**72.25**
Charged to MetLife International Holdings, LLC	Nil	Nil	Nil	21.81	62.25
Charged to Revenue Account	7.50	10.00	15.00	10.00	10.00
Charged to Shareholders' Account	21.02	17.39	23.63	Nil	Nil

(a) The Managing Director & CEO of the Company resigned effective March 31, 2017 and in his place an interim CEO and Principal Officer was appointed w.e.f. March 31, 2017 for a period of 6 months (i.e., upto September 30, 2017). Necessary approvals from IRDAI are in place for the same. The remuneration (including allowances and special bonus) of ₹ 21.79 million paid to the interim CEO & Principal Officer during the half year ended September 30, 2017 has been debited to Employees' remuneration and welfare benefits in Schedule 3 of the Revenue Account.

(b) The interim CEO and Principal Officer was appointed as Managing Director and CEO of the Company w.e.f. October 1, 2017 for a period of five years as approved by IRDAI.

*There was no Managing Director during the period April 1, 2017 to September 30, 2017. The interim CEO and Principal Officer was appointed as Managing Director and CEO of the Company w.e.f. October 1, 2017 as approved by IRDAI.

Notes:

(i) An amount of ₹ 3.15 million towards LTIP to the ex- Managing Director and CEO of the Company, which was charged to the Profit and Loss Account for the year ended March 31, 2017, has been paid during the year and the same has also been recovered from MetLife International Holdings, LLC. in line with approval from IRDAI.

(ii) An amount of ₹ 2.27 million towards PSU and RSU stock units vested during the year is outstanding as payable to the Managing Director & CEO as at March 31, 2018 (March 31,2017 ₹ Nil) pending IRDAI approval.

(iii) The above figures do not include provision for employee benefits, which are actuarially determined for the Company as a whole in accordance with AS 15 - Employee benefits.

(iv) For the year ended 31st March, 2014, value of perquisites was included in Salary & Allowances

(c) Sitting fees paid to directors are detailed as below :

(₹ in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Sitting Fees	3.85	3.25	3.70	1.05	0.79

3.11 Historical cost of Investments

The aggregate cost & market value of investments which are valued on fair value basis are detailed below:-

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cost which was valued on fair value basis	55,570.14	55,581.24	56,208.23	54,475.65	53,447.60
Market Value which was valued on fair value basis	65,286.50	68,159.64	66,823.29	73,036.17	65,322.98

3.12 Statutory investments

All investments have been made in accordance with the Insurance Act, 1938 (as amended in 2015), the Insurance and Regulatory Development Authority (Investment) Regulations 2016 and various other circulars, guidelines and notifications issued by the IRDAI in this context from time to time.

3.13 Non-performing investments

None of the investments of the Company has been classified as non-performing as per the income recognition norms issued by the IRDAI

3.14 Repo / Reverse Repo Transactions

There was no exposure towards Repo / Reverse Repo transactions.

3.15 Allocation of investments and income

The Company is maintaining separate funds for Shareholders' and Policyholders' as per Sec. 11(1B) of the Insurance Act, 1938 (as amended in 2015). The Company transfers the investments from the Shareholders' account to the Policyholders' account, to the extent required to cover the incremental liabilities for life policies in force. Accordingly, the income corresponding to such investments was recognized in the Policyholders' account as appropriate. Investments held on behalf of the Shareholders' and the Policyholders' are included in Schedules 8, 8A and 8B of the financial statements. The investment income arising from the investments held on behalf of Shareholders' was recognized in the Profit and Loss Account and those held on behalf of Policyholders' in the Revenue Account.

3.16 Sector-wise percentage of business

(₹ in million)

No. of policies issued	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Total business	219,805	216,802	240,927	199,640	184,251
Rural sector	64,834	59,914	73,599	59,843	43,404
As % of total business of current year	29.50%	27.64%	30.55%	29.98%	23.56%
Social sector	51	29	35	44	61
As % of total business					
- of current year	0.02%	0.01%	0.01%	0.02%	0.03%
- of previous year	0.02%	0.01%	0.02%	0.03%	NA

(₹ in million)

No. of lives covered	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Total business	962,776	1,650,274	1,263,112	2,697,108	1,422,910
Rural sector	NA	NA	NA	NA	NA
As % of total business of current year	NA	NA	NA	NA	NA
Social sector	86,327	67,720	75,813	79199	70,262
As % of total business					
- of current year	8.97%	4.10%	6.00%	2.94%	4.94%
- of previous year	5.23%	5.36%	2.81%	4.94%	6.08%

(₹ in million)

First year premium income	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Total business	14,270.81	11,487.84	10,031.67	8,290.62	6,758.87
Rural sector	3,185.74	2,210.64	2,205.74	1,688.21	1,053.97
As % of total business of current year	22.32%	19.24%	21.99%	20.36%	15.59%
Social sector	6.15	4.23	4.38	4.49	3.78
As % of total business					
- of current year	0.04%	0.04%	0.04%	0.05%	0.06%
- of previous year	0.05%	0.04%	0.05%	0.06%	0.04%

3.17 Foreign exchange transactions

Transactions in foreign currencies are recorded at exchange rate prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement was recognised as income or expense, as the case may be.

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
The net foreign exchange gain / (loss) charged to the Revenue Account	(0.17)	0.12	(0.26)	0.02	1.73

3.18 Risk retained and risk ceded

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Individual Business					
Risks Retained	55.55%	58.92%	63.73%	65.21%	59.86%
Risks Ceded	44.45%	41.08%	36.27%	34.79%	40.14%
Group Business					
Risks Retained	57.58%	57.82%	46.01%	50.58%	59.69%
Risks Ceded	42.42%	42.18%	53.99%	49.42%	40.31%
Total					
Risks Retained	57.04%	58.06%	48.91%	52.74%	59.72%
Risks Ceded	42.96%	41.94%	51.09%	47.26%	40.28%

3.19 Earnings / (Loss) Per Share

In accordance with the Accounting Standard 20 on 'Earnings Per Share (EPS)', the following table reconciles the numerator and denominator used to calculate basic / diluted earnings per share:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Profit / (Loss) after Tax and before / after extra-ordinary items (A) (₹ in million)*	1,416.92	1,034.22	677.11	625.18	1,749.84
Weighted average number of equity shares (par value of ₹ 10 each) - Basic (B)	2,012,884,283	2,012,884,283	2,012,884,283	2,012,884,283	2,012,884,283
Weighted average number of equity shares (par value of ₹ 10 each) -Diluted (C)	2,012,884,283	2,012,884,283	2,012,884,283	2,012,884,283	2,012,884,283
Basic Earnings / (Loss) per share (A/B) (in ₹)	0.70	0.51	0.34	0.31	0.87
Diluted Earnings / (Loss) per share (A/C) (in ₹)**	0.70	0.51	0.34	0.31	0.87

* The profit after tax for year ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 is arrived at post giving effect to transfer of non-par segment surplus from Revenue Account to Profit and Loss Account and other adjustments due to change in accounting policies.

** The Company has approved an Employee Stock Option Plan 2017 w.e.f. January 1, 2018; however the plan is conditional and would be applicable only upon listing of shares of the Company by December 31, 2018. In case the listing does not take place for any reasons whatsoever, this plan would be withdrawn and no rights, whatsoever, will be available with the option holder. In view of the same, the effect thereof is not given for arriving at diluted earnings per share.

3.20 Micro, Small & medium Enterprises Development Act, 2006

According to information available with the management, on the basis of intimation received from suppliers, regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, the Company has amounts due to Micro and Small Enterprises under the said Act as follows:

(₹ in million)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
a)	(i) The principal amount remaining unpaid to any supplier at the end of accounting year.	-	-	0.85	2.20	-
	(ii)The interest due on above.	-	-	0.00	0.02	-
	The total of (i) & (ii)	-	-	0.85	2.22	-
b)	The amount of interest paid by the buyer in terms of section 16 of the Act.	0.29	-	-	-	-
c)	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	0.24	0.50	1.40	-
d)	The amounts of interest accrued and remaining unpaid at the end of financial year	-	2.17	1.92	1.42	0.69
e)	The amount of further interest remaining due and payable even in the succeeding years, included in (d) above, until such date when the interest dues as above are actually paid to the small enterprises.	-	2.17	1.92	1.42	0.69

3.21 Transfer from / to Revenue Account to / from Profit and Loss Account and Funds for Future Appropriations

The company had an accumulated deficit of ₹ 13,003.35 million as at March 31, 2017 in the Revenue Account pertaining to non-par segment. To ensure better disclosure, proper comparison and to be at par with the practices adopted by Industry peers, the said accumulated deficit has now been absorbed in Shareholders' Funds – Reserves and Surplus – Balance of profit as at year-end in the audited financial statements for the year ended March 31, 2018.

As a part of the restated financial statements preparation, the effect of the above adjustment is given in the opening balance of FY 2013-14 and in subsequent five financial years as follows:

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Transferred from Revenue Account to Profit & Loss Account	1,352.88	1,234.24	496.77	408.61	1,837.23
Transfer from Profit and Loss account (Shareholders' Account) to meet brought forward accumulated deficit in Revenue Account (Policyholders' Account)					
Change in liability in respect of life policies includes cost of current bonuses provided to participating (life & Pension) Policyholders'	Nil	1,321.95	838.11	584.51	354.18
1/9th of cost of the Bonus	Nil	146.88	93.12	64.95	39.35
Transferred from/ to Funds for Future Appropriations to / from Revenue Account in respect of Par & Par Pension Segments.	268.15	136.44	322.42	909.62	138.54
	Par Surplus	Par Deficit	Par Surplus	Par Surplus	Par Surplus

3.22 Retirement Benefits

a. The company has charged towards contribution paid / accrued for the provident fund scheme under 'Employees remuneration and Welfare Benefits'

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Contribution paid / accrued for the provident fund	186.02	172.24	183.68	160.59	147.32

b. Liabilities included under "Provisions"

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Long term compensated absences	53.41	49.47	47.55	51.86	62.44*
Gratuity	207.85	182.58	167.28	149.46	123.60

*The company has revised the leave policy with respect of carry forward and encashment of privilege and sick leave from 90 days to 10 and 30 days respectively. As a result, the liability against Long term compensated absence has reduced by ₹ 77.51 million, with a corresponding impact in the current financial year's Revenue and Profit & Loss Account.

c. The amounts recognized in the statement of profit and loss towards unfunded gratuity liabilities are as follows:

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Current service cost	35.80	31.25	32.45	33.51	38.01
Interest on Defined Benefit obligation	11.43	11.25	10.41	13.84	12.89
Expected return on plan assets	NA	NA	NA	NA	NA
Net actuarial losses / (gains) recognised in year	7.13	3.45	7.02	1.02	(27.74)
Total, included in 'employees remuneration and welfare benefits'	54.36	45.95	49.88	48.38	23.16

d. Changes in the present value of the Defined Benefit Obligation representing reconciliation of opening and closing balances of Gratuity liability are as follows:

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Obligations at period beginning	182.58	167.28	149.46	123.60	126.04
Current service cost	35.80	31.25	32.45	33.51	38.01
Interest on obligation	11.43	11.25	10.41	13.84	12.88
Net actuarial losses / (gains) recognised in year	7.13	3.45	7.02	1.02	(27.74)
Benefits paid	(29.09)	(30.65)	(32.05)	(22.51)	(25.60)
Obligations at period end	207.85	182.58	167.29	149.46	123.59

e. Principal actuarial assumptions at the Balance Sheet date (expressed as Weighted Average) include the discount rate:-

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Principal Actuarial Assumptions	6.85%	6.80%	7.40%	7.80%	9.00%

Further, the estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The mortality rate has been assumed to follow IALM 2006-08 table.

f. Experience Adjustments

(₹ in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Defined Benefit Obligation	207.85	182.58	167.29	149.46	123.59
Plan Assets		-	-	-	-
Surplus/(Deficit)	(207.85)	(182.58)	(167.29)	(149.46)	(123.59)
Exp. Adj. On Plan Liabilities	(16.33)	(0.38)	0.08	(8.65)	(12.51)
Exp. Adj. On Plan Assets	-	-	-	-	-

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
The contributions expected to be paid during the annual period beginning after the balance sheet date	NA	40.58	31.53	26.21	6.7

3.23 The cost of unit compensation

(₹ in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
The cost of unit compensation represents amount credited to the Policyholders' unit-linked fund to compensate them for the NAV fluctuation due to difference in unit creation date and money realization date.	Nil	Nil	23.69	Nil	7.32

3.24 Statutory Deposits

In compliance with Circular No. IRDAI/F&I/CIR/INV/093/04/2015 dated 30th April, 2015 dispensing the requirement to maintain the deposit under Section 7 of Insurance Act, 1938, Company has withdrawn such deposits in the year ended March 31, 2016

In order to comply with the level of deposit required under Section 7 of the Insurance Act, 1938 (as amended in 2015), the company had invested in Government securities in the Financial Years 2014-15 and 2013-14, as detailed below:-

(₹ in million)

Name of the Security	As at March 31, 2015		As at March 31, 2014	
	Face value	Amortised cost	Face value	Amortised cost
GOI 7.95% 2032	50.00	48.78	50.00	48.71
GOI 7.40% 2035	50.00	47.01	50.00	46.86
GOI 8.33% 2036	5.00	5.00	5.00	5.00
GOI 8.28% 2032	15.00	14.38	15.00	14.34
Totals	**120.00**	**115.16**	**120.00**	**114.90**

3.25 Disclosure on additional work given to auditors

Pursuant to Corporate Governance guidelines issued by IRDAI, the additional work (other than statutory audit) given to the auditors are detailed below:

(₹ in million)

Particulars	Services rendered	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Services rendered	Fees towards quarterly limited review of the interim financial statements.	Nil	Nil	Nil	1.00	0.80

3.26 Long term Incentive Plan (LTIP)

(a) LTIP payments for all the eligible employees except MD were reimbursed by MetLife International Holdings, LLC till financial year 2015-16. For the year ended March 31, 2018, ₹ 16.03 million has been charged under 'Employees remuneration and welfare benefits' (FY 2016-17 ₹ 19.54 million)

(b) The amounts recognized in balance sheet as at March 31, 2018 was ₹ 17.43 million (₹ 7.74 million for the year ended March 31, 2017, ₹ 2.46 million for the year ended March 31, 2016 and ₹ Nil for the years ended March 31, 2015 and March 31, 2014)

3.27 ESOP & Cash LTI scheme 2017

The intrinsic value of the options granted under the ESOP scheme is 'Nil' as the exercise price of the option is lesser than the fair value of the underlying share on the grant date and accordingly, no expenses are recognised in the books.

The Company has charged an amount of ₹ 12.08 million for the year towards Cash LTI scheme and the same is outstanding in the books as at March 31, 2018

3.28 Additional Disclosure of Expenses

As required by IRDAI's circular no. 067/IRDA/F&A/CIR/MAR-08 dated March 28, 2008, the details of the following expenses are furnished below:

(₹ in million)

Heads of Expenses	Grouped Under	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Outsourcing Expenses (manpower)	Employee's remuneration and welfare benefits, Legal & Professional Charges	375.28	347.29	340.16	170.28	167.03
Business Development	Business Development, Sales promotion & Sales conference	(70.56)	225.99	236.27	124.22	260.10
Marketing Support	Advertisement and publicity	-	(0.37)	34.95	19.06	265.04

Amounts mentioned above includes true up of provisions

3.29 Discontinued Fund

As required by IRDAI's notification F No. IRDA/Reg/2/52/2010 dated July 01, 2010, the details of the discontinued fund are mentioned below:

(₹ in million)

Sl. No	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	Fund for Discontinued Policies					
	Opening Balance of Funds for Discontinued Policies	**5,924.86**	**5,242.32**	**4,729.15**	**2,468.00**	**1,191.78**
Add:	Fund of policies discontinued during the year	3,064.20	2,867.48	2,702.27	2,911.50	1,694.19
Less:	Fund of policies revived during the year	958.41	925.75	1,229.38	933.23	548.06
Add:	Net Income/ Gains on investment of the Fund	401.47	370.06	410.27	303.25	139.72
Less:	Fund Management Charges levied	37.84	31.58	30.06	20.36	9.64
Less:	Amount refunded to Policyholders' during the year	2,645.04	1,597.68	1,339.94	-	-
	Closing Balance of Fund for Discontinued Policies	**5,749.23**	**5,924.86**	**5,242.32**	**4,729.15**	**2,468.00**

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Other Disclosures					
No. of policies discontinued during the year	17,601	30,968	33,029	28,540	26,015
Percentage of discontinued policies to total policies (product-wise) during the year					
Met Smart Platinum	38%	50%	56%	38%	68%
Met Easy Super	2%	1%	2%	39%	61%
Met Smart Child	59%	48%	42%	27%	53%
MetLife Mera Wealth Plan	1%	1%	-	-	-
No. of policies revived during the year	6,350	9,376	9,658	7,138	6,168
Percentage of policies revived (to discontinued policies) during the year					
Met Smart Platinum	38%	45%	42%	30%	29%
Met Easy Super	2%	2%	2%	20%	18%
Met Smart Child	59%	53%	56%	30%	27%

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
MetLife Mera Wealth Plan	1%	-	-	-	-
Charges imposed on account of discontinued policies	32.48	62.61	76.97	52.13	57.66
Charges readjusted on account of revival of policies	12.71	20.63	29.20	14.03	15.31

3.30 Unclaimed Amount of Policyholders

As required by IRDAI's circular no. IRDA/F&I/CIR/CMP/174/11/2010 dated 4th November, 2010, statement showing the age-wise analysis of the unclaimed amount of Policyholders' is as follows:

(₹ in million)

Ageing Analysis	As at March 31, 2018			
	Claims settled but not paid to the Policyholders' / insured due to any reasons except under litigation from the insured / Policyholders'	Sum due to the insured / Policyholders' on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders' either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the Policyholder / insured
0 - 6 Months	0.90	289.01	32.57	45.04
7 - 12 Months	0.10	113.97	8.45	48.70
13-18 Months	0.91	83.55	13.71	53.76
19-24 Months	8.19	89.87	15.09	84.70
25-30 Months	5.56	73.92	12.59	56.00
31-36 Months	4.08	49.15	30.04	32.41
36-120 Months	6.61	636.56	153.73	81.20
Beyond 120 months	-	-	0.01	4.09
Total	**26.35**	**1,336.03**	**266.19**	**405.90**

(₹ in million)

Ageing Analysis	As at March 31, 2017			
	Claims settled but not paid to the Policyholders' / insured due to any reasons except under litigation from the insured / Policyholders'	Sum due to the insured / Policyholders' on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders' either as per terms & conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the Policyholder / insured (Refer Note below)
0-1 Months	39.46	78.00	4.65	-
1-6 Months	1.95	166.63	45.81	21.32
7-12 Months	8.30	125.23	41.03	83.65
13-18 Months	11.08	73.86	76.22	10.71
19-24 Months	-	37.16	29.78	1.10
25-30 months	-	47.84	23.79	1.44
31-36 months	11.07	142.06	30.49	228.58
Beyond 36 months	0.63	583.12	132.87	45.62
Total	**72.48**	**1,253.90**	**384.64**	**392.42**

(₹ in million)

Ageing Analysis	As at 31st March, 2016			
	Claims settled but not paid to the Policyholders' / insured due to any reasons except under litigation from the insured / Policyholders'	Sum due to the insured / Policyholders' on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders' either as per terms & conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the Policyholder / insured (Refer Note below)
0-1 Months	183.46	139.24	210.94	-
1-6 Months	11.31	210.49	74.98	49.68
7-12 Months	18.91	131.34	99.76	2.69
13-18 Months	0.53	78.68	50.79	0.27
19-24 Months	-	67.22	41.36	0.01
25-30 months	3.20	69.76	48.02	0.05
31-36 months	0.49	109.69	25.08	0.23
Beyond 36 months	1.66	436.19	120.10	25.49
Total	**219.57**	**1,242.61**	**671.02**	**78.42**

(₹ in million)

Ageing Analysis	As at 31st March, 2015			
	Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / Policyholders'	Sum due to the insured / Policyholders' on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders' either as per terms & conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the Policyholder / insured (Refer Note below)
0-1 Months	23.54	69.84	12.90	12.93
1-6 Months	3.68	130.82	41.95	36.41
7-12 Months	3.18	123.97	35.18	30.74
13-18 Months	4.45	48.58	34.01	78.04
19-24 Months	1.38	87.22	15.22	79.14
25-30 months	0.72	82.16	11.16	106.25
31-36 months	-	150.69	13.12	36.49
Beyond 36 months	-	18.87	7.39	92.83
Total	**36.93**	**712.15**	**170.93**	**472.83**

(₹ in million)

Ageing Analysis	As at 31st March, 2014			
	Claims settled but not paid to the Policyholders' / insured due to any reasons except under litigation from the insured / Policyholders'	Sum due to the insured / Policyholders' on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the Policyholders' either as per terms & conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the Policyholder / insured (Refer Note below)
1-6 Months	3.38	73.50	29.46	50.66
7-12 Months	1.97	127.13	11.72	123.19
13-18 Months	0.67	113.17	13.69	79.01
19-24 Months	-	176.59	12.03	118.09
25-30 months	-	14.90	4.44	26.25
31-36 months	-	2.22	0.87	17.01
Beyond 36 months	0.10	18.38	1.25	89.88
Total	**6.13**	**525.88**	**73.45**	**504.10**

3.31 In line with circular no. IRDA/F& I/CIR/CMP/174/11/2010 dated 04.11.2010, the details of unclaimed amounts and Investment Income is given below:

(₹ in million)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Opening Balance	2,103.40	2,211.60	1,776.10	NA	NA
Add: Amount transferred to unclaimed Amount	1,282.40	3,072.80	1,606.60	NA	NA
Add: Cheques issued out of the Unclaimed amount but not encashed by the Policyholders' (to be included only when cheques are stale)	17.30	41.10	11.70	NA	NA
Add: Investment Income	123.30	103.80	38.80	NA	NA
Less: Amount Paid during the year	1,413.70	3,325.90	1,221.60	NA	NA
Less: Amount transferred to SCWF	78.20	-	-	-	-
Closing Balance of Unclaimed Amount	**2,034.50**	**2,103.40**	**2,211.60**	**NA**	**NA**

Comparable previous year information for the year ended March 31, 2015 and 2014 is not applicable since the requirement to maintain a segregated fund to manage unclaimed amount of policyholders as per. IRDAI circular No, IRDA/F&A/CIR/CPM/134/07/2015 dt. July 24, 2015 is effective from year ended March 31, 2017

3.32 Fines & Penalties

(₹ in million)

Sl. No.	Authority	Non-Compliance/ Violation	For the year ended March 31, 2018		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Penalty by IRDAI	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

(₹ in million)

Sl. No.	Authority	Non-Compliance/ Violation	For the year ended March 31, 2017		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Penalty by IRDAI	1.00	1.00	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil

(₹ in million)

Sl. No.	Authority	Non-Compliance/ Violation	For the year ended March 31, 2017		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

(₹ in million)

Sl. No.	Authority	Non-Compliance/ Violation	For the year ended March 31, 2016		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

(₹ in million)

Sl. No.	Authority	Non-Compliance/ Violation	For the year ended March 31, 2015		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

(₹ in million)

Sl. No.	Authority	Non-Compliance/ Violation	For the year ended March 31, 2014		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

3.33 Expenses of Management

As per the Expense of Management Regulations, 2016, the percentage of actual expense to allowable expense of the Company is within the defined limits as specified in the regulations. An amount of ₹ 5.12 million for the year ended March 31, 2018 (for the year ended March 31, 2017 ₹ 4.25 million) being excess over allowable limit in a particular segment has been debited to Profit and Loss Account (Shareholders' Account) in accordance with clause 16 of the regulations.

3.34 Corporate Social responsibility (CSR)

As per section 135 of the Companies Act, 2013, the Company needs to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediate preceding financial years on CSR related activities. Accordingly, an amount of ₹ 15.58 million for the year March 31, 2018 (March 31, 2017 – ₹ 20.57 million) is required to be spent by the Company towards CSR activities. The Company has spent ₹ 8.71 million for the year ended March 31, 2018 (March 31, 2017 – ₹ 13.32 million) on various CSR initiatives:

(₹ in million)

Sector in which the project is covered	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Eradication hunger, poverty and malnutrition; promoting healthcare, including preventive health care; and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation; and making available safe drinking water	-	1.94	-	0.91	NA
Promoting education, including special education, and employment-enhancing vocational skills, especially among children, women, elderly, and the differently-abled; and livelihood enhancement projects	6.50	8.37	17.95	11.42	NA
Training to promote rural sports, nationally-recognized sports, Paralympic sports and Olympic sports. Sports Infrastructure Support	1.75	2.02	3.98	0.11	NA

(₹ in million)

Sector in which the project is covered	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women	-	-	1.32	10.89	NA
Administration Charges	0.46	1.00	1.83	0.11	NA
Total	**8.71**	**13.32**	**25.08**	**23.44**	**NA**

The amount spent during the year is as follows:

(₹ in million)

For the year ended	Particulars	(i) Construction/ acquisition of any asset	(ii) On purpose other than (i)	Total
March 31, 2018	In cash	-	8.71	8.71
	Yet to be paid in cash	-	-	-
	Total	**-**	**8.71**	**8.71**
March 31, 2017	In cash	-	12.65	12.65
	Yet to be paid in cash	-	0.66	0.66
	Total	**-**	**13.31**	**13.31**
March 31, 2016	In cash	-	23.61	23.61
	Yet to be paid in cash	-	1.47	1.47
	Total	**-**	**25.08**	**25.08**
March 31, 2015	In cash	0.92	22.52	23.44
	Yet to be paid in cash	-	-	-
	Total	**0.92**	**22.52**	**23.44**
March 31, 2014	In cash	NA	NA	NA
	Yet to be paid in cash	NA	NA	NA
	Total	**NA**	**NA**	**NA**

Movement in provision for CSR activities:

(₹ in million)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Balance at the beginning of the year	1.14	1.47	Nil	Nil	NA
Additional provision made during the year	-	0.66	1.47	Nil	NA
Amount used during the year	0.64	0.99	Nil	Nil	NA
Balance at the end of the year	0.50	1.14	1.47	Nil	NA

Statement showing the Controlled Fund of PNB MetLife India Insurance Co. Ltd.

(₹ in million)

		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
1	**Computation of Controlled fund as per the Balance Sheet**					
	Policyholders' Fund (Life Fund)					
	Participating					
	Individual Assurance	67,417.75	52,599.47	40,492.21	31,497.65	24,401.61
	Individual Pension	768.57	386.27	216.24	169.22	157.05
	Group Assurance	320.86	305.37	351.52	303.90	228.18
	Non-participating					
	Individual Assurance	26,461.35	18,425.15	13,247.13	10,118.38	7,879.21
	Group Assurance	2,845.17	2,097.56	1,578.62	1,174.11	799.60
	Individual Annuity	206.71	123.61	23.51	0.00	0.00
	Group Pension	388.74	510.55	853.00	1,581.46	3,148.94
	Health	801.06	464.22	100.44	0.21	0.62
	Linked					
	Individual Assurance	60,607.22	65,365.64	64,298.54	70,003.01	61,485.05
	Group Assurance	0.00	0.00	0.00	0.00	0.00
	Individual Pension	1,095.00	1,321.54	1,521.91	2,039.26	2,798.39
	Group Superannuation	0.00	0.00	0.00	0.00	0.00
	Group Gratuity	1,533.75	1,464.30	1,371.19	1,356.43	1,280.35
	Funds for Future Appropriations	1,790.88	1,522.73	1,659.16	1,336.74	427.11
	Total (A)	**164,237.06**	**144,586.41**	**125,713.47**	**119,580.37**	**102,606.11**
	Shareholders'' Fund					
	Paid up Capital	20,128.84	20,128.84	20,128.84	20,128.84	20,128.84
	Reserves & Surpluses	0.00	0.00	0.00	0.00	0.00
	Fair Value Change	(0.13)	2.87	0.00	0.00	0.00
	Total (B)	**20,128.71**	**20,131.71**	**20,128.84**	**20,128.84**	**20,128.84**
	Misc. expenses not written off	0.00	0.00	0.00	0.00	0.00
	Credit / (Debit) from P&L A/c.	(9,376.47)	(10,793.39)	(11,827.61)	(12,504.72)	(13,129.90)
	Total (C)	**(9,376.47)**	**(10,793.39)**	**(11,827.61)**	**(12,504.72)**	**(13,129.90)**
	Total shareholders' funds (B+C)	**10,752.24**	**9,338.32**	**8,301.23**	**7,624.12**	**6,998.94**
	Controlled Fund (Total (A+B+C))	**174,989.30**	**153,924.73**	**134,014.70**	**127,204.49**	**109,605.05**

(₹ in million)

		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
2	**Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account**					
	Opening Balance of Controlled Fund	153,924.73	134,014.70	127,204.49	109,605.05	99,033.35
	Add: Inflow					
	Income					
	Premium Income	39,535.11	32,360.80	28,278.34	24,611.86	22,405.87
	Less: Reinsurance ceded	(929.96)	(971.74)	(1,006.07)	(956.41)	(653.30)
	Net Premium	**38,605.15**	**31,389.06**	**27,272.27**	**23,655.45**	**21,752.57**
	Investment Income	13,476.31	15,206.09	2,827.04	19,802.22	11,379.31
	Other Income	**219.79**	**172.44**	**128.66**	**138.83**	**109.53**
	Funds transferred from Shareholders' Accounts	484.31	691.84	262.83	242.73	537.07
	Total Income	52,785.56	47,459.43	30,490.80	43,839.23	33,778.48
	Less: Outgo					
	(i) Benefits paid (Net)	21,084.35	17,690.83	14,307.36	18,682.54	16,081.52
	(ii) Interim Bonus Paid	25.93	16.81	9.50	5.75	1.17
	(iii) Change in Valuation of Liability	19,369.87	18,984.21	5,810.67	16,064.63	9,002.93
	(iv) Commission	2,154.76	1,796.52	1,614.63	1,384.32	1,267.67
	(v) Operating Expenses	8,148.39	7,466.34	7,493.30	6,036.49	5,419.99
	(vI) Service tax on ULIP	385.92	358.46	355.68	326.78	0.00
	(vii) Provision for Taxation	0.00	0.00	0.00	0.00	0.00
	(viii) Provision for Advances & Recoveries	(4.69)	48.46	80.46	20.48	29.45
	Total Outgo	**51,164.53**	**46,361.63**	**29,671.60**	**42,520.99**	**31,802.73**
	Surplus of the Policyholders' Fund	**1,621.03**	**1,097.80**	**819.20**	**1,318.24**	**1,975.75**
	Less: transferred to Shareholders' Account	1,352.88	1,234.24	496.77	408.61	1,837.23
	Net Flow in Policyholders' account	**268.15**	**(136.44)**	**322.43**	**909.63**	**138.52**
	Add: Net income in Shareholders' Fund	1,416.92	1,034.22	677.11	625.18	1,749.84
	Net In Flow / Outflow	**1,685.07**	**897.78**	**999.54**	**1,534.81**	**1,888.36**
	Add: change in valuation Liabilities	19,382.50	19,009.38	5,810.67	16,064.63	8,683.34
	Add: increase in Paid up Capital	0.00	0.00	0.00	0.00	0.00
	Add: change in Fair Value	(3.00)	2.87	0.00	0.00	0.00
	Closing Balance of Controlled Fund	**174,989.30**	**153,924.73**	**134,014.70**	**127,204.49**	**109,605.05**
	As Per Balance Sheet	**174,989.30**	**153,924.73**	**134,014.70**	**127,204.49**	**109,605.05**
	Difference, if any	0.00	0.00	0.00	0.00	0.00

(₹ in million)

		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
3	**Reconciliation with Shareholders' and Policyholders' Fund**					
	Policyholders' Funds					
3.1	**Policyholders' Funds - Traditional-PAR and NON-PAR**					
	Opening Balance of the Policyholders' Fund	76,434.93	58,521.83	46,181.67	37,042.32	28,121.63
	Add: Surplus/(Deficit) of the Revenue Account	1,167.09	118.43	791.33	1,222.48	184.59
	Amount transferred from/ (to) Shareholders' account	(900.00)	(254.86)	(468.95)	(312.83)	(46.05)
	Add: change in valuation Liabilities	24,299.05	18,049.53	12,017.78	8,229.70	8,782.15
	Total	**101,001.09**	**76,434.93**	**58,521.83**	**46,181.67**	**37,042.32**
	As per Balance Sheet	**101,001.09**	**76,434.93**	**58,521.83**	**46,181.67**	**37,042.32**
	Difference, if any	0.00	0.00	0.00	(0.00)	0.00
3.2	**Policyholders' Funds - Linked**					
	Opening Balance of the Policyholders' Fund	68,151.48	67,191.64	73,398.70	65,563.79	65,662.62
	Add: Surplus/(Deficit) of the Revenue Account					
	Add: change in valuation Liabilities	(4,915.51)	959.84	(6,207.06)	7,834.91	(98.84)
	Total	**63,235.97**	**68,151.48**	**67,191.64**	**73,398.70**	**65,563.79**
	As per Balance Sheet	**63,235.97**	**68,151.48**	**67,191.64**	**73,398.70**	**65,563.79**
	Difference, if any	0.00	0.00	0.00	(0.00)	(0.00)
	Shareholders' Funds					
	Opening Balance of Shareholders' Fund	9,338.32	8,301.23	7,624.12	6,998.94	5,249.10
	Add: net income of Shareholders' account (P&L)	1,416.92	1,034.22	677.11	625.18	1,749.84
	Add: Infusion of Capital	0.00	0.00	0.00	0.00	0.00
	Add:Change in Fair value change	(3.00)	2.87	0.00	0.00	0.00
	Closing Balance of the Shareholders' fund	**10,752.24**	**9,338.32**	**8,301.23**	**7,624.12**	**6,998.94**
	As per Balance Sheet	**10,752.24**	**9,338.32**	**8,301.23**	**7,624.12**	**6,998.94**

Annexure - VI

Notes on Adjustment for Restated Summary Financial Information

(1) The summary of results of restatements made in the audited financial statements for the respective period/years and its impact on the profits of the Company is as follows:

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Profit after tax as per Audited Financial Statements (P&L Account)	1,416.92	638.71	536.26	524.27	489.06
Surplus post appropriation as per Audited Financial Statements (Revenue Account)	-	395.51	140.85	100.91	1,293.87
Profit after tax as per Audited Financial Statements	**1,416.92**	**1,034.22**	**677.11**	**625.18**	**1,782.93**
A. Adjustments due to change in accounting policy					
(i) Impact on income from investments due to change in valuation of listed equity shares from the lower of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to National Stock Exchange as the primary exchange	-	-	-	-	(32.33)
(ii) Impact on provision for Unit Linked liabilities change in valuation of listed equity shares from the lower of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to National Stock Exchange as the primary exchange	-	-	-	-	32.33
(iii) Impact on claims by death for amount ceded in reinsurance due to change in recognition of claims receivable from reinsurers at the time of registration of claims, vis-à-vis the earlier policy of recognising claims receivables at the time of approval of the claims. [FY 2012-13 : ₹ 33.09 million and FY 2011-12 : ₹ (20.54) million]	-	-	-	-	(33.09)
Total (A)	**-**	**-**	**-**	**-**	**(33.09)**
B. Other Adjustments	**-**	**-**	**-**	**-**	**-**
Total Adjustments (C) = (A)+(B)	**-**	**-**	**-**	**-**	**(33.09)**
Profit after tax as per Restated Summary Financial Information	**1,416.92**	**1,034.22**	**677.11**	**625.18**	**1,749.84**

A. Changes in accounting policy

(i) Change in valuation of listed equity shares from the lower of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to National Stock Exchange as the primary exchange:

During the Year ended March 31, 2014 company has changed method of valuation of listed equity shares from the lower of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to National Stock Exchange as the primary exchange. investments in listed equity shares have been restated in the financial years ended March 31, 2013 of the Restated Financial statements.

(ii) Change in valuation of listed equity shares from the lower of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to National Stock Exchange as the primary exchange:

During the Year ended March 31, 2014 company has changed method of valuation of listed equity shares from the lower of National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) to National Stock Exchange as the primary exchange. investments in listed equity shares have been restated in the financial years ended March 31, 2013 of the Restated Financial statements. Consequent to such change, provision for Unit Linked liabilities has been restated in the financial years ended March 31, 2013 of the Restated Financial statements.

(iii) Change in recognition of claims receivable from reinsurers at the time of registration of claims, vis-à-vis the earlier policy of recognising claims receivables at the time of approval of the claims:

During the Year ended March 31, 2014 company has changed method of recognition of claims by death receivable from reinsurers at the time of registration of claims, vis-à-vis the earlier policy of recognising claims receivables at the time of approval of the claims. Hence, claims by death ceeded have been restated in the financial years ended March 31, 2013 of Restated Financial statements. Adjustment related to financial years prior to March 31, 2014 has been adjusted in the opening balance of the Restated of Financial statements as at April 01, 2013

(2) Material Regroupings:

Appropriate adjustments have been made in the Restated Financial Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities, receipts and payments in order to bring them in line with the groupings as per the audited financial statement of the Company as at and for the year ended March 31, 2018

(3) Reconciliation of Net Worth as on April 01, 2013

(₹ in million)

Particulars	Amount
Net Worth as at April 01,2013 as per audited financial statements	5,216.01
A. Adjustments due to change in accounting policy	
Impact on claims by death for amount ceded in reinsurance due to change in recognition of claims receivable from reinsurers at the time of registration of claims, vis-à-vis the earlier policy of recognising claims receivables at the time of approval of the claims	33.09
Total Adjustments (C) = (A)+(B)	**33.09**
Net Worth as at April 01, 2013 as per Restated summary financial information	**5,249.10**

Annexure - VII

Restated Statement on Accounting Ratios

Sl. No	Description	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1.	**New business premium income growth (segment-wise)**					
	Participating policies	0.32%	8.38%	79.88%	-18.56%	9.94%
	Non-participating policies	27.17%	126.57%	-6.49%	47.99%	20.09%
	Par Pension	17.59%	342.53%	13669.14%	NA	-100.00%
	Non- Par Annuity	-7.62%	339.99%	NA	NA	NA
	Non- Par Pension	-33.72%	28.20%	-95.71%	0.77%	-59.76%
	Health	-75.03%	-45.43%	5457412.50%	-87.19%	-98.13%
	Group - linked	991.87%	37.89%	-79.69%	-74.18%	-52.00%
	Individual Life - Linked	145.45%	-63.12%	-12.24%	85.32%	-49.93%
	Pension - linked	NA	-171.43%	4.00%	-96.72%	-731.09%
	(current year new business premium -previous year new business premium)/ previous year new business premium					
2.	**Net retention ratio**	97.65%	97.00%	96.44%	96.11%	97.08%
	(net premium/gross premium)					
3.	**Ratio of expenses of management**	26.06%	28.62%	32.21%	30.15%	29.85%
	(expenses of management / total gross direct premium)					
4.	**Commission ratio**	5.45%	5.55%	5.71%	5.62%	5.66%
	(gross commission paid/gross premium)					
5.	**Ratio of policyholders' liabilities to shareholders' funds**	1527.47%	1548.31%	1514.40%	1568.45%	1466.02%
	(policyholders' liabilities / shareholders' funds)					
6.	**Growth rate of shareholders' funds**	15.14%	12.49%	8.88%	8.93%	33.34%
	(current year shareholders' funds - previous year shareholders' funds) / previous year shareholders' funds					
7.	**Ratio of surplus/(deficit) to policyholders' liability**	0.99%	0.76%	0.65%	1.10%	1.93%
	[surplus/(deficit) as per policyholders' liability]					
8.	**Change in net worth (₹ in Million)**	1413.92	1037.09	677.11	625.18	1749.84
	[current year shareholders' funds - previous year shareholders' funds]					
9.	**Profit (loss) after tax/Total income**	3.15%	1.87%	3.22%	3.46%	5.51%
10.	**(Total real estate + Loans)/Cash & invested assets**	0.34%	0.34%	0.31%	0.29%	0.14%

Sl. No	Description	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
11.	**Total investments/[Capital + Surplus [Deficit]]**	1603.49%	1623.82%	1623.30%	1670.51%	1561.55%
12.	**Total affiliated investments/[Capital + Surplus (Deficit)]**	2.33%	2.68%	4.73%	7.91%	9.46%
13	**Investment yield (gross & net)**					
	- Non linked Par (With unrealised gains/ losses)	5.24%	12.37%	7.95%	21.63%	1.40%
	- Non linked Par (With realised gains/ losses)	8.99%	8.85%	9.03%	9.08%	8.99%
	- Non linked Non Par (With unrealised gains/losses)	5.32%	11.58%	7.78%	18.22%	3.21%
	- Non linked Non Par (With realised gains/losses)	8.26%	8.39%	8.86%	9.15%	8.96%
14	**Conservation Ratio**					
	- Linked	76.37%	70.37%	65.83%	72.68%	67.52%
	- Non Linked	81.34%	77.31%	81.91%	76.03%	77.39%
	- Pension (both Linked and Non Linked)	73.72%	66.64%	27.34%	54.06%	26.67%
	- Health	81.70%	78.41%	44.36%	40.25%	21.92%
15	**Persistency Ratio**					
	For 13th month	77.03%	71.78%	67.99%	62.00%	56.84%
	For 25th month	58.30%	53.15%	47.85%	47.52%	47.26%
	For 37th month	46.00%	41.62%	41.38%	40.09%	36.25%
	For 49th Month	37.10%	37.84%	36.67%	32.38%	27.54%
	For 61st month	27.72%	27.34%	20.20%	16.45%	13.06%
16	**NPA Ratio**					
	Gross NPA Ratio	-	-	-	-	-
	Net NPA Ratio	-	-	-	-	-
17	**Earning / (Loss) Per Share (Basic)**	**0.70**	**0.51**	**0.34**	**0.31**	**0.87**
18	**Earning / (Loss) Per Share (Diluted)**	**0.70**	**0.51**	**0.34**	**0.31**	**0.87**
19	**Return on Net worth (Refer note 2 and 4)**	**14.11%**	**11.73%**	**8.50%**	**8.55%**	**28.57%**
20	**Solvency Ratio**	**201.94%**	**203.15%**	**211.14%**	**219.30%**	**227.88%**
21	**Net asset value per share (₹) (Refer note 3)**	**5.34**	**4.64**	**4.12**	**3.79**	**3.48**

Note:

1 The above ratios have been calculated based on Revenue Account, Profit and Loss Account for the year ended March 31, 2018, 2017, 2016, 2015 and 2014 and Balance Sheet as at 31st March 2018, 2017, 2016, 2015 and 2014

2 Return on Net Worth (%) = Restated profit after tax for the year ÷ Average of Restated Net worth at the beginning and end of the year

3 Net Assets Value per Share (in ₹) = Restated Net Worth at the end of the year ÷ Total number of equity shares outstanding at the end of the year

4 Net Worth = Share Capital + Reserves and Surplus + Credit / (Debit) Fair Value Change Account - Debit Balance in Profit and Loss Account

Annexure - VIII

Restated Statement on Segment Disclosure

(₹ in million)

Sl. No	Particulars	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1	**Segment Income :**					
	Segment-A - Par					
	Net Premium	16,257.53	13,936.05	11,743.36	8,931.53	8,796.52
	Income from Investments	5,219.58	3,985.56	3,214.57	2,498.15	1,772.20
	Transfer of funds from Shareholders' account	-	-	-	-	-
	Other Income	55.21	39.69	54.32	33.38	36.00
	Total	**21,532.32**	**17,961.30**	**15,012.25**	**11,463.06**	**10,604.72**
	Segment-B - Non Par					
	Net Premium	13,233.89	9,225.23	5,901.04	4,668.60	3,305.84
	Income from Investments	2,032.80	1,534.69	1,298.85	1,030.13	790.52
	Transfer of funds from Shareholders' account	483.27	635.82	-	242.73	512.83
	Other Income	149.64	121.79	31.33	84.99	51.83
	Total	**15,899.60**	**11,517.53**	**7,231.22**	**6,026.45**	**4,661.02**
	Segment-C - Par Pension					
	Net Premium	406.03	235.65	54.86	14.26	29.35
	Income from Investments	45.53	25.86	21.20	19.78	16.51
	Transfer of funds from Shareholders' account	-	-	-	-	-
	Other Income	0.15	0.05	0.03	0.03	-
	Total	**451.71**	**261.56**	**76.09**	**34.07**	**45.86**
	Segment-D - Non Par Annuity					
	Net Premium	85.65	92.70	21.02	-	-
	Income from Investments	10.49	4.02	0.16	-	-
	Transfer of funds from Shareholders' account	1.04	15.29	13.40	-	-
	Other Income	-	-	-	-	-
	Total	**97.18**	**112.01**	**34.58**	**-**	**-**
	Segment-E - Non Par Pension					
	Net Premium	15.26	14.55	14.55	245.30	240.63
	Income from Investments	35.34	59.58	82.67	270.63	275.63
	Transfer of funds from Shareholders' account	-	14.21	-	-	24.24
	Other Income	-	-	2.32	-	3.85
	Total	**50.60**	**88.34**	**99.54**	**515.93**	**544.35**

(₹ in million)

Sl. No	Particulars	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	Segment-F - Health					
	Net Premium	506.54	563.19	430.48	0.34	0.96
	Income from Investments	44.71	20.05	5.04	0.04	0.36
	Transfer of funds from Shareholders' account	-	26.52	119.52	-	-
	Other Income	1.60	0.97	0.68	0.47	-
	Total	**552.85**	**610.73**	**555.72**	**0.85**	**1.32**
	Segment-G - Group Linked					
	Net Premium	171.42	66.07	128.31	139.02	163.92
	Income from Investments	89.49	161.91	84.62	205.08	57.52
	Transfer of funds from Shareholders' account	-	-	-	-	-
	Other Income	-	-	0.98	0.04	4.81
	Total	**260.91**	**227.98**	**213.91**	**344.14**	**226.25**
	Segment-H - Individual Life Linked					
	Net Premium	7,881.96	7,191.54	8,888.61	9,523.85	8,966.77
	Income from Investments	5,870.48	9,193.94	(1,790.06)	15,154.26	8,077.60
	Transfer of funds from Shareholders' account	-	-	129.91	-	-
	Other Income	13.00	9.78	38.76	19.51	13.42
	Total	**13,765.44**	**16,395.26**	**7,267.22**	**24,697.62**	**17,057.79**
	Segment-I - Pension Linked					
	Net Premium	46.87	64.08	90.04	132.55	248.58
	Income from Investments	127.89	220.48	(90.01)	624.15	388.97
	Transfer of funds from Shareholders' account	-	-	-	-	-
	Other Income	0.19	0.16	0.24	0.41	(0.38)
	Total	**174.95**	**284.72**	**0.27**	**757.11**	**637.17**
	Shareholders					
	Income from Investments	645.98	566.90	528.25	494.18	463.11
	Other Income	-	-	-	-	-
	Total	**645.98**	**566.90**	**528.25**	**494.18**	**463.11**

(₹ in million)

Sl. No	Particulars	March 31,2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
2	**Segment Surplus/Deficit (Net of Transfer from shareholders account) :**					
	Segment-A - Par	482.32	(41.84)	415.08	966.61	165.34
	Segment-B - Non Par	541.86	107.98	374.01	241.52	-
	Segment-C - Par Pension	22.30	52.29	0.45	7.97	12.54
	Segment-D - Non Par Annuity	-	-	-	-	-
	Segment-E - Non Par Pension	23.12	-	1.79	5.62	-
	Segment-F - Health	97.49	-	-	0.76	6.71
	Segment-G - Group Linked	5.69	5.43	7.57	6.49	12.71
	Segment-H - Individual Life Linked	425.36	951.17	-	48.62	1,711.78
	Segment-I - Pension Linked	22.89	22.77	20.29	40.64	66.69
	Shareholders	64.04	(200.02)	180.34	216.57	(87.39)
	Unallocated	-	-	-	-	-
	Total	**1,685.07**	**897.78**	**999.53**	**1,534.80**	**1,888.38**
3	**Segment Assets :**					
	Segment-A - Par	69,427.54	54,383.27	42,531.27	33,066.40	24,992.62
	Segment-B - Non Par	29,348.10	20,572.14	14,860.88	11,292.49	8,678.81
	Segment-C - Par Pension	913.90	511.93	288.95	241.11	221.34
	Segment-D - Non Par Annuity	206.77	123.70	23.84	-	-
	Segment-E - Non Par Pension	388.74	510.55	853.00	1,581.46	3,148.94
	Segment-F - Health	801.87	468.89	108.45	0.21	0.62
	Segment-G - Group Linked	1,533.80	1,464.31	1,371.19	1,356.43	1,280.35
	Segment-H - Individual Life Linked	60,626.50	65,400.28	64,371.16	70,003.01	61,485.05
	Segment-I - Pension Linked	1,095.04	1,321.97	1,522.44	2,039.26	2,798.39
	Shareholders	20,128.71	20,131.71	20,128.84	20,128.84	20,128.84
	Unallocated	-	-	-	-	-
	Total	**184,470.97**	**164,888.75**	**146,060.02**	**139,709.21**	**122,734.96**
4	**Segment Policy Liabilities**					
	Segment-A - Par	69,427.54	54,383.27	42,531.27	33,066.40	24,992.62
	Segment-B - Non Par	29,348.10	20,572.14	14,860.88	11,292.49	8,678.81
	Segment-C - Par Pension	913.90	511.93	288.95	241.11	221.34
	Segment-D - Non Par Annuity	206.77	123.70	23.84	-	-
	Segment-E - Non Par Pension	388.74	510.55	853.00	1,581.46	3,148.94
	Segment-F - Health	801.87	468.89	108.45	0.21	0.62
	Segment-G - Group Linked	1,533.80	1,464.31	1,371.19	1,356.43	1,280.35
	Segment-H - Individual Life Linked	60,626.50	65,400.28	64,371.16	70,003.01	61,485.05
	Segment-I - Pension Linked	1,095.04	1,321.97	1,522.44	2,039.26	2,798.39
	Shareholders	20,128.71	20,131.71	20,128.84	20,128.84	20,128.84
	Unallocated	-	-	-	-	-
	Total	**184,470.97**	**164,888.75**	**146,060.02**	**139,709.21**	**122,734.96**

Annexure - IX

Restated Statement of Premium income

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
First year Premiums	12,611.01	10,658.17	9,581.51	8,129.00	6,304.39
Renewal Premiums	25,264.30	20,872.95	18,246.68	16,321.24	15,647.00
Single Premiums	1,659.80	829.68	450.15	161.62	454.48
Total Premium	**39,535.11**	**32,360.80**	**28,278.34**	**24,611.86**	**22,405.87**
Premium Income from business written:					
In India	39,535.11	32,360.80	28,278.34	24,611.86	22,405.87
Outside India	-	-	-	-	-
Total Premium	**39,535.11**	**32,360.80**	**28,278.34**	**24,611.86**	**22,405.87**

Annexure - X

Restated Statement of Commission Expenses

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Commission					
Direct					
- First year Premiums	1,543.09	1,389.00	1,179.96	945.83	852.97
- Renewal Premiums	550.30	404.75	433.06	437.41	412.97
- Single Premiums	61.37	2.77	1.61	1.08	1.73
Gross commission	**2,154.76**	**1,796.52**	**1,614.63**	**1,384.32**	**1,267.67**
Add: Commission on re-insurance accepted	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-
Net Commission	**2,154.76**	**1,796.52**	**1,614.63**	**1,384.32**	**1,267.67**
Break-up of Gross commission expenses/ Referral fees					
Agents	224.47	210.91	312.25	348.68	442.03
Brokers	37.87	17.46	14.29	17.07	19.32
Corporate agency	1,892.53	1,577.86	1,279.34	1,019.73	807.74
Referral	(0.11)	(0.23)	(0.73)	(1.16)	(1.42)
Others (Direct Sales)	-	(9.48)	9.48	-	-
	-				
Total	**2,154.76**	**1,796.52**	**1,614.63**	**1,384.32**	**1,267.67**

Note: Commission expenditure is net of recovery on account of "customer default charges", if any.

Annexure - XI

Restated Statement of Operating Expenses related to Insurance business

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Employees' remuneration and welfare benefits	5,410.70	4,704.22	4,891.35	3,985.60	3,365.96
Travel, conveyance and vehicle running expenses	123.88	103.91	153.89	131.51	138.76
Training expenses	39.07	17.42	42.17	55.40	30.34
Rents, rates and taxes	427.55	418.90	470.14	524.19	521.23
Repairs	58.28	47.97	40.98	36.18	28.14
Printing and stationery	39.89	40.76	64.14	51.52	50.61
Communication expenses	148.07	156.14	169.40	102.42	136.74
Legal & professional charges	99.73	114.89	159.76	83.76	93.58
Medical fees	54.69	49.79	55.15	27.71	27.98
Auditors' fees, expenses, etc.	-	-	-	-	-
(a) as auditor	6.00	4.50	4.50	3.52	2.63
(b) other services	0.13	-	-	1.00	0.80
(c) out of pocket expenses	1.21	0.95	1.19	0.76	1.26
Advertisement and publicity	229.19	218.88	170.78	182.24	269.93
Business Development,Sales promotion & Sales conference	744.61	858.43	603.33	409.66	262.12
Interest and bank charges	73.40	59.19	74.06	43.56	47.12
Recruitment expenses	70.56	47.74	27.65	65.54	28.47
Information technology expenses	238.34	273.22	162.80	101.90	95.84
Facility Expenses	-	-	-	-	-
Power & Fuel	-	-	-	-	-
Office expenses	125.25	115.56	159.85	113.88	140.56
Others	36.73	18.11	49.67	8.41	21.12
Depreciation	226.23	220.01	192.50	107.74	156.78
"Excess of expenses of management (EOM) transferred to Profit and Loss Account - (Refer: Note 3.33 of Annexure V)"	(5.12)	(4.25)	-	-	-
Total	**8,148.39**	**7,466.34**	**7,493.31**	**6,036.50**	**5,419.97**

Annexure - XII

Restated statement of Expenses other than those directly related to the insurance business

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Employees' remuneration and welfare benefits	28.36	25.10	32.31	4.72	3.45
Travel, conveyance and vehicle running expenses	0.02	-	0.03	0.06	0.02
Training expenses	0.02	-	-	-	-
Rents, rates and taxes	-	-	-	0.02	-
Repairs	-	-	-	0.42	-
Printing and stationery	-	-	-	-	-
Communication expenses	0.01	0.01	0.01	0.03	0.01
Legal and professional charges	0.56	0.43	0.46	0.40	0.43
Medical fees	-	-	-	-	-
Auditors' Fees, expenses, etc.	-	-	-	-	-
(a) as auditor	-	-	-	-	-
(b) other services	-	-	-	-	-
(c) out of pocket expenses	-	-	-	-	-
Advertisement and publicity	-	-	-	-	-
Business Development, Sales promotion & Sales conference	-	-	-	-	-
Interest and bank charges	0.35	0.28	0.24	0.41	0.48
Recruitment expenses	-	-	-	0.02	0.05
Information technology expenses	-	-	-	-	-
Facilities expenses	-	-	-	-	-
Office expenses	-	-	0.02	2.47	1.67
Others	54.48	31.69	-	0.01	-
Depreciation	-	-	3.24	2.88	-
Corporate Social Responsibility	8.71	13.32	25.08	23.44	-
Excess of expenses of management (EOM) transferred from revenue account- (Refer: Note 3.33 of Annexure V)	5.12	4.25	-	-	-
Total	**97.63**	**75.08**	**61.39**	**34.88**	**6.11**

Annexure - XIII

Restated Statement of Benefits paid (net)

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1. Insurance claims					
(a) Claims by death	3,168.60	3,470.45	2,665.57	2,364.41	1,646.47
(b) Claims by maturity	801.32	890.26	455.45	502.24	1,144.88
(c) Annuities/ Pension payment	201.84	235.61	181.22	229.03	155.81
(d) Other benefits -	-	-	-	-	-
(i) Surrenders	16,258.56	13,213.63	11,202.98	16,023.64	13,572.70
(ii) Periodical benefit	1,344.67	618.96	413.60	163.18	107.70
(iii) Health	60.49	48.41	40.30	0.54	2.20
(iv) Others (Interest on unclaimed amount of policyholders)	116.52	73.71	48.74	-	-
	-	-	-	-	-
2. (Amount ceded in reinsurance)	**-**	**-**	**-**	**-**	**-**
(a) Claims by death	(834.94)	(822.49)	(700.48)	(600.09)	(546.83)
(b) Claims by maturity	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-
(d) Other benefits -	-	-	-	-	-
(i) Surrenders	-	-	-	-	-
(ii) Periodical benefit	-	-	-	-	-
(iii) Health	(32.71)	(37.71)	(0.02)	(0.41)	(1.41)
	-	-	-	-	-
3. Amount accepted in reinsurance	**-**	**-**	**-**	**-**	**-**
(a) Claims by death	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-
(d) Other benefits -	-	-	-	-	-
(i) Surrenders	-	-	-	-	-
(ii) Periodical benefit	-	-	-	-	-
(iii) Health	-	-	-	-	-
Total	**21,084.35**	**17,690.83**	**14,307.36**	**18,682.54**	**16,081.52**

Annexure XIV

Restated statement of Share Capital

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Authorised Capital	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
3,000,000,000 (Previous years - 3,000,000,000) equity shares of ₹ 10/- each					
Issued Capital	20,128.84	20,128.84	20,128.84	20,128.84	20,128.84
2,012,884,283 (Previous years - 2,012,884,283) equity shares of ₹ 10/- each					
Subscribed, Called-up and Paid up Capital	20,128.84	20,128.84	20,128.84	20,128.84	20,128.84
2,012,884,283 (Previous years - 2,012,884,283) equity shares of ₹ 10/- each fully paid up					
TOTAL	**20,128.84**	**20,128.84**	**20,128.84**	**20,128.84**	**20,128.84**

Note: No part of the capital is held by a holding company.

Annexure - XIVA

Restated statement of Pattern of shareholding (As certified by Management)

(₹ in million)

Particulars	As at											
	March 31, 2018		March 31, 2017		March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2013	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Promoters												
Indian	1,489,534,370	74%	1,489,534,370	74%	1,489,534,370	74%	1,489,534,370	74%	1,489,534,370	74%	1,489,534,370	74%
Foreign	523,349,913	26%	523,349,913	26%	523,349,913	26%	523,349,913	26%	523,349,913	26%	523,349,913	26%
TOTAL	**2,012,884,283**	**100%**	**2,012,884,283**	**100%**	**2,012,884,283**	**100%**	**2,012,884,283**	**100%**	**2,012,884,283**	**100%**	**2,012,884,283**	**100%**

Annexure - XV

Restated Statement of Reserves and Surplus

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Capital Reserve	-	-	-	-	-
Capital Redemption Reserve	-	-	-	-	-
Share Premium	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-
General Reserves	-	-	-	-	-
Less: Debit balance in Profit and Loss Account	-	-	-	-	-
Less: Amount utilized for Buy-back	-	-	-	-	-
Catastrophe Reserve	-	-	-	-	-
Other Reserves	-	-	-	-	-
Balance of profit in Profit and Loss Account	-	-	-	-	-
TOTAL	-	-	-	-	-

Annexure - XVI

Restated Statement of Borrowings

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Debentures/Bonds	-	-	-	-	-
Banks	-	-	-	-	-
Financial Institutions	-	-	-	-	-
Others				-	-
For Information technology equipments and software [Borrowing for information technology equipments is secured against said assets]	105.20	170.63	217.72	-	-
Vehicle lease [secured against the vehicles]	-	-	-	-	-
TOTAL	**105.20**	**170.63**	**217.72**	**-**	**-**

Note:

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Amount due within 12 months	42.99	51.70	47.08	-	-

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Net book value of Others (Information technology and software)	97.85	130.47	152.11	-	-
Net book value of Others (Vehicle Lease)	-	-	-	-	-

Annexure- XVII

Restated Statement of Investments - Shareholders'

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
LONG TERM INVESTMENTS					
Government securities and Government guaranteed bonds including Treasury bills	5,956.58	3,093.39	3,496.24	3,450.88	2,806.40
Other approved securities	404.77	405.42	406.06	406.71	407.36
Other Investments	-	-	-	-	-
(a) Shares	-	-	-	-	-
(aa) Equity	13.35	16.35	-	-	-
(bb) Preference	-	-	-	-	-
(b) Mutual funds	-	-	-	-	-
(c) Derivative instruments	-	-	-	-	-
(d) Debentures/Bonds	1,092.47	1,037.37	756.77	655.89	655.05
(e) Other securities	-	-	-	-	-
(f) Subsidiaries	-	-	-	-	-
Investment properties - Real estate	-	-	-	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	1,404.60	1,184.88	1,138.84	1,222.92	1,216.73
Other than Approved investments	249.80	-	-	-	-
Total	**9,121.57**	**5,737.41**	**5,797.91**	**5,736.40**	**5,085.54**
SHORT TERM INVESTMENTS					
Government securities and Government guaranteed bonds including Treasury bills	717.36	765.82	398.34	96.02	99.61
Other Approved Securities	-	-	-	-	-
Other Investments	-	-	-	-	-
(a) Shares	-	-	-	-	-
(aa) Equity	-	-	-	-	-
(bb) Preference	-	-	-	-	-
(b) Mutual funds	-	-	-	-	-
(c) Derivative instruments	-	-	-	-	-
(d) Debentures/Bonds	90.02	110.01	49.97	-	150.20
(e) Other securities - CP/CBLO/Bank Deposits	167.66	71.11	162.63	151.42	58.02
(f) Subsidiaries	-	-	-	-	-
	-	-	-	-	-
(h) Commercial Papers	-	-	-	-	-
Investment properties - Real Estate	-	-	-	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	385.82	348.48	90.28	-	258.80
Other than Approved Investments	-	-	-	-	-
- Debentures/ Bonds	50.00	-	-	-	-
- Mutual Funds	-	-	-	-	-
Total	**1,410.86**	**1,295.42**	**701.22**	**247.44**	**566.63**
Grand total	**10,532.43**	**7,032.83**	**6,499.13**	**5,983.84**	**5,652.17**

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Total Market Value of above investments	10,620.44	7,301.67	6,597.60	6,110.42	5,390.18

Annexure- XVIIA

Restated Statement of Investments - Policyholders'

(₹ in million)

Particulars	As at				
	March 31, 2018	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
LONG TERM INVESTMENTS					
Government securities and Government guaranteed bonds including Treasury bills	52,154.66	41,461.66	35,467.00	32,263.05	26,010.46
Other Approved Securities	69.47	69.19	68.91	68.63	68.36
Other Investments	-	-	-	-	-
(a) Shares	-	-	-	-	-
(aa) Equity	2,301.10	385.43	-	-	-
(bb) Preference	-	-	-	-	-
(b) Mutual funds	-	-	-	-	-
(c) Derivative instruments	-	-	-	-	-
(d) Debentures/Bonds	16,882.85	11,382.81	7,167.60	1,963.83	1,594.35
(e) Other Securities	-	-	-	-	-
(f) Subsidiaries	-	-	-	-	-
(g) Investment Properties - Real Estate	-	-	-	-	-
Investments in Infrastructure and Social Sector - (including Housing)	22,972.08	19,750.14	14,235.62	11,751.90	9,282.95
Other than approved investments	-	-	-	-	-
- Equity	15.91	-	-	-	-
- Debt	500.00	49.24	48.69	48.14	47.59
Total	**94,896.07**	**73,098.47**	**56,987.82**	**46,095.55**	**37,003.71**
SHORT TERM INVESTMENTS					
Government securities and Government guaranteed bonds including Treasury bills	103.97	708.87	315.14	866.17	364.42
Other Approved Securities	-	-	-	-	-
Other Investments	-	-	-	-	-
(a) Shares	-	-	-	-	-
(aa) Equity	-	-	-	-	-
(bb) Preference	-	-	-	-	-
(b) Mutual funds	-	-	-	-	-
(c) Derivative instruments	-	-	-	-	-
(d) Debentures/Bonds	2,160.08	1,600.97	-	50.15	250.38
(e) Other Securities - CP/Bank Deposits/CBLO	482.75	1,128.99	3,915.95	1,065.80	597.87
(f) Subsidiaries	-	-	-	-	-
(g) Investment Properties - Real Estate	-	-	-	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	1,346.15	293.11	212.52	264.36	100.55
Other than approved investments-Debenture / Bonds	49.79	-	-	-	-
Total	**4,142.74**	**3,731.94**	**4,443.61**	**2,246.48**	**1,313.22**
Grand total	**99,038.81**	**76,830.41**	**61,431.43**	**48,342.03**	**38,316.93**

Note :

Particulars	As at				
	March 31, 2018	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Total Market Value of above investments	101,232.21	81,741.13	63,853.77	51,103.24	36,616.68

Annexure- XVIIB

Restated Statement of Assets held to cover linked liabilities

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
LONG TERM INVESTMENTS					
Government securities and Government guaranteed bonds including Treasury bills	5,568.60	6,421.01	9,781.43	8,433.20	7,684.67
Other Approved Securities	8.33	8.51	8.36	8.31	7.71
Other Investments	-	-	-	-	-
(a) Shares	-	-	-	-	-
(aa) Equity	30,734.03	36,217.39	37,773.06	46,550.93	42,610.44
(bb) Preference	-	-	-	-	-
(b) Mutual Funds	-	-	-	-	-
(c) Derivative Instruments	-	-	-	-	-
(d) Debentures/Bonds	3,349.68	2,831.23	1,240.08	1,091.62	1,220.76
(e) Other Securities	-	-	-	-	-
(f) Subsidiaries	-	-	-	-	-
(g) Investment Properties - Real estate	-	-	-	-	-
Investments in Infrastructure and Social Sector	-	-	-	-	-
- Debt Securities (including Housing)	7,480.96	6,575.48	5,250.54	5,764.00	4,759.41
- Equities	2,069.44	2,700.34	1,464.78	2,542.55	2,303.77
Other than Approved Investments	-	-	-	-	-
(a) Equity	592.65	1,435.44	984.22	1,269.83	1,616.66
(b) Mutual Fund (ETF)	3,121.77	-	-	-	-
(c) Bonds/Debentures	-	-	-	-	-
Total	**52,925.46**	**56,189.40**	**56,502.47**	**65,660.44**	**60,203.42**
SHORT TERM INVESTMENTS					
Government securities and Government guaranteed bonds including Treasury bills	5,621.83	5,890.85	5,804.28	4,598.81	2,404.06
Other Approved Securities	-	-	-	-	-
Other Investments	-	-	-	-	-
(a) Shares	-	-	-	-	-
(aa) Equity	-	-	-	-	-
(bb) Preference	-	-	-	-	-
(b) Mutual funds	-	-	-	-	-
(c) Derivative instruments	-	-	-	-	-
(d) Debentures/Bonds	554.47	201.47	202.86	101.32	299.64
(e) Other securities	-	-	-	-	-
(f) Subsidiaries	-	-	-	-	-
(g) Fixed deposits	-	-	-	-	-
(h) Other securities - CP/CBLO/Bank Deposits	2,565.63	2,473.33	3,880.90	1,833.06	1,650.92
(i) Investment properties - Real Estate	-	-	-	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	152.53	627.93	235.53	109.70	50.89
Other than Approved Investments	-	-	-	-	-
(a) Mutual funds	-	1,076.42	-	-	-
(b) Debentures/Bonds	-	-	-	-	-
Total	**8,894.46**	**10,270.00**	**10,123.57**	**6,642.89**	**4,405.51**
Other net current assets (Refer Table 1 below)	**1,022.02**	**1,267.95**	**197.26**	**732.83**	**714.03**
Grand total	**62,841.94**	**67,727.35**	**66,823.30**	**73,036.16**	**65,322.96**

Table 1:

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Accrued Interest	566.76	540.54	486.54	460.89	448.55
Cash & Bank Balance	14.88	1.77	2.35	16.70	2.73
Dividend Receivable	0.93	6.50	5.50	-	30.79
Receivable for Sale of Investments	227.25	1,110.97	264.70	85.46	356.61
Unit Collection A/c	703.14	228.99	260.91	572.25	382.23
Payable for Purchase of Investments	(128.32)	(564.03)	(771.69)	(337.88)	(206.66)
Other Current Liabilities (FMC)	(10.41)	(2.80)	(2.78)	(3.10)	(11.57)
Unit Payable A/c	(352.21)	(53.99)	(48.27)	(61.49)	(288.65)
Total	**1,022.02**	**1,267.95**	**197.26**	**732.83**	**714.03**

Annexure- XVIII

Restated Statement of Loans

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
SECURITY-WISE CLASSIFICATION					
Secured					
(a) On mortgage of property					
(aa) In India	-	-	-	-	-
(bb) Outside India	-	-	-	-	-
(b) On Shares, Bonds, Government securities etc.	-	-	-	-	-
(c) Loans against policies	368.47	288.38	242.76	191.98	158.70
(d) Others	-	-	-	-	-
Unsecured	-	-	-	-	-
Total	**368.47**	**288.38**	**242.76**	**191.98**	**158.70**
BORROWER-WISE CLASSIFICATION					
(a) Central and State Governments	-	-	-	-	-
(b) Banks and Financial Institutions	-	-	-	-	-
(c) Subsidiaries	-	-	-	-	-
(d) Companies	-	-	-	-	-
(e) Loans against policies	368.47	288.38	242.76	191.98	158.70
(f) Others	-	-	-	-	-
Total	**368.47**	**288.38**	**242.76**	**191.98**	**158.70**
PERFORMANCE-WISE CLASSIFICATION					
(a) Loans classified as standard					
(aa) In India	368.47	288.38	242.76	191.98	158.70
(bb) Outside India	-	-	-	-	-
(a) Non-standard loans less provisions	-				
(aa) In India	-	-	-	-	-
(bb) Outside India	-	-	-	-	-
Total	**368.47**	**288.38**	**242.76**	**191.98**	**158.70**
MATURITY-WISE CLASSIFICATION					
(a) Short-Term	29.27	7.39	0.64	-	0.66
(b) Long-Term	339.20	280.99	242.12	191.98	158.04
TOTAL	**368.47**	**288.38**	**242.76**	**191.98**	**158.70**

Annexure- XIX

Restated Statement of Fixed Assets

(₹ in million)

Particulars	Cost / Gross Block				Depreciation / Amortisation				Net Block	
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	For the Half Year	On sales / Adjustment	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Intangible assets										
Computer Software	860.41	195.15	1.55	1,054.01	728.16	102.97	1.54	829.59	224.43	132.25
Computer Software - Leased	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Building	244.31	0.01	-	244.32	9.98	4.08	-	14.06	230.27	234.33
Leasehold improvements	151.78	22.61	4.09	170.29	95.50	23.44	3.70	115.24	55.05	56.27
Furniture & Fittings	76.29	3.57	6.21	73.65	51.46	4.84	5.53	50.77	22.88	24.83
Information technology equipment - Owned	556.25	70.50	38.13	588.61	462.95	46.51	38.30	471.16	117.45	93.29
Information technology equipment - Leased	195.71	-	-	195.71	65.24	32.62	-	97.85	97.85	130.47
Vehicles	1.25	-	0.69	0.56	0.68	0.05	0.18	0.56	-	0.57
Office Equipment	114.25	8.84	11.65	111.45	80.34	11.72	11.18	80.87	30.58	33.91
TOTAL	**2,200.25**	**300.68**	**62.32**	**2,438.60**	**1,494.31**	**226.23**	**60.43**	**1,660.10**	**778.51**	**705.92**
Capital Work-in-Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**16.54**	**10.64**
Total Fixed Assets	**2,200.25**	**300.68**	**62.32**	**2,438.60**	**1,494.31**	**226.23**	**60.43**	**1,660.10**	**795.05**	**716.56**

(₹ in million)

Particulars	Cost / Gross Block				Depreciation / Amortisation				Net Block	
	As at 01/04/2016	Additions	Deductions	As at 31/03/2017	Upto 31/03/2016	For the Year	On sales / Adjustment	Upto 31/03/2017	As at 31/03/2017	As at 31/03/2016
Intangible assets										
Computer Software	788.29	87.59	15.47	860.41	642.10	91.13	5.06	728.16	132.25	146.19
Computer Software - Leased	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Building	189.05	58.35	3.09	244.31	6.12	3.86	-	9.98	234.33	182.93
Leasehold improvements	183.00	39.59	70.82	151.78	107.01	33.38	44.88	95.50	56.27	76.00
Furniture & Fittings	86.38	10.57	20.66	76.29	66.13	5.34	20.02	51.46	24.83	20.25
Information technology equipment - Owned	614.27	51.15	109.17	556.25	514.71	51.93	103.68	462.95	93.29	99.56
Information technology equipment - Leased	195.71	-	-	195.71	43.60	21.64	-	65.24	130.47	152.11
Vehicles	1.42	0.69	0.87	1.25	1.42	0.12	0.87	0.68	0.57	-
Office Equipment	146.05	12.26	44.06	114.25	111.16	12.61	43.43	80.34	33.91	34.90
TOTAL	**2,204.17**	**260.20**	**264.14**	**2,200.25**	**1,492.25**	**220.01**	**217.94**	**1,494.31**	**705.92**	**711.94**
Capital Work-in-Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**10.64**	**15.04**
Total Fixed Assets	**2,204.17**	**260.20**	**264.14**	**2,200.25**	**1,492.25**	**220.01**	**217.94**	**1,494.31**	**716.56**	**726.98**

(₹ in million)

Particulars	Cost / Gross Block				Depreciation / Amortisation				Net Block	
	As at 01/04/2015	Additions	Deductions	As at 31/03/2016	As at 01/04/2015	For the Year	On sales / Adjustment	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
Intangible assets										
Computer Software	632.82	155.48	0.01	788.29	561.67	80.44	0.01	642.10	146.19	71.15
Computer Software - Leased	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Building	180.59	8.47	-	189.05	2.88	3.24	-	6.12	182.93	177.71
Leasehold improvements	129.69	65.03	11.72	183.00	81.87	36.05	10.91	107.01	76.00	47.82
Furniture & Fittings	86.06	13.72	13.39	86.38	74.52	3.36	11.75	66.13	20.25	11.54
Information technology equipment - Owned	782.05	48.72	216.51	614.27	709.21	21.16	215.65	514.71	99.56	72.85
Information technology equipment - Leased	-	195.71	-	195.71	-	43.60	-	43.60	152.11	-
Vehicles	1.42	-	-	1.42	1.42	-	-	1.42	-	-
Office Equipment	138.85	32.06	24.86	146.05	127.70	7.89	24.43	111.16	34.90	11.15
TOTAL	**1,951.48**	**519.19**	**266.49**	**2,204.17**	**1,559.27**	**195.74**	**262.75**	**1,492.25**	**711.94**	**392.22**
Capital Work-in-Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15.04**	**64.53**
Total Fixed Assets	**1,951.48**	**519.19**	**266.49**	**2,204.17**	**1,559.27**	**195.74**	**262.75**	**1,492.25**	**726.98**	**456.75**

(₹ in million)

Particulars	Cost / Gross Block				Depreciation / Amortisation				Net Block	
	As at 01/04/2014	Additions	Deductions	As at 31/03/2015	As at 01/04/2014	For the Year	On sales / Adjustment	As at 31/03/2015	As at 31/03/2015	As at 31/03/2014
Intangible assets										
Computer Software	570.52	62.41	0.12	632.82	507.89	53.89	0.12	561.67	71.15	62.63
Computer Software - Leased	-	-	-	-	-	-	-	-	-	-
Tangible assets	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	254.62	45.00	169.93	129.69	229.32	19.57	167.02	81.87	47.82	25.30
Building	-	180.59	-	180.59	-	2.88	-	2.88	177.71	-
Furniture & Fittings	111.03	3.65	28.63	86.06	96.56	3.60	25.64	74.52	11.54	14.47
Information technology equipment	809.54	22.60	50.09	782.05	730.45	28.51	49.76	709.21	72.85	79.09
Information technology equipment - Leased	-	-	-	-	-	-	-	-	-	-
IT Equipment server and network quipment	-	-	-	-	-	-	-	-	-	-
Vehicles	1.97	-	0.54	1.42	1.97	-	0.54	1.42	-	-
Vehicles -Leased	-	-	-	-	-	-	-	-	-	-
Office Equipment	158.39	11.94	31.48	138.85	156.87	2.17	31.34	127.70	11.15	1.52
TOTAL	**1,906.07**	**326.19**	**280.79**	**1,951.48**	**1,723.06**	**110.62**	**274.42**	**1,559.27**	**392.22**	**183.01**
Capital Work-in-Progress	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**64.53**	**23.03**
Grand Total	**1,906.07**	**326.19**	**280.79**	**1,951.48**	**1,723.06**	**110.62**	**274.42**	**1,559.27**	**456.75**	**206.04**

Note : In accordance with Schedule II of The Companies Act, 2013, the company has revised the useful lives of the fixed assets. The revision has resulted in lower depreciation charge of ₹ 22.46 million for the year ended March 31, 2015

(₹ in million)

Particulars	Cost / Gross Block				Depreciation / Amortisation				Net Block	
	As at 01/04/2013	Additions	Deductions	As at 31/03/2014	As at 01/04/2013	For the Year	On sales / Adjustment	As at 31/03/2014	As at 31/03/2014	As at 31/03/2013
Intangible assets										
Computer Software - Owned	361.12	78.06	0.06	439.11	332.41	44.14	0.06	376.48	62.63	28.71
Computer Software - Leased	131.41	-	-	131.41	129.95	1.46	-	131.41	-	1.46
Other assets	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	569.58	20.67	335.63	254.62	497.80	58.01	326.49	229.32	25.30	71.78
Furniture & Fittings	52.94	73.81	15.71	111.03	49.42	4.84	(42.31)	96.56	14.47	3.52
Information technology equipment - Owned	260.67	63.04	11.43	312.28	203.51	41.10	11.42	233.19	79.09	57.16
Information technology equipment - Leased	540.58	-	43.32	497.26	540.58	0.01	43.32	497.26	-	-
Vehicles - Owned	0.87	-	-	0.87	0.87	-	-	0.87	-	-
Vehicles -Leased	3.99	-	2.89	1.10	3.97	0.02	2.89	1.10	-	0.02
Office Equipment	170.17	5.56	17.35	158.39	161.77	7.20	12.10	156.87	1.52	8.40
TOTAL	**2,091.33**	**241.14**	**426.39**	**1,906.07**	**1,920.28**	**156.78**	**353.97**	**1,723.06**	**183.01**	**171.05**
Capital Work-in-Progress	**13.63**	**187.11**	**177.71**	**23.03**	**-**	**-**	**-**	**-**	**23.03**	**13.63**
Total Fixed Assets	**2,104.96**	**428.25**	**604.10**	**1,929.10**	**1,920.28**	**156.78**	**353.97**	**1,723.06**	**206.04**	**184.68**

Annexure- XX

Restated Statement of Cash and Bank Balances

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Cash (including cheques, drafts and stamps)	655.30	604.75	520.35	651.53	569.75
	-	-	-	-	-
Bank Balances	-	-	-	-	-
(a) Deposit accounts	-	-	-	-	-
(aa) Short-term (due within 12 months of the date of Balance Sheet)	668.60	439.70	480.68	745.80	928.63
(bb) Others (Refer: Note 3.8 of Annexure V)	0.62	0.40	0.40	0.40	0.40
(b) Current Accounts	1,573.67	1,580.21	1,223.44	317.61	644.66
(c) Others	-	-	-	-	-
	-	-	-	-	-
Money at Call and Short Notice	-	-	-	-	-
(a) With Banks	-	-	-	-	-
(b) With other Institutions	-	-	-	-	-
	-	-	-	-	-
Others	-	-	-	-	-
TOTAL	**2,898.19**	**2,625.06**	**2,224.87**	**1,715.34**	**2,143.44**
Balances with non-scheduled banks included above	-	-	-	-	-
CASH & BANK BALANCES					
(a) In India	2,898.19	2,625.06	2,224.87	1,715.34	2,143.44
(b) Outside India	-	-	-	-	-
TOTAL	**2,898.19**	**2,625.06**	**2,224.87**	**1,715.34**	**2,143.44**

Annexure- XXI

Restated Statement of Advances and other assets

(₹ in million)

Particulars	As at									
	March 31, 2018		March 31, 2017		March 31, 2016		March 31, 2015		March 31, 2014	
ADVANCES										
Reserve deposits with ceding companies		-		-		-		-		-
Application money for investments		-		-		-		-		-
Prepayments		89.87		77.75		50.40		46.20		47.48
Advances to Directors/Officers		-		-		-		-		-
Advances to Suppliers	94.05	-	62.57	-	74.46	-	49.21	-	82.93	-
Less: Provision for doubtful recoveries	5.01	89.04	10.06	52.51	10.00	64.46	10.00	39.21	46.52	36.41
Advances to Employees		16.42		32.35		11.87		7.74		4.14
Advance tax paid and taxes deducted at source (Net of provision for taxation)		0.59		0.42		0.25		0.06		0.06
Other Advances		58.27		53.09		53.09		57.17		247.74
TOTAL (A)		**254.19**		**216.12**		**180.07**		**150.38**		**335.83**
OTHER ASSETS										
Income accrued on investments and bank deposits		3,424.96		2,653.88		2,002.94		1,576.79		1,332.33
Outstanding Premiums		1,790.48		1,221.83		976.67		994.94		695.97
Agents' Balances	25.86		42.54		50.56		58.97		72.36	
Less: Provision for doubtful recoveries	25.86	-	42.54	-	50.56	-	58.97	-	72.36	-
Foreign Agencies Balances		-		-		-		-		-
Advance income tax/service tax		-		62.20		-		-		-
Due from other entities carrying on insurance business (including reinsurers)		316.95		241.06		312.87		256.64		254.11
Due from subsidiaries/ holding company		-		-		-		-		-
Service tax/Cess unutilized credit		86.77		11.38		-		37.22		29.71
Deposits	195.51		218.61		226.69		213.22		143.81	
Less: Provision for doubtful recoveries	52.89	142.62	87.17	131.44	85.35	141.34	35.74	177.48	-	143.81
Other Receivables*	2,267.70		2,162.21		101.23		95.89		105.98	
Less: Provision for doubtful recoveries	41.45	2,226.25	31.12	2,131.09	30.31	70.92	19.00	76.89	18.16	87.82
TOTAL (B)		**7,988.03**		**6,452.88**		**3,504.74**		**3,119.96**		**2,543.75**
TOTAL (A) + (B)		**8,242.22**		**6,669.00**		**3,684.81**		**3,270.34**		**2,879.58**

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
*Unclaimed Investment Assets forming part of Other Receivables	2,034.47	2,080.94	NA	NA	NA

Annexure- XXII

Restated Statement of Current Liabilities

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Agents' Balances	412.57	346.54	303.29	270.51	286.18
Balances due to other insurance companies	413.16	397.79	520.25	419.83	199.06
Deposits held on reinsurance ceded	-	-	-	-	-
Premiums received in advance	954.88	1,033.63	890.25	807.13	453.57
Unallocated premium	268.54	433.38	83.84	273.87	250.45
Sundry creditors	2,959.59	1,889.88	1,849.89	1,234.10	1,455.17
Due to subsidiaries/holding company	-	-	-	-	-
Claims Outstanding	1,578.87	959.86	907.99	974.06	934.09
Annuities Due	-	-	-	-	-
Due to Officers/Directors	-	-	-	-	-
Taxes deducted at source payable	214.47	155.48	150.69	110.71	97.46
Service tax/ Goods and Service Tax payable	157.95	-	88.52	7.69	6.05
Unclaimed amount of policyholders	2,034.47	2,103.44	2,211.61	1,392.83	1,109.54
Litigated Claims & Other Liabilities	366.85	242.18	179.71	99.90	97.15
TOTAL	**9,361.35**	**7,562.18**	**7,186.04**	**5,590.63**	**4,888.72**

Annexure- XXIII

Restated Statement of Provisions

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
For taxation	-	-	-	-	-
For proposed dividends	-	-	-	-	-
For dividend distribution tax	-	-	-	-	-
For gratuity	207.85	182.58	167.28	149.46	123.60
For compensated absences	53.41	49.47	47.55	51.86	62.44
TOTAL	**261.26**	**232.05**	**214.83**	**201.32**	**186.04**

Annexure- XXIV

Restated Statement of Miscellaneous Expenditure (To the extent not written off or adjusted)

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Discount Allowed on issue of shares/ debentures	-	-	-	-	-
Others	-	-	-	-	-
TOTAL	**-**	**-**	**-**	**-**	**-**

Annexure XXV

Restated Statement of Other Income

The Company's major revenue is earned through its core business of selling insurance contracts and through income from investments earned out of Policyholders' and Shareholders' funds, which is ancillary to its core business of Insurance. "Other income" earned by the Company is not material and is less than 20% of the net profit before tax for FY 2018, FY 2017, FY 2016, FY 2015 and FY 2014.

Annexure- XXVI

Restated Statement of Capitalisation

(₹ in million)

Particulars	Pre issue as at March 31, 2018	Pre issue as at March 31, 2017	As adjusted for issue (Post issue)
Shareholders' funds			
Share capital	20,128.84	20,128.84	
Share application money	-	-	
Reserve and surplus	-	-	
Credit/(debit) fair value change account	(0.13)	2.87	
Debit balance in Profit and Loss Account (Shareholders' Account)	(9,376.47)	(10,793.39)	
Total Shareholder's funds (Net worth) (A)	**10,752.24**	**9,338.32**	
Debt*			Refer Note I below
Long term borrowings	62.21	118.93	
Short term borrowings	42.99	51.70	
Other borrowings (current maturity of long term borrowings)	-	-	
Total debt (B)	**105.20**	**170.63**	
Total (A+B)	**10,857.44**	**9,508.95**	
Long term debt/shareholder's fund	0.01	0.01	
Total debt/shareholder's fund	0.01	0.02	

Note I : Promoters are proposing to offer the equity shares of the Company to the public by way of an initial public offering. Hence, there will not be any change in the Shareholder's funds.

* Debt represents information technology equipment and computer software under finance lease.

Annexure XXVII

Restated Statement of Tax Shelter

(₹ in million)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Surplus before tax as per Revenue Account	1,621.03	1,097.80	819.19	1,318.23	1,975.77
Profit as per P&L Account	64.04	(200.02)	180.34	216.57	(87.39)
Surplus as restated	**1,685.07**	**897.78**	**999.53**	**1,534.80**	**1,888.38**
Tax Rate	**14.42%**	**14.42%**	**14.42%**	**14.16%**	**14.16%**
Tax thereon at above rate	**242.99**	**129.46**	**144.13**	**217.37**	**267.45**
Adjustments on Account of Permanent Difference:					
Exemption under section 10(23AAB)- Surplus in Participating Pension Business	(22.30)	(52.29)	(0.46)	(7.96)	(12.54)
Exemption under section 10(23AAB)- Surplus in Non-Participating Pension Business	(23.12)	14.21	(1.80)	(5.62)	24.24
Exemption under section 10(23AAB)- Surplus in Linked Pension Business	(28.58)	(22.77)	(20.29)	(40.64)	(66.68)
Exemption under Section 10(34)- Non Pension Dividend Income	(504.76)	(523.93)	(642.34)	(712.13)	(751.33)
Total of Permanent Adjustment (A)	**(578.76)**	**(584.78)**	**(664.89)**	**(766.35)**	**(806.31)**
Adjustment on Acocount of Temporary Difference (B)	**-**	**-**	**-**	**-**	**-**
Total Adjustments (C) = (A)+(B)	**(578.76)**	**(584.78)**	**(664.89)**	**(766.35)**	**(806.31)**
Tax on Adjustments	(83.46)	(84.33)	(95.88)	(108.54)	(114.20)
Gross Taxable Profits	1,106.31	313.00	334.64	768.45	1,082.07
Brought Forward Losses adjusted	(1,106.31)	(313.00)	(334.64)	(768.45)	(1,082.07)
Taxable profit	-	-	-	-	-
Tax Liability on taxable profit	-	-	-	-	-

Annexure XXVIII

Restated Statement of Debtors

The company has no debtors for FY 2018, FY 2017, FY 2016, FY 2015 and FY 2014.

The above disclosure does not include outstanding premiums as disclosed under Annexure – XXI : Restated Statement of Advances and other assets, since the same are not considered as debtors

Annexure XXIX

Restated Statement of Dividend - NA

Annexure XXX

Restated Statement of Related Party Transactions

Related Parties and Nature of Relationship:

Sl No	Nature of Relationship	Name of Related Parties				
		March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
1	Significant Influence or Controlling Enterprise	1. Punjab National Bank 2. MetLife International Holdings Inc	1. Punjab National Bank 2. MetLife International Holdings Inc 3. MetLife Inc.	1. Punjab National Bank 2. MetLife International Holdings Inc 3. MetLife Inc.	1. Punjab National Bank 2. MetLife International Holdings Inc 3.MetLife Inc.	1. Punjab National Bank 2. MetLife International Holdings Inc 3. MetLife Inc.
2	Key Management Personnel	Ashish Kumar Srivastava - Interim CEO & Principal Officer (From 31/03/2017 to 30/09/2017) & Managing Director (effective from October 01, 2017)	1. Ashish Kumar Srivastava - Interim CEO & Principal Officer (From 31/03/2017 to 30/09/2017) 2. Tarun Chugh - Managing Director (upto 31/03/2017)	Tarun Chugh - Managing Director	Tarun Chugh - Managing Director	1. Tarun Chugh - Managing Director from 28/02/2014 2. Rajesh Relan - Managing Director upto 28/02/2014

Note:

(i) From October 18, 2016, MetLife International Holdings, LLC (MIHI) which is having 26% share holding in the Company has significant influence but does not exercise control over the Company in light of changes made and steps taken by the Company to comply with the guidelines on "India Owned & Controlled" issued by the Insurance Regulatory & Development Authority of India (IRDAI). Thus, MetLife Inc., holding company of MIHI does not have any direct or indirect control over the Company from October 18, 2016

(ii) During the year ended March 31, 2018, the Company has incurred expenditure of ₹ 33.88 million towards proposed Initial Public Offering (IPO) of PNB MetLife through an offer for sale. Such expenditure would be recovered from the selling shareholders in FY 2018-19.

The following are the transactions between the Company and its related parties:

(₹ in million)

Sl No	Name of the related Party with whom the transactions have been made	Description of the Relationship with the Party	Description of transaction	Amount of transaction/ balance during the year				
				March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
			Transactions:					
			Income					
			Compensation	96.75	115.21	97.27	114.16	103.85
			Information technology	14.08	1.35	70.51	8.25	-
			Travel and others	5.29	11.35	16.08	19.08	31.00
			Proceeds against issue of/ advance against equity share	-	-	-	-	-
				-				
			Expenses	-				
			Conference/Travel	-	5.30	0.71	6.88	-1.38
			Peanut License fee (Inclusive of foreign exchange fluctuations)	2.66	3.61	3.61	0.85	0.54
1	MetLife International Holdings, LLC	Shareholder	Information technology expenses	-	-	-	-	-
				-				
			Outstanding Balances:	-				
			Assets	-				
			Compensation	33.81	36.31	40.05	56.22	62.04
			Information technology	0.96	-	13.41	8.25	-
			Travel and others	2.18	2.25	6.71	9.79	3.19
				-				
			Liabilities	-				
			Conference/Travel	-	-	-	6.88	-
			Peanut License fee (Inclusive of foreign exchange fluctuations)	0.93	0.79	1.68	0.72	-

(₹ in million)

Sl No	Name of the related Party with whom the transactions have been made	Description of the Relationship with the Party	Description of transaction	Amount of transaction/ balance during the year				
				March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
2	Punjab National Bank	Shareholder	**Transactions:**					
			Income					
			Premium received	-	4.54	1.64	10.55	-
			Interest/Dividend received	21.22	41.68	20.56	7.49	18.48
			Expenses					
			Commission	1,463.21	1,165.30	839.51	609.01	465.77
			Bank charges	10.05	5.10	8.31	7.23	3.33
			Claims/Surrender settled	0.20	0.70	3.50	1,740.04	-
			Travel expenses	-	-	-	-	-
			Outstanding Balances:					
			Assets					
			Investment in Equity Shares	-	-	-	77.24	107.59
			Fixed Deposits and bond	250.16	250.19	392.71	525.60	554.59
			Premium received	-	-	-	-	-
			Interest/Dividend received	3.02	2.96	5.23	-	-
			Bank charges	3.83	-	-	-	-
			Bank balances (Current account/short term deposit)	1,305.86	917.33	910.31	-	-
					-	-	-	-
			Liabilities					
			Commission	210.49	105.33	75.65	40.98	49.43
			Bank charges	6.03	0.60	0.83	1.34	-
			Premium deposit	-	1.70	-	0.66	-
3	Ashish Kumar Srivastava	Interim CEO & Principal Officer	**Transactions:**					
			Employee Benefits	21.48	0.05	-	-	-
		Managing Director	Managerial Remuneration	28.83	-	-	-	-
			Outstanding Balances:					
			Payable	20.88	-	-	-	-
4	Tarun Chugh	Managing Director	**Transactions:**					
			Managerial Remuneration	-3.15	27.39	38.61	10.00	0.86
			Outstanding Balances:					
			Payable	-	3.53	-	-	-
5	Rajesh Relan	Managing Director	**Transactions:**					
			Managerial Remuneration	-	-	-	-	9.14

Annexure - XXXI
Restated Statement of Secured and Unsecured Borrowings

(₹ in million)

Particulars	As at				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Secured borrowings					
Borrowings from others*				-	-
For Information technology equipments and software	105.20	170.63	217.72	-	-
Vehicle lease [secured against the vehicles]	-	-	-	-	-
Total	**105.20**	**170.63**	**217.72**	**-**	**-**
Unsecured borrowings	-	-	-	-	-
Grand total	**105.20**	**170.63**	**217.72**	**-**	**-**

*Borrowings from others represent information technology equipment and computer software under finance lease.

Terms of borrowings from others as on March 31, 2018

Sl. No	Particulars of the Lender	Nature of Loan	Terms of Repayment	Interest Type	Nature of Security
1	IBM India Private Ltd	Information technology equipment/Computer Software on finance lease	Rs 42.99 million payable in FY 2018-19 Rs 62.21 million payable in FY 2019-20	Fixed	Secured against respective information technology equipment and Computer software.

Annexure XXXII
Restated Statement of Aggregate book value and market value of Quoted Investments

(₹ in million)

Particulars	As at									
	March 31,2018		March 31, 2017		March 31, 2016		March 31, 2015		March 31, 2014	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Equities *	29,366.95	38,962.45	29,803.96	41,861.88	29,958.55	40,222.05	32,286.87	50,363.32	34,668.80	46,543.01
Others **	129,820.73	132,222.98	104,266.86	109,966.90	87,022.45	89,894.82	73,424.83	76,796.70	59,739.19	57,778.12
Total	**159,187.68**	**171,185.43**	**134,070.82**	**151,828.78**	**116,981.00**	**130,116.87**	**105,711.70**	**127,160.02**	**94,407.99**	**104,321.13**

* Includes all the Equities, ETF & AT1 Bonds

** Includes all the Government securities, Treasuty Bills, Certificate of Deposits, Commercial papers & Corporate Bonds / Debentures.

Note: The stated Market Value for the quoted equity investments is in line with the IRDAI guidelines on the Fair Valuation of Investments across Policyholders and Shareholders funds. The market value for Fixed Income investments held across Linked, Non Linked and Shareholders funds is derived basis the IRDAI guidelines on the Fair Valuation for Fixed Income securities across Unit Linked Portfolios.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless indicated otherwise, the financial information included herein is based on our Restated Financial Statements as of and for the fiscal years ended March 31, 2014, 2015, 2016, 2017 and 2018 beginning on page 245. You should read the following discussion and analysis of our financial condition and results of operations together with such Restated Financial Statements, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act, the IRDAI Issuance of Capital Regulations and SEBI ICDR Regulations. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year or "Fiscal" are to the twelve-month period ended March 31 of that year.

*The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, many of which may be outside our control, including those set forth in the sections "**Forward-Looking Statements**" and "**Risk Factors**" on pages 17 and 19, respectively.*

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, including certain non-GAAP financial measures, some of which may not be derived from our Restated Financial Statements or otherwise subjected to an audit or review by our statutory auditors. Certain non-GAAP financial measures, such as value of new business, value of new business margin, embedded value, embedded value operating profit, operating return on embedded value and return on embedded value, should be read in conjunction with the information set out in the Embedded Value Report beginning on page 342. The manner in which such operational and financial performance indicators, including non-GAAP financial measures, are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other insurance companies.

*Our financial statements and the presentation of our performance metrics differ significantly from those of non-insurance companies and may be difficult to understand or interpret. See "**Risk Factors**" beginning on page 19. Investors should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Draft Red Herring Prospectus.*

Overview

We were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018, according to CRISIL (CRISIL Research, "Analysis of Life Insurance Industry in India", July 10, 2018). From Fiscal 2017 to Fiscal 2018, our total new business premium increased at a compounded annual growth rate of 24.23%, compared to the total new business premium for the Indian life insurance sector increasing at a compounded annual growth rate of 10.77% (Source: CRISIL). Our history and relationships with MetLife and PNB have enabled us to become a strong, professionally managed company with the capabilities necessary to take advantage of significant opportunities in the fast growing Indian life insurance market. We have a pan-India, multi-channel distribution network and a comprehensive product portfolio and provide an end-to-end customer-centric service experience. We believe this positions us well to access a broad Indian customer base and address the diverse and evolving needs of Indian customers. We seek to leverage our capabilities through our scalable platform to generate profitable growth, particularly in underpenetrated segments of India's life insurance market. The Indian life insurance market is the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premium in Fiscal 2017, according to Swiss Re Institute, sigma No 3/2017. Total new business premium in the Indian life insurance market grew at a compounded annual growth rates of 19.66% between Fiscal 2015 and Fiscal 2018 and 10.77% from Fiscal 2017 to Fiscal 2018 (Source: CRISIL). However, India continues to be an underpenetrated insurance market with a life insurance penetration of only 2.7% in Fiscal 2016, compared to a global average of 3.5% (Source: CRISIL). In addition, the protection gap in India, which is the difference between the insurance protection cover required and the cover actually insured in a particular period, is amongst the highest globally at US$8.5 trillion in 2014 (Source: CRISIL).

In Fiscal 2018, we had the fourth highest individual product mix based on total new business premium in India (Source: CRISIL). Our individual new business premium accounted for 92.12%, 89.74% and 87.90% of our total new business premium in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Our individual new business premium increased at a compounded annual growth rate of 20.25% from Fiscal 2015 through Fiscal 2018. In Fiscal 2018, our embedded value growth was 17.5%, our operating return on embedded value was 16.1% and our value of new business margin was 17.1%. Our profit before tax was ₹677.11 million, ₹1,034.22 million and ₹1,416.92 million in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

Our distribution network consists of our bancassurance, direct sales, agency and other distribution channels, through which we generated 65.02%, 27.53%, 4.80% and 2.65% of our total new business premium, respectively, and 64.59%, 29.48%, 5.43% and 0.51% of our individual new business premium, respectively, in Fiscal 2018. Our product portfolio covers three principal customer needs – savings, protection and pension, which in Fiscal 2018 accounted for 82.10%, 14.89% and 3.01% of our total new business premium, respectively, and 93.41%, 4.09% and 2.51% of our individual new business premium, respectively.

Factors Affecting Our Results of Operations and Financial Condition

The results of our operations and our financial condition are and may in the future be significantly affected by a number of factors, including in particular:

- Macroeconomic and industry environment;
- Growth of our multi-channel distribution network;
- Product strategy and new business growth;
- Our management's assumptions and estimates and the pricing of our products;
- Persistency experience;
- Scalability and cost controls;
- Fluctuations in market interest rates;
- Regulatory environment;
- Fluctuations in the equity markets; and
- Our ability to compete effectively.

Macroeconomic and industry conditions in India

Our business, financial condition and results of operations are significantly affected by macroeconomic and industry conditions in India, where we conduct all of our business. The Indian life insurance market is the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premium in Fiscal 2017, according to Swiss Re Institute, sigma No 3/2016. We were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018 (Source: CRISIL). India continues to be an underpenetrated insurance market with a life insurance penetration of only 2.7% in Fiscal 2016, compared to a global average of 3.5% (Source: CRISIL). In addition, the protection gap in India is amongst the highest globally at US$8.5 trillion in 2014 (Source: CRISIL). We have consistently written a relatively high proportion of protection products, which accounted for 17.14%, 15.75% and 14.89% of our total new business premium in each of Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively, and believe we are well positioned to continue to focus on products that meet India's growing protection needs. We expect these macroeconomic and industry factors, coupled with India's large and young population, rapid urbanization and rising affluence to continue to drive demand for new and different types of life insurance products, which will help drive demand for our products and the growth of the value of our business. However, to the extent that India experiences adverse macroeconomic conditions or other negative trends, demand for our products and our persistency could decrease, the number of policy surrenders and withdrawals could increase, the returns from our investment activities could decrease.

Growth of our multi-channel distribution network

We have established a pan-India multi-channel distribution network which includes key bancassurance relationships and strong direct sales and agency channels. For Fiscal 2018, we generated 65.02%, 27.53%, 4.80% and 2.65% of our total new business premium and 64.59%, 29.48%, 5.43% and 0.51% of our individual new business premium through our bancassurance, direct sales, agency and other distribution channels, respectively.

Our pan-India distribution presence enables us to access a geographically and demographically broad customer base across India, including a wide set of attractive, under-penetrated market and customer segments. In Fiscal 2018, we generated 42.47%, 39.30% and 18.23% of our individual new business premium from metro, urban and semi-urban, and rural geographies, respectively.

Our key bancassurance partners include PNB, as well as JKB and KBL, which together with our other bancassurance partners, provided us access to 11,239 branches as of December 31, 2017. PNB is our largest bancassurance partner with 7,059 bank branches as of December 31, 2017. From Fiscal 2015 through Fiscal 2018, our total new business premium generated through PNB grew at a compounded annual growth rate of 30.80% and our individual new business premium generated through PNB grew at a compounded annual growth rate of 27.32%. As of December 31, 2017, PNB's branches were located in every Indian state and each union territory except one, and 18.8% of PNB's branches were located in metro areas, 44.8% were located in urban and semi-urban areas, and 36.4% were located in rural areas, providing us access to virtually all of India's attractive geographic market segments (Source: CRISIL). We also benefit from JKB's dominant market position in the state of Jammu and Kashmir and the strong market position of KBL in South India and its penetration into the state of Karnataka and second tier South Indian cities.

We intend to realize further potential in the PNB distribution network by increasing the activation of the PNB branch network and deepening our penetration of PNB's customer base. We are actively collaborating with PNB to identify high potential branches and pursue branch activation, while continuing to focus on training, adapting and deploying technologies that integrate with the systems and processes of PNB. We intend to continue to increase the number of authorized bank sales persons at PNB branches, while leveraging our existing bancassurance relationship managers to drive productivity with limited incremental cost. In addition, we intend to continue to develop and adapt our products to complement PNB's products and ensure they address the diverse and evolving needs of its customers. We also intend to strengthen our key bancassurance partnerships with JKB and KBL in order to capture the potential of their market leading positions. We intend to strengthen these relationships by leveraging the expertise and technology we have developed and deployed in our relationship with PNB. The willingness and ability of PNB and our other bancassurance partners to undertake these and other initiatives will depend on a number of factors, some of which are beyond their control. This could result in changes in planned expenditures and also impact our growth strategy and access to certain markets.

Our direct sales and agency channels complement our bancassurance channel by allowing us to target more affluent metro and urban and semi-urban customers through a sales process adapted to their needs. As of March 31, 2018, our direct sales channel included 4,048 insurance managers, who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks, and 225 loyalty managers who focus on servicing existing policies and cross selling additional products to our existing customers with the support of our lead management systems. Our insurance managers are spread more broadly across urban areas and are present in 92 cities in India. Our loyalty managers focus on 18 key Indian cities and have a strong presence in metro areas. We aim to continue to grow these channels through the addition of insurance managers, loyalty managers and individual agents, while leveraging our consolidated operating model to further deepen our penetration of the key metro areas and cities in which our insurance managers, loyalty managers and exclusive agents have a strong presence. Our consolidated operating model enables us to attract focused sales persons, while continuing to actively manage productivity through our existing network of sales managers.

Our ability to realize the intended benefits from our consolidated operating model and other initiatives we have taken with respect to our direct sales and agency channels will depend on our ability to realize the benefits of scale in our business and to optimize our sales across geographies and market segments. If we are not able to do this, our costs could increase and we may not be able to sell our products in the manner or in the markets we had originally intended. In addition, recruiting, training and deploying direct sales staff and agents can be difficult, time consuming and expensive and our success in doing depends on a number of factors, including sales commissions, our product offering, our brand and business reputation, our financial performance and related support services and benefits that we offer, as well as the recruiting efforts of our competitors.

Product strategy and new business growth

We have developed a comprehensive product portfolio that addresses the diverse and evolving needs of our various customer segments that we access through our pan-India multi-channel distribution network. Our product portfolio is focused on providing protection, savings and pension products that cater to customers' needs across various stages in their lives. For Fiscal 2018, our savings, protection and pension segments accounted for 82.10%, 14.89% and 3.01%, respectively, of our total new business premium. We complement our product offering with an end-to-end customer-centric service experience. The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, is aimed at creating a longer-term value proposition for our customers.

Our capital requirements, pricing assumptions, reserving requirements, profitability and profit patterns vary across our products. As a result, we continually assess the profitability of our existing and new products. Within each product category, we focus on targeting our products at the more attractive customer segments that we can access through each of our distribution channels. An important focus of ours has been to cater to the growing need for protection products across various customer segments in India. We have done this by providing differentiated protection products based on the customer segments we access through our distribution channels. For example, we offer credit life, individual term and health insurance products to bancassurance customers; individual term and health insurance products to our direct sales and agency sales channel customers; and group term products to our corporate customers. Consequently, we have consistently written a relatively high proportion of protection products. As of March 31, 2018, we offered nine types of protection products, as well as eight optional protection product riders. Protection products accounted for 17.14%, 15.75% and 14.89% of our total new business premium in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

Our product strategy is to deliver products that are aligned to the needs of our customer base in each of our distribution channels. As we implement our strategies to access and penetrate attractive customer segments through our distribution network, we will continue to align our products to the needs of those customers. We will particularly focus on catering to the protection opportunity in India by providing differentiated products based on the customer segments we access through our distribution channels. In particular, we will focus on protection products that are complementary to our bancassurance partners' products and services and higher cover term plans and critical illness health cover that cater to more affluent metro- and urban- and semi-urban-based customers. We will also continue to offer flexible protection products with tailor-made options online, as well as group life insurance products to large corporate groups. However, in order to continue to do this, we must anticipate the needs of our customers and align our products to those needs. Customer preferences can change due to changes in demographics and economic growth impacting savings, as well as evolving life insurance regulations. We must continually respond to these changes and adjust our products accordingly. Our ability to deliver products that are aligned to the needs of our customer base in each of our distribution channels, and in particular in protection products, has a direct impact on our profitability.

Our management's assumptions and estimates and the pricing of our products

We make and rely on certain assumptions and estimates regarding many items, including investment returns, expenses and operating costs, tax assets and liabilities, business mix, surrenders, mortality and contingent liabilities and anticipated results that affect amounts reported in our consolidated financial statements and notes thereto. We also use these assumptions and estimates to make decisions crucial to our business operations, including pricing for our products, target returns and expense structures for our insurance products, and determining the amount of reserves we are required to hold for our policy liabilities, our embedded value and value of new business and the price we will pay to reinsure business. These assumptions and estimates are based on our assessment of information available with us including the historical data maintained by us.

We price our products and determine policy liabilities based on assumptions relating to mortality and morbidity claims, persistency of policies and surrenders. The profitability of our products depends significantly on the extent to which our actual experience is consistent with the assumptions we use in pricing our products and establishing liabilities for future policy benefits. If the actual persistency of our products is better or worse than our assumptions, our business and profitability could be affected. To the extent that our actual benefits paid to policyholders are more or less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause us to change the underlying assumptions, we may decrease or increase our liabilities and incur less or higher costs. The factors influencing these business decisions cannot be predicted with certainty. As a result, our assumptions and estimates could differ significantly from actual outcomes, which could have a material effect on our business, financial condition and results of operations to the extent our assumptions and estimates are different than actual outcomes.

Persistency experience

Our results of operations and financial condition are affected by our persistency and surrender experience, which may differ from our assumptions and expectations. Our persistency levels are measured by the proportion of customers who continue to maintain their policies with us over certain defined periods based in terms of premium. In Fiscal 2018, we had 13th month, 25th month, 37th month, 49th month and 61st month persistency ratios of

77.03%, 58.30%, 46.00%, 37.10% and 27.72%, respectively. Maintaining a high level of persistency is important to our results of operations, as a large block of in-force policies provides us with regular revenues in the form of renewal premium, thereby affecting the long-term growth of our revenues and profitability. Persistency and surrender experience vary over time and from one type of product to another. They may be affected by events such as changes in consumer sentiment and behaviour, regulatory developments, macroeconomic conditions and our investment performance. If the actual persistency experience of our products differs from our assumptions, which are based on lapse and surrender experience analyses undertaken by the Company, our business and profitability could be affected. Surrender experience is analyzed by product categories, mode of premium payment (single or regular), distribution channel and duration in-force. In addition, if concentrated surrenders occur in respect of our policies, we may also be required to sell our invested assets to cover the significant amount of surrender payments.

Scalability and cost control

We have undertaken a series of initiatives involving both targeted investment and cost reduction measures in order to create an efficient, scalable platform to position our business for profitable growth. Our initiatives have focused on investing in people, processes, technology and training with the intent of achieving future revenue growth with limited further investment, while reducing costs that do not support profitable growth over the longer-term. In relation to our bancassurance distribution network, we have invested in integrating technologies such as sales force automation tools and our e-branch platform with the systems and processes of PNB to improve productivity and realize scale in our business. In addition, we increased the number of our PNB bancassurance relationship managers from an average of 1,708 in Fiscal 2015 to an average of 2,350 in Fiscal 2018, while the number of PNB's bank sale persons licensed to sell our products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018. The productivity of this structure, which we measure as our total new business premium divided by the average number of PNB bancassurance relationship managers for the period, increased from ₹1.97 million per annum in Fiscal 2015 to ₹3.20 million per annum in Fiscal 2018. Our existing network of sales managers has the capacity to efficiently support and manage further increases in the number of PNB qualified bank sales persons to enable us to scale our PNB bancassurance channel.

Our direct sales and agency consolidated operating model offer significant scalability to our business. We aim to continue to grow our direct sales and agency sales channels through the addition of insurance managers, loyalty managers and individual agents whose compensation is linked to performance and the goals of our business, while leveraging on our investment in our sales managers. For Fiscal 2018, we had an average of 890 sales managers dedicated to this operating model which we began implementing in Fiscal 2016. Our sales manager productivity, which we measure as total new business premium divided by the average number of sales managers for the period, increased from ₹1.79 million in Fiscal 2015 to ₹4.74 million in Fiscal 2018. However, we may not be able to realize the intended benefits from our consolidated operating model or the other initiatives we undertake with respect to our direct sales and agency channels. In addition, our ability to maintain or increase our business from direct sales and agency channel depends on various factors, including our ability to attract and retain high performing direct sales employees and agents.

We have also undertaken other initiatives focused on reducing costs and exercised strong control over expense in order to support profitable growth over the longer-term. We have also invested in digitization across our business to improve productivity by reducing turnaround times, simplifying processes and reducing our dependence on paperwork and physical infrastructure. As a result of our initiatives, we have improved our operating expense ratio from 24.53% in Fiscal 2015 to 20.61% in Fiscal 2018, while growing total new business premium at a compounded annual rate of 19.85%. Similarly, we grew our individual new business premium at a compounded annual growth rate of 20.25% between Fiscal 2015 and Fiscal 2018, while our expenses have increased by only 10.52% during the same period. As our pan-India multi-channel distribution network and our comprehensive product portfolio enable us to drive further revenue growth, we expect that the scalability of our platform will enable us to reduce our operating expense ratio and continue to improve our profitability. In order to do this, we will need to continually calibrate our organizational structure and cost base to meet the changing needs of our customers and align our products to our distribution network, as well as for regulatory reasons. Any such changes could make products difficult to market on a large scale or in the manner we had envisioned prior to changes in our organizational structure. In addition, initiatives and other measures intended to improve our operational efficiencies and reduce costs may not necessarily result in improvements in our operating cost ratio and our margins.

Fluctuations in market interest rates

We are exposed to fluctuations in interest rates. A significant portion of our investment portfolio is held in debt securities, particularly fixed income government securities and corporate debt. As of March 31, 2016, March 31, 2017 and March 31, 2018, our fixed income debt portfolio represented 70.0%, 71.6% and 76.8% of our AUM, respectively. Interest rates are highly sensitive to domestic and global developments, including, among other things, RBI's monetary and government's fiscal policies, domestic and global economic growth, political developments, inflation trend, trade balance and currency movements. Fluctuations in prevailing interest rates, along with spreads between short-term and long-term interest rates, could adversely affect our investment returns and income, thereby impacting our profitability and business prospects. Depending on the nature of our asset and liability portfolio and movement of interest rates, our financial condition may be materially adversely affected by rising or declining interest rates. Although we are evaluating hedging arrangements in this regard, it is possible that our hedging arrangements may not fully offset the impact in the event of rapidly declining interest rates or may not be fully effective or adequately cover our liabilities. In addition, any increase in hedging costs may affect our profitability. We provide guaranteed benefits to our customers of non-participating products and a combination of guaranteed and non-guaranteed benefits to our customers of participating products. Our products with guaranteed benefits carry the risk of investment income falling short of the guaranteed pay-outs in a declining interest rate environment.

In addition, under the IRDAI Investment Regulations, we are required to invest our investment assets forming part of our controlled fund in a limited number of specified categories of assets and instruments, subject to thresholds prescribed for each category of investment. Given the restrictions on the manner in which our assets are held and our investments can be made, we may not be able to fully mitigate market risks, while making investments. If we are not able to closely match the duration of our assets and liabilities, we may be impacted by changes in interest rates.

Regulatory environment

As an Indian life insurance company, we are subject to extensive laws and regulations in India. Insurance regulations cover a variety of aspects which impact our business, including product design, new product approvals, capital requirements, investment guidelines, distribution of surplus, expense management and arrangements with our distributors.

All of these laws and regulations are subject to change. Changes may lead to significant additional expenses, costs of regulatory compliance, increased legal exposure, increased required reserves or capital and additional limits on our ability to make investments and grow our business or to achieve targeted profitability or require us to modify our business strategy and focus on new markets and/or customer segments. Certain insurance laws, rules and regulations restrict our investment activities, which may limit our ability to diversify investment risks and improve returns on our investment portfolio, thereby affecting our results of operations. However, consumer-centric policy reforms by the regulators in India has increased product accessibility and protections in recent years, while promoting universal access to insurance and making it easier for customers purchase life insurance and life insurance companies to issue life insurance policies.

We are required by IRDAI regulations to maintain our solvency above the regulatory control limit, which is 1.50. While our solvency ratio at March 31, 2018 was at 2.02, if we fail for any reason to meet the relevant solvency ratio requirements, the IRDAI may impose a range of regulatory sanctions, depending on the degree of the deficiency. We are also subject to regular audit by such regulatory authorities, and regulatory action in case of any non-compliance.

Any adverse development in fiscal laws, which includes an increase in the concessional corporate tax rates of 14.56% (including surcharge and cess) applicable to insurance companies, discontinuance of tax exemptions, change in applicability of minimum alternate tax rates and any discontinuance of tax benefits to customers on purchase of insurance products, may materially and adversely affect our results of operations and financial condition. Furthermore, if the outcome of our tax litigations is adverse, our tax liabilities could also change adversely. Our results of operations may also be affected by macroeconomic regulatory changes, such as the recent introduction of a comprehensive unified GST regime by the Government of India (the "**GoI**") from July 1, 2017, under which the tax rate has increased from 15% under the service tax regime to 18% under the GST regime. Implementation of GST has increased the price of life insurance services and resulted in the institution of additional operational compliance requirements for the Company. However, GST is an indirect tax and there is no financial impact to the Company, as it is collected from policyholders and remitted to the Indian tax authorities.

Fluctuations in equity markets

Fluctuations in Indian equity markets may affect our investment returns. In the case of our unit-linked products, the investment risk arising from fluctuations in equity markets is borne by policyholders of these products. Surrenders and withdrawals may increase in the event of declining equity markets, as policyholders seek to buy other products, although policyholders may also choose to hold our products in anticipation of future gains or in the event of rising equity markets, as policyholders seek to realize the gains in their investments. This may impact our financial condition and results of our operations. In the case of non-unit-linked product segments or shareholders' funds, the investment risk associated with investments backing these funds is either shared between our policyholders and us or borne completely by us. A decline in equity markets reduces our investment income and fair value of equity investments held towards non-unit-linked policyholders' and shareholders' funds.

For additional details regarding sensitivity to equity markets, see "***Embedded Value Report***" on page 342.

Our ability to compete effectively

The Indian insurance industry is highly competitive, with 24 public and private life insurance companies operating in India as of March 31, 2018, according to CRISIL. Our competitors also include insurance companies, mutual fund companies and banks. Our ability to compete is based on a number of factors, including our pan-India multi-channel distribution network, our comprehensive product portfolio, our end-to-end customer-centric service experience and our scalable platform, which impact the competitiveness of our products, our ability to attract and retain distributors in our distribution networks and our ability to attract and retain employees. In addition, the change in regulations in Insurance Laws (Amendment) Act, 2015 permitting foreign shareholding of up to 49.0% in insurance companies may lead to new entrants, better capitalization of existing competitors and generally increase the level of competition. Competition may negatively affect our business by reducing our market share, decreasing our value of new business, increasing our policy acquisition costs, increasing our operating expenses and causing a reduction of our customer base. Mergers and acquisitions involving our competitors may create entities that have higher market share, greater resources and larger distribution networks than us, thereby impacting our market positioning, business and financial performance.

Key Performance Indicators

In evaluating our business, we consider and use non-GAAP financial measures and key performance indicators that are presented below, as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures and key performance indicators is not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with Indian GAAP. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance and formulate business plans.

These non-GAAP financial measures are not defined under Indian GAAP and are not presented in accordance with Indian GAAP. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Further, these non-GAAP financial measures and key performance indicators may differ from the similar information used by other companies, including peer companies, and therefore their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to profit before tax, surplus before tax, net earned premium, gross earned premium or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

The following table sets forth certain key performance indicators for the periods indicated therein.

	Fiscal Year ended March 31,		
	2016	**2017**	**2018**
	(in ₹ millions, except percentages)		
Total premium	28,278.34	32,360.80	39,535.11
New business premium	10,031.66	11,487.85	14,270.81
Individual new business premium	9,241.26	10,309.51	12,544.13
Operating expense ratio	26.50%	23.07%	20.61%
Persistency			
13th month	67.99%	71.78%	77.03%
25th month	47.85%	53.15%	58.30%
61st month	20.20%	27.34%	27.72%

Total premium

Total premium, or gross written premium ("**GWP**"), is the sum of first year, single and renewal premium received or due across various product segments.

Our total premium increased by 14.44% from ₹28,278.34 million in Fiscal 2016 to ₹32,360.80 million in Fiscal 2017. This increase was driven primarily by growth in our bancassurance and direct sales channels.

Our total premium increased by 22.17% from ₹32,360.80 million in Fiscal 2017 to ₹39,535.11 million in Fiscal 2018. This increase was driven by increased sales, primarily in our bancassurance and direct sales channels and of our protection products, and improvements in our persistency ratio.

New business premium

New business premium is the sum of premium received or due either in the first policy year of a life insurance contract or as a single lump sum payment from the policyholder.

Our new business premium increased by 14.52% from ₹10,031.66 million in Fiscal 2016 to ₹11,487.85 million in Fiscal 2017. This increase was driven primarily by growth in our bancassurance and direct sales channels.

Our new business premium increased by 24.23% from ₹11,487.85 million in Fiscal 2017 to ₹14,270.81 million in Fiscal 2018. This increase was driven primarily by our bancassurance channel, particularly through PNB, and direct sales channel.

Individual new business premium

Individual new business premium is the sum of premium that are received or due either in the first policy year of individual life insurance contracts or as a single lump sum payment from the policyholder.

Our individual new business premium increased by 11.56% from ₹9,241.26 million in Fiscal 2016 to ₹10,309.51 million in Fiscal 2017. This increase was driven primarily by growth in our direct sales and bancassurance channels.

Our individual new business premium increased by 21.68% from ₹10,309.51 million in Fiscal 2017 to ₹12,544.13 million in Fiscal 2018. This increase was driven primarily by our bancassurance channel, particularly through PNB, and direct sales channel.

Operating expense ratio

Operating expense ratio is our operating expenses (excluding commission) divided by GWP. Gross written premium is the total premium written by the Company before deductions for reinsurance ceded.

Our operating expense ratio decreased from 26.50% in Fiscal 2016 to 23.07% in Fiscal 2017 and 20.61% in Fiscal 2018.

Persistency

Persistency ratio is the ratio of life insurance policies remaining in force out of the policies issued in a fixed period. Persistency can be measured in terms of number of policies or in terms of premium. We measure persistency in terms of premium. The 13th month persistency is an important metric for us to measure the quality of our sales because it is the first opportunity for us to assess whether payments are made beyond the first year after the completion of the sale of insurance policies. In addition, the 25th month and 61st month persistency ratios are also important indicators for us for the assessment of long-term value creation, particularly for our unit-linked product segments, as these products have a high probability of surrender at 61 months due to lack of surrender penalties after five years.

Our 13th month persistency ratio improved from 67.99% in Fiscal 2016 to 71.78% in Fiscal 2017 and 77.03% in Fiscal 2018.

Our 25th month persistency ratio improved from 47.85% in Fiscal 2016 to 53.15% in Fiscal 2017 and 58.30% in Fiscal 2018.

Our 61st month persistency ratio improved from 20.20% in Fiscal 2016 to 27.34% in Fiscal 2017 and 27.72% in Fiscal 2018.

The following table sets forth certain additional key performance indicators for the periods indicated therein.

	12 months ended September 30, 2017*	**Fiscal Year ended March 31, 2018****
	(in ₹ millions, except percentages)	
Value of new business	1,880	2,242
Value of new business margin	16.1%	17.1%
Embedded value	30,754	33,290
Operating return on embedded value	14.0%	16.1%

* As reported by the Company.
** As reported in the Embedded Value Report included in this Draft Red Herring Prospectus

Value of new business and value of new business margin

Value of new business is the present value of expected future earnings from new policies written during any given period. Value of new business is an important metric that reflects the additional value to shareholders expected to be generated through the activity of writing new policies during any given period. The value of new business for any period reflects actual acquisition costs incurred during that period.

Value of new business margin is the ratio of value of new business to annual premium equivalent ("**APE**"), which is 100% of annualized regular premium plus 10% of single premium, for the relevant period and is a measure of the expected profitability of new business in percentage terms.

For the 12 months ended September 30, 2017, our value of new business was ₹1,880 million and our value of new business margin was 16.1%, as reported by the Company.

In Fiscal 2018, our value of new business was ₹2,242 million and our value of new business margin was 17.1%, as reported in the Embedded Value Report included in this Draft Red Herring Prospectus.

Embedded value, operating return on embedded value and embedded value operating profit

Embedded value is a measure of the consolidated value of shareholders' interests in the existing life insurance business. Embedded value represents the present value of shareholders' interests in the earnings distributable from the assets allocated to the business after sufficient allowance for the aggregate risks in the business and is generally expressed as a sum of adjusted net worth and value of in-force of business. Embedded value, which is determined as per the requirements and principles prescribed in Actuarial Practice Standard 10 issued by the Institute of Actuaries of India, is referred to as Indian Embedded Value.

Embedded value operating profit is a measure of the increase in the embedded value during any given period due to matters that can be influenced by management. Embedded value operating profit includes value created due to writing of new business and operating variance due to persistency, mortality and expense experience. It excludes changes in embedded value due to external factors like changes in economic variables and shareholder-related actions like capital injection or dividend pay-outs. Operating return on embedded value is the ratio of embedded value operating profit for any given period to the embedded value at the beginning of that period.

As reported by the Company, our embedded value at September 30, 2017 was ₹30,754 million and our operating return on embedded value was 14.0% for the 12 months ended September 30, 2017.

As reported in the Embedded Value Report included in this Draft Red Herring Prospectus, our embedded value increased from ₹28,332 million at March 31, 2017 to ₹33,290 million at March 31, 2018 due to embedded value operating profit of ₹4,575 million and non-operating profit of ₹382 million.

As reported in the Embedded Value Report included in this Draft Red Herring Prospectus, the embedded value operating profit of ₹4,575 million for Fiscal 2018, representing an operating return on embedded value of 16.1%, was mainly due to:

- investment income on our net worth and the impact of discounting the future cash flows for a shorter period, amounting to ₹2,226 million;

- value of new business of ₹2,242 million; and
- net positive operating variance of ₹107 million, reflecting a better experience against assumptions on most key parameters including persistency, mortality and morbidity.

Recent Developments in Accounting Standards

We currently prepare our statutory financial statements in accordance with Indian GAAP, the Companies Act, 2013, provisions of the Insurance Act and IRDAI regulations. The IRDAI issued a circular dated March 1, 2016 regarding the implementation of Ind-AS in the insurance sector, requiring all insurance companies to comply with Ind-AS for the preparation and presentation of financial statements for accounting period beginning on or after April 1, 2018, with comparative for year ending March 31, 2018. The IRDAI subsequently issued a circular dated June 28, 2017, deferring the implementation of Ind-AS in insurance sector in India for a period of two years to be effective from Fiscal 2021, and requiring all insurance companies to continue the submission of proforma Ind-AS financial statements to the IRDAI on quarterly basis until such future date.

See also "***Risk Factors— Risks Relating to India and the Indian Insurance Industry—Changes in the accounting standards used in the reporting of our financial statements due to new pronouncements such as Ind-AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial condition***." on page 38.

Critical Accounting Policies

The preparation of our Restated Financial Statements requires that our management make estimates and assumptions that affect the reported amounts of income and expenses for the relevant period and reported balances of assets and liabilities and disclosures relating to contingent liabilities and contingent assets as of the relevant date, among other items. Examples of such estimates include, among others, valuation of policy liabilities, provision for linked liabilities, provisions for doubtful debts, valuation of unlisted securities, if any, future obligations under employee retirement benefits plans and useful lives of fixed assets. The estimates and assumptions used in the financial statements are based upon our management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Our management believes that the estimates used in preparation of the financial statement are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the financial statements. Any differences of actual to such estimates are recognised in the relevant period in which the results are known or materialized. For a detailed description of our significant accounting policies, see Annexure V of our Restated Financial Statements included in this Draft Red Herring Prospectus. The following discussion provides supplemental information on our critical accounting policies, certain of which require estimates and assumptions from our management.

Revenue recognition

Premium

New business premium in respect of non-unit-linked policies, including rider premium, is recognized on acceptance of risk. For all the policies which are in force as of the balance sheet date, subsequent premium of the first year and renewal premium are recognized as income when due. In the case of our linked policies, premium income, including rider premium, is recognized when the associated units are allotted.

Premium on lapsed policies is recognized as income if and when such policies are reinstated. Top up premium is considered as single premium.

Income from unit-linked policies

Income from unit-linked policies, which includes, among others, fund management charges, policy administration charges and mortality charges, is recovered from the unit-linked funds in accordance with the terms and conditions of the policies issued and is recognized when due.

Income earned on investments

Interest income is recognized on an accrual basis for all funds.

Amortization of premium or accretion of discount at the time of purchase of debt securities is recognized over the remaining period of maturity on a straight line basis.

Dividend income is accounted for on "ex-dividend" date in the case of listed equity and preference shares and, in the case of unlisted shares, recognized when the right to receive the dividend is established.

In the case of linked business, profit or loss on the sale/redemption of investment securities is calculated as the difference between net sale proceeds and weighted average cost on the date of sale.

In the case of other businesses, profit or loss on the sale/redemption of equity shares, preference shares and units of mutual fund includes the accumulated changes in the fair value previously recognized under the "fair value change account" in the balance sheet. For debt securities, the profit or loss on the sale/redemption is calculated as the difference between net sale proceeds and weighted average amortized cost on the date of sale.

Unrealized gains and losses arising out of the valuation of linked–policyholders' investments are recognized in the respective fund's revenue account.

Reinsurance premium

Reinsurance premium ceded is accounted for on due basis at the time of recognition of premium income, in accordance with the treaty arrangement with the reinsurers.

Benefits paid (including claims settlement costs)

Death, health and surrender claims are accounted for on receipt of intimation subject to eligibility as per policy terms and conditions. Maturity claims and periodical benefits are accounted for when due for payment. Surrenders, lapses (after expiry of lock-in period) and withdrawals under linked policies are accounted for in the respective funds when the associated units are de-allocated.

Reinsurance recoverable is accounted for when the corresponding claim expenditure is recognized.

Liability for life policies in force and paid up policies

Liabilities for life policies in force, as well as policies in respect of which premium has been discontinued but a liability exists, is calculated by the Appointed Actuary on the basis of gross premium valuation method in accordance with accepted actuarial practice, professional guidance notes issued by the Institute of Actuaries of India, provisions of the Insurance Act, 1938 (as amended in 2015) and the relevant regulations notified by the IRDAI from time to time. The liabilities are calculated in a manner that, together with estimated future premium income and investment income, we can meet estimated future claims (including bonus entitlements to policyholders) and expenses. The linked policies carry two types of liabilities–unit liability representing the fund value of policies and non-unit liability to meet any likely deficiencies in the charges under the policy which might arise on account of mortality, expenses and other elements.

For actuarial method and assumptions related to the valuation of liability for life policies in force and paid up policies, see Note 3.2 of Annexure V of our Restated Financial Statements included in this Draft Red Herring Prospectus.

Investments

Investments are made in accordance with the Insurance Act, 1938 (as amended in 2015), the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, and other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recognized at cost on the date of purchase, which includes brokerage and related taxes and excludes pre-acquisition interest accrued, if any.

Classification

Investments maturing within twelve months from balance sheet date and investment made with the specific intention to dispose them off within twelve months from balance sheet date are classified as short term investments. Investments other than short term investments are classified as long term investments. Equity shares are classified as long term investment.

Valuation–shareholders' investments and non-unit-linked policyholders' investments

All debt securities including government securities are considered as "held to maturity" and accordingly stated at amortized cost.

The difference between the acquisition price and the face value of treasury bills, certificate of deposits, commercial papers and collateral borrowing and lending obligation ("**CBLO**") is amortized and recognized as income/expenses over the remaining term of these instruments on a straight line basis. In the case of zero coupon bonds, redemption value is considered as the face value.

As prescribed by the IRDAI, for valuation of listed equity shares and exchange traded fund ("**ETF**") equity, we have selected National Stock Exchange ("**NSE**") as the primary exchange and the Bombay Stock Exchange ("**BSE**") as the secondary exchange. Accordingly, the closing price of NSE is used for the purpose of valuation of equity shares. If the security is not listed/not traded on NSE but traded on BSE, then the closing price of BSE is used. Additional Tier I Bonds ("**AT-1 Bonds**") are valued at market value, using CRISIL Bond Valuer.

Mutual fund units as of the balance sheet date are valued at the previous business day's net asset values.

Rights/bonus entitlements, if any, are accounted for on ex-rights/ex-bonus date of the principal stock exchange.

Unrealized gains/losses arising due to changes in the fair value of mutual funds, listed equity shares and AT-1 Bonds are taken to the "fair value change account" in the balance sheet. In the case of diminution, other than temporary, the amount of diminution is recognized as an expense in the revenue /profit and loss account, as applicable.

Fixed deposits with banks are valued at cost.

Valuation–assets held to cover linked liabilities

All debt securities, including government securities are valued at market value, using CRISIL Bond Valuer/CRISIL Gilt Prices, as applicable.

Money market instruments–treasury bills, certificate of deposits, commercial papers and CBLO are being stated at amortized cost.

As prescribed by the IRDAI, for valuation of listed equity shares and ETF equity, we have selected NSE as the primary exchange and BSE as the secondary exchange. Accordingly, the closing price of NSE is used for the purpose of valuation of equity shares. If the security is not listed/not traded on NSE but traded on BSE, then the closing price of BSE is used

Mutual fund units as of the balance sheet date are valued at the previous business day's net asset values.

Rights/bonus entitlements, if any, are accounted for on ex-rights/ex-bonus date of the principal stock exchange.

Fixed deposits with banks are valued at cost.

Transfer of investments

Transfer of investments from shareholders to policyholders to meet the deficit in the policyholders' fund account are effected at lower of cost (for debt securities net amortized cost) or market value on the previous day. The transfer of investment between unit-linked funds is done at the prevailing market price.

Impairment of investment

We periodically assess using internal and external sources, and at each balance sheet date, whether there is an indication of impairment of investment. In the case of impairment, other than temporary, the carrying value of such investment is reduced to its fair value and the impairment loss is recognized in the revenue/profit and loss account as applicable. However, at the balance sheet date, if there is an indication that a previously recognized impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

Provision for non-performing assets (NPA)

In accordance with the IRDAI regulations on "Prudential norms for income recognition, asset classification, provisioning and other related matters in respect of debt portfolio" vide Circular No 32/2/F&A/Circulars/169/Jan 2006-07 dated January 24, 2007, adequate provisions have been made to cover amounts outstanding in respect of all NPA and standard assets. All assets where the interest and/or instalment of principal repayment remains overdue for more than 90 days are classified as NPA at the balance sheet date.

Fixed assets and Depreciation/Amortization

Tangible assets and depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure incurred related to an existing fixed asset is expensed out except if such expenditure results in an increase in the future economic benefit from the existing assets. Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset.

Depreciation is provided using the straight line method of depreciation, which depreciates the costs of assets over the estimated useful life as specified under Part "C" of Schedule II of the Companies Act, 2013. Any asset costing ₹5,000 or less are fully depreciated in the year of purchase. Depreciation/amortization is charged on pro-rata basis from the date of such addition or up to the date of sale of such asset.

Leasehold improvements/leased vehicles are depreciated over the lease period, subject to a maximum period of five years.

Intangible assets

Intangible assets comprising computer software are stated at cost less amortization. Significant expenditure on improvements to software are added to its book value only when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably.

Software expenses are amortised using the straight line method over the license period of the software, subject to a maximum of three years. Subsequent expenditures are amortized over the remaining useful life of the original software.

Employee benefits

Short-term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. These benefits include, among others, performance incentives, short term compensated absence. The undiscounted amount of short-term employee benefits expected to be paid are recognized during the period when the employee renders the service.

Defined contribution plans

Our contributions to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when service is rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognized in the revenue account in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation. Estimates with respect to future obligations under employee retirement benefits include attrition rates, discount rate and salary escalation. An increase in attrition rates and discount rate results in a reduction in liability and vice versa. Salary escalation results in an increase in liability.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as of the balance sheet date. Actuarial gains and losses due to change in actuarial valuation of such employee benefit plans are recognised in the period of occurrence for all employee benefits.

Long-term incentive plan

Performance stock units and restricted stock units were granted to eligible employees based on defined parameters until December 2016. The vesting of these stock units was based on the common stock (share) price of MetLife as of the vesting date. The liability and corresponding expense is accounted for on the basis of actuarial valuation carried out by an independent actuary at the balance sheet date and is trued-up at the time of vesting/payment. Based on the revised IRDAI guidelines on "Indian Owned and Controlled" in 2016, a new long-term incentive program was implemented effective January 2017. This program is a deferred cash plan and the quantum of grant to eligible employees is based on the performance of PNB MetLife. The proportionate liability and corresponding expense is accounted for in line with the vesting period.

Taxation

Direct tax

Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Our current tax expense is determined on estimated taxable income in accordance with the provisions of the Income Tax Act, 1961, as amended from time to time, as applicable to life insurance companies.

Deferred tax is recognized for future tax consequences attributable to timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as of the reporting date. Deferred tax assets are recognised for timing differences only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized.

Indirect tax

Service tax/GST liability is set-off against eligible tax credits available from tax paid on input services. Unutilized credits, if any, are carried forward for future set-off under "Advances and other assets".

Basis of presentation of financial statements

We present our financial statements in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report for Insurance Companies) Regulations, 2002. Our financial statements comprise a Revenue Account (Policyholders' Account or Technical Account) ("**Revenue Account**"), Profit and Loss Account (Shareholders' Account or Non-Technical Account) ("**Profit and Loss Account**"), Statement of Assets and Liabilities, and Receipts and Payments Account.

The Revenue Account contains income and expenses relating to policyholders. Any surplus generated in this account is appropriated to the Profit and Loss account and funds for future appropriation. A deficit in any line of business in the Revenue Account is funded from the Profit and Loss Account.

The Profit and Loss account contains income and expenses pertaining to shareholders apart from the transfers to and from the Revenue Account.

Principal Components of Our Revenue Account (Policyholders' Account or Technical Account)

Premium

Premium income represents premium received by us or due on all individual and group business and is classified into first year, renewal and single premium. First year premium refers to premium received during the first year of the policy. Renewal premium refers to premium received during the years after the first year of the policy, until premium payment term is over or the policy lapses whichever is earlier. Single premium refers to premium received on single premium policies and also includes top-up premium, which are additional amounts of premiums that can be paid over and above basic premium. Premium is always accounted for net of service tax/goods and services tax ("**GST**").

Reinsurance ceded

Reinsurance ceded refers to the amount of reinsurance premium paid/payable to reinsurers in respect of the risk underwritten to them. Reinsurance ceded is disclosed separately as a deduction from premium (net of service tax/GST).

Income from investments

Income from investments refers to the investment income earned by policyholders' funds on policyholders' investments made in accordance with IRDAI regulations and includes interest, dividend and rent income (net of accretion/amortisation of discount/premium), profit /loss on sale/redemption of investments. Any changes in the fair value of unit-linked investments during the relevant fiscal year which are valued at market value are also reflected in our income from investments.

Investment income from unit-linked policyholder investments is linked to market changes and can be quite volatile. The investment income from unit-linked policyholder investments is directly attributable to policyholders and is reflected as a corresponding change in the unit reserves without any impact on the surplus from our unit-linked segments. Investment income from investments other than unit-linked policyholder investments is relatively stable as it is mainly based on interest income and amortisation income of debt securities which are not market-linked. Realization of gains/losses in equity investments from investments other than unit-linked policyholder investments can affect investment income.

Other income

Other income mainly comprises income on investment of unclaimed amounts of policyholders, interest on bank deposits, interest on policy loans and other miscellaneous income, which includes profits or losses on sale of fixed assets and write-backs of payable balances.

Contribution from Shareholders' Account

Contribution from shareholders' account refers to the amount contributed by our shareholders to meet the deficit, if any, in our non-participating linked and non-unit-linked segments.

Commission

Commission expense includes commission paid/payable to third-party intermediaries and our distribution partners for sourcing of new business and collection of renewal premium. In line with premium, commissions are classified into first year, renewal and single premium commissions.

Operating expenses related to insurance business

Operating expenses include all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing. Our operating expenses related to insurance business primarily include employees' remuneration and welfare benefits, business development related expenses, rents, rates and taxes, information technology expenses, depreciation expenses and advertisement expenses.

Service tax / GST on charges

Service tax/GST on charges includes tax recovered on charges from our unit-linked business. These charges relate to policy administration fees, mortality charges, reinstatement fees, fund management charges, lapse charges and other miscellaneous charges. Tax on these charges are recovered either by way of deallocation of units or reduction of the net asset value of the relevant unit-linked fund for the amount of tax payable. The GoI has, with effect from July 1, 2017, implemented a comprehensive, nation-wide GST regime that has combined the levy of taxes by the Central and State Governments under one unified taxation scheme. The rate of tax has increased from 15% under the service tax regime to 18% under the GST regime for life insurance services.

Benefits paid and interim and other bonuses paid

Benefits paid include the payouts made by us against claims, upon death, policy maturity, surrenders, periodical benefits as well as interest on unclaimed amounts of policyholders. Benefits paid are disclosed net of amounts recoverable from reinsurers. Bonuses are payable when participating policies mature or on death claims.

Change in valuation of liability in respect of life policies

Change in valuation of liability in respect of life policies represents the increase/decrease in policyholders' liabilities in respect of life policies during the relevant period. Policyholders' liability for linked policies represents the fund liability as of the balance sheet date.

Policyholders' liability for non-unit-linked policies and non-unit portions of unit-linked policies is calculated using actuarial principles for all policies where a liability exists on valuation date or where a liability could arise in the future net of reinsurance.

Transfer to Profit and Loss Account (Shareholders' Account)

Transfer to Shareholders' Account represents surplus generated in non-participating policyholders' segments (including unit-linked non-participating segments) and shareholders' share of bonus allocation to participating policyholders.

Balance being funds for future appropriations (participating)

Balance being funds for future appropriations represent the unappropriated surplus which has not yet been allocated to participating policyholders or shareholders.

Principal Components of Our Profit and Loss Account (Shareholders' Account or Non-Technical Account)

Amount transferred from Policyholders' Account (Technical Account)

Amount transferred from Policyholders' Account (Technical Account) represents the net surplus generated in non-participating policyholders' segments (including unit-linked non-participating segments) and shareholders' share of bonus allocation to participating policyholders.

Income from investments

Income from investments represents the investment income earned on Shareholders' funds.

Expenses other than those directly related to the insurance business

Expenses other than those directly related to the insurance business represent expenses which are not borne by the policyholders.

Contribution to the Policyholders' Account

Contribution to the policyholders' account refers to the amount contributed by the shareholders to meet the deficit, if any, in the non-participating (unit-linked/non-unit-linked) segments.

Our Results of Operations

The following table shows a summary of our results of operations from our Restated Statement of Revenue Account (Policyholders' Account) and our Restated Statement of Profit and Loss Account (Shareholders' Account) for the periods indicated.

	Fiscal Year Ended March 31,		
	2016	**2017**	**2018**
Revenue Account (Policyholders' Account)		**(in ₹ millions)**	
Premium	28,278.34	32,360.80	39,535.11
Reinsurance ceded	(1,006.07)	(971.74)	(929.96)
Premium earned – net	**27,272.27**	**31,389.06**	**38,605.15**
Income from investments	2,827.04	15,206.09	13,476.31
Other income	128.66	172.44	219.79
Contribution from the Shareholders' Account	262.83	691.84	484.31
Total	**30,490.80**	**47,459.43**	**52,785.56**

Revenue Account (Policyholders' Account)	Fiscal Year Ended March 31, 2016	2017	2018
	(in ₹ millions)		
Commission	1,614.63	1,796.52	2,154.76
Operating expenses related to insurance business	7,493.31	7,466.34	8,148.39
Service tax (GST) on charges	355.68	358.46	385.92
Provisions (other than taxation)	80.46	48.46	(4.69)
Benefits paid (net) and interim/other bonuses paid	14,316.86	17,707.64	21,110.28
Change in valuation of liability in respect of life policies	5,810.67	18,984.21	19,369.87
Total	**29,671.61**	**46,361.63**	**51,164.53**
Surplus	**819.19**	**1,097.80**	**1,621.03**
Appropriations			
Transfer to Shareholders' Account	496.77	1,234.24	1,352.88
Balance being funds for future appropriations	322.42	(136.44)	268.15
Surplus/(deficit) after appropriation	-	-	-
Total	**819.19**	**1,097.80**	**1,621.03**

Profit and Loss Account (Shareholders'Account)	Fiscal Year Ended March 31, 2016	2017	2018
	(in ₹ millions)		
Amount transferred from Policyholders' Account (Technical Account)	496.77	1,234.24	1,352.88
Income from investments	528.25	566.90	645.98
Total income	**1,025.02**	**1,801.14**	**1,998.86**
Expenses other than those directly related to the insurance business	61.39	75.08	97.63
Others	23.69	-	-
Contribution to Policyholders' Account	262.83	691.84	484.31
Total Expense	347.91	766.92	581.94
Profit before tax	**677.11**	**1,034.22**	**1,416.92**
Provision for taxation	-	-	-
Profit after tax	**677.11**	**1,034.22**	**1,416.92**

Fiscal 2018 compared to Fiscal 2017

Premium (Revenue Account)

Our total premium increased by 22.17% from ₹32,360.80 million in Fiscal 2017 to ₹39,535.11 million in Fiscal 2018. The following table sets forth our segmental premium in Fiscal 2017 and Fiscal 2018.

	Fiscal Year Ended March 31, 2017			2018		
Segments	First year premium	Renewal premium	Single premium	First year premium	Renewal premium	Single premium
	(in ₹ millions)					
Participating	4,950.82	9,004.63	0.00	4,967.36	11,290.40	(0.58)
Non-participating	4,339.64	5,053.01	634.88	5,140.44	7,701.72	1,185.54
Participating – pension	193.83	41.08	0.73	228.79	177.15	0.00
Non-participating – annuity	0.00	0.00	92.68	0.00	0.00	85.61
Non-participating – pension	12.67	1.58	0.30	8.60	6.66	0.00
Health	238.27	342.47	0.00	59.49	474.48	0.00
Group linked	9.73	56.34	0.00	2.21	65.20	104.01
Individual life linked	913.21	6,310.19	100.96	2,204.15	5,501.89	285.12
Pension linked	0.00	63.65	0.13	(0.03)	46.80	0.10
Total	**10,658.17**	**20,872.95**	**829.68**	**12,611.01**	**25,264.30**	**1,659.80**

Our first year premium increased by 18.32% from ₹10,658.17 million in Fiscal 2017 to ₹12,611.01 million in Fiscal 2018, primarily due to increased sales through our bancassurance and direct sales channels.

Our renewal premium increased by 21.04% from ₹20,872.95 million in Fiscal 2017 to ₹25,264.30 million in Fiscal 2018. Beginning in 2015, we made efforts to improve our persistency ratios. Our 13th month persistency ratio improved from 71.78% in Fiscal 2017 to 77.03% in Fiscal 2018. Our 25th month persistency ratio improved from 53.15% in Fiscal 2017 to 58.30% in Fiscal 2018.

Our single premium increased by 100.05% from ₹829.68 million in Fiscal 2017 to ₹1,659.80 million in Fiscal 2018, primarily due to increased sales of protection products.

Reinsurance ceded (Revenue Account)

Our reinsurance ceded decreased by 4.30% from ₹971.74 million in Fiscal 2017 to ₹929.96 million for Fiscal 2018. This decrease was primarily because we increased our internal retention limits on certain group products.

Income from investments (Revenue Account)

The following table sets forth our income from policyholder investments for the periods indicated.

	Fiscal Year Ended March 31,							
	2017				**2018**			
	Unit-linked	**Non-participating**	**Participating**	**Total**	**Unit-linked**	**Non-participating**	**Participating**	**Total**
	(in ₹ millions)							
Interest and dividends and rent - net of accretion/amortisation of discount/premium	2,486.73	1,613.22	4,008.67	8,108.62	2,451.00	2,115.23	5,014.64	9,580.87
Profit on sale/redemption of investments	5,667.54	5.12	2.75	5,675.41	7,317.95	12.84	252.09	7,582.88
(Loss) on sale/redemption of investments	(513.22)	-	-	(513.22)	(809.42)	(4.73)	(1.62)	(815.77)
Transfer/gain on revaluation/change in fair value	1,935.28	-	-	1,935.28	(2,871.67)	-	-	(2,871.67)
Income from investments	**9,576.33**	**1,618.34**	**4,011.42**	**15,206.09**	**6,087.86**	**2,123.34**	**5,265.11**	**13,476.31**

Our income from investments decreased by 11.38% from ₹15,206.09 million in Fiscal 2017 to ₹13,476.31 million in Fiscal 2018. This decrease was primarily due to unrealized loss in our unit-linked portfolio. This will not have an impact on surplus from the unit-linked segment, as our investment income from our unit-linked portfolio was offset by a corresponding change in the valuation of our unit reserves.

Our investment income from portfolios other than unit-linked portfolio increased from ₹5,629.76 million in Fiscal 2017 to ₹7,388.45 million in Fiscal 2018, which was generally in line with the increase in our AUM in our non-unit-linked portfolio.

Other income (Revenue Account)

Our other income increased by 27.46% from ₹172.44 million in Fiscal 2017 to ₹219.79 million in Fiscal 2018 and was primarily related to interest earned on unclaimed amounts and write-back of payable balances . The interest earned on unclaimed amounts is credited back to the unclaimed amounts, which is reflected as expense (benefits paid) and has no impact on surplus.

Contribution from Shareholders' Account (Revenue Account)

Our contributions from our Shareholders' Account was ₹691.84 million in Fiscal 2017 and ₹484.31 million in Fiscal 2018, representing the funding from our Shareholders' Account to meet the deficit in our individual non-participating life and annuity segments.

Commissions (Revenue Account)

The following table sets forth a breakdown of commissions paid by first year premium, renewal premium and single premium, and the corresponding commission ratios (commission paid to premium received (net of tax)).

Commissions on:	Fiscal Year Ended March 31, 2017 Commission paid (₹ in millions)	2017 Commission ratio (%)	2018 Commission paid (₹ in millions)	2018 Commission ratio (%)
First year premium	1,389.00	13.03%	1,543.09	12.24%
Renewal premium	404.75	1.94%	550.30	2.18%
Single premium	2.77	0.34%	61.37	3.70%
Total	**1,796.52**	**5.55%**	**2,154.76**	**5.45%**

Our commissions paid increased by 19.94% from ₹1,796.52 million in Fiscal 2017 to ₹2,154.76 million in Fiscal 2018, as compared to a 22.17% increase in our total premium during the same period. This was primarily due to higher growth rates in our renewal premium and single premium, for which the commission rates are lower. Our commission ratio decreased from 5.55% in Fiscal 2017 to 5.45% in Fiscal 2018. Our direct sales channel contributed 29.48% of our total individual new business premium in Fiscal 2018. We do not pay any commission on sales from the direct sales channel.

Operating expenses related to insurance business (Revenue Account)

Our operating expenses relating to insurance business increased by 9.13% from ₹7,466.34 million in Fiscal 2017 to ₹8,148.39 million in Fiscal 2018, primarily due to increase in employees' remuneration and welfare benefits. Our operating expense ratio (as a percent of GWP) improved from 23.07% in Fiscal 2017 to 20.61% in Fiscal 2018

Service tax/Goods and Service tax on charges (Revenue Account)

Service tax/Goods and Service tax on charges was ₹358.46 million in Fiscal 2017 and ₹385.92 million in Fiscal 2018.

Benefits paid (net) and interim and other bonuses paid (Revenue Account)

Our benefits (including interim and other bonuses) paid to policyholders increased by 19.22% from ₹17,707.64 million in Fiscal 2017 to ₹21,110.28 million in Fiscal 2018, primarily due to an increase in benefits paid pursuant to surrenders.

Benefits paid (net) and interim/other bonuses paid	Fiscal Year Ended March 31, 2017 (₹ in millions)	2018
Insurance claims		
Claims by death	3,470.45	3,168.60
Claims by maturity	890.26	801.32
Annuities / Pension payment	235.61	201.84
Other benefits -		
Surrenders	13,213.63	16,258.56
Periodical benefit	618.96	1,344.67
Health	48.41	60.49
Others (interest on unclaimed amount of policyholders)	73.71	116.52
Amount ceded in reinsurance		
Claims by death	(822.49)	(834.94)
Claims by maturity	-	-
Annuities / Pension payment	-	-
Other benefits -		
Surrenders	-	-
Periodical benefit	-	-
Health	(37.71)	(32.71)
Interim/other bonuses paid	16.81	25.93
Total	**17,707.64**	**21,110.28**

Our benefits paid pursuant to surrenders increased by 23.04% from ₹13,213.63 million in Fiscal 2017 to ₹16,258.56 million in Fiscal 2018. Our benefits paid pursuant to death claims (net of reinsurance ceded) decreased by 11.87% from ₹2,647.96 million in Fiscal 2017 to ₹2,333.66 million in Fiscal 2018. Our benefits paid pursuant to maturity decreased by 9.99% from ₹890.26 million in Fiscal 2017 to ₹801.32 million in Fiscal 2018.

Our interim and other bonuses increased by 54.25% from ₹16.81 million in Fiscal 2017 to ₹25.93 million in Fiscal 2018.

Change in valuation of liability in respect of life policies (Revenue Account)

The following table sets forth a breakdown of change in valuation of liability in respect of life policies for the periods indicated.

	Fiscal Year Ended March 31,							
	2017				2018			
Change in valuation of liability in respect of life policies	**Unit-linked**	**Non-participating**	**Participating**	**Total**	**Unit-linked**	**Non-participating**	**Participating**	**Total**
	(in ₹ millions)							
Gross (mathematical reserves after allocation of bonus)	**993.34**	**7,037.10**	**12,222.96**	20,253.40	**(4,959.56)**	**11,492.11**	**15,226.01**	**21,758.56**
Amount ceded in reinsurance	**(0.11)**	**(1,251.18)**	**(17.90)**	(1,269.19)	**44.04**	**(2,403.05**	**(29.69)**	**(2,388.69)**
Total	**993.23**	**5,785.92**	**12,205.06**	**18,984.21**	**(4,915.52)**	**9,089.06**	**15,196.32**	**19,369.87**

The change in valuation of liability in respect of life policies increased by 2.03% from ₹18,984.21 million in Fiscal 2017 to ₹19,369.87 million in Fiscal 2018. The change in liability was driven primarily by an increase in liabilities pertaining to our non-unit-linked business, which is consistent with our overall premiums and improvements in persistency. The change in liability pertaining to our unit-linked business was primarily due to increase in benefit payouts and capital market conditions.

Surplus (Revenue account)

As a result of the above, our surplus increased by 47.66% from ₹1,097.80 million in Fiscal 2017 to ₹1,621.03 million in Fiscal 2018, primarily due to experience in benefit payouts and higher investment returns.

The following table sets forth our segmental surplus for the periods indicated.

	Fiscal Year Ended March 31,	
	2017	**2018**
	(₹ in millions)	
Participating	(41.84)	482.32
Non-participating	107.98	541.86
Participating – pension	52.29	22.30
Non-participating – annuity	-	-
Non-participating – pension	-	23.12
Health	-	97.49
Group linked	5.43	5.69
Individual life linked	951.17	425.36
Pension linked	22.77	22.89
Total segmental surplus	**1,097.80**	**1,621.03**

Amount transferred from Policyholders' Account (Profit and Loss Account)

Our amount transferred from Policyholders' Account which represents the non-participating segment profits (including the unit-linked segment) and one ninth of bonus allocation to participating policyholders, increased by 9.61% from ₹1,234.24 million in Fiscal 2017 to ₹1,352.88 million in Fiscal 2018.

Income from investments (Profit and Loss Account)

Our income from investments was increased by 13.95% from ₹566.90 million in Fiscal 2017 to ₹645.98 million in Fiscal 2018, primarily due to an increase in our interest and dividends earned.

Expenses other than those directly related to the insurance business (Profit and Loss Account)

Our expenses other than those directly related to the insurance business increased by 30.05% from ₹75.08 million in Fiscal 2017 to ₹97.63 million in Fiscal 2018.

Profit (Profit and Loss Account)

As a result of the above, our profit before tax increased by 37.00% from ₹1,034.22 million in Fiscal 2017 to ₹1,416.92 million in Fiscal 2018. Due to our accumulated losses being carried forward, we did not make any provision for tax in Fiscal 2017 and Fiscal 2018. Our profit after tax increased by 37.00% from ₹1,034.22 million in Fiscal 2017 to ₹1,416.92 million in Fiscal 2018.

Fiscal 2017 compared to Fiscal 2016

Premium (Revenue Account)

Our total premium increased by 14.44% from ₹28,278.34 million in Fiscal 2016 to ₹32,360.80 million in Fiscal 2017. We experienced higher growth in renewal premium as our persistency ratios improved and in single premium as a result of increased sales of products through our bancassurance channel with PNB. This increase was partially offset by relatively lower growth rates in first year premium as we focused on profitable growth in new business written.

The following table sets forth our segmental premium in Fiscal 2016 and Fiscal 2017.

	Fiscal Year Ended March 31,					
	2016			2017		
	First year premium	Renewal premium	Single premium	First year premium	Renewal premium	Single premium
Segments	(in ₹ millions)					
Participating	4,567.86	7,222.27	-	4,950.82	9,004.63	0.00
Non-participating	1,854.91	4,539.42	340.69	4,339.64	5,053.01	634.88
Participating – pension	43.76	11.04	0.20	193.83	41.08	0.73
Non-participating – annuity	-	-	21.06	0.00	0.00	92.68
Non-participating – pension	10.00	4.42	0.11	12.67	1.58	0.31
Health	436.60	0.19	-	238.27	342.47	0.00
Group linked	0.83	121.26	6.23	9.73	56.34	0.00
Individual life linked	2,667.90	6,257.43	81.69	913.21	6,310.19	100.96
Pension linked	(0.35)	90.65	0.17	0.00	63.65	0.13
Total	**9,581.51**	**18,246.68**	**450.15**	**10,658.17**	**20,872.95**	**829.68**

Our first year premium increased by 11.24% from ₹9,581.51 million in Fiscal 2016 to ₹10,658.17 million in Fiscal 2017. Beginning in 2015, we implemented our strategies to access and penetrate targeted customer segments through our distribution network and focused on higher-margin products, in particular protection products and non-unit-linked savings products, in order to deliver sustainable, profitable growth. This impacted our growth rate for first year premium

Our renewal premium increased by 14.39% from ₹18,246.68 million in Fiscal 2016 to ₹20,872.95 million in Fiscal 2017. Beginning in 2015, we made efforts to improve our persistency ratios. Our 13th month persistency ratio improved from 67.99% in Fiscal 2016 to 71.78% in Fiscal 2017. Our 25th month persistency ratio improved from 47.85% in Fiscal 2016 to 53.15% in Fiscal 2017.

Our single premium increased by 84.31% from ₹450.15 million in Fiscal 2016 to ₹829.68 million in Fiscal 2017, primarily due to increased sale of credit life products through our bancassurance partners. Our credit life products are complementary to the loan products offered by our bancassurance partners, and growth in sales of this product through PNB and our adapting and deploying technologies that integrate with the systems and processes of PNB was a principal driver of the growth in our single premium.

Reinsurance ceded (Revenue Account)

Our reinsurance ceded decreased by 3.41% from ₹1,006.07 million in Fiscal 2016 to ₹971.74 million in Fiscal 2017. Although we experienced growth in premium, we ceded less risk because we increased our internal retention limits on certain group products in the last quarter of Fiscal 2016.

Income from investments (Revenue Account)

The following table sets forth our income from policyholder investments for the periods indicated.

	Fiscal Year Ended March 31,							
	2016				2017			
	Unit-linked	Non-participating	Participating	Total	Unit-linked	Non-participating	Participating	Total
	(in ₹ millions)							
Interest and dividends and rent - net of accretion/amortisation of discount/premium	2,609.52	1,354.30	3,229.57	7,193.39	2,486.73	1,613.22	4,008.67	8,108.62
Profit on sale/redemption of investments	4,574.47	32.61	6.20	4,613.28	5,667.54	5.12	2.75	5,675.41
(Loss) on sale/redemption of investments	(1,033.99)	(0.19)	-	(1,034.18)	(513.22)	-	-	(513.22)
Transfer/gain on revaluation/change in fair value	(7,945.45)	-	-	(7,945.45)	1,935.28	-	-	1,935.28
Income from investments	**(1,795.45)**	**1,386.72**	**3,235.77**	**2,827.04**	**9,576.33**	**1,618.34**	**4,011.42**	**15,206.09**

Our income from investments increased by 437.88% from ₹2,827.04 million in Fiscal 2016 to ₹15,206.09 million in Fiscal 2017. This increase was primarily due to an increase in investment income of our unit-linked portfolio from a loss of ₹1,795.45 million in Fiscal 2016 to a gain of ₹9,576.33 million in Fiscal 2017, as a result of favorable equity market conditions in India. Our investment income from unit-linked portfolio was offset by a corresponding change in the valuation of our unit reserves and did not have an impact on surplus from unit-linked segment.

Our investment income from portfolios other than unit-linked portfolio increased from ₹4,622.49 million in Fiscal 2016 to ₹5,629.76 million in Fiscal 2017, which was generally in line with the increase in our AUM in non-unit-linked portfolios.

Other income (Revenue Account)

Our other income increased by 34.03% from ₹128.66 million in Fiscal 2016 to ₹172.44 million in Fiscal 2017, primarily as a result of interest on investment of unclaimed amounts. The interest earned on unclaimed amounts is credited back to the unclaimed amounts, which is reflected as expense (benefits paid) and has no impact on surplus.

Contribution from Shareholders' Account (Revenue Account)

Our contributions from Shareholders' Account was ₹262.83 million in Fiscal 2016 and ₹691.84 million in Fiscal 2017, representing the funding from Shareholders' Account to make good the deficit under segments other than our participating segments, which arose primarily due to higher new business related expenses.

Commissions (Revenue Account)

The following table sets forth a breakdown of commissions paid by first year premium, renewal premium and single premium, and the corresponding commission ratios (commission paid to premium received (net of tax)).

	Fiscal Year Ended March 31,			
	2016		2017	
Commissions on:	**Commission paid (₹ in millions)**	**Commission ratio (%)**	**Commission paid (₹ in millions)**	**Commission ratio (%)**
First year premium	1,179.96	12.31%	1,389.00	13.03%
Renewal premium	433.06	2.37%	404.75	1.94%
Single premium	1.61	0.36%	2.77	0.34%
Total	**1,614.63**	**5.71%**	**1,796.52**	**5.55%**

Our commissions paid increased by 11.27% from ₹1,614.63 million in Fiscal 2016 to ₹1,796.52 million in Fiscal 2017, as compared to a 14.44% increase in our total premium during the same period. This was primarily due to higher growth rates in our renewal premium and single premium, for which the commission rates are lower. Our commission ratio decreased from 5.71% in Fiscal 2016 to 5.55% in Fiscal 2017. Our direct sales channel contributed 30.29% of our total individual new business premium in Fiscal 2017. We do not pay any commission on sales from the direct sales channel.

Operating expenses related to insurance business (Revenue Account)

Our operating expenses relating to insurance business decreased by 0.36% from ₹7,493.31 million in Fiscal 2016 to ₹7,466.34 million in Fiscal 2017, primarily due to a decrease in our employees' remuneration and welfare benefits. As a result, our operating expense ratio (as a percent of GWP) improved from 26.50% in Fiscal 2016 to 23.07% in Fiscal 2017, which we believe reflects our initiatives to create an efficient, scalable platform.

Service tax on charges (Revenue Account)

Our service tax on charges remained relatively stable at ₹355.68 million in Fiscal 2016 and ₹358.46 million in Fiscal 2017.

Benefits paid (net) and interim and other bonuses paid (Revenue Account)

Our benefits (including interim and other bonuses) paid to policyholders increased by 23.68% from ₹14,316.86 million for Fiscal 2016 to ₹17,707.64 million in Fiscal 2017, primarily due to an increase in benefits paid pursuant to surrenders and deaths.

	Fiscal Year Ended March 31,	
	2016	**2017**
Benefits paid (net) and interim/other bonuses paid	**(₹ in millions)**	
Insurance claims		
Claims by death	2,665.57	3,470.45
Claims by maturity	455.45	890.26
Annuities / Pension payment	181.22	235.61
Other benefits -		
Surrenders	11,202.98	13,213.63
Periodical benefit	413.60	618.96
Health	40.30	48.41
Others (interest on unclaimed amount of policyholders)	48.74	73.71
Amount ceded in reinsurance		
Claims by death	(700.48)	(822.49)
Claims by maturity	-	-
Annuities / Pension payment	-	-
Other benefits -		
Surrenders	-	-
Periodical benefit	-	-
Health	(0.02)	(37.71)
Interim/other bonuses paid	9.50	16.81
Total	**14,316.86**	**17,707.64**

Our benefits paid pursuant to surrenders increased by 17.95% from ₹11,202.98 million in Fiscal 2016 to ₹13,213.63 million in Fiscal 2017. Our benefits paid pursuant to death claims (net of reinsurance ceded) increased by 34.75% from ₹1,965.09 million in Fiscal 2016 to ₹2,647.96 million in Fiscal 2017, primarily due to the overall increase in our business scale, as well as our increased focus on protection products. Our benefits paid pursuant to maturity increased by 95.47% from ₹455.45 million in Fiscal 2016 to ₹890.26 million in Fiscal 2017.

Our interim and other bonuses increased by 76.95% from ₹9.50 million in Fiscal 2016 to ₹16.81 million in Fiscal 2017.

Change in valuation of liability in respect of life policies (Revenue Account)

The following table sets forth a breakdown of change in valuation of liability in respect of life policies for the periods indicated.

	Fiscal Year Ended March 31,							
	2016				**2017**			
Change in valuation of liability in respect of life policies	**Unit-linked**	**Non-participating**	**Participating**	**Total**	**Unit-linked**	**Non-participating**	**Participating**	**Total**
	(in ₹ millions)							
Gross (mathematical reserves after allocation of bonus)	(6,204.55)	3,113.76	9,095.60	6,004.80	993.34	7,037.10	12,222.96	20,253.40
Amount ceded in reinsurance	(2.51)	(185.23)	(6.39)	(194.13)	(0.11)	(1,251.18)	(17.90)	(1,269.19)
Total	**(6,207.06)**	**2,928.53**	**9,089.21**	**5,810.67**	**993.23**	**5,785.92**	**12,205.06**	**18,984.21**

The change in valuation of liability in respect of life policies increased by 226.71% from ₹5,810.67 million in Fiscal 2016 to ₹18,984.21 million in Fiscal 2017. This increase includes change in liability pertaining to our unit-linked and non-unit-linked business. The change in liabilities pertaining to our non-unit-linked business is consistent with the growth in the overall premium. The change in liability pertaining to our unit-linked business was impacted primarily by capital market conditions.

Surplus (Revenue Account)

As a result of the above, our surplus increased by 34.01% from ₹819.19 million in Fiscal 2016 to ₹1,097.80 million in Fiscal 2017. The increase in our surplus was primarily due to expense efficiency, through reducing expenses, and change in product mix.

The following table sets forth our segmental surplus for the periods indicated.

	Fiscal Year Ended March 31,	
	2016	**2017**
	(₹ in millions)	
Participating	415.08	(41.84)
Non-participating	374.01	107.98
Participating – pension	0.45	52.29
Non-participating – annuity	-	-
Non-participating – pension	1.79	-
Health	-	-
Group linked	7.57	5.43
Individual life linked	-	951.17
Pension linked	20.29	22.77
Total segmental surplus	**819.19**	**1,097.80**

Amount transferred from Policyholders' Account (Profit and Loss Account)

Our amount transferred from Policyholders' Account, which represents the non-participating segment profits (including the unit-linked segment) and one ninth of bonus allocation to participating policyholders, increased by 148.45% from ₹496.77 million in Fiscal 2016 to ₹1,234.24 million in Fiscal 2017.

Income from investments (Profit and Loss Account)

Our income from investments increased by 7.32% from ₹528.25 million in Fiscal 2016 to ₹566.90 million in Fiscal 2017, primarily due to an increase in our interest and dividends earned.

Expenses other than those directly related to the insurance business (Profit and Loss Account)

Our expenses other than those directly related to the insurance business increased by 22.30% from ₹61.39 million in Fiscal 2016 to ₹75.08 million in Fiscal 2017.

Profit (Profit and Loss Account)

As a result of the above, our profit before tax increased by 52.74% from ₹677.11 million in Fiscal 2016 to ₹1,034.22 million in Fiscal 2017. Due to our accumulated losses being carried forward, we did not make any provision for tax in Fiscal 2016 and Fiscal 2017. Our profit after tax increased by 52.74% from ₹677.11 million in Fiscal 2016 to ₹1,034.22 million in Fiscal 2017.

Our Financial Position

The following table shows a breakdown of our financial position from our summary balance sheet as of the date indicated.

		As of March 31,	
	2016	**2017**	**2018**
Balance Sheet		**(₹ in millions)**	
Sources of Fund			
Shareholders' funds			
Shareholders' funds (includes Credit (debit) fair value change account)	20,128.84	20,131.71	20,128.71
Borrowings	217.72	170.63	105.20

Balance Sheet	As of March 31, 2016	2017	2018
	(₹ in millions)		
Policyholders' funds			
Credit/(debit) fair value change account	-	25.17	37.80
Policy liabilities	56,862.66	74,887.02	99,172.41
Provision for linked liabilities - non-unit	368.35	424.14	394.03
Provision for linked liabilities - unit	61,580.97	61,802.49	57,092.71
Funds for discontinued policies – discontinued on account of non-payment of premium	5,242.32	5,924.86	5,749.23
Funds for future appropriations	1,659.16	1,522.73	1,790.88
Total liabilities	125,931.18	144,757.04	164,342.26
Total shareholders' funds and policy holders' funds	**146,060.02**	**164,888.75**	**184,470.97**
Application of Funds			
Shareholders' investments	6,499.13	7,032.83	10,532.43
Policyholders' investments	61,431.43	76,830.41	99,038.81
Assets held to cover linked liabilities	66,823.30	67,727.35	62,841.94
Loans	242.76	288.38	368.47
Fixed assets	726.98	716.56	795.05
Net current assets	(1,491.19)	1,499.83	1,517.80
Debt balance in Profit and Loss Account (Shareholders' Account)	11,827.61	10,793.39	9,376.47
Deficit in Revenue Account (Policyholders' Account)	-	-	-
Total assets	**146,060.02**	**164,888.75**	**184,470.97**

Our total assets were ₹146,060.02 million, ₹164,888.75 million and ₹184,470.97 million as of March 31, 2016, 2017 and 2018, respectively. The increasing trend was primarily due to increases in policyholders' investments associated with the growth in our overall business written.

Our total liabilities were ₹125,931.18 million, ₹144,757.04 million and ₹164,342.26 million as of March 31, 2016, 2017 and 2018, respectively. The increasing trend is in line with the growth in our overall business.

Our net worth was ₹8,301.23 million, ₹9,338.32 million and ₹10,752.24 million as of March 31, 2016, 2017 and 2018, respectively. Our corresponding return on net worth was 8.50%, 11.73% and 14.11% in Fiscal 2016, Fiscal 2017 and Fiscal 2018.

Liquidity and Capital Resources

Liquidity refers to the ability of a company to generate adequate amounts of cash from its normal operations, in order to meet its financial commitments. The liquidity needs of our life insurance operations are generally affected by outflows for claims (including through during surrender, deaths, maturities and bonus payments), commission and administrative expenses, which are offset by inflows from premium and income from investments. As of the date of this Draft Red Herring Prospectus, liquidity requirements of our insurance operations are fully met on the basis of net cash flow generated by our Company in the ordinary course of business.

The following table sets forth a summary of our cash flow for the periods indicated.

Receipts and payments account	Fiscal year ended March 31, 2016	2017	2018
	(₹ in millions)		
Net cash flow from/(used in) operating activities	4,965.56	2,309.75	7,480.98
Net cash flow from/(used in) investing activities	(4,456.03)	(1,909.56)	(7,207.85)
Net cash flow from/(used in) financing activities	-	-	-

Net cash flow from operating activities

Our net cash flow generated from operating activities increased from ₹2,309.75 million in Fiscal 2017 to ₹7,480.98 million in Fiscal 2018, primarily due to increase in premium received, partially offset by increase in benefits paid.

Our net cash flow generated from operating activities decreased from ₹4,965.56 million in Fiscal 2016 to ₹2,309.75 million in Fiscal 2017, primarily due to an increase in payment for benefits and operating expenses, partially offset by an increase in premium received from policy holders.

Net cash flow from/(used in) investing activities

Our net cash flow used in investing activities increased from ₹(1,909.56) million in Fiscal 2017 to ₹(7,207.85) million in Fiscal 2018, primarily due to an increase in cash outflow from purchase of investments in Fiscal 2018, partially offset by cash inflow from sale or maturity of investments.

Our net cash flow used in investing activities decreased from ₹(4,456.03) million in Fiscal 2016 to ₹(1,909.56) million in Fiscal 2017, primarily due to lower cash inflow from sale of investments in money market instruments and liquid mutual funds in Fiscal 2017, partially offset by an increase in purchase of investments, which include equity and corporate bonds, in Fiscal 2017.

Net cash flow from/(used in) financing activities

We did not have any cash flows from or used in financing activities for the Fiscal 2016, Fiscal 2017 and Fiscal 2018.

We are of the opinion that, after taking into account the expected cash to be generated from operations, we have sufficient liquidity for our present as well for requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Draft Red Herring Prospectus.

Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as of March 31, 2018.

	As of March 31, 2018			
	Total	**Less than one year**	**Less than one year but no later than five years**	**Later than five years**
	(₹ in millions)			
Commitment for fixed assets	83.87	81.06	2.81	-
Lease commitments	105.20	42.99	62.21	-

Our commitment for fixed assets represents the amount of commitments made by us for fixed assets and not provided for (net of advances). Our lease commitments represent the minimum amount payable under the finance lease under which we acquire information technology equipment and vehicles.

Off-Balance Sheet Transactions

Except as disclosed in our Restated Financial Statements or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Contingent Liabilities

The table below sets forth our contingent liabilities as of March 31, 2018.

	As of March 31, 2018 (₹ in millions)
Claims, other than those under policies, not acknowledged as debts	69.11
Claims under policies not acknowledged as debts	328.38
Guarantees given by or on behalf of Company	2.50
Statutory demands/liabilities in dispute not provided for	1,566.35
Unclaimed amount of policyholders transferred to Senior Citizens' Welfare Fund	0.78
Total contingent liabilities	**1,967.12**

Statutory demands and liabilities in dispute (or likely to be in dispute) not provided for relate to the show cause cum demand notices/assessment orders received (or likely to be received) by the Company from the various tax authorities.

Seasonality

The insurance sector is subject to seasonal fluctuations in operating results and cash flow. Insurance volumes typically significantly increase in the final quarter of each fiscal year, which coincides with the end of the tax year, due to customers wanting to avail of income tax advantages that life insurance products offer. For the same reason, we typically experience slower sequential revenue growth in the first quarter of each fiscal year.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which, in our judgment, would be considered "unusual" or "infrequent".

Known Trends or Uncertainties

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have had or that we reasonably expect will have a material favorable or unfavorable impact on our net sales or revenues or income from continuing operations.

New Product Segments or Business Segments

Other than as described in this Draft Red Herring Prospectus, we have not operated in any new product segments or business segments.

Future Relationships between Costs and Income

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on the operations or finances of our Company.

Significant dependence on Bancassurance Partners

Other than as described in this Draft Red Herring Prospectus, particularly in "***Risk Factors - Our business and its continued growth are highly dependent on PNB in several respects, and any adverse developments with respect to our relationship with PNB or PNB itself may have a material adverse effect on our business, financial condition, results of operations and prospects***" on page 19, there is no dependence on bancassurance partners.

Indebtedness

As of March 31, 2018, we had ₹105.20 million borrowings resulting from our acquisition of information technology equipment and software under finance lease, ₹42.99 million of which is due within 12 months.

Significant Developments after March 31, 2018 that may Affect Our Future Results of Operations

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there is no subsequent development after the date of our Restated Financial Statements contained in this Draft Red Herring Prospectus, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next twelve months.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

See "***Risk Factors—Risks Relating to India and the Indian Insurance Industry—Our business may be substantially affected by prevailing economic, political and other conditions in India***" and "***Risk Factors—Internal Risks and Risks Associated with Our Business—Changes in market interest rates could have a material adverse effect on our business and profitability***" on pages 39 and 25, respectively.

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PNB MetLife India Insurance Company Limited

Reporting Actuary's Report on Indian Embedded Value as at 31 March 2018

4 July 2018

Vivek Jalan FIAI
Managing Partner,
Willis Towers Watson Actuarial Advisory LLP

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Willis Towers Watson

4 July 2018

The Directors,
PNB MetLife India Insurance Company Limited
1st Floor, Techniplex 1, Techniplex Complex
Off Veer Sawarkar Flyover,
Goregaon (West), Mumbai 400062
Maharashtra, India

Dear Sirs,

I have pleasure in enclosing my report on the Indian Embedded Value of PNB MetLife India Insurance Company Limited. The embedded value results provided in this report are assessed as at 31 March 2018 and computed to be in compliance with the standards issued by the Institute of Actuaries of India within the Actuarial Practice Standard 10 titled 'Determination of the Embedded Value (EV) of life insurance companies incorporated in India and regulated by IRDA for the purpose of Initial Public Offering (IPO)'.

This report has been prepared in accordance with the terms of a signed engagement letter dated 21 February 2018, for the purpose set out in Section 1 of this report. I would also draw your attention to the Reliances and Limitations set out in Section 5.

Yours faithfully,

Vivek Jalan FIAI
Managing Partner
Willis Towers Watson Actuarial Advisory LLP

Willis Towers Watson Actuarial Advisory LLP
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LLP Identification Number – AAL-3237

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Section 1: Introduction

Preface

1.1 Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 dated 17 December 2015 require an Embedded Value (EV) report to be prepared by an Independent Actuary in the manner prescribed by the Actuarial Practice Standard issued by the Institute of Actuaries of India (IAI).

1.2 IAI has issued Actuarial Practice Standard 10, version 1.02 dated 28 March 2015 titled 'Determination of the Embedded Value (EV) of life insurance companies in India and regulated by IRDA for the purpose of initial public offering (IPO)' (APS10). Embedded value of a life insurance company calculated in compliance with this practice standard is known as Indian Embedded Value (IEV).

1.3 Willis Towers Watson Actuarial Advisory LLP ("**Willis Towers Watson**", "**we**", "**our**" or "**us**") has been engaged by PNB MetLife India Insurance Company Limited ("**PNB MetLife**", **"the Company"**, **"you"** or **"your"**) to prepare a Reporting Actuary's Report on Indian Embedded Value as at 31 March 2018 (valuation date), as envisaged by the APS10. The terms of reference are set out in a signed engagement letter dated 21 February 2018.

1.4 I, Vivek Jalan ("**I**", "**me**" or "**my**") have acted as an independent actuary to prepare this report as per the engagement. This report provides my opinion on the Indian Embedded Value as at 31 March 2018 for PNB MetLife.

1.5 This report has been produced for inclusion in the Draft Red Herring Prospectus of PNB MetLife (the "Prospectus") and sets out the scope of the work that we have been engaged to undertake and summarises the conclusion of our work. The reader's attention is drawn to the reliances and limitations set out in Section 5 of this report.

1.6 This report should be read in conjunction with the rest of the Prospectus which provides a more complete description of the business and related risk factors of PNB MetLife.

1.7 This report is addressed to the Directors of PNB MetLife in accordance with the terms of reference. To the fullest extent permitted by applicable law or regulation, we do not accept or assume any responsibility, duty of care or liability to anyone other than PNB MetLife for or in connection with this report.

1.8 The scope of our work comprised the following elements:

- To review and report on the methodology, economic and operating assumptions used to determine the components of IEV.
- To review and report on the following results:
  - IEV comprising Adjusted Net Worth (ANW) and Value of In-Force business (VIF) as at 31 March 2018;
  - Value of One year's New Business (VONB) for the period from 1 April 2017 to 31 March 2018 (prior year);
  - Sensitivity results for IEV and VONB; and
  - Analysis of movement in IEV over the prior year.

- To review the calculations undertaken within the embedded value models developed by PNB MetLife for a selection of products representing in excess of 90% of VIF and 90% of VONB presented in this report.

1.9 **Materiality**: Our work has been performed to materiality criteria as approved by the Board of PNB MetLife. Materiality limits have been set for specified individual judgements of materiality for ANW, VIF, VONB and analysis of movement, respectively. The aggregate of all such judgements made is such that the IEV prepared should be within 3% of IEV at an aggregate level, should the IEV be derived based on the requirements of APS10 in their entirety.

1.10 Based on the work undertaken, it is estimated that the overall impact of known limitations and approximations applied would be less than 0.5% of the IEV as at 31 March 2018 presented in this report.

1.11 **Professional disclosure:** I have signed off this report as a Fellow member of the Institute of Actuaries of India. I hold a Certificate of Practice issued by the IAI. I am a partner in Willis Towers Watson Actuarial Advisory LLP.

1.12 **Conflict of interest:** I have fully considered my relationship with the Company, its Board of Directors and other advisors and have concluded that I have no conflict of interest. I do not own any shares or share options in PNB MetLife or its promoter entities.

1.13 **Independence:** I have no prior commercial or employment relationships with the Company, with the exception that I had been the Independent Actuary of the with-profits committee of the Company for financial years 2013-14, 2014-15, 2015-16 and 2016-17. I have considered my prior engagements with PNB MetLife as well as my relationships with the parties involved in the proposed transaction related to the listing of shares of the Company, including its promoters, employees, its other advisors and the potential investors and I have concluded that my status is independent of such parties in general and PNB MetLife in particular.

All judgements during my work are based on my independent assessment of the underlying matters. However, I have had to place significant reliance on the accuracy and completeness of the information provided to me by PNB MetLife in arriving at such conclusions. Consequently, in preparing this report I have relied upon information provided to me, orally and in writing, by PNB MetLife and on information from a number of public sources. Whilst independent verification of the information gathered was not undertaken, I have reviewed certain information for reasonableness and consistency. Reliance is placed on but not limited to the accuracy of all information and data provided to me. A sample of such information is listed in Section 5.

1.14 **Nature of advice**: During the period of this engagement, Willis Towers Watson has not provided any actuarial advice to PNB MetLife not related to the current valuation nor have we given any guidance or opinions which were not strictly actuarial.

1.15 **Compliance with APS10:** I confirm that I have fully complied with the requirements of APS10 in preparing this report with the following exception:

Although my report has been reviewed by another actuary, this has not been undertaken by a Reviewing Actuary who is a Fellow of the Institute of Actuaries of India as defined within the APS10. I understand that following the introduction of the IRDAI (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015, the former requirement of a Reviewing Actuary within the IRDAI (Issuance of Capital by Life Insurance Companies) Regulations, 2011 to which APS10 refers is superseded.

1.16 **Forward looking projections**: No value is placed on any new business written or expected to be written after the valuation date. For the avoidance of doubt, given the nature of the life insurance business, neither the best estimate assumptions used to determine the IEV nor any of the results presented in this report are intended to represent forward looking statements for the purpose of SEBI's listing rules.

1.17 **Acknowledgement:** I would like to acknowledge with gratitude the support provided to me by the global network of Willis Towers Watson entities. I would also like to thank Mr. Kunj Behari Maheshwari (Fellow of Institute of Actuaries of India) and Abhishek Chadha (Fellow of Institute of Actuaries of India) for their support.

For the avoidance of doubt, this report was authored by me and save to the extent set out herein and as may be provided by the law and by contract I take responsibility for the contents of this report.

Data

1.18 Unless otherwise stated, we have relied on the data and information provided to us by PNB MetLife in carrying out this valuation, as described in Section 5.

1.19 PNB MetLife has provided us with a letter of representation confirming that all data and information (including policy data, asset information, financial statements and experience investigations among others) provided to us is accurate and complete for the purpose of computing the results set out in this report.

1.20 PNB MetLife has engaged an independent audit firm to review the policy data used for the valuation as well as the data used for undertaking the experience investigations underlying the determination of operating assumptions set out in this report. We have reviewed the report on data integrity prepared by such audit firm together with its observations to assess reasonableness of the data used for the current valuation.

1.21 PNB MetLife has also provided us with an outline of the checks performed to ensure that the policy data used for IEV purpose is complete and accurate. We have reviewed the results of such data checks.

1.22 We have also reviewed information provided to us from multiple sources for consistency, where relevant, as well as considered external sources of data, as necessary.

1.23 Based on the above, we have reasonable comfort that the data used for the current valuation is appropriate and fit-for-purpose.

Opinion

1.24 Based on the scope of work set out above, I have concluded that the methodology and assumptions used to determine Indian Embedded Value as at 31 March 2018 for PNB MetLife, together with the disclosure provided in this document, comply with the requirements of APS10, and in particular that:

- the economic assumptions used are internally consistent and result in the projected cash-flows being valued in line with the prices of similar cash-flows that are traded on the capital markets;
- the operating assumptions have been set with appropriate regard to the past, current and expected future experience;
- the Required Capital has been determined and projected on the basis of PNB MetLife's internal capital target of 180% of the Required Solvency Margin and has been assessed from a shareholders' perspective;
- allowance has been made for the Cost of Residual Non-Hedgeable Risks; and

- for participating business, the assumed bonus rates, and allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and local market practice.

1.25 Based on a review of the cash-flows for representative model points obtained from the projection models of PNB MetLife for products covering in excess of 90% of VIF and 90% of VONB and further reasonableness checks undertaken, I am satisfied that the results presented in this report have been prepared, in all material respects, in accordance with the methodology and assumptions set out in this report. PNB MetLife has calculated all the results which are set out in this report which I have independently reviewed.

1.26 In arriving at these conclusions, I have relied on data and information provided by the Company. To the fullest extent permitted by applicable law, I do not accept or assume any responsibility, duty of care or liability to anyone other than PNB MetLife for or in connection with this work, the opinion I have reached or for any statement set forth in this opinion.

1.27 **Disclosures and consents:** This opinion is made solely to the Directors of PNB MetLife in accordance with the terms of our engagement letter dated 21 February 2018. I have given, and not withdrawn, my written consent to the inclusion of this report and my name within the Prospectus in the form and context in which they are included. I do not authorise or cause the issue of such Prospectus and take no responsibility for its contents other than this report to the extent stated herein.

Section 2: Methodology

2.1 Embedded Value is a measure of the consolidated value of shareholders' interest in the covered life insurance business. The embedded value of PNB MetLife has been determined by following a market consistent methodology, as per the requirements and principles set forth by the IAI within the APS10.

Covered business

2.2 All life insurance business written by PNB MetLife since inception and in-force as on the valuation date (including lapsed business which have the potential of getting revived) is included in IEV as defined under the applicable IRDAI regulations and which has been considered for assessment of actuarial liabilities by the Appointed Actuary on the date on which IEV is prepared. No exclusions have been made from the in-force business as at the valuation date as 'non-covered' business. We have undertaken a reconciliation of the covered business included within IEV against the reported actuarial liabilities as at 31 March 2018 to validate completeness of the business covered by IEV.

Components of embedded value

2.3 IEV is calculated as the sum of Adjusted Net Worth (ANW) and Value of In-Force business (VIF).

2.4 ANW comprises Free Surplus (FS) and Required Capital (RC).

2.5 VIF consists of the following components:

- Present Value of Future Profits (PVFP) expected to emerge from the covered business;
- *Less* Frictional Cost of Capital (FCoC);
- *Less* Time Value of Financial Options and Guarantees (TVFOG);
- *Less* Cost of Residual Non-Hedgeable Risks (CRNHR).

2.6 In addition to the embedded value, the Value of One Year's New Business (VONB) is considered a key value metric and has been presented alongside the IEV results set out in this report. VONB is a measure of the value to shareholders created through the activity of writing new business during a specified period.

2.7 Further details in respect of each of the above components of IEV are set out below.

2.8 **Adjusted Net Worth:** The sum of the Free Surplus and Required Capital is the Adjusted Net Worth. This is the value of all assets allocated to the covered business that are not required to back the liabilities of the covered business.

2.9 As the starting point, statutory net shareholder equity from the balance sheet has been computed on the local accounting basis. A reconciliation of ANW with the reported balance sheet of PNB MetLife is provided in Section 4.

2.10 The ANW includes an adjustment to the statutory net shareholder equity from the statutory balance sheet in respect of mark-to-market adjustments, net of tax, for assets valued on a book value basis, to the extent available for distribution to shareholders. Where a proportion of mark-to-market gains/losses are attributable to policyholders and arise within future projections, the shareholders' share in such gains/losses are considered within VIF alongside projection of future release of the underlying policyholder liabilities. The mark-to-market adjustment also includes impact of taxation on fair value change for equities in the shareholders' fund.

2.11 **Required Capital:** The IRDAI requires life insurance companies to maintain a statutory minimum solvency ratio of at least 150% of the Required Solvency Margin (RSM). Required Capital for PNB MetLife has been set at 180% of the RSM, based on the Company's internal capital target. RSM has been projected by applying the solvency margin factors prescribed by the IRDAI appropriate to each line of business. The required capital is presented from a shareholders' perspective, wherein Funds for Future Appropriation (FFA) in the participating fund serve to reduce the required capital arising directly from the participating fund only.

2.12 **Free Surplus:** Free Surplus represents the market value of any assets in excess of liabilities and Required Capital which is potentially distributable to shareholders immediately. Free Surplus has been calculated as the excess of ANW over the Required Capital.

2.13 **Present Value of Future Profits:** PVFP represents the present value of future post taxation shareholder cash-flows projected to emerge from the in-force covered business and the assets backing liabilities of the in-force covered business. The PVFP incorporates an allowance for the intrinsic value of financial options and guarantees.

2.14 In a market consistent method, the approach to reflect the risks in the business is to calibrate allowance for risk to match the market price for risk where reliably observable. However, most insurance liabilities are illiquid and not traded. Therefore, proxy methods are used to estimate an equivalent value of the shareholders' interests in the in-force business. Following an arbitrage free principle, the expected distributable shareholder earnings are projected and discounted at reference rates that are a proxy for the risk free rate.

2.15 For non-participating products, distributable shareholder earnings are calculated as the sum of the net cash-flows from the in-force policies and investment return; the release of reserves held as on valuation date; less taxes.

2.16 For participating products, distributable shareholder earnings are calculated as the net of tax transfer to shareholders resulting from bonus distributions to policyholders (i.e. 1/9th of the total cost of bonus declared) including reversionary and terminal bonuses.

2.17 **Frictional Cost of Capital**: Allowance is made for the impact of taxation on investment returns and for the impact of investment expenses (after tax) on the assets backing the projected Required Capital, together with an allowance for shareholders' fund expenses. The tax rate applicable on investment earnings is assumed equal to the rate for tax on surplus currently applicable to PNB MetLife. Required Capital, assumed equal to 180% of the RSM, is projected over the lifetime of the underlying liabilities. Unit loading for investment expenses and shareholders' fund expenses are based on actual historic costs, derived from expense investigations covering the costs incurred over the prior year. FFA in the participating fund serves to reduce the projected Required Capital, until distributed in the form of future bonuses to policyholders and associated shareholder transfers equal to 1/9th of the bonus distributed. There are no other caps applied.

2.18 **Time Value of Financial Options and Guarantees**: An assessment has been made for asymmetric impact on shareholder value due to any financial options and guarantees within the covered business of PNB MetLife. Based on the investigations undertaken, the cost of financial options and guarantees, where these arise, have been assessed to be fully allowed for within the statutory liabilities held by the Company; and hence captured within the ANW without any further release into PVFP considered for such reserves held. Hence, TVFOG reported for IEV is presented as nil. The nature of financial options and guarantees within the covered business is summarised in the table below:

Table 2.1: Nature and description of financial options and guarantees in the covered business

Product name and description	Description of financial options and guarantees	Approach to quantification
Met Deposit Administration Scheme Non-participating Group VIP **MetLife Superannuation** Non-participating Group VIP **MetLife Traditional Employee Benefits Plan** Non-participating Group VIP	A minimum guaranteed crediting rate of 2% p.a. is credited to policy account each year.	Stochastic quantification based on risk-neutral simulations has been used to assess TVFOG, which has been computed to be nil.
Met Ultimate, Participating VIP	A minimum guaranteed bonus rate of 3.5% p.a. is credited to policy account each year.	Guarantee reserves held by PNB MetLife, set equal to the accumulated guarantee charge to date. Investigations, based on stochastic principles have been undertaken to validate that there are no cost of guarantees in addition to the guarantee reserve held; allowance made fully within ANW without any further release into PVFP of such reserves held.
All participating products	Sum assured and vested bonuses are guaranteed on death and maturity; future bonuses may not be negative.	Cost of guarantees and any residual burn-through costs to shareholders are assessed to be immaterial based on an assessment using risk-neutral simulations; and not considered further. Management actions consistent with policyholders' reasonable expectations were considered when conducting this analysis.
All unit-linked products issued post 2013	As per Section 37(d) of the IRDAI (Linked Insurance Products) Regulations, 2013, in order to ensure compliance with the reduction in yield guidelines, the insurer may need to provide non-negative clawback additions at specific durations.	Reserves held by PNB MetLife in respect of this guarantee are considered sufficient based on assessment using risk-neutral simulations. Further, the PVFP does not allow for a release of such reserves.

Met Wealth Plus, Met Gold Plus, Met Fortune and Met Smart One offered a fund named Return Guaranteed Fund (RGF) with pre-specified guaranteed return on the fund declared at launch with a target minimum NAV at maturity. The Guarantee Funds are no longer in-force as at 31 March 2018 or 31 March 2017.

2.19 **Cost of Residual Non-Hedgeable Risks**: A bottom-up assessment of risks has been undertaken to allow for the cost of residual non-hedgeable risks not already allowed for elsewhere. CRNHR has been estimated using a cost of capital approach.

2.20 A list of risks faced by PNB MetLife, both financial and non-financial, were assessed for the purposes of CRNHR. Classification of each individual risk for inclusion within CRNHR was based on an assessment of the characteristics of each risk with respect to the following (as applicable to PNB MetLife):

- The degree to which price of the risk can be reasonably assessed based on hedging instruments available in the financial markets, including depth and liquidity of the underlying markets relative to exposure of PNB MetLife;
- The extent of risk already allowed within ANW, PVFP and TVFOG;
- The manner in which best estimate assumptions have been derived, including the degree of uncertainty in the best estimate assumptions;
- The degree of asymmetry of experience around the best estimate;

  It may be noted that assumptions have been set for PNB MetLife in accordance with the expected mean estimate of the underlying risk variable without any margin for prudence or adverse deviations over the best estimate.
- The degree of asymmetry of the impact of variation in experience on shareholder returns (even if the experience itself is expected to be symmetric around the best estimate assumption); and
- The overall materiality of the risk with respect to shareholder returns in the context of the business of PNB MetLife.

2.21 Based on the above assessment, allowance for the following non-financial risks have been explicitly considered for CRNHR of PNB MetLife: mortality; pandemic and catastrophe; persistency; mass lapse; expense and inflation; and operational risk. The degree of asymmetric impact on shareholder value is set out within sensitivity tests provided in this report. Additionally, pandemic and catastrophe; mass lapse and operational risks are considered asymmetric. PNB MetLife has negligible exposure to longevity risk with annuities forming under 0.3% of total non-linked reserves as at 31 March 2018, therefore, longevity risk has not been considered explicitly in the assessment of CRNHR

2.22 An assessment of financial non-hedgeable risks - including the necessity to extrapolate the yield curve beyond 30 years; having to place reliance on relatively sparse market data for imputing implied equity and swaption volatilities and making judgements regarding their reasonableness – have resulted in a non-material impact and have therefore not been considered further in the CRNHR.

2.23 For each risk identified for inclusion within the CRNHR, stand-alone risk capital has been computed to be consistent with a 99.5% confidence level over a one year time horizon using the economic capital model of PNB MetLife. PNB MetLife's economic capital model is consistent with the EU Solvency II Standard Formula. Therefore, methodology and assumptions consistent with that of Solvency II for the assessment of economic capital within the CRNHR for PNB MetLife have been adopted.

2.24 Diversification benefits are considered at the overall Company level using a correlation matrix approach, thereby allowing for diversification between individual risks as well as across lines of businesses. No diversification benefits are allowed for in respect of operational risk. The overall diversification benefit is capped to 30% of pre-diversified economic capital.

2.25 CRNHR is calculated net of tax and from a shareholders' perspective, including any residual burn-through costs to shareholders from participating fund.

2.26 Risk-capital for non-hedgeable risks is projected over the lifetime of the underlying risks as follows:

- Post-diversification non-hedgeable risk capital in respect of insurance risks is projected using appropriate economic capital drivers, varying by line of business. The relationship between the economic capital drivers and the economic capital in respect of each risk has been calibrated using an accurate projection of the economic capital for non-hedgeable insurance risks for 20 years; and

- Projected operational risk capital is quantified using the factor-based formulation prescribed under the EU Solvency II Standard Formula approach.

2.27 A cost of capital charge of 5% is used for the calculation of CRNHR of PNB MetLife. This is based on an estimate of the cost of capital obtained using a range of capital models. An average of the cost of capital charge obtained from these different estimates has been used, with further consideration given to:

- Weighted average cost of capital for funding sources for PNB MetLife (assumed to be equity);

- Allowance for impact of taxation;

- Exclusions from total returns of items that are out of scope of IEV (for example, expected returns on franchise value); and

- An allowance for residual uncertainty.

2.28 CRNHR for VONB has been computed using the risk-drivers and factors for non-hedgeable risk capital consistent with those used for the in-force business.

2.29 **Value of new business**: VONB is calculated as at point of sale for the new business written by PNB MetLife during the period 1 April 2017 to 31 March 2018, using a methodology consistent with that used to determine the VIF.

2.30 Operating assumptions used in the assessment of VONB are equivalent to those used for the assessment of VIF as at 31 March 2018. Economic assumptions are reset monthly assuming that the reference rates at point of sale are equal to the central government bond yield curve available from Financial Benchmark India Private Limited (FBIL), formerly known as Fixed Income, Money Market and Derivatives Association of India (FIMMDA), as at the beginning of the corresponding month.

2.31 VONB is calculated on a standalone basis for each policy, whereby it is assumed that:

- Any negative tax in the initial policy year(s) is assumed to be off-set against tax payable in respect of other policies, given that the aggregate tax position of the Company is expected to become net tax-positive going forward;

- For participating business, any residual surplus (or deficit) arising after considering the net cash-flows, reversionary bonus declarations and associated shareholder transfers is accumulated until maturity and payable as terminal bonus at an individual policy level; and

- No interactions are assumed between new business and existing business.

2.32 **Present Value of New Business Premium (PVNBP):** PVNBP is calculated as the discounted value of projected premiums before reinsurance, allowing for decrements as per best estimate assumptions and using discount factors as per reference rates as at the point of sale consistent with those used in the estimate of VONB.

2.33 **New business margin:** new business margin is calculated as the ratio of VONB to Annualised Premium Equivalent (APE). APE is defined as 100% of annualised regular premium for new business plus 10% of single premium. PNB MetLife has provided a formal statement of reconciliation between APE provided herein and new business volumes reported within the financial statements of PNB MetLife.

Other methodology considerations

2.34 **New business and renewals:** Valuation of in-force business within VIF includes projection of premiums (net of decrements) arising from expected renewals of existing contracts. New business, for the purpose of VONB, is generally identified in a consistent manner as the classification used by PNB MetLife for regulatory reporting and preparation of its financial statements. Treatment for specific cases, where identification of new business and renewals is not obvious, is as follows:

- For One Year Renewable Group Term Assurance, recurring single premiums for existing members are classified as renewal premiums and projected within the VIF. Classification of such recurring singe premiums as existing business is consistent with the financial and regulatory reporting.

  Where there are increases in the number of members and/or alterations to premiums/benefits within an existing scheme during the year (except during the first year of master policy), premiums for such new members and/or alterations is treated as per clarification issued by the IRDAI for certification of group new business data by life insurance companies.

  New schemes written during the year are treated as new business and considered within VONB.

- Any top-up's on existing unit-linked products or other alterations undertaken during the year for both individual and group business are treated as variation in in-force business (with an assumption of future top-up's being nil) and not included within VONB.

2.35 **Participating business:** Allowance has been made for on-going declaration of reversionary bonuses, assuming the same reversionary bonus rates as those declared for 31 March 2018. PNB MetLife's internal bonus philosophy provides for a distribution of a terminal bonus to pay out residual surpluses accumulated during the policy term, in line with the underlying policy's asset share. For consistency with the bonus philosophy, residual surpluses are accumulated until maturity for each policy and distributed as a terminal bonus to policyholders, together with corresponding shareholder transfers. Thereby, any residual assets in the participating fund are fully extinguished by the end of the projection period.

2.36 **Statutory valuation basis:** Projection of per policy mathematical reserves within the IEV and VONB computations have been performed assuming the reserving basis for statutory valuation of liabilities as at 31 March 2018, as determined by the Appointed Actuary of the Company remains unchanged throughout the projection period.

2.37 **Treatment of additional statutory provisions**: Aside from policy liabilities, PNB MetLife maintains certain additional statutory provisions, as determined by the Appointed Actuary and required by relevant regulations and actuarial practice standards. Where appropriate, the shareholders' interest in the assets backing such additional statutory provisions have been assessed on a case-by-case basis by considering the nature of the provision and available information on the degree of prudent margins for adverse deviations within the statutory reserving basis. For reserves held within the participating fund, only 10% of the release of margins is attributable to shareholders.

2.38 **Products with reviewable rates and charges:** Where applicable, it is assumed that the level of rates and charges over the projection period remain unchanged from their corresponding levels as at the valuation date for both VIF and VONB. No adjustments have been made to reviewable rates and charges for sensitivity tests.

2.39 **Tax on surplus**: In determining the values presented in this report, the existing taxation rates and structure for life insurance business are assumed throughout the projection period.

2.40 The income tax rate is taken to be 14.56%, computed as the base tax rate of 12.5% plus a surcharge of 12.0% and a Health and Educational cess of 4.0%, and is applied at the time of surplus arising within the fund. Individual pensions business is considered exempt from taxation.

2.41 PNB MetLife has brought forward tax losses as at 31 March 2018, which is expected to be utilised in FY2018-19 itself based on the Company's projected taxable income as per the prevailing tax laws. On the advice received by PNB MetLife from its tax consultants, an allowance has been made within PVFP by discounting the adjustment of tax expense to the extent of brought forward losses.

2.42 **Goods & Services tax (GST)**: The GST rate is assumed to be 18.0% in line with the current taxation regime applicable as at 31 March 2018.

2.43 Allowance for GST has been considered as follows:

- For unit-linked business, GST payable on the charges deducted from the unit fund has been modelled explicitly in the financial projections, together with an associated outgo;

- For all other lines of business, GST collected from policyholders on premiums is available for set off of tax paid by PNB MetLife on items such as reinsurance premiums, commissions and expenses such as rent, utility bills, etc. After set off, residual tax is paid into the Government treasury. Consequently, the modelled premiums, expenses and commissions are all considered excluding any GST. PNB MetLife has confirmed that this represents its current tax position accurately and this situation is expected to persist.

2.44 **Effective date(s)**: Except where otherwise stated, all figures quoted in this report are as at 31 March 2018 and make no allowance for any developments after that date. IEV is computed as at 31 March 2018 and VONB is provided for new business written by PNB MetLife during the period 1 April 2017 to 31 March 2018.

2.45 **Projection period:** Cash-flows have been projected until maturity for all business, covering the full lifetime of the underlying policyholder liability.

2.46 **Reporting basis**: Unless otherwise stated, amounts presented in this report are in Indian Rupees (INR). Values in some of the tables in this report may not be additive due to rounding.

2.47 **Going concern basis:** All values have been determined in accordance with a view of the "most probable" future experience and on a "going concern" basis. In doing so, we have assumed that the future management of the Company will continue in a manner consistent with the current management of the Company.

Section 3: Assumptions

Economic assumptions

3.1 Economic assumptions are chosen to be internally consistent and, to the extent possible, selected such that the projected liability cash-flows of PNB MetLife are valued in line with the prices of similar cash-flows that are traded on the Indian capital markets as at the valuation date.

Investment returns and discount rates

3.2 It is assumed that all assets earn the reference rates, used as proxy for risk free rates based on zero coupon central government bond yield curve. Liability cash-flows are also projected and discounted using reference rates, which are gross of tax and investment management expenses. The derivation of the reference rates is set out in paragraphs 3.4 to 3.11 below.

3.3 For assessment of TVFOG, cash-flows are projected and discounted using risk-neutral stochastic simulations as described in paragraphs 3.14 to 3.20 below.

Reference rates

3.4 The reference yield curve should be either the government bond yield curve or the swap yield curve, subject to the underlying assets being liquid and providing a robust basis for producing reference rates.

3.5 We have reviewed available daily volume statistics for market trades for INR interest rate swaps (IRS) and concluded that the swap yield curve would not provide a sufficiently robust basis for valuation of long term life insurance liabilities of PNB MetLife due to the following reasons:

- Market data is available only up to five years for IRS; and
- Daily number of trades, even for the durations where there is market information, suggest an insufficiently deep and liquid market.

3.6 Zero coupon yield curve based on central government securities issued by the Government of India has instead been used as the reference rate, following an assessment of market depth and liquidity, as relevant to the context of a market consistent valuation of the life insurance business of PNB MetLife.

3.7 PNB MetLife has provided us with the zero coupon government bond yield curve published by FBIL which has been used as the assumed reference rates, noting further that:

- A comparison of reported market value of central government securities held by PNB MetLife against modelled discounted present value of coupon and maturity cash-flows demonstrated a non-material level of price errors;
- A cubic spline approach has been used to derive the zero coupon yield curve by FBIL. A review of FBIL documentation regarding the choice of this methodology used for construction of the curve suggested that: "*a model based on Nelson-Siegel-Svensson provides a smooth curve; however it suffers from the demerit of a relatively higher price errors. This is because the model cannot incorporate multiple changes in curvature across various tenors. A cubic spline was considered to be appropriate for the Indian markets as the curve tracks the input price of various tenors and thereby produces a lower model error*" (*source:* FBIL).

Hence, in the context of a market consistent valuation, a closer fit to market prices is deemed more appropriate than a possible alternative smoother curve; and

- Any (implicit) smoothing of investment returns is avoided/minimised due to the choice of reference curve as required by the IEV valuation principles.

3.8 **Interpolation**: For each year of projection, constant annual forward rates have been used throughout the year. The government bond yield curve published by FBIL extends to 38 years. Noting that there are only two central government securities with a tenor of more than 30 years, forward rates are assumed to remain level between 30 to 38 years.

3.9 **Extrapolation**: For valuation of liability cash-flows beyond 38 years, reference yield curve has been extended assuming that forward rates remain level after 30 years.

3.10 **Liquidity premium**: No adjustment to reference rates is made in respect of any possible liquidity premium.

3.11 The market reference rates at five year intervals used to determine the IEV as at 31 March 2018 are provided in the table below:

Table 3.1: Reference rates

Maturity (years)	1	5	10	15	20	25	30
Annualised spot rates	6.64%	7.56%	7.55%	7.84%	8.00%	7.87%	7.65%
Annualised forward rates	6.64%	8.26%	5.55%	9.06%	8.09%	6.75%	6.57%

Inflation

3.12 There are no relevant market instruments for the Indian economy – whether INR inflation swaps or inflation indexed bonds – from which a market implied price inflation could be reliably derived. Therefore, the price inflation assumption has been derived by considering historic spreads between price inflation (based on the consumer price inflation index) and nominal interest rates (based on the FBIL curve).

3.13 The expense inflation assumption used by PNB MetLife is equal to 6.00%. This has been derived based on a weighted average spread to average reference rates. The estimated spread is weighted by expenses of PNB MetLife that are linked with price inflation and other expenses linked to salary inflation. The spread for salary-linked inflation over price inflation has been derived from internal Company data.

Stochastic models

3.14 For the valuation of liability cash-flows with material embedded financial options and guarantees, Willis Towers Watson provided PNB MetLife with a set of 5,000 market consistent risk-neutral scenarios with monthly time-steps for interest, equity and credit returns. The scenarios were calibrated to market conditions as of 31 March 2018 and produced using Willis Towers Watson’s economic scenario generator (ESG), STAR ESG RN.

3.15 Volatilities used to calibrate the risk neutral scenarios are based on available market data from the following sources:

Table 3.2: Capital market data used for risk neutral stochastic calibrations

Series	Data Source	Data Range
Nominal yield curve	FBIL	Terms 0.25y to 30y, quarterly
Implied swaption volatilities	Bloomberg: Normal volatilities	Terms 1y to 5y, 7y, 10y Tenors 1y to 5y, 7y, 10y
Implied volatilities for equity options	Bloomberg: equity volatilities for NIFTY 50	Terms 1m to 3m monthly, 3m to 15m quarterly, 15m to 57m half-yearly Moneyness: 90% to 110%
Credit spreads	FBIL	Terms 0.5y; annually from 1y to 10y; 15y

3.16 We note that a local on-shore market in INR swaptions does not exist in India and a market for INR equity options is active only at the very short end (up to six month maturities). Nonetheless, there are limited off-shore market quotes available from the international financial markets, which have been used for the calibration.

3.17 Noting that the above market data may be based on an insufficiently deep and liquid market, we have validated the available information based on the following checks:

- By comparing the implied volatility from the simulated total returns index, calibrated to the available market data against the historic volatilities for corresponding economic series; and

- By comparing the available market data against comparable data for other Asian and emerging market economies.

3.18 Based on the above checks we have concluded the available market data is reasonable and have used it without adjustment. We further note that the choice of volatility assumptions do not have a material impact on the IEV of PNB MetLife.

3.19 Correlation parameters used in the simulations have been derived based on historic data for past 10 years for the relevant economic series.

3.20 Asset allocation used for projected stochastic returns are assumed based on current asset mix of PNB MetLife for assets backing the corresponding liabilities. We have validated that the assumed asset mix is consistent with the strategic asset allocation approved by PNB MetLife's asset-liability management committee.

Smoothing

3.21 All asset values are considered at market value observable in investment markets and assessed on the basis prescribed by the IRDAI and have not been smoothed.

3.22 For products where unrealised mark-to-market gains are attributable both to policyholders and shareholders (e.g. participating products) and not distributable immediately to shareholders, the portion of unrealised gains that are attributable to shareholders are reflected in the VIF rather than Free Surplus. For fund based group products, mark-to-market gains are assumed attributable entirely to policyholders and no impact on shareholder value is considered for the same.

Operating Assumptions

3.23 Operating assumptions are based on PNB MetLife own-company experience. The best estimate assumptions have been determined by having regard to the past, current and expected future experience for PNB MetLife. There is a degree of judgement involved in determining the appropriate best estimate assumptions. Such judgement has been applied, for example, in cases where product design and features have changed materially over time, and hence greater emphasis has been given to more recent experience for and/or to assumptions used at the time of pricing for recently launched products. We have assessed these assumptions based on the available experience information from PNB MetLife and our knowledge of the life insurance industry in India. We consider the assumptions to be a reasonable best estimate of expected future experience for the relevant parameters for PNB MetLife.

Mortality and morbidity

3.24 The following mortality tables published by the IAI are used as the basis for determining the best estimate mortality rates:

- Indian Assured Lives Mortality (2006-2008) Ultimate (IALM 06-08) for assurances; and
- Mortality for Annuitants - LIC (a) (1996-98) Ultimate (LIC 96-98) for annuitants.

3.25 Best estimate mortality assumptions are based on experience since the inception of the Company, taking the emerging trends into consideration. The most recent mortality investigation undertaken by PNB MetLife includes claims incurred up to 30 June 2017 and reported until 30 November 2017.

3.26 Mortality experience is investigated for homogenous product groups that are expected to demonstrate similar mortality experience. These products are further analysed by distribution channel and medical underwriting class. Mortality experience is expressed as a percentage of the reference standard mortality tables noted above, assessed on an amounts basis by considering the actual versus expected claim amounts. Best estimate mortality assumption has been derived considering such current and historic trends in experience.

3.27 No allowance has been made for mortality improvements in the case of assurances. For annuitants allowance is made for future mortality improvements by assuming cumulative mortality improvements at a constant rate of 1% per annum from the valuation date.

3.28 PNB MetLife has a non-material exposure to products that require morbidity assumptions. Morbidity assumptions are set with reference to reinsurance rates used at the time of product pricing.

Persistency

3.29 Persistency assumptions for PNB MetLife are based on lapse and surrender experience analysis undertaken by the Company. Experience has been analysed by product groups, premium payment mode (single or regular), distribution channel and duration in-force.

3.30 The most recent persistency investigation undertaken by PNB MetLife includes premiums due up to 30 September 2017 and received until 30 November 2017 and analyses experience by both premium amounts and number of policies.

3.31 Lapse and surrender assumptions have been determined net of expected future revivals/reinstatements for homogenous product groups varying by policy duration and distribution channel. Assumed discontinuance rates for material product groups, together with corresponding experience for previous three financial years is provided in the table below:

Table 3.3: Assumed discontinuance rates for material product groups, along with historic experience

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11+
Participating Endowment - regular pay											
Best-estimate	**25.0%**	**20.0%**	**20.0%**	**15.0%**	**15.0%**	**10.0%**	**10.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**
FY2017-18[1]	23.3%	19.4%	21.0%	19.2%	18.3%	15.8%	13.4%	13.7%	13.5%	9.2%	9.2%
FY2016-17	25.4%	16.0%	18.3%	15.5%	13.3%	11.2%	8.5%	7.2%	7.5%	5.8%	5.8%
FY2015-16	28.5%	17.2%	15.3%	11.8%	11.3%	8.0%	9.7%	5.6%	5.8%	6.8%	6.8%
Non-Participating Endowment - regular pay											
Best-estimate	**25.0%**	**15.0%**	**15.0%**	**10.0%**	**10.0%**	**10.0%**	**10.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**
FY2017-18[1]	24.2%	23.0%	19.1%	14.6%	30.1%	19.2%	15.1%	10.5%	11.6%	10.1%	10.1%
FY2016-17	24.5%	16.4%	13.2%	11.9%	9.6%	12.5%	7.6%	8.8%	7.3%	6.6%	6.6%
FY2015-16	27.0%	16.6%	11.7%	8.6%	7.7%	8.1%	6.0%	5.7%	6.5%	4.7%	4.7%
Participating & Non-Participating Endowment - limited pay											
Best-estimate	**25.0%**	**15.0%**	**15.0%**	**10.0%**	**10.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**
FY2017-18[1]	25.2%	26.1%	20.6%	16.7%	16.6%	10.7%	11.0%	16.9%	11.7%	n/a	n/a
FY2016-17	23.0%	15.5%	15.2%	10.6%	8.6%	6.2%	5.1%	7.2%	6.6%	n/a	n/a
FY2015-16	26.5%	14.6%	15.0%	7.0%	7.7%	5.8%	4.3%	3.0%	6.4%	n/a	n/a
Non-Participating Term with Return of Premium											
Best-estimate	**30.0%**	**15.0%**	**15.0%**	**10.0%**	**10.0%**	**10.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**
FY2017-18[1]	27.2%	20.4%	17.5%	14.0%	12.5%	6.6%	10.5%	6.2%	5.3%	8.4%	8.4%
FY2016-17	24.6%	16.1%	18.4%	10.3%	8.6%	8.0%	7.0%	5.0%	4.1%	4.0%	4.0%
FY2015-16	30.8%	16.0%	12.2%	10.1%	9.7%	10.5%	7.1%	3.3%	4.2%	3.2%	3.2%
Unit-Linked Whole of Life (issued before September 2010)[4]											
Best-estimate	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**5.0%**	**5.0%**	**5.0%**	**3.0%**
FY2017-18[1]	n/a	n/a	n/a	n/a	n/a	n/a	9.0%	2.0%	2.0%	5.0%	4.0%
FY2016-17	n/a	n/a	n/a	n/a	n/a	16.0%	3.0%	3.0%	3.0%	6.0%	5.0%
FY2015-16	n/a	n/a	n/a	n/a	38.0%	6.0%	6.0%	5.0%	5.0%	8.0%	6.0%
Unit-Linked Whole of Life (issued after September 2010): Sold through agency channel[5]											
Best-estimate	**30.0%**	**30%[2]**	**10.0%**	**10.0%**	**30.0%**	**10%[3]**	**10.0%**	**5.0%**	**5.0%**	**3.0%**	**3.0%**
FY2017-18[1]	18.2%	32.5%	21.3%	16.6%	45.5%	31.4%	12.2%	n/a	n/a	n/a	n/a
FY2016-17	26.7%	42.4%	17.3%	8.9%	28.5%	31.6%	n/a	n/a	n/a	n/a	n/a
FY2015-16	23.2%	48.6%	15.7%	5.1%	32.7%	n/a	n/a	n/a	n/a	n/a	n/a
Unit-Linked Whole of Life (issued after September 2010): Sold through bank channel[5]											
Best-estimate	**25.0%**	**15.0%**	**10.0%**	**10.0%**	**35%[2]**	**10%[3]**	**10.0%**	**5.0%**	**5.0%**	**3.0%**	**3.0%**
FY2017-18[1]	19.8%	15.6%	11.0%	11.2%	39.1%	22.4%	n/a	n/a	n/a	n/a	n/a
FY2016-17	23.7%	16.3%	10.1%	7.1%	41.2%	23.6%	n/a	n/a	n/a	n/a	n/a
FY2015-16	26.2%	17.6%	10.1%	8.5%	50.0%	n/a	n/a	n/a	n/a	n/a	n/a
Unit-Linked Whole of Life (issued after September 2010): Sold through direct marketing[5]											
Best-estimate	**15.0%**	**15.0%**	**10.0%**	**10.0%**	**35.0%**	**10%[3]**	**10.0%**	**5.0%**	**5.0%**	**3.0%**	**3.0%**
FY2017-18[1]	24.5%	25.3%	15.3%	0.0%	0.0%	20.8%	n/a	n/a	n/a	n/a	n/a
FY2016-17	17.4%	40.4%	4.5%	8.7%	30.1%	18.8%	n/a	n/a	n/a	n/a	n/a
FY2015-16	16.9%	16.7%	8.7%	5.4%	43.9%	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

1. Due to an earlier cut-off date for FY2017-18 necessitated by the valuation date of 31 March 2018, experience for FY2017-18 does not fully allow for reinstatements expected over the typical revival period.
2. Assumption reflects impact of actions taken by management to improve persistency, the results of which are reflected in the emerging experience in FY2017-18.
3. Experience is not credible. Therefore, assumption is aligned with experience on previous generation of unit-linked business.
4. For limited pay, after the end of premium payment term of 10 years, assumption is 20% (year 11) and 7.5% (year 12). The inception to date experience is 15% and 3% respectively, however this is not considered credible. Long term assumption is same as for regular pay.
5. For limited pay, after the end of premium payment term of 5 years, assumption is 30% (year 6) which corresponds to inception to date experience of 12%. Assumption used in year 7 is 7.5% to reflect higher discontinuance compared to regular pay based on experience on other similar products. Long term assumption is same as for regular pay.

Expenses and commissions

3.32 Expense assumptions are based on an expense analysis carried out by PNB MetLife covering expenses incurred during the period from 1 April 2017 to 31 March 2018 (FY2017-18). PNB MetLife has a Board approved expense allocation policy which has been used as the basis of this expense investigation.

3.33 Unit cost assumptions for both acquisition expenses (used to determine VONB) and maintenance expenses (used to determine IEV and VONB) reflect a complete allocation of the total expenses of PNB MetLife reported for the prior year with no exclusions for any exceptional, development or one-off costs.

3.34 Actual expense levels for FY2017-18 and the previous three financial years are provided in the table below. Total outgo projected for IEV and VONB set out in this report include full allowance for the expenses incurred in FY2017-18. Acquisition and maintenance costs are projected using relevant unit loadings. Corporate Social Responsibility (CSR) expenses, included within the total expenses of shareholders' account are projected based on an explicit modelling of the CSR cess at a rate of 2% of gross profits before tax.

Table 3.4: Actual expense levels for previous three financial years and allowances used

Amounts in INR millions

	FY2015-16	FY2016-17	FY2017-18
Acquisition	6,531	6,703	7,333
Maintenance	1,079	874	900
Total expenses of policyholders' account	**7,574**	**7,515**	**8,144**
Total expenses of shareholders' account	**61**	**75**	**98**

3.35 Allowance for outgo in respect of commissions to distributors are based on actual commission payable by PNB MetLife. Commission rates vary by policy duration and distribution channel.

Future bonus rates for participating business

3.36 Future bonus rates assumed in the calculation of VIF and VONB are same as the declared bonus scales as at 31 March 2018. We have assessed this assumption to be reasonable within the context of the assumed economic and operating environment implied by the best estimate projection assumptions. We have also reviewed the application of assumed bonus rates, together with treatment of residual surpluses for participating business to be consistent with the established company practice based on past and current bonus declarations; local market practice and having regard to policyholders' reasonable expectations (PRE).

Reinsurance

3.37 PNB MetLife does not have any inward reinsurance accepted as part of the covered business. PNB MetLife has several outward reinsurance arrangements to cede part of its risks to various third party reinsurers.

3.38 The cost of reinsurance premiums and the benefit from ceding a proportion of risk is allowed for within the VIF and VONB for all non-linked business. For linked business, the proportion of annual reinsurance premiums has been assessed to have an immaterial impact on the results and not considered further.

3.39 Reinsurance for traditional business is modelled within the liability projection model of PNB MetLife on a per policy basis. We note that actual reinsurance treaties are structured on a lives basis (as opposed to per policy basis). However for reasons of practicability, modelling reinsurance cash-flows has been done at a policy level with appropriate adjustments which we consider to be an acceptable approximation.

Section 4: Results

4.1 The results of the valuation based on the methodology and assumptions described in this report are set out below:

Embedded Value

4.2 The IEV of PNB MetLife is set out in the table below:

Table 4.1: Indian Embedded Value as at 31 March 2018

Amounts in INR millions

Components of IEV	31 March 2018
ANW	**11,195**
Required Capital	7,716
Free Surplus	3,479
VIF	**22,095**
PVFP	24,714
FCoC	(487)
TVFOG	0
CRNHR	(2,132)
Indian Embedded Value	**33,290**

Value of New Business

4.3 The VONB of PNB MetLife for new business written during the 12 month period from 1 April 2017 to 31 March 2018 is set out in the table below:

Table 4.2: Value of new business for the 12 month period ending 31 March 2018

Amounts in INR millions

Components of VONB	31 March 2018
VONB	**2,242**
PVFP for new business at point of sale	2,618
FCoC	(144)
TVFOG	0
CRNHR	(232)
APE	**13,133**
PVNBP	**47,777**
VONB Margin as a % of APE	**17.1%**

Derivation of ANW

4.4 The statutory net shareholder equity from the balance sheet of PNB MetLife used to compute the ANW is set out in the table below:

Table 4.3: Statutory net shareholder equity of PNB MetLife as at 31 March 2018

Amounts in INR millions

	31 March 2018
Paid-up share capital	20,129
Accumulated profits to date	(9,376)
Credit balance of fair value change account	0
Statutory net shareholder equity	**10,752**

4.5 The derivation of ANW along with a reconciliation of the statutory net shareholder equity against the excess of assets over liabilities within the balance sheet is shown in the table below:

Table 4.4: Derivation of ANW of PNB MetLife

Amounts in INR millions

	31 March 2018
Shareholder investments	10,532
Policyholder investments	99,039
Linked assets	62,842
Loans	368
Fixed assets	795
Current assets	11,140
Total Assets	**184,717**
Long-term policy liability	99,566
Linked liability	62,842
Current liability and provisions	9,623
Credit/(Debit) Fair Value Change Account	38
Fund for Future Appropriations	1,791
Borrowings	105
Total Liabilities	**173,965**
Statutory net equity (Assets less Liabilities)	10,752
Mark-to-market adjustment for assets	443
Total ANW	**11,195**

Cost of Residual Non-Hedgeable Risks

4.6 CRNHR of PNB MetLife is provided in the table below:

Table 4.5: CRNHR of PNB MetLife

Amounts in INR millions

Risk	In-force business	New business
Mortality	262	24
Lapse	1,822	194
Expense	148	19
Catastrophe	96	16
Total before diversification	**2,329**	**253**
Diversification benefit	(373)	(41)
Operational risk	176	21
Total	**2,132**	**232**

Sensitivity results

4.7 Sensitivity tests have been performed on the IEV and VONB for changes to a range of specified assumptions. In each test, only the specified parameters have been changed while all other assumptions remain unchanged. Unless otherwise stated, all sensitivities are carried out for best estimate assumptions only with the reserving basis unchanged.

4.8 No allowance has been made for the deferred tax asset in respect of tax losses carried forward as at 31 March 2018 in the determination of VONB and hence there is no impact of the below sensitivities on VONB for the same. Sensitivities on risk discount rates are not provided as these are not applicable.

4.9 The tables below summarises the results of the sensitivity tests on the IEV and VONB. For VONB, it is assumed that the sensitivity scenarios arise after point of sale of contract.

Table 4.6: Sensitivity of IEV as at 31 March 2018

Amounts in INR millions

No.	Scenario	ANW	VIF	IEV	% change
	Base results	**11,195**	**22,095**	**33,290**	
1	**Interest rates and assets**				
1a	100bps increase in interest rates and discount rates	9,147	24,013	33,159	-0.4%
1b	100bps decrease in interest rates and discount rates	13,538	19,884	33,422	0.4%
1c	200bps increase in interest rates and discount rates	7,343	25,704	33,048	-0.7%
1d	200bps decrease in interest rates and discount rates	16,234	17,338	33,573	0.8%
1e	10% decrease in equity values	11,192	21,712	32,905	-1.2%
1f	20% decrease in equity values	11,190	21,327	32,517	-2.3%
1g	25% increase in implied swaption volatilities	n/a	n/a	n/a	n/a
1h	25% increase in implied equity volatilities	n/a	n/a	n/a	n/a
2	**Expenses**				
2a	10% increase in maintenance expenses	11,195	21,748	32,944	-1.0%
2b	10% decrease in maintenance expenses	11,195	22,441	33,636	1.0%
2c	10% increase in acquisition expenses	n/a	n/a	n/a	n/a
2d	10% decrease in acquisition expenses	n/a	n/a	n/a	n/a
3	**Policy / premium discontinuance rates**				
3a	10% multiplicative increase in discontinuance rates	11,195	21,533	32,728	-1.7%
3b	10% multiplicative decrease in discontinuance rates	11,195	22,718	33,913	1.9%
3c	50% multiplicative increase in discontinuance rates	11,195	19,746	30,941	-7.1%
3d	50% multiplicative decrease in discontinuance rates	11,195	26,046	37,241	11.9%
3e	25% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	11,195	21,756	32,951	-1.0%
3f	50% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	11,195	20,259	31,455	-5.5%
3g	50% multiplicative increase in discontinuance rates after the end of any surrender penalty period	11,195	19,976	31,171	-6.4%
3h	50% multiplicative decrease in discontinuance rates after the end of any surrender penalty period	11,195	25,650	36,845	10.7%
3i	5% absolute increase in non-zero lapse rates	11,195	19,950	31,145	-6.4%
3j	5% absolute decrease in non-zero lapse rates	11,195	25,020	36,215	8.8%
4	**Insurance risk**				
4a	5% multiplicative increase in mortality and morbidity rates	11,195	21,664	32,859	-1.3%
4b	5% multiplicative decrease in mortality and morbidity rates	11,195	22,527	33,722	1.3%
5	**Required Capital**				
5a	Required Capital set equal to 150% of the RSM	11,195	22,179	33,374	0.3%
6	**Taxation**				
6a	Assumed income tax rate increased to 25%[1]	11,139	19,031	30,170	-9.4%

Notes:

1. For participating business, impact of higher tax rate is allowed for shareholder transfers only, based on the advice received from PNB MetLife.

Table 4.7: Sensitivity of VONB for the 12 month period ending 31 March 2018

Amounts in INR millions

No.	Scenario	VONB	% change
	Base results	**2,242**	
1	**Interest rates and assets**		
1a	100bps increase in interest rates and discount rates	2,651	18.3%
1b	100bps decrease in interest rates and discount rates	1,747	-22.1%
1c	200bps increase in interest rates and discount rates	2,985	33.1%
1d	200bps decrease in interest rates and discount rates	1,107	-50.6%
1e	10% decrease in equity values	2,237	-0.2%
1f	20% decrease in equity values	2,233	-0.4%
1g	25% increase in implied swaption volatilities	n/a	n/a
1h	25% increase in implied equity volatilities	n/a	n/a
2	**Expenses**		
2a	10% increase in maintenance expenses	2,175	-3.0%
2b	10% decrease in maintenance expenses	2,309	3.0%
2c	10% increase in acquisition expenses	1,936	-13.6%
2d	10% decrease in acquisition expenses	2,548	13.7%
2e	30% decrease in acquisition expenses	3,160	41.0%
3	**Policy / premium discontinuance rates**		
3a	10% multiplicative increase in discontinuance rates	2,130	-5.0%
3b	10% multiplicative decrease in discontinuance rates	2,364	5.5%
3c	50% multiplicative increase in discontinuance rates	1,755	-21.7%
3d	50% multiplicative decrease in discontinuance rates	2,991	33.4%
3e	25% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	2,337	4.2%
3f	50% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	2,190	-2.3%
3g	50% multiplicative increase in discontinuance rates after the end of any surrender penalty period	2,077	-7.4%
3h	50% multiplicative decrease in discontinuance rates after the end of any surrender penalty period	2,551	13.8%
3i	5% absolute increase in non-zero lapse rates	2,088	-6.8%
3j	5% absolute decrease in non-zero lapse rates	2,211	-1.4%
4	**Insurance risk**		
4a	5% multiplicative increase in mortality and morbidity rates	2,142	-4.5%
4b	5% multiplicative decrease in mortality and morbidity rates	2,342	4.5%
5	**Required Capital**		
5a	Required Capital set equal to 150% of the RSM	2,246	0.2%
6	**Taxation**		
6a	Assumed income tax rate increased to 25%[1]	1,867	-16.7%

Notes:

1. For participating business, impact of higher tax rate is allowed for shareholder transfers only, based on the advice received from PNB MetLife.

Analysis of movement in IEV

4.10 The table below sets out an analysis of movement in embedded value from 31 March 2017 to 31 March 2018.

Table 4.8: Analysis of movement in IEV from 31 March 2017 to 31 March 2018

Amounts in INR millions

Items	FS	RC	VIF	IEV
Opening IEV as at 31 March 2017	**4,563**	**5,909**	**17,860**	**28,332**
Opening adjustments	0	0	0	0
Adjusted opening IEV	**4,563**	**5,909**	**17,860**	**28,332**
Value added by new business during the period	(3,524)	1,565	4,201	2,242
Expected return on existing business				
At reference rate	236	305	1,104	1,645
At expected real-world return in excess of reference rate	62	81	438	581
Transfers from VIF and RC to FS	3,101	(973)	(2,129)	(0)
Variance in operating experience				
Mortality / morbidity	144	2	39	185
Expenses	(44)	0	0	(44)
Persistency	(335)	(22)	453	96
Change in operating assumptions	(236)	35	176	(25)
Other operating variance	84	190	(379)	(105)
IEV operating earnings	**(512)**	**1,184**	**3,903**	**4,575**
Economic variances				
From actual return in excess of expected real-world return	(572)	623	(71)	(21)
From change in economic assumption	0	0	403	403
Other non-operating variances	0	0	0	0
Total IEV earnings	**(1,084)**	**1,807**	**4,235**	**4,957**
Capital contributions / dividend payouts	0	0	0	0
Closing adjustments	0	0	0	0
Closing IEV as at 31 March 2018	**3,479**	**7,716**	**22,095**	**33,290**

4.11 An explanation of each step of the analysis of movement set out in the table above is provided below:

4.12 **Opening IEV**: PNB MetLife has computed its IEV as at 31 March 2017 using the methodology consistent with APS10 and as described in this report for the 31 March 2018 IEV, together with economic and operating assumptions as determined by the Company as at 31 March 2017.

4.13 **Opening Adjustments:** There are no opening adjustments for the year.

4.14 **Value added by new business during the period:** This is the value added by new business written during 1 April 2017 to 31 March 2018. VIF contribution has been determined for new policies still in-force as at 31 March 2018, while FS captures new business strain and any distributable earnings realised over the year. RC represents the Required Capital for new policies still in-force as at 31 March 2018.

4.15 **Expected return on existing business:** This has been determined based on the following two steps:

- **Expected unwind at the reference rate**: Opening ANW and VIF have been rolled-forward at the one year reference spot rate as at 31 March 2017.

- **Expected return in excess of the reference rate**: Expected return on ANW and VIF has been determined based on expected real world return, using the asset mix at 31 March 2017 and respective expected real world return by asset class, in excess of the reference rate as determined above.

4.16 **Transfers from VIF and RC to Free Surplus:** This represents the expected distributable earnings from the beginning of the year transferred from VIF during the year into the FS, together with expected release of RC over the year based on run-off of existing business. Net impact on the IEV is nil.

4.17 **Variance in operating experience:** This is split into current year variances which are captured in the ANW through expected versus actual profits, as well as impact of these variances on future distributable earnings as captured in the difference between actual VIF as at 31 March 2018 and expected VIF at 31 March 2018 based on best estimate projections from the start of the year. Such variances have been captured for each material component in the order as described below:

- **Mortality and morbidity**: this captures the change in ANW and VIF due to actual experience in respect of mortality and morbidity over the year being different from that expected at start of the year.

- **Expenses**: this line captures the impact over the year of variance in actual expenses incurred versus expenses expected to be incurred based on the unit cost assumptions as at 31 March 2017. This line only affects the ANW.

- **Policy persistency**: this line captures the impact of actual persistency experience versus expected policy surrenders, paid-ups as well as reinstatements on the ANW and VIF.

- **Other operating variance:** This includes other miscellaneous variances not captured above explicitly and includes change in allowance within PVFP in respect of carried forward tax losses; impact of model refinements undertaken over the year; residual operating variances arising from modelled versus actual timing of reinsurance cash-flows and commission pay-outs; and residual miscellaneous variance.

4.18 **Change in operating assumptions:** This represents the impact of change in operating assumptions as at the end of the year on the ANW and VIF

4.19 **Economic variances:** This has been determined based on the following two steps:

- First, the impact of actual return earned over the year against the expected real-world return has been determined on ANW and VIF.

- Next, the impact of economic assumption changes due to market movements at the end of the year has been determined on VIF.

4.20 **Other non-operating variances:** This is nil, as there are no other non-operating variances for the year.

4.21 **Capital contributions / dividend pay-outs**: This is nil, as there were no capital injections as well as no dividend payments made over the period under consideration.

4.22 **Closing adjustments:** This is nil, as there are no closing adjustments for the year.

4.23 **Closing IEV**: This is the IEV reported as at 31 March 2018, being the sum of opening IEV as at 31 March 2017 and movements as explained above.

Model review and checks on results

4.24 We have performed detailed checks on the deterministic cash-flows for representative model points for selected products covering in excess of 90% of VIF and 90% of VONB. Our review of the cash-flow outputs from PNB MetLife's actuarial software has provided us assurance on the following aspects of the IEV and VONB cash-flows for the products covered in our review:

- that the model captures the material product features as set out in the respective product literature;
- that inputs to the model (data and assumptions) are reflected in the model calculations as intended;
- that calculations in the model are performed in accordance with the intended IEV methodology as set out in this report;
- that all relevant calculations performed in the model are materially reasonable and fit-for-purpose;

  Our review of the detailed calculations included computations of the benefit and other amounts (before application of probabilities); modelling of decrements; projections of policy cash-flows (such as premiums, expenses, commissions, policyholder benefits, run-off of reserves and any other material incomes and outgoes; aggregation of individual cash-flows as well as determination of relevant present values and the agreed reporting metrics); and

- that expert judgement incorporated with respect to any modelling approximations and simplifications are reasonable and materially proportionate.

Review of IEV and VONB results

4.25 In addition to the detailed review of model point cash-flows above, we have performed a range of checks on the aggregate cash-flow outputs and results to assess reasonableness of the results. We have also performed static validations on the model outputs for policy counts and reserves to validate all intended data has been captured within the IEV.

4.26 Similar checks have been undertaken on sensitivity tests as for the base scenario to ensure that the sensitivities relative to the base case are materially accurate and reasonable.

4.27 Additionally, analysis of movement provides a further check with regards to overall reasonableness and internal consistency of results.

Section 5: Reliances and limitations

Reliances

5.1 In carrying out the review and producing this report we have relied without independent verification upon the accuracy and completeness of the data and information provided to us, both in written and oral form, by PNB MetLife. Where possible, we have reviewed certain information provided for reasonableness and consistency with our knowledge of the Indian life insurance industry, but we have adopted, without review, the financial statement information regarding asset values as this falls outside our area of expertise. We have relied on advice received by PNB MetLife in respect of allowance for taxation as communicated to us by the Company as we are not experts on taxation matters.

5.2 We have relied upon the accuracy and completeness of the policy data and other inputs made to the actuarial cash-flow projection models by PNB MetLife, used in the calculations of the embedded value and value of new business presented in this report.

5.3 Reliance was placed on, but not limited to, the accuracy of the information provided to us by PNB MetLife, including:

- financial statements and supporting documentation to those statements;
- descriptions of products and other features of PNB MetLife's business, including product documentation, and other written and oral descriptions;
- valuation summaries setting out in-force and new business volumes, mathematical reserves and capital requirements;
- information on the asset values and regulatory liabilities of PNB MetLife at the valuation date and the basis used to calculate the regulatory liabilities;
- statistical data and experience studies, together with explanations provided to us as to interpretation of such studies relating to the current and recent operating experience, such as expenses, mortality, investment performance and discontinuance rates which were used in determining the best estimate assumptions;
- information as to the value and nature of the invested assets and asset adjustments; and
- responses to queries and clarifications, both in written and oral form received throughout the assignment from PNB MetLife.

5.4 We have relied on PNB MetLife having brought to our attention any other information or data which ought to have been made available to us that might materially affect my opinion set out herein. PNB MetLife has provided us with a letter of representation verifying the accuracy and completeness of the information provided to us for the purpose of this report.

5.5 This report was authored by me and save to the extent set out herein and as may be provided by the law and by contract I take responsibility for the contents of this report. For the avoidance of doubt, Mr. Maheshwari or Mr. Chadha, by virtue of the support provided to me as described in Section 1.17, do not assume any liability or responsibility for any part of this report.

Limitations

5.6 This report and the opinions and conclusions contained within are for the sole use of PNB MetLife and are not intended for use by any third party and may not address their needs, concerns or objectives. The report has been prepared by us on an agreed basis to meet the specific purposes of PNB MetLife and must not be relied upon for any other purpose.

5.7 This report has been prepared for use by persons technically competent in the areas covered. This report must be considered in its entirety together with the rest of the Prospectus as individual sections of this report, if considered in isolation, may be misleading. Draft versions of the report must not be relied upon by any person for any purpose. No reliance should be placed on any advice not given in writing. If reliance is placed contrary to the guidelines set out herein, we disclaim any and all liability which may arise. Furthermore, we are available to explain and/or amplify any matter presented herein, and it is assumed that the user of this note will seek such explanation and/or amplification as to any matter in question.

5.8 In preparing the results shown in this report, assumptions have been made about future experience, including economic and investment experience, tax regime, expenses, discontinuance rates, mortality, reinsurance and legislation. These assumptions have been made on the basis of reasonable estimates. However, actual future experience is likely to differ from these assumptions, due to random fluctuations, changes in the operating environment and other factors. Such variations in experience could have a significant effect on the results and conclusions of this report. No warranty is given by us that the assumptions made in this report will be reflected in actual future experience.

5.9 Although PNB MetLife has developed the model projections in conformity with what is believed to be the current and proposed operating environments of PNB MetLife, and with a view of the "most probable" future experience within such environments, it should be recognized that actual future results will vary from those projected. Deviations in the parameters used to reflect the environment could alter the projected results substantially. These parameters include reinsurance practices, management direction, insurance regulations, court interpretations of coverage and liability, accounting practices, taxation and external economic factors such as inflation rates and available investment yields.

5.10 The projections and values developed have been determined on a "going concern" basis and assume a continuation of the current economic, regulatory and legal environment prevailing in India. These projections, therefore, have the inherent assumptions that the environment in India will remain stable. The user of this report should be aware that any political or economic instability in India would add a high degree of uncertainty to the values calculated and reported herein.

5.11 No allowance has been made for any expected taxes incurred in the hands of the shareholders or as a consequence of distributions to shareholders. Furthermore, no adjustments have been made in respect of any tax implications arising as a result of a potential transfer of interest in PNB MetLife.

5.12 We have not attempted to determine the quality of the asset portfolios, nor have we reviewed the adequacy of the balance sheet provisions held or the solvency capital requirements. No warranty regarding the adequacy of the reserves or solvency capital requirements of PNB MetLife is provided by us.

5.13 The embedded value results shown in this report are not intended to represent an opinion of market value and should not be interpreted in that manner. This report does not purport to encompass all of the many factors that may bear upon a market value.

5.14 The embedded value results only consider claims by policyholders in the normal course of business under the terms of the policies issued to them. No attempt has been made to determine the effect upon the results of any other claims for or against PNB MetLife.

5.15 We have assumed that all of PNB MetLife's reinsurance protection will be valid and collectible. Contingent liability may exist for any reinsurance recoveries that may prove to be uncollectible.

5.16 This report was based on data available to us at, or prior to, 4 July 2018, and takes no account of any data or information available after that date. We are under no obligation to update or correct inaccuracies which may become apparent in the report due to any such additional information.

Willis Towers Watson

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, its Promoters and its Directors are described in this section in the manner as detailed below.

Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Promoters or Directors; (ii) outstanding actions taken by statutory or regulatory authorities involving our Company, Promoters or Directors; (iii) outstanding claims involving our Company, Promoters or Directors for any direct and indirect tax liabilities; (iv) pending defaults or non-payment of statutory dues by our Company;(v) awards given by the Insurance Ombudsman against our Company during the last three years; (vi) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per the Materiality Policy in accordance with the SEBI ICDR Regulations; (vii) outstanding dues to micro, small and medium enterprises, small scale undertakings and other creditors; and (viii) outstanding matters involving our Company, Promoters and Directors pertaining to violations of securities law including any action taken by SEBI or any stock exchange.

It is clarified that for the purposes of the above, pre-litigation notices (other than notices involving actions by statutory or regulatory authorities in the last five years or which are pending) received by our Company, Directors or Promoters shall not be considered as litigation until such time that our Company, Directors or Promoters, as the case may be, is impleaded as defendant or respondent in litigation proceedings before any judicial fora.

Details of other legal proceedings, determined to be material by our Board of Directors and currently pending involving our Company are set forth below.

(a) Pursuant to the SEBI ICDR Regulations and the Materiality Policy for the purposes of disclosure, all other pending litigation involving our Company and Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the potential financial liability/ monetary amount of claim by or against our Company and Directors in any such pending matter is in excess of 5 % of our Company's net profit (after tax) or 1 % of the consolidated revenue of the Company, whichever is lower as restated as per the restated financial information of the Company as at and for fiscal year immediately preceding the date of the filing of this Draft Red Herring Prospectus, i.e. Fiscal Year 2018, or any such litigation which is material from the perspective of our Company's business, operations, prospects or reputation.

(b) Pursuant to the SEBI ICDR Regulations, for the purposes of disclosure, all other pending litigation involving our Promoters, PNB and MIHL, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if it is material as per the materiality policy approved by the respective companies.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. Outstanding criminal proceedings involving our Company

Criminal proceedings against our Company

1. Sarfaraz Ahmad filed a criminal complaint dated November 18, 2013 against us and two of our erstwhile employees, Shalini Gupta and Sachin Tyagi, before the First Class Judicial Magistrate, Meerut. As per the complaint, Shalini Gupta induced the complainant to deposit ₹ 2,500,000 on the assurance that she will submit this amount under one lump sum premium scheme in the presence of Sachin Tyagi and our Meerut branch's manager, Kapil Garg. However, the accused deposited the amount in annual premium policies and forged cheques to make this deposit. The complainant has requested the magistrate to direct the Thana Medical police station to register a complaint and investigate the case. We received a letter dated March 28, 2018 from the Meerut police station directing us to furnish certain documents and we provided these documents and details to the police station through a letter dated April 20, 2018. The matter is currently pending before the Meerut police station.

2. We have received summons dated April 3, 2018 from the Special Chief Judicial Magistrate, Allahabad in relation to a criminal complaint filed by Damayanti Agnihotri. As per the complaint, Prashant Srivastav, an agent of our Karnal Ganj Allahabad branch received ₹ 192,966 in two tranches in 2014 and 2015 from the complainant on the assurance of issue of policy in her name. However, the accused allegedly produced fake receipts and failed to issue a policy in the complainant's name. We have filed our reply before the magistrate on June 18, 2018. The matter is currently pending before the magistrate.

3. D.K. Sharma, a policyholder, filed a criminal complaint dated March 19, 2014 against us and our Managing Director, for cheating, fraud and misappropriation with the Barakhamba Road police station. As per the complainant, our agents misrepresented the amount of monetary benefits available on the maturity of the insurance policies and induced him to invest ₹ 4.25 million in various insurance policies. We received a notice dated April 5, 2017 from the Barakhamba police station for production of certain documents and we have provided the same. The notice also directed us to appear before the investigating officer. Our representative appeared before the Barakhamba police station and we also submitted the required documents. We have received no further correspondence in relation to this matter.

4. Our Goregaon branch has received a summons for appearance dated January 6, 2016 from the senior police superintendent upon a criminal complaint made by Sunil Roy. We have received no further correspondence from the police authorities in this matter.

5. We received a summons for appearance dated January 6, 2018 from the assistant police superintendent, Panchukla upon a criminal complaint filed by Sudesh Dutta on December 30, 2017 against us for fraud. We made an appearance before the assistant police superintendent, Panchukla and have provided the requested documents. The matter is currently pending.

6. We received a summons for appearance dated February 5, 2018 from the Economic Crime Branch, Kapurthala in connection with a criminal complaint filed by Balwinder Kaur on January 8, 2018 against us, our Managing Director and others. The matter is currently pending. Our representative appeared before the Economic Crime Branch, Kapurthala.

7. We received a notice from the Allahabad High Court, in relation to a petition filed by Mr. Mohammed Raees, a customer, before the Allahabad High Court. The petitioner, Mohammed Raes has filed the petition for quashing the order passed by the Judicial Magistrate, First Class, Haweli in relation to a criminal complaint that was filed by the petitioner before the Judicial Magistrate, First Class in relation to non-receipt of refund of surrender money from our Company and our Managing Director. The matter is currently pending before the Allahabad High Court.

Criminal proceedings by our Company

We have filed 13 first information reports ("**FIRs**"), 212 criminal complaints before various authorities and one proceeding under the Negotiable Instruments Act, 1881, as amended (the "**Negotiable Instruments Act**").

1. We filed a criminal complaint dated September 11, 2017 before the Additional Chief Judicial Magistrate, Kanpur against an erstwhile agent, Abhishek Awasthi, for fraud and embezzlement. The accused allegedly approached our policyholders, collected premium from them and deposited it in his personal bank account. The magistrate registered a dispute and ordered further proceeding. The matter is currently pending before the magistrate.

2. We filed a criminal complaint dated December 18, 2017 with the Chief Metropolitan Magistrate, Patiala House Court, New Delhi against an erstwhile agent, Ravi Sharma, and certain others for, among others, cheating, forgery and misappropriation. The accused allegedly forged employment identity cards and premium receipts, collected premium from our policyholders and misappropriated it. The matter is currently pending before the magistrate.

3. We filed a criminal complaint dated February 8, 2013 before the Chief Judicial Magistrate, Srinagar against an erstwhile employee, Kifayat Bhat, for fraud and embezzlement. During the

course of his employment, the accused received premium from our policyholders, which he misappropriated and issued forged receipt deposits to the policyholders.

4. We filed a criminal complaint dated March 5, 2016 before the Additional Chief Judicial Magistrate, Gautam Buddha Nagar against an erstwhile employee Brijesh Kumar for fraud and embezzlement. During the course of his employment. Brijesh Kumar appropriated money from policy holders under the pretext of collecting premium. The magistrate through an order dated August 19, 2016, directed the police authorities to initiate investigation against Brijesh Kumar**.** The matter is currently pending before the police authorities.

5. We filed a criminal complaint dated December 16, 2015 before the Chief Judicial Magistrate, Jammu for issuing a direction to the SHO, police station, Trikuta Nagar to lodge FIR and initiate investigation against our erstwhile employees Meera Sharma, Deepak Verma and Anuj Sharma for misappropriation, theft, cheating and breach of trust. Our Company's Jammu branch upon investigation discovered that ₹ 250,000 was stolen by these erstwhile employees. The magistrate through an order dated December 18, 2015 directed the SHO to initiate investigation against Meera Sharma, Deepak Verma and Anuj Sharma. The matter is currently pending before the Trikuta Nagar police authorities.

6. We filed an FIR dated February 24, 2018 against Kishan Chitayala and Ramu Puppala, residents of Telangana, on the grounds of criminal conspiracy and cheating. Ramu Puppala, our insurance agent, fraudulently issued an insurance policy for ₹ 1.2 million in the name of Kishan Chitayala's late father by suppressing the fact that the policyholder had died before the issue of the policy. The accused produced a fake death certificate to claim the policy in order to cheat the complainant. The matter is currently pending for investigation with the Telangana police.

7. We filed an FIR on October 7, 2017 against Sapna Chawla and Megha Chauhan, erstwhile employees and their relatives on the grounds of cheating, fraud and misappropriation. The erstwhile employees misappropriated money received from customers to issue insurance policies in the name of their relatives while using fabricated documents for the issuance of such policies. The matter is currently pending for investigation with the Kurukshetra police.

8. We filed an FIR against M. Obulesu Naidu and B. Gouri on the grounds of criminal conspiracy to defraud us. B. Gouri, an insurance manager with our Kurnool branch conspired with Naidu to submit a false proposal form and induced the complainant to issue a life insurance policy in the name of Naidu's wife wherein Naidu was named as a nominee. After the issuance of the policy, Naidu produced a death certificate to claim the policy, which turned out to be fabricated upon investigation. The FIR was registered on May 23, 2015 and the matter is currently pending for investigation with the Kurnool police.

9. We filed an FIR against Ritwik Mukherjee, an erstwhile employee of our Kharagpur branch, on the grounds of cheating, forgery and criminal misappropriation of property. We received complaints from several policy holders regarding the accused and upon investigation, we discovered that the accused had misappropriated premiums received from several policy holders. The FIR was registered by the Kharagpur police on December 23, 2017 and the matter is currently pending for investigation with the Kharagpur police.

10. We filed an FIR against Puni Nahak and Narayan Gouda on the grounds of cheating, forgery and criminal conspiracy. Narayan Gouda, an agent with our Ganjam branch conspired with Puni Nahak to submit a false proposal form and induced the complainant to issue a life insurance policy in the name of Puni Nahak's wife wherein Puni Nahak was named as a nominee. After the issuance of the policy, Puni Nahak produced a death certificate to claim the policy which turned out to be fabricated upon investigation. The FIR was registered on January 27, 2018 and the matter is currently pending for investigation with the Ganjam police.

11. We filed an FIR against Avinash Kumar, an erstwhile employee on the grounds of cheating and misappropriation. During the course of his employment, the accused misappropriated the premium from our policyholders. The FIR was registered on August 11, 2017 and the matter is currently pending for investigation with the Gaya police.

12. We filed an FIR against Bunga Laxmi and Jeebanjyoti Prusty on the grounds of cheating, forgery and criminal conspiracy. Jeebanjyoti Prusty, an agent with our Ganjam branch, conspired with Bunga Laxmi to submit a false proposal form and induced the complainant to issue a life insurance policy in the name of Bunga Laxmi's husband with her being named as the nominee. After the issuance of the policy, Bunga Laxmi produced a death certificate to claim the policy which turned out to be forged upon investigation as Bunga Laxmi's husband had died prior to the issuance of the policy. The FIR was registered on January 27, 2018 and the matter is currently pending for investigation with the Ganjam police.

13. We filed an FIR against Radhika Karthik on the grounds of forgery for purpose of cheating and dishonestly inducing delivery of property. Radhika approached and presented herself as our employee to a prospective insurance subscriber and the accused also forged our Company's stationary and ID card. The FIR was registered on March 13, 2018 and the matter is currently pending for investigation with the Erode police.

14. We filed an FIR against Surekha Poonamchand Bhill and Yogesh Ganpatrao Umap on the grounds of cheating, forgery and criminal conspiracy. Yogesh, our agent, issued a life insurance policy in the name of Surekha's husband with Surekha named as the nominee to the insurance policy. Within 11 months of the issue of the policy, Surekha filed a policy claim along with a fake death certificate for her husband. The FIR was registered on December 22, 2017 and the matter is currently pending for investigation with the Jalgaon police authorities.

15. We filed an FIR against Atmaprakash Dwivedi on the grounds of fraud and cheating. Atmaprakash Dwivedi, an erstwhile employee forged the brochures of our Company and application forms and induced the complainant to issue insurance policies. Upon receipt of complaints from individuals in whose name these policies were allegedly issued, we cancelled the policies. The FIR was registered on November 30, 2013 and matter is currently pending with the criminal court.

16. We filed an FIR against Surendra Kumar Gautam and Gajendra Singh, our erstwhile employees, on the grounds of cheating, forgery and criminal breach of trust. Surendra Kumar Gautam and Gajendra Singh forged documents of existing policyholders and fraudulently induced the complainant to close the policies availed by certain these policyholders and transfer the amount due under the policies. The FIR was registered on July 3, 2014 and the matter is currently pending for investigation before the Bengaluru police authorities.

17. We filed an FIR dated September 2, 2016 before the Panaji police station for theft of two laptops from the office of our Panaji branch. The matter is pending for investigation before the Panaji police authorities.

18. We filed a criminal complaint dated April 22, 2016 before the Himatnagar police station against Nasaib Banu and Himanshu Chaturvedi. Himanshu Chaturvedi, an agent with our Ahmedabad branch allegedly conspired with Nasaib Banu to submit a false proposal form and induced us to issue a life insurance policy wherein Nasaib Banu was named as a beneficiary. After the issuance of the policy, Nasaib Banu produced a death certificate to claim the policy which turned out to be fabricated upon investigation. The matter is currently pending for investigation with the police authorities.

19. We filed a criminal complaint dated March 31, 2016 before the Kurnool police station against Chittemma and B. Gouri. B. Gouri, an agent with our Kurnool branch allegedly conspired with Chittemma to submit a false proposal form and induced us to issue a life insurance policy wherein Chittemma was named as a beneficiary. After the issuance of the policy, Chittemma produced a death certificate to claim the policy which turned out to be fabricated upon further investigation. The matter is currently pending for investigation with the Kurnool police.

20. We filed two criminal complaints dated March 28, 2018 before the Borivali police station against two of our erstwhile employees, Zuber Khan and Swapnil Kalbande on the grounds of cheating, misappropriation and criminal conspiracy. Zuber Khan and Swapnil Kalbande issued a new policy in the name of our existing policyholder by allegedly fraudulently obtaining his signatures. The matter is currently pending for investigation with the Mumbai police.

21. We filed a criminal complaint dated March 28, 2018 before the Borivali police station against our erstwhile employee, Zuber Khan, on the grounds of cheating and misappropriation. Zuber Khan fraudulently issued new policies in the name of many of our existing policyholders. The matter is currently pending for investigation with the Mumbai police.

22. We filed a criminal complaint dated November 4, 2017 against Prem Singh Rawat and Jyoti Laxman Boon on the grounds of cheating, forgery and criminal conspiracy. Jyoti Laxman Boon, an agent with our branch, conspired with Prem Singh Rawat to submit a false proposal form and induced the complainant to issue a life insurance policy in the name of Prem Singh Rawat' s father with him being named as the nominee. After the issuance of the policy, Prem Singh Rawat produced a death certificate to claim the policy which turned out to be forged upon investigation as his father had died prior to the issuance of the policy. The Bhilwada police neither acknowledged the complaint nor register an FIR. We have filed a complaint dated December 20, 2017 with the Deputy Superintendent of Police, Ajmer, Rajasthan requesting him to direct the Bhilwada police to register an FIR in the matter.

23. We filed a criminal complaint dated December 6, 2017 against Gurmeet Kaur and Shikha Singh on the grounds of cheating, forgery and criminal conspiracy. Shikha Singh, an agent with our branch, conspired with Gurmeet Kaur to submit a false proposal form and induced the complainant to issue a life insurance policy in the name of Gurmeet Kaur's husband with her being named as the nominee. After the issuance of the policy, Gurmeet Singh produced a death certificate to claim the policy which turned out to be forged upon investigation as her husband had died prior to the issuance of the policy. The Ramnagar police did not acknowledge the complaint or register an FIR. We have filed a complaint dated January 24, 2018 with the Commissioner of Police, Haldwani requesting him to direct the Ramnagar police to register an FIR in the matter.

24. We filed a criminal complaint dated January 19, 2018 against Khyalu Singh and Manisha Shahare on the grounds of cheating, forgery and criminal conspiracy. Manisha Shahare, an agent with our branch, conspired with Khyalu Singh to submit a false proposal form and induced the complainant to issue a life insurance policy in the name of Khyalu Singh's wife with him being named as the nominee. After the issuance of the policy, Khyalu Singh produced a death certificate to claim the policy which turned out to be forged upon investigation as his wife had died prior to the issuance of the policy. The matter is currently pending for investigation with the Nagpur police.

25. We filed 31 criminal complaints against various persons for making fraudulent and spurious phone calls to customers, pretending to be our agents in order to induce customers to pay money or share sensitive financial data.

26. We filed a complaint dated June 29, 2015 under the Negotiable Instruments Act against Puja Pandey, our erstwhile employee, before the Chief Metropolitan Magistrate, Kolkata. The accused had sourced a proposal for insurance from a customer and after the issuance of the policy, the accused had received ₹ 0.68 million as incentive. The customer cancelled the policy within the free look period and the premium was returned to the customer. According to the terms of the accused's employment contract, she was obliged to refund the incentive paid to her. The accused issued a post-dated cheque dated April 15, 2015, which was dishonoured upon deposit. We issued a statutory notice to the accused under the Negotiable Instruments Act dated May 8, 2015. The matter is currently pending before the Chief Metropolitan Magistrate.

B. Outstanding civil litigation involving our Company

Civil proceedings against our Company

In accordance with our Materiality Policy, there is one pending material civil proceedings against us.

1. Julie Amitabh Parekh filed a complaint dated May 3, 2016 against us and our Managing Director, under the Consumer Protection Act, 1986 before the National Consumer Disputes Redressal Commission, New Delhi ("**NCDRC**") for payment of claim amount under an insurance policy wherein she was a nominee and damages for carrying on unfair trade practices. The complainant was a nominee for a unit linked life insurance plan availed by her husband,

Amitabh Arun Parekh, for a sum of ₹ 80 million, for a period of 61 years commencing from December 21, 2011. The insured, Mr. Parekh died on January 6, 2013 and as on that date, he had paid a total premium amounting to ₹ 10 million. The complainant filed a claim for amounts payable under the insurance policy which was rejected by us on January 23, 2014 on the ground that the insured, Mr. Parekh, had withheld information about his health and previous insurance policies taken by him, at the time of applying for the policy. We also refunded the premium paid by the insured by cheque dated January 23, 2014 for an amount of ₹ 9,993,890. The complainant requested us to reconsider her claim, however, we reiterated the rejection of the claim, as the insured had withheld material information. Upon receipt of the complaint, the NCDRC issued a notice dated December 17, 2016 to us. We filed a reply dated February 22, 2017 before the NCDRC denying all allegations made by the complainant and reiterating our reasons for rejecting the claim. The amount involved in the matter is ₹ 82.50 million together with interest at 12% per annum from the date of maturity of the policies till the date of actual payment. The matter is currently pending before the NCDRC.

Civil proceedings by our Company

In accordance with our Materiality Policy, except the writ peititions filed by our Company as disclosed below, there are no material civil proceedings initiated by us.

C. Actions by statutory or regulatory authorities against our Company

In addition to the observations made by IRDAI, in its inspection report dated January 16, 2018 (the "**IRDAI Inspection Report 2018**"), there are seven proceedings initiated by statutory or regulatory authorities against us, as discussed below.

1. Our Mangaluru branch received a show cause notice cum inspection report dated November 28, 2017 against our Company and the Managing Director, wherein the Labour Enforcement Officer (Central), Mangaluru observed certain non-compliance by us in relation to certain provisions of the Payment of Gratuity Act, 1972. Our Mangaluru branch has responded to the show cause notice through a letter dated January 28, 2018. There has been no further correspondence in this matter.

2. We received a notice dated January 29, 2018 from regional employment exchange, Shimla ("**Shimla REC**") directing our Shimla branch to submit the quarterly returns as required under the Employment Exchanges Act, 1959. We submitted the quarterly returns with the exchange within the prescribed time. We also informed the Shimla REC through a letter dated February 2, 2018, that we had submitted the returns within the prescribed time and requested the Shimla REC to drop the charges. There has been no further correspondence from the Shimla REC.

3. We received a notice dated January 6, 2018 from the district employment exchange, Kottayam ("**Kottayam DEC**") directing our Kottayam branch to submit the quarterly returns as required under the Employment Exchanges Act, 1959. We submitted the quarterly returns with the exchange within the prescribed time and brought this to the attention of the Kottayam DEC through a letter dated February 6, 2018. The receipt of this letter was acknowledged by the Kottayam DEC on February 9, 2018. There has been no further correspondence from the Kottayam REC.

4. We received a notice dated February 3, 2018 from the district employment exchange, Alappuzha ("**Alappuzha DEC**") directing us to make available certain records under the Employment Exchanges Act, 1959. We provided the requested records to the Alappuzha DEC on February 11, 2018. The receipt of the records was acknowledged by the Alappuzha DEC on February 22, 2018. There has been no further correspondence from the Alappuzha DEC.

5. We received a notice dated January 10, 2018 from the district employment exchange, Visakhapatnam ("**Visakhapatnam DEC**") directing our Visakhapatnam branch to submit a self-certificate as per the notification issued by the Andhra Pradesh State government. We submitted the self-certificate with the Visakhapatnam DEC on March 12, 2018 and the receipt of the certificate was acknowledged by the Visakhapatnam DEC. There has been no further correspondence from the Visakhapatnam DEC.

6. We received a notice from the Inspector General and Controller of Stamps, Mumbai ("**IGCS**") dated May 22, 2018 wherein the IGCS observed that our Company had not been following the procedure for payment of consolidated stamp duty prescribed by the Maharashtra government. We replied to the notice on May 25, 2018 stating that there had been no loss to the exchequer due to the current practice followed by us and assured the IGCS of compliance with the revised procedure. There has been no further correspondence from the IGCS.

7. The Labour Enforcement Officer (Central), Hyderabad inspected our branch office in Hyderabad under the Payment of Gratuity Act, 1972 and issued a show cause notice dated March 14, 2018, under which observations were made in relation to certain non-compliances by us with the provisions of the Payment of Gratuity Act, 1972. We have responded to the show cause notice through a letter dated June 6, 2018. There has been no further correspondence in this regard.

8. We have also received 173 notices and communications from labour authorities in relation to payment of bonus, use of contract labour, payment of wages, payment of gratuity etc. by our branches. We routinely respond to these notices and communications if required.

Further, from time to time, we receive notices and queries from various statutory authorities and we respond to them in a timely manner. We have received 215 such notices from various statutory authorities for the production of documents relating to certain of our policyholders who were being investigated by these statutory authorities. We have complied with the directions and provided the requisite documents to the authorities in a timely manner. Further, we have received 12 notices from the Directorate of Enforcement, Government of India (the "**Enforcement Directorate**") in relation to some of our policyholders currently being investigated by the Directorate. These notices directed us to freeze certain insurance policies and produce certain documents in relation to policyholders currently under investigation. We have also received 60 notices from the Anti-Corruption Bureau directing us to provide certain details pertaining to some of our policyholders who are currently being investigated by the bureau. We have complied with all directions of the Enforcement Directorate and the Anti-Corruption Bureau.

Notices from IRDAI

IRDAI conducted inspections of our Company for the period between Fiscal 2016 to Fiscal 2017 and made certain preliminary observations in the IRDAI Inspection Report 2018, with reference to certain areas of our business and operations, including policy claims, new business, policy servicing, reinsurance, finance and investment, outsourcing, corporate governance, actuarial compliance, etc.

We have responded to the IRDAI Inspection Report 2018 by a written response dated February 20, 2018 ("**2018 Response**"), furnishing certain clarifications and submissions. We have not received further communication from IRDAI in the aforesaid matters. We subsequently received a communication dated June 20, 2018 seeking further requirements / clarifications for some of the inspections observations. We have responded by a written response dated July 10, 2018 submitting the requirements and clarifications that were sought by IRDAI. Also see, "***Risk Factors – We are subject to periodic examinations by the IRDAI and may become involved in further examinations, audits or inquiries in the future, which could have a material adverse effect on our business, financial condition, results of operations and prospects and cause us reputational harm.***" on page 24.

In the past, the IRDAI also conducted an on-site inspection of our Company for the period between Fiscal 2012 to Fiscal 2013. Pursuant to the inspection, we received a show cause notice dated November 7, 2016, to which we replied on December 21, 2016. A personal hearing was granted to us, pursuant to which, IRDAI through an order dated March 24, 2017 dropped some of the charges, issued warnings in certain instances and imposed penalties for the following violations, as follows:

1. IRDAI imposed a penalty of ₹ 0.5 million on us for delayed settlement of maturity claims in contravention of the IRDAI File & Use Guidelines (enumerated in the File & Use circular dated December 12, 2001).

2. IRDAI imposed a penalty of ₹ 0.5 million on us for availing services of various external service providers for lead generation in contravention of the IRDA (Sharing of Database) Regulations, 2010, although we clarified that the agreements with service providers were not in the nature of referral agreements for lead generation.

We have received a communication dated April 9, 2018 from IRDAI informing us that one of our corporate agents had been inspected for Fiscals 2015-2016 and 2016-2017. IRDAI in this Inspection Report observed that our Company allegedly was in violation of the IRDAI (Non Linked Product) Regulations 2013, the Insurance Act, and IRDAI guidelines. Our Company has responded to the observations through a letter dated April 30, 2018.

We have received a communication dated May 2, 2018 from IRDAI informing us that another one of our corporate agents had been inspected by the IRDAI for Fiscal 2016-2017. IRDAI during this inspection observed that our Company allegedly was in violation of the IRDA (Linked Life Insurance Products) Regulations, 2013, the Insurance Act, and IRDAI Guidelines on Licensing of Corporate Agents. Our Company has responded to the observations through a letter dated May 21, 2018.

D. Writ Petitions

1. We had filed a writ petition in 2016 under Article 226 of the Constitution against the State of Jammu and Kashmir ("**J&K Government**") and the Commissioner of Stamps, J&K Government before the Jammu and Kashmir High Court ("**J&K High Court**"). The J&K Government, by an amendment to the Jammu and Kashmir Stamps & Registration Act on April 25, 2011, ("**J&K Stamps Act Amendment**") reduced the stamp duty payable on life insurance and group insurance policies from ₹ 2 for every ₹ 1,000 payable to 20 paisa for every ₹ 1,000 payable. However, even after the J&K Stamps Act Amendment, we inadvertently continued paying stamp duty at the rate of ₹ 2 for every ₹ 1,000 payable until May 9, 2013, amounting to ₹ 29.46 million, as stamp duty from April 25, 2011 to May 9, 2013 instead of ₹ 2.95 million which was the amount legally due under the J&K Stamps Act Amendment. We had filed a representation dated August 29, 2013 before the J&K Government, praying for refund of the excess amount. Post the filing of the original writ, the J&K Government issued a letter (No. 237/Refund/Jud/CCT) dated September 21, 2017 to us asking for objections. We filed written objections dated October 12, 2017 with the J&K Government, which were rejected by an order dated October 27, 2017. We filed an amended writ petition on February 8, 2018 against the J&K Government and the Commissioner of Stamps, J&K Government before the J&K High Court, requesting the J&K High Court to issue a writ of certiorari quashing the impugned order and a writ of mandamus directing the J&K Government to refund ₹ 26.51 million, which is the excess amount paid by us as stamp duty. The matter is currently pending before the J&K High Court.

2. We filed a writ petition in 2012 under Article 226 of the Constitution against the regional provident fund commissioner, Bangalore before the Karnataka High Court for issue of a writ of certiorari quashing the proceedings initiated by the provident fund commissioner against us under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952 (the "**EPF Act**"). The provident fund commissioner issued a notice to us dated January 9, 2012 initiating proceedings for our alleged violation of the EPF Act. We had discontinued paying provident fund contribution for our Jammu and Kashmir ("**J&K**") employees since the EPF Act was not applicable in J&K and the state has its own provident fund law. We submitted that the proceedings initiated by the provident fund commissioner were without jurisdiction and prayed for them to be quashed. The Karnataka High Court has granted stay over the proceedings initiated by the Provident Fund Commissioner and the matter is currently pending before the Karnataka High Court.

E. Tax proceedings against our Company

There are 9 tax proceedings pending against us, as set forth below:

(in ₹ million)

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (to the extent ascertainable)
Direct Tax	1	109.14
Indirect tax	8	1457.21

F. Default and non – payment of statutory dues

Except as disclosed in "***Financial Statements – Restated Financial Statements – Annexure XXII: Restated Statement of Current Liabilities***" on page 305, there have been no instances of default which are outstanding or non-payment of statutory dues pending to be deposited as on March 31, 2018 by the Company.

G. Outstanding dues to small scale undertakings or any other creditors

As of March 31, 2018, we had 162 creditors. The aggregate amount outstanding to such creditors as on March 31, 2018, was ₹ 13.54 million.

For further details, see https://www.pnbmetlife.com/documents/Creditors_tcm47-65845.pdf. It is clarified that such details available on our website do no not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our website would be doing that at their own risk.

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 0.68 million, which is 5% of the total amount owed to sundry creditors for the period ended March 31, 2018, was outstanding, were considered 'material' creditors. Based on the above, there are two material creditor of our Company as on March 31, 2018, to whom an aggregate amount of ₹ 4.79 million or more was outstanding on such date.

Based on information available with us, there are no dues outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as of March 31, 2018.

H. Other Matters

Awards given by the Insurance Ombudsman against our Company during the last three years

The Insurance Ombudsman passed 145 awards against us in the last three years of which (i) 131 awards passed have been closed and have been complied with by us, and (ii) 14 awards aggregating to ₹ 0.29 million are pending as the claims are being processed by us.

Pending complaints filed by the policyholders against our Company during the last five years

During the last five Fiscals, we received a total of 22,500 complaints from policyholders in relation to misselling, surrender of policies, spurious calls from persons claiming to be agents or employees, etc., of which, we accepted 10,758 complaints, partially accepted three complaints and rejected 11,739 complaints.

1. Details of our record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2018 are set out below:

S. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	38	3,216	1,411	0	1,781	62
2.	New business related	1	224	150	0	74	1
3.	Policy servicing related	2	561	313	0	246	4
4.	Claims servicing related	3	299	185	0	114	3
5.	Others	0	170	120	0	48	2
	Total number of complaints in the system	44	4,470	2,179	0	2,263	72

S. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	72	0	72
2.	Greater than 15 days	0	0	0
	Total	72	0	72

2. Details of our record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2017 are set out below:

S. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	22	3,022	1,218	0	1,788	38
2.	New business related	4	328	274	0	57	1
3.	Policy servicing related	6	633	433	0	204	2
4.	Claims servicing related	5	364	268	0	98	3
5.	Others	1	100	56	0	45	0
	Total number of complaints in the system	**38**	**4,447**	**2,249**	**0**	**2,192**	**44**

S. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	43	0	43
2.	Greater than 15 days	1	0	1
	Total	**44**	**0**	**44**

3. Details of our record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2016 are set out below:

S. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	16	2699	951	0	1,742	22
2.	New business related	1	749	641	0	105	4
3.	Policy servicing related	0	282	213	0	63	6
4.	Claims servicing related	2	454	349	0	102	5
5.	Others	0	293	204	0	88	1
	Total number of complaints in the system	**19**	**4,477**	**2,358**	**0**	**2,100**	**38**

S. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	38	0	38
2.	Greater than 15 days	0	0	0
	Total	38	0	38

4. Details of our record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2015 are set out below:

S. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	9	2,996	1,096	1	1,892	16
2.	New business related	0	323	284	0	38	1
3.	Policy servicing related	1	416	342	0	75	0
4.	Claims servicing related	0	638	493	1	142	2

S. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
5.	Others	1	435	373	1	62	0
	Total number of complaints in the system	**11**	**4,808**	**2,588**	**3**	**2,209**	**19**

S. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	19	0	19
2.	Greater than 15 days	0	0	0
	Total	**19**	**0**	**19**

5. Details of our record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2014 are set out below:

S. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	5	2,488	504	0	1,980	9
2.	New business related	0	137	105	0	32	0
3.	Policy servicing related	7	391	305	0	92	1
4.	Claims servicing related	0	209	47	0	162	0
5.	Others	59	1,073	423	0	708	1
	Total number of complaints in the system	**71**	**4,298**	**1,384**	**0**	**2,974**	**11**

S. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	9	0	9
2.	Greater than 15 days	2	0	2
	Total	**11**	**0**	**11**

II. LITIGATION INVOLVING OUR DIRECTORS

A. Outstanding criminal litigation involving our Directors

Ashish Kumar Srivastava

Criminal proceedings against Ashish Kumar Srivastava

1. D.K. Sharma, a policyholder, filed a criminal complaint dated March 19, 2014 against us and our Managing Director, for cheating, fraud and misappropriation with the Barakhamba Road police station. For further details, see "***Litigation involving our Company- Outstanding criminal proceedings involving our Company- Criminal proceedings against our Company***".

2. We received a notice from the Allahabad High Court, in relation to a petition filed by Mr. Mohammed Raees, a customer, before the Allahabad High Court agasint our Company and our managing Director. For further details, see "***Litigation involving our Company- Outstanding criminal proceedings involving our Company- Criminal proceedings against our Company***".

3. We received a summons for appearance dated February 5, 2018 from the Economic Crime Branch, Kapurthala in connection with a criminal complaint filed by Balwinder Kaur on January 8, 2018 against us, our Managing Director and others. For further details, see "***Litigation involving our Company- Outstanding criminal proceedings involving our Company- Criminal proceedings against our Company***".

Pheroze Kersasp Mistry

Criminal proceedings against Pheroze Kersasp Mistry

1. A criminal complaint bearing R.C.C. No. 168/2018 was filed by Mahesh Srinivas Kabra under the IPC and the Motor Vehicle Act 1988 against Pheroze Kersasp Mistry and others before the Judicial Magistrate First Class, Ahmednagar for allegedly defrauding the complainant and giving false information to the Regional Transport Office. The matter is currently pending before the Sessions Court, Ahmednagar.

2. A criminal complaint bearing R.C.C. No. 1036/2015 was filed by Ilahi Gafoor Mashalkar under the IPC against Sterling Motors (Solapur) before Chief Judicial Magistrate. The matter is listed on September 25, 2018.

Surbhit Dabriwala

Criminal proceedings against Surbhit Dabriwala

Shubhangi Sudhakar Mali filed a criminal complaint against Surbhit Dabriwala, EIL and the directors and the Chief Financial Officer of EIL (collectively, the "**Accused Persons**") before the Judicial Magistrate First Class, Pune, alleging delay in providing the possession of the flat bearing number J-302, Third Floor, Wing- J, Metropolitan, Village Chinchwada, Pune. The complaint has been filed under sections 13 and 13 A of the Maharashtra Ownership Flats Act, 1963 ("**Maharashtra Ownership Flats Act**"). The complainant has also alleged that the Accused Persons have violated Sections 3 of the Maharashtra Ownership Flats Act. The complainant has further alleged that the Accused Persons have violated section 3 of the Maharashtra Ownership Flats Act. The complainant further filed two written complaints dated August 19, 2016 and September 10, 2016 before the Chinchawad Police Station and a complaint dated October 3, 2016 before the Police Commissioner, Pune against Surbhit Dabriwala. The matter is currently pending.

B. Outstanding civil litigation involving our Directors

Ashish Kumar Srivastava

Civil proceedings against Ashish Kumar Srivastava

Julie Amitabh Parekh filed a complaint dated May 3, 2016 against us and our Managing Director, under the Consumer Protection Act, 1986 before the National Consumer Disputes Redressal Commission, New Delhi ("**NCDRC**") for payment of claim amount under an insurance policy wherein she was a nominee and damages for carrying on unfair trade practices. For further details, see "***Litigation involving our Company- Outstanding civil proceedings involving our Company- Civil proceedings against our Company***".

Pheroze Kersasp Mistry

Civil proceedings against Pheroze Kersasp Mistry

1. Mr. Mahesh Shrinivas Kabra filed a consumer complaint against Tata Motors, Mr. Pheroze Mistry and others under section 12 of the Consumer Protection Act, 1986 before the District Consumer Forum, Ahmednagar for production of dangerous vehicles. The complainant alleged that he was sold a defective vehicle and inappropriate sale services due to which he incurred expenses of Rs.4.8 lakhs in and suffered extreme mental, physical as well as financial loss. The next date of hearing is August 16, 2018.

2. Mr. Baban Devram Japkar filed a consumer complaint against Sterling Motors, Mr Pheroze Kersasp Mistry and other partners before the District Consumer Forum Ahmednagar for selling a defective vehicle. The matter is listed on August 14, 2018.

3. Mr. Sumatilal Gujrani filed a consumer complaint against Sterling Motors, Mr Pheroze Kersasp Mistry and other partners before the District Consumer Forum, Ahmednagar for selling a defective vehicle. The matter is listed on August 24, 2018.

4. Mr. Haribhau Pagire filed a consumer complaint against Sterling Motors, Mr Pheroze Kersasp Mistry and other partners before the District Consumer Forum, Ahmednagar for selling a defective vehicle and deficiency in service. The matter is listed on July 30, 2018.

5. Mr. Shrikant Suresh Sawant filed a consumer complaint against Sterling Motors, Mr Pheroze Kersasp Mistry and other partners before the District Consumer Forum, Ahmednagar for deficiency in service. The matter is listed on August 10, 2018.

6. Ilahi Gafoor Mashalkar filed a consumer complaint against Sterling Motors, Mr Pheroze Kersasp Mistry and other partners before the District Consumer Forum, Solapur for deficiency in service. The complainant alleged inappropriate sale services due to which he has suffered extreme mental, physical as well as financial loss. Matter is listed on September 25, 2018.

7. Nitin Tours and Travel Nitin Gaivad filed a consumer complaint against Sterling Motors, Mr Pheroze Kersasp Mistry and other Partners before the District Consumer Forum, Ahmednagar for deficiency in service. The matter is listed on July 25, 2018.

8. Sterling Motors through its partners ("**Plaintiff**") has filed a suit against Ejaj Abdul Sattar Shaikh, Aminakhatun Abdul and Sattar Shaikh ("**Defendants**"). The Plaintiff was constructing a Tata Motors Automobile Dealership. The Defendant (owner of the adjoining plot) started creating an alleged hindrance in the Plaintiff's use, possession and occupation of the property on the ground that the Plaintiff, whilst carrying on construction of dealership/showroom had allegedly encroached upon his property. In view of the, the Plaintiffs filed a suit before the Court of Civil Judge, Senior Division at Ahmednagar seeking, amongst other things, an injunction against the Defendants. Sterling Motors have also filed an application for injunction. The Defendants have filed their written statement and counter claim praying the said property should not be given to sterling motors. The matter is presently pending.

9. Tata Consulting Engineers Limited and Sterling Motors through its partners filed an Appeal before the State Consumer Disputes Redressal Commission, Maharashtra, Mumbai against an order passed by District Consumer Dispute Redressal Forum, Nasik for payment of Rs. 65,000/- to Shreesheel Engineers Pvt. Ltd. as compensation for loss of goodwill, reputation, and financial loss.

C. Pending action by statutory or regulatory authorities against any of our Directors

Ashish Kumar Srivastava

Our Mangaluru branch received a show cause notice cum inspection report dated November 28, 2017 wherein the Labour Enforcement Officer (Central), Mangaluru observed certain non-compliance by us in relation to certain provisions of the Payment of Gratuity Act, 1972. For further details, see "***Litigation involving our Company - Actions by statutory or regulatory authorities against our Company***"

Pheroze Kersasp Mistry

A complaint was filed by Union of India by Tanoj Chandra under the Dock Workers (Safety, Health & Welfare) Act, 1986 (Safety Act) and The Dock Workers (Safety, Health & Welfare) Regulations, 1990 (Safety Regulations) against Mr. Pheroze Kersasp Mistry and others (collectively, "**Accused**") before the Magistrate, Ballard Pier, bearing Complaint Case Number 4695 / SS / 2015. The complaint arose from an accidental death by drowning of a dock worker, Mr. Ajay Yadav ("Deceased"), while he was operating a pock land machine to unload cargo from a barge owned by M Pallonji & Logistics Private Limited. As per the Complaint, it is alleged, amongst other things, that the Accused (i) did not conduct the mandatory medical examination of the Deceased; (ii) did not provide medical examination reports to the dock inspector; (iii) was negligent and did not provide for proper safety and precaution training to the Deceased; and (iv) endangered the Deceased's life by being negligent and not providing for proper supervision.

Pursuant to the complaint, summons were issued pursuant to an order of the Magistrate, Ballard Pier dated October 21, 2015. Further, the Accused filed a discharge application, which was rejected pursuant to an order dated November 3, 2017 on technical grounds. A writ petition, bearing number 4956 of 2017, was subsequently filed for quashing the above orders. The High Court by way of its order dated March 23, 2018, stayed further prosecution before the Magistrate and the matter is currently pending.

Surbhit Dabriwala

RCA Limited and International Conveyers Limited ("**Noticees**") are companies promoted by Mr. Surbhit Dabriwala, which have received a show cause notice dated May 24, 2016 issued by SEBI as to why an enquiry should not be held and penalty not be imposed against the Noticees in terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 read with Section 151 of SEBI Act, 1992 ("**SCN dated May 24, 2016**"). Accordingly, an Adjudicating Officer has been appointed to inquire and adjudicate upon alleged violation of certain provisions of the SEBI (Prohibition of Insider Trading Regulations, 1992 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the scrip of International Conveyers Limited. In light of the SCN dated May 24, 2016, the Noticees filed their consent application dated July 26, 2016 under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ("**Consent Application**"). The SEBI through its letter dated August 25, 2016 informed the Noticees of certain deficiencies in the Consent Application, which were rectified by the Noticees through their letter dated September 12, 2016. SEBI may levy penalty on the Noticees, pursuant to the Consent Application. The matter is currently pending.

D. Tax proceedings involving our Directors

Nil

E. Other material outstanding litigation involving our Directors whose outcome could have an adverse effect on our Company

Nil

III. LITIGATION INVOLVING OUR PROMOTERS

A. Litigation involving PNB

PNB pursuant to the requirements of Regulation 30 of the SEBI LODR regulations, 2015, has formulated a 'Policy to determine materiality of events to be reported to the stock exchanges' ("**PNB Materiality Policy**") wherein PNB is required to make appropriate disclosures to stock exchanges on occurrence of an event it considers material which also includes any litigation/dispute/regulatory action. PNB Materiality policy states:

5.2 (viii)i) Normal litigations/disputes against the Bank in the normal course of business i.e. lending activity, recovery, lockers, interest claims, dispute on bank premises etc may not be treated as material.

ii) Regulatory actions/penalties imposed by RBI, SEBI, NSE/BSE, Regulators of Foreign countries where we have our branches/subsidiaries shall be treated as material. However, penalties imposed by RBI based on routine currency chest inspections shall not be treated as material.

iii) In case of other regulators like Tax authorities, Enforcement Directorate, local bodies etc the authorized officer may decide the materiality based on the guiding principles mentioned under para 5.1 of the policy.

5.1 Under regulation 30 (4) of the LODR regulations, the following criteria shall be applied for determination of materiality of events/ information: (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or PNB-Policy for determination of materiality of events of the Bank "Confidential" 2 (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the officer authorized by the board of directors of Bank, the event / information is considered material.

Outstanding criminal litigation involving PNB

Criminal proceedings against Punjab National Bank

1. Director, FIU-IND had imposed penalty on one instance each for deviation in implementation of laid down guidelines at branch in sting operation by Cobrapost on May 6, 2013. In appeal, Appellate Money Laundering Tribunal, New Delhi had decided the case in favour of Bank on

June 28, 2017. Now Bank has filed caveat in the case of criminal appeal no 882/2017-FIU matter at Delhi High court.

2. First Custodian Fund (India) Limited, Rjendra Kumar Banthia, Manish Banthia, Surendra Kumar Banthia filed WP 25456/2007 on September 12, 2007 against ENBL(Now PNB), State of Kerala and the National Stock Exchange, Mumbai under Articles 226 and 227 of the Constitution of India and 482 of CRPC praying for quashing and setting aside the criminal complaint CC 3/2003 filed before the Judicial First Class Magistrate Court Kozhikode or alternatively to transfer the complaints to any court within the territorial jurisdiction of Mumbai. The case was listed for hearing on May 26, 2016 but could not be taken up for hearing. The next date for listing is awaited.

3. Harvest Deal Securities Limited, Rajendra Kumar Banthia and Shrikanth G. Manthri filed WP 25509/2007 on September 12, 2007 against ENBL(Now PNB), State of Kerala and the Bombay Stock Exchange, Mumbai under Articles 226 and 227 of the Constitution of India and 482 of CRPC praying for quashing and setting aside the criminal complaint CC 4/2003 filed before the Judicial First Class Magistrate Court Kozhikode or alternatively to transfer the complaints to any court within the territorial jurisdiction of Mumbai. The case was listed for hearing on May 26, 2016 but could not be taken up for hearing. The next date for listing is awaited.

Criminal proceedings by Punjab National Bank

The Reserve Bank of India during the course of inspection of ENBL as on March 31, 2002, had also scrutinised the arbitrage transactions/trading in shares undertaken by ENBL during the period from September 1999 to March 2000. As the scrutiny among others reveled serious irregularities and malafide intention on the part of the broking firms entrusted with the trading of shares by ENBL i.e. M/s First Custodian Fund (India) Limited, Shrikant G. Mantri and Harvest Deal Securities Limited, which were closely connected with Rajendra Kumar Banthia, who was a major shareholder of ENBL, the RBI has advised to initiate criminal proceedings against the broking firms. As advised by RBI, ENBL has filed two complaints before the Judicial First Class Magistrate Court-I, Kozhikode against R.K. Banthia and others on December 20, 2002 and December 24, 2002. After numbering the cases on January 3, 2003, the Court proceeded with the service of summons. The summons issued against Rajendra Kumar Banthia and Surendra Kumar Banthia were returned unserved. Before completion of the process of service of summons, the accused approached the High Court of Mumbai by way of a writ petitions WP 25456/2007 and WP 25509/2007 with a prayer to quash and set aside CC 4/2003 and CC 3/2003 pending before JFCM-I Kozhikode or alternatively to transfer the complaints to any court within the territorial jurisdiction of Mumbai. The case is currently pending. The complaint before JFCM-I Kozhikode stands adjourned to July 29, 2016 pending disposal of the writ petitions. As the cases have been stayed since amalgamation, petition to implead PNB is yet to be filed in both the cases.

Outstanding civil litigation involving PNB

Civil proceedings against Punjab National Bank

There are no civil proceedings against PNB disclosed to the stock exchanges in accordance with the PNB Materiality Policy.

Civil proceedings by Punjab National Bank

There are no civil proceedings initiated by PNB disclosed to the stock exchanges in accordance with the PNB Materiality Policy.

Pending action by statutory or regulatory authorities against PNB

In the ordinary course of its business, certain government, regulatory or statutory authorities may have, from time to time, initiated actions against PNB at various levels of PNB's operations. Such actions may include, amongst others, actions taken by local municipal corporations against the respective branches of PNB, fines imposed on PNB by the Reserve Bank of India or other authorities for non-compliances including those discovered during routine inspections undertaken at the various branch offices or actions taken by local land authorities which are typically dealt with in a decentralised manner at the branch level. However, in the light of the nature of the business and the large operational network of PNB, these actions are in the ordinary course of business and are not considered material by PNB.

Accordingly, except as disclosed below, there is no litigation or legal action pending or taken by any ministry or department of the government or the Reserve Bank of India against it during the last five years immediately preceding the year of issue of this Draft Red Herring Prospectus, that has been considered material by PNB.

1. RBI imposed a penalty of ₹30 million on PNB in exercise of the powers conferred under section 47 (A) (1) (c) read with Section 46 (4) (i) of the Banking Regulation Act, 1949.The amount has been paid to RBI in July 2016.

2. RBI has imposed a penalty of ₹25.0 million on the bank on 12th July 2013 in terms of Section 47A (1) (c) read with Section 46 (4) (i) of the Banking Regulation Act, 1949 and Sub Secion (3) of Section 11 of FEMA for non-compliance of the RBI instructions. The amount has been paid to RBI in July 2013.

3. RBI has imposed a penalty of ₹0.10 million for bouncing of SGL account dated 09.03.2017 for which RBI has debited bank's account on 12.05.2017 and said penalty on SGL bouncing stands paid.

4. On January 16, 2018, the partnership firm of Nirav Modi group approached our branch at Brady House, Mumbai and presented a set of import documents with a request to allow buyers' credit for making payment to the overseas suppliers. Since there was no sanctioned limit in the name of the above firms, the branch officials requested the firms to furnish at least 100% cash margin for issuing LOU for raising buyer's credit. On refusal, the firms contested that they have been availing such transactions since past several years.

   After that on scrutiny, it was observed that in connivance with certain employees of the branch, the Nirav Modi group have got LOU's issued fraudulently without sanctioned limit and without following Bank's prescribed procedures of obtaining request applications, documents, approval of the authorities thereto etc. and without making entries in the Banking system avoiding detection of the transactions, so made, transmitted SWIFT instructions to the overseas branches of Indian bank under Buyer's Credit.

   It was also observed that unauthorized LOUs were issued for and on behalf of three firms of Nirav Modi Group namely M/s Diamond R US, M/s Solar Exports and M/s Stellar Diamond and also for & on behalf of three companies of Gitanjali Group promoted by Mr. Mehul Choksi namely M/s Gitanjali Gems Limited, M/s Gili India Limited and M/s Nakshatra Brands Limited. Two instances of fraudulent and unauthorized LOU were also issued for & on behalf of M/s Chandri Papers and Allied Products Pvt Ltd. Three firms of Gitanjali group are also involved in unauthorized/fraudulent amended issuance of FLCs without making change in Trade Finance Module of CBS system.

   In respect of unauthorized and fraudulent issuance of Letters of Undertaking (LOUs) and Foreign Letters of Credit (FLCs) at the captioned branch, our bank has reported to RBI through respective FMR-1 on different dates starting from January 29, 2018 to February 22, 2018 aggregating to ₹ 126,459.8 million (₹64,982.0 million in Nirav Modi group, ₹61,386.8 million Gitanjali Group &₹91.0 million in one M/s Chandri Paper & Allied Products Pvt. Ltd). While the internal investigation process was ongoing, Bank suspended 10 of its officers / employees on account of suspected involvement in the fraud. The internal auditor of the branch was subsequently arrested. On 29.01.2018, a criminal complaint for registration of FIR against accused persons including the maker and checker employees of the Bank for offence of cheating of fraud was filed with Joint Director (Policy), Central Bureau of Investigation and same stands registered on 31.01.2018. On 13.02.2018, an FIR was filed with CBI against above 2groups and M/s Chandri Paper & Allied Products Pvt Ltd. Bank also lodged the complaint with Enforcement Directorate on 13.02.2018 and Ministry of Corporate Affairs on 19.02.2018.

Further, approved credit exposure of Nirav Modi Group of companies (M/s Firestar Diamond International Pvt. Ltd.& M/s Firestar International Ltd.), amounting to ₹3,218.8 millionand Gitanjali Group (Gitanjali Gems Ltd., Gili India Ltd., Asmi Jewellery India Ltd.& Nakshatra BrandsLtd.) amounting to ₹9,552.8 million has been reported as fraud to RBI on March 5, .2018 and March 14, 2018 respectively. PNB has appointed BDO India LLP to conduct forensic audit on five firms/ companies of Nirav Modi Group.

On the 23rd of February, 2018, in relation to a petition filed by the Ministry of Corporate Affairs, in Company Petition No.277 of 2018 filed under Sections, 221, 222, 241, 242 and 246 read with Section 339 of the Companies Act, the NCLT Mumbai Bench has also granted a restraint order as prayed for by the Government of India preventing removal, transfer or disposal of funds, assets and properties of the entities and individuals, who are respondents in the Government's petition.

Further based on DFS directives in the back ground of RBI indictment, CBI's likely filing of charge sheets after investigation and extensive media reports, the Board of the Bank has divested functional powers of Sh Rao and Sh Sharan, Executive Directors.

In respect of approved credit exposure of M/s Chandri Paper & Allied Products Pvt. Ltd., PNB reported fraud of Rs.308.5 million to RBI on June 15, 2018.

5. SEBI issued a warning letter on May 15, 2018 to PNB regarding delay in disclosure of pertaining to filing of the reports/complaints with RBI and CBIregarding Fraud in the account of Nirav Modi group along with not making provision/disclosure in the financial statements for the quarter ended December 2017and advised to be cautious in future to ensure compliance with all applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

6. PNB received an advisory from NSE vide its letter dated June 19, 2018 advising PNB to take abundant precaution in future, with respect to intimation to the Exchange as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

7. The branch located at Navrangpura, Ahmedabad was de-authorized from undertaking any type of merchant banking pursuant to circular dated June 11, 1996 issued by the SEBI on the grounds that the branch accepted application money for a public issue after the closure of the public issue of Kangold (India) Limited in October 1994. The branch office at Navrangpura is at present not de-authorized to accept ASBA applications and thebranch is collecting ASBA applications in routine.

8. Pursuant to letter dated September 3, 2002, the SEBI issued a penalty of warning to the branch located at Navrangpura, Ahmedabad on the grounds that the branch had accepted 40 applications with stock invests after the closure of the public issue of Elvis India Limited in January 1995.The branch office at Navrangpura is at present not de-authorized to accept ASBA applications and branch is collecting ASBA applications in routine.

9. The branch located at MI Road, Jaipur was de-authorized from undertaking any type of merchant banking business for one year pursuant to circular dated June 23, 1997 issued by the SEBI on the grounds that the branch accepted 24 applications in stock invests amounting to ₹ 49.80 million after the closure of the public issue of Asian Industrial Structures Limited in October 1994. The branch was re-authorized to undertake merchant banking business pursuant to circular dated July 25, 2000 and there is no such bar and Branch is authorized/ accepting applications under ASBA.

10. Pursuant to the letter dated August 10, 1999, SEBI suspended the registration of the branch located at New Cloth Market, Ahmedabad, ("Branch") for a period of three months, on the grounds that the branch accepted application money for 19 applications amounting to ₹ 15.10 million after closure of the public issue of Hindustan Fin. Stock Limited. There is no such suspension of SEBI as of now and the branch is undertaking merchant banking business.

11. The branch located at Ashram Road, Ahmedabad was de-authorized from undertaking all merchant banking business until August 4, 2000 on the grounds that the branch released application money for a public issue of Renco Gears Limited ("Issuer") prior to the Issuer even receiving stock exchange approval in 1995. This branch is now handling ASBA activities since long and there is no restrictions relating to ASBA.

12. Pursuant to letter dated October 19, 2002, issued by the SEBI, the branch located at Relief Road, Ahmedabad ("Branch") was debarred for a period of six months from undertaking any business as a banker to the public issue of Dhanlaxmi Lease Finance Limited in 1995 on the grounds that the Branch accepted applications for a public issue after closure of the issue and also because it failed to maintain proper records pertaining to the issue.There are currently no restrictions by the SEBI and the branch is collecting ASBA applications in routine.

13. SEBI de-authorised the branch located at Mahajan Gali, Vadodara ("Branch"), was de-authorized from undertaking any merchant banking business until August 4, 2000, on the grounds that the Branch issued 6 stock invests of ₹ 0.50 million each aggregating to ₹ 3 million in the names of various persons in violation of guidelines in 1996 in the public issue of Rich Paints Limited.Presently, there is no such bar and Branch is authorized/ accepting applications under ASBA.

14. Pursuant to circular dated March 27, 2000, issued by the SEBI, the branch located at Raopura, Vadodara ("Branch") was de-authorized from undertaking any business as a banker to the issue for three months on the grounds that the Branch accepted and released an application of Darshan Investments Private Limited for 0.60 million shares amounting to ₹ 6 million after the closure of public issue of Incap Financial Services Limited. Presently branch is authorised for ASBA and is accepting applications.

15. Pursuant to order dated September 10, 2003, the SEBI de-authorized the branch located at Shahibaug, Ahmedabad for a period of two months on the grounds that 23 applications accompanied by stock invests were issued after the closure of the public issue of Maha Chemicals Limited in 1994.There are currently no restrictions/debarment from SEBI and as on date ASBA application dealing is normal.

16. Stock invests of ₹ 1.50 million in relation to the public issue of Saket Extrusions had four different dates in the columns meant for date of issue, wheras the presentation date was a different date. These stock invests were cancelled by SEBI on May 26, 1994 due to various irregularities. The branch office at Navrangpura is at present not deauthorized to accept ASBA applications and branch is collecting ASBA applications in routine.

17. Pursuant to order dated August 3, 2009, the SEBI debarred the branch located at Sector 17 B, Chandigarh, from carrying out any activities as a banker to the issue for a period of 15 days on the grounds that the Branch had projected that a rights cum public issue by Majestic Industries (for which the Branch was the controlling branch as well as a collecting branch in the issue) was fully subscribed by acting in collusion with the issuer. The Chandigarh branch is receiving and processing ASBA applications for different IPOs and is also accepting the depository account applications.

18. The SEBI issued a warning to the erstwhile PNB Capital Services Limited (which has not merged with PNB), on the ground that PNB Capital Services Limited had not, in its capacity as lead manager to the public issue of Mefcom Markets Limited, independently verify the claims of the issuer for charging ₹ 60 per share for a share of the value of ₹ 10 and has instead relied on the statement of the issuer. PNB Capital Services was merged with PNB branch office at Sansad Marg, New Delhi (D -0153) and ASBA applications are accepted in this branch office.

19. The SEBI pursuant to letter dated March 12, 2004, has recommended debarring of a branch located at Navrangpura. Ahmedabad ("Branch") from carrying out activities as a banker to the issue for a period of one month on the grounds that the Branch issued stock invests and accepted applications for the public issue of Growmore Solvent Limited which were used for another company. The branch office at Navrangpura is at present not deauthorized to accept ASBA applications and branch is collecting ASBA applications in routine.

Tax proceedings involving PNB

1. Under regular assessments for the assessment years 2006-2007, 2007-2008 and 2008-2009, the Additional Commissioner of Income Tax ("**CIT**"), had considered the statutory contribution by PNB to the pension fund amounting to an aggregate of as ₹ 6,735.0 million for the three years as a fringe benefit provided by PNB to its employees in terms of section 115 WB (1) of the Income Tax Act, 1961 ("**IT Act**") and thereby determined the aggregate value of fringe benefits at ₹ 7,632.5 million as against ₹ 897.5 million (being the aggregate total fringe benefit declared by the Bank in its returns in the relevant assessment years). PNB filed appealsagainst the relevant assessment orders before the Commissioner of Income Tax, Appeals, XVII, New Delhi ("**CITA**"). The CITA, vide separate orders dated September 15, 2009, January 31, 2011 and July 25, 2011 respectively, upheld the view taken by CIT and rejected the contention of PNB that the contribution to the pension fund was a statutory liability and should therefore not be considered for valuation of fringe benefit. PNBfiled appeals against orders passed by the CITA before the Income Tax Appellate Tribunal, Delhi Bench, New Delhi ("**ITAT**"). The ITAT, vide its order dated June 15, 2016 allowed PNB's appeals and directed the CIT to allow PNB's claim and not consider the contribution to the pension fund as a fringe benefit provided to our employees. Aggrieved by the aforesaid order the income tax department has filed appeal before the High Court of Delhi. The matter is pending for hearing as on date. The aggregate tax implication is ₹ 2,860.0 million as at as on the date of this DRHP.

2. Under regular assessment for the assessment year 2007-2008, the CIT passed assessment order, *inter alia*, (a) disallowing business loss arising out of conversion of securities from available for sale to held to maturity category; (b) disallowing loss on revaluation of investments; (c) disallowing contribution to PNB Employees Pension Fund Trust; (d) disallowing depreciation on goodwill; (e) disallowing the claim of securities transaction tax paid by PNB on its investment activities. PNB filed an appeal against the assessment order before the CITA. The CITA vide its order dated February 28, 2011 allowed our appeal partly. Aggrieved by the order of the CITA, the Assistant Commissioner of Income Tax has filed an appeal dated May 13, 2011 before the ITAT, where the matter is pending as on date. The tax implication is ₹ 4,240.0 million as on the date of this DRHP.

3. Under regular assessment for the assessment year 2008-2009, the CIT passed assessment order, *inter alia*, (a) making addition on account of depreciation on securities held under available for saleand held for trading category; (b) making addition of loss on revaluation of investments held under held-to-maturity category; (c) disallowing contribution to PNB Employees Pension Fund Trust; (d) disallowing depreciation on goodwill. PNB filed appeal against the assessment order before the CITA. The CITA order allowed PNB's appeal partly. Aggrieved by the order of the CITA, the Assistant Commissioner of Income Tax has filed an appeal before the ITAT. The tax implication is ₹ 4,660.0million as on the date of this PNB. PNB has also filed an appeal against this order before the ITAT for which the tax implication is ₹ 289.4 million as on the date of this DRHP. Both these matters are currently pending before the ITAT.

4. Under regular assessment for the assessment year 2009-2010, the CIT passed assessment order, *inter alia*, (a) making addition on account of loss of revaluation of investment held under held to maturity category; (b) making addition on account of depreciation on shifting of securities held under available for saleor held for trading category to held to maturity category; (c)disallowing contribution to PNB Employees Pension Fund Trust; (d)disallowing depreciation on goodwill. PNB filed appeal against the assessment order before the CITA. The CITA allowed

PNB's appeal partly vide its orders dated February 22, 2013 and deleted certain of the disallowances and additions made by the CIT. Aggrieved by the order of the CITA, the Deputy Commissioner of Income Tax has filed an appeal before the ITAT, where the matter is pending as on date. The aggregate tax implication is ₹2,540.0 million as on the date of this DRHP.

5. Under regular assessment for the assessment year 2010-2011, the CIT passed assessment order, *inter alia*, (a) making addition on account of loss of revaluation of investment held under held to maturity category; (b) allowing set off of loss incurred by Bank; (c)disallowing contribution to PNB pension fund; (d) disallowing depreciation on goodwill. PNB filed appeal against the assessment order before the CITA. The CITA allowed our appeal partly vide its order dated February 18, 2014 and deleted certain of the disallowances and additions made by the CIT. Aggrieved by the order of the CITA, the Deputy Commissioner of Income Tax has filed an appeal before the ITAT, where the matter is pending as on date. The aggregate tax implication is ₹ 3,740.0 million as on the date of this DRHP.

6. Under regular assessment for the assessment year 2011-2012, the CIT passed assessment orders, *inter alia*, (a) making addition on account of loss of revaluation of investment held under held-to-maturity category; (b) making addition on account of depreciation of securities held under available for salecategory; (c)disallowing contribution to PNB pension fund; (d)disallowing depreciation on goodwill; (e) disallowing depreciation/loss on investments following the decision for assessment years 2009-2010 and 2010-2011. PNB filed appeal against the assessment order before the CITA. The CITA allowed PNB's appeal partly vide its order dated July 27, 2014 and deleted certain of the disallowances and additions made by the CIT. Aggrieved by the order of the CITA, the Deputy Commissioner of Income Tax has filed an appeal before the ITAT, where the matter is pending as on date. The aggregate tax implication is ₹ 4,200.0 million as on the date of this DRHP.

7. Under regular assessment for the assessment year 2004-2005, the Deputy Commissioner of Income Tax passed assessment orders levying penalty on PNB under Section 271(1)(c) of the IT Act on grounds of furnishing inaccurate particulars of income. PNB filed appeal against the relevant assessment order before the CITA. The CITA vide its order dated October 19, 2009 allowed our appeal partly and accepted certain of the disallowances and additions made by the Deputy Commissioner of Income Tax. Aggrieved by the order of the CITA, PNB has filed an appeal before the ITAT, where the matter is pending as on date. The tax implication is ₹ 155.4 millionas on the date of this DRHP.

8. PNB had received show cause notices ("**SCN**") from the Commissioner of Service Tax, Mumbai for the period 2012-2013 and 2013-2014 and from Additional Director General of Directorate General of Central Excise Intelligence ("**DGCEI**"), Bangalore for the period of April 2012 to September 2013, asking it to show cause as to why the amount of CENVAT credit on service tax availed by PNB in relation to the deposit insurance premium paid to the Deposit Insurance and Credit Guarantee Corporation ("**DICGC**") should not be demanded from PNB. PNB had filed a reply with the Commissioner of Service Tax, who vide order dated March 31, 2016 confirmed the service tax demand as proposed in the SCN. Aggrieved by this order, PNB has filed appeals dated July 8, 2016 before the Customs, Excise and Service Tax Appellate Tribunal, Mumbai ("**CESTAT**"), where the matter is currently pending. The aggregate tax implication is ₹ 360.9 million as on the date of this DRHP.

9. Show cause notices are received by various circle offices of PNB relating to short payment of Service Tax/Irregular availment of cenvat credit etc. The aggregate tax implication is Rs. 370.1 million in 30 cases. Total tax implications are Rs. 731.0 million in 31 cases .This is excluding interest and penalties imposed (Amount of penalties is Rs.525.2 million). PNB is contesting the demand as above at various appropriate forums.

10. Show cause notices have been received at 76 Circle offices of PNB relating to applicability of service tax on freebies provided to the customer in lieu of maintaining Minimum Average

Balance amounting to Rs 9,700.6 million. Similar notices have been received by other peer Banks and PNB intends respond to the government under the common forum of IBA and also take the legal recourse.

B. Litigation involving MIHL

Given the nature and extent of MIHL's operations, the outstanding litigations (except which are criminal in nature, actions by statutory or regulatory authorities, or litigation involving taxation matters) involving MIHL which exceeds 5% of the profit before tax of MIHL as per its financial statements for the financial year ended December 31, 2017, have been considered as material ("**MIHL Materiality Threshold**"). Accordingly, based on the MIHL Materiality Threshold, all the outstanding litigations involving MIHL wherein the aggregate amount involved exceeds USD 45,000,000 individually have been disclosed. In case of outstanding litigations (except which are criminal in nature, actions by statutory or regulatory authorities, or litigation involving taxation matters) wherein the monetary liability is not quantifiable, such litigations have been considered 'material' only in the event that the outcome of such litigations are likely to have a material adverse effect on the Company's operations and financial position.

Outstanding criminal litigation involving MIHL

Criminal proceedings against MIHL

There are no criminal proceedings against MIHL.

Criminal proceedings by MIHL

There are no criminal proceedings involving MIHL.

Outstanding civil litigation involving MIHL

Civil proceedings against MIHL

There are no civil proceedings against MIHL.

Civil proceedings by MIHL

There are no criminal proceedings initiated by MIHL.

Pending action by statutory or regulatory authorities against MIHL

There is no pending action by statutory or regulatory authorities against MIHL.

Tax proceedings involving MIHL

There are no tax proceedings involving MIHL.

C. Other material outstanding litigation involving our Promoters whose outcome could have an adverse effect on our Company

There are no other material outstanding litigation involving our Promoters whose outcome could have an adverse effect on our Company.

IV. PAST INQUIRIES, INVESTIGATIONS OR INSPECTIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of issue of the Draft Red Herring Prospectus in relation to us.

Material developments since the last balance sheet date

Except as stated in "***Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2018***" on page 340, no circumstances have arisen since March 31, 2018, the date of the last restated financial information disclosed in this Draft Red Herring Prospectus, which materially and adversely affect, or are likely to affect, when our operations or earnings taken as a whole, the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In the normal course of our business we are required to obtain various approvals from governmental and other authorities, from time to time. We have set out below an indicative list of material approvals obtained by our Company for the purposes of undertaking its business. In view of these approvals, our Company can undertake this Offer, and our Company can undertake its business activities.

We have also set out below details of material approvals (i) for which we have applied and are pending as of the date of this Draft Red Herring Prospectus; and (ii) which are required to be obtained by our Company and have not been applied for, or have expired as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework in India within which our Company operates, see "**Key *Regulations and Policies***" on page 178.

I. Incorporation Details of our Company

1. Certificate of incorporation dated April 11, 2001 issued by the RoC to our Company.

2. Fresh certificate of incorporation issued by the RoC to our Company pursuant to conversion into a public company dated January 9, 2008.

3. Fresh certificate of incorporation issued by the RoC to our Company pursuant to change of name dated January 22, 2013.

II. Approvals relating to the Offer

For details of corporate and other approvals in relation to the Offer, see "***Other Regulatory and Statutory Disclosures – Authority for the Offer - Corporate Approvals***" on page 403.

III. Material Regulatory Approvals in Relation to our Company's Business

1. The IRDAI originally granted a certificate of registration dated August 6, 2001, in form IRDAI/R3, allotting registration number 117 under the Insurance Act, 1938, pursuant to which our Company was registered to undertake the business of life insurance in India.

2. Our Company has obtained registrations in its normal course for its 109 branches across various states in India under the relevant state shops and establishment legislations and, except as set out below, no such registration is currently pending. For further details on number of our branches, see *"**Business**"* on page 140.

3. Our Company has 109 branches and has obtained necessary approvals from the IRDAI with respect to opening and closing of places of business within India where mandated by the IRDAI. For further details on the approvals in relation to our Company's branches, see "***Risk Factors – Our business could be adversely affected if we are unable to obtain regulatory approvals or licenses in the future, or maintain or renew our existing regulatory approvals or licenses*** " on page 34.

4. Registration certificate bearing number 46(12)/2009 –B3/C1 dated July 30, 2009 has been issued by the Ministry of Labour & Employment, Office of the Assistant Labour Commissioner (Central) and licensing Officer, Bangalore to our Company under the Contract Labour (Regulation and Abolition) Act, 1970 and the Central Rules, 1971.

IV. Product related approvals of our Company

The details of the approvals received from IRDAI for the products currently offered by us are provided below:

1. Approval to launch with modification 'Met Smart One' bearing UIN 117L068V02 dated September 2, 2013.

2. Approval to launch with modification 'Met Dhan Samriddhi' bearing UIN 117L074V02 dated September 2, 2013.

3. Approval to launch with modification 'Met Smart Child' bearing UIN 117L072V02 dated September 2, 2013.

4. Approval to launch with modification 'Met Smart Platinum' bearing UIN 117L066V02 dated September 2, 2013.

5. Approval to launch 'New Non-Linked Rider-Met Group Accidental Permanent and Partial Disability Plus' bearing UIN 117B017V01 dated December 9, 2013.

6. Approval to launch 'New Non-Linked Rider- Met Group Accidental Permanent and Total Disability Plus' bearing UIN 117B016V01 dated December 9, 2013.

7. Approval to launch 'New Non-Linked Rider-Met Group Serious Illness' bearing UIN 117B018V01 dated December 9, 2013.

8. Approval to launch 'New Non-Linked Rider-Met Group Accidental Death Benefit Plus' bearing UIN 117B019V01 dated December 11, 2013.

9. Approval to launch with modification 'Met Grameen Ashray' bearing UIN 117N063V02 dated January 28, 2014.

10. Approval to launch 'New Non-Linked Product-Met Retirement Savings Plan' bearing UIN 117N091V01 dated May 1, 2015.

11. Approval to modify 'PNB MetLife Mera Term Plan' bearing UIN 117N092V02 dated October 24, 2017.

12. Approval to launch 'New Non-Linked Rider-MetLife Accidental Disability Benefit Rider' bearing UIN 117B022V01 dated August 5, 2015.

13. Approval to launch 'New Non-Linked Rider- MetLife Critical Illness Rider' bearing UIN 117B023V01 dated August 5, 2015.

14. Approval to launch 'New One Year Renewable Group Insurance Product-MetLife Pradhan Mantri Jeevan Jyoti Bima Yojana Plan' bearing UIN 117G094V01 dated October 5, 2015.

15. Approval to launch 'New Linked Product MetLife Mera Wealth Plan' bearing UIN 117L098V01 dated April 29, 2016.

16. Approval to launch 'PNB MetLife Endowment Savings Plan Plus' bearing UIN 117N099V01 dated October 20, 2016.

17. Approval to launch 'PNB MetLife Mera Heart and Cancer Care' bearing UIN 117N100V01 dated December 28, 2016.

18. Approval to launch with modification 'Non-Linked PNB MetLife Serious Illness Rider' bearing UIN 117B021V02 dated February 6, 2017.

19. Approval to modify 'PNB MetLife Accidental Death Benefit Rider Plus' bearing UIN 117B020V02 dated February 6, 2017.

20. Approval to modify 'PNB MetLife Bachat Yojana' bearing UIN 117N088V03 dated February 6, 2017.

21. Approval to modify 'PNB MetLife Bhavishya Plus' bearing UIN 117N089V03 dated February 6, 2017.

22. Approval to modify 'PNB MetLife College Plan' bearing UIN 117N087V03 dated February 6, 2017.

23. Approval to modify 'PNB MetLife Family Income Protector Plus' bearing UIN 117N086V03 dated February 6, 2017.

24. Approval to launch with modification 'PNB MetLife Guaranteed Income Plan' bearing UIN 117N097V03 dated January 10, 2018.

25. Approval to modify 'PNB MetLife Guaranteed Savings Plan' bearing UIN 117N096V02 dated February 6, 2017.

26. Approval to modify 'PNB MetLife Money Back Plan' bearing UIN 117N081V03 dated February 6, 2017.

27. Approval to modify 'PNB MetLife Monthly Income Plan-10Pay' bearing UIN 117N082V03 dated February 6, 2017.

28. Approval to modify 'PNB MetLife Complete Care Plus' bearing UIN 117N093V03 dated April 1, 2017.

29. Approval to modify 'PNB MetLife Group Term Life Plus' bearing UIN 117N049V03 dated April 1, 2017.

30. Approval to modify 'PNB MetLife Superannuation' bearing UIN 117N078V02 dated April 1, 2017.

31. Approval to modify 'PNB MetLife Unit Linked Employee Benefits Plan' bearing UIN 117L084V03 dated April 1, 2017.

32. Approval to modify 'PNB MetLife Traditional Employee Benefits Plan' bearing UIN 117N085V02 dated April 1, 2017.

33. Approval to modify 'PNB MetLife Loan and Life Suraksha' bearing UIN 117N080V02 dated April 1, 2017.

34. Approval to launch 'New Non-Linked Product-PNB MetLife Mera Jeevan Suraksha Plan' bearing UIN 117N102V01 dated July 20, 2017.

35. Approval to launch with modification 'PNB MetLife Immediate Annuity Plan' bearing UIN 117N095V02 dated August 2, 2017.

36. Approval to launch 'PNB MetLife Income Protection Plan' bearing UIN 117N0103V01 dated November 3, 2017.

37. Approval to launch 'PNB MetLife Whole Life Wealth Plan' bearing UIN 117L118V01 dated March 7, 2018.

38. Approval to launch 'PNB MetLife Complete Loan Protection Plan' bearing UIN 117N104V01 dated March 21, 2018.

V. Branch related approvals of our Company

Our Company has 109 branches all over India, which have been approved by IRDAI.

VI. Material Approvals from Taxation Authorities

1. Our Company has obtained various tax related registrations and approvals including those relating to permanent account number, tax deduction account number, professional tax registrations (obtained state-wise, wherever applicable), service tax registration and goods and service tax registration.

2. Our Company has obtained registrations for our operations across India and registration of the principal place of business located at Office Unit No 101, 1st Floor, Techniplex-1, Techniplex Complex, Off. S. V. Road, Goregaon West, Mumbai City, Maharashtra as an Input Service Distributor (ISD) for the state of Maharashtra under the Central Goods and Service Tax Act, 2017.

VII. Intellectual Property

1. As on the date of this Draft Red Herring Prospectus, our Company has registered and holds no trademarks, granted by the Registrar of Trademarks under the Trademarks Act. Our Company has filed three applications for registration of its trademarks in various classes, which are currently pending before the office of the Registrar of Trademarks.

2. As on the date of this Draft Red Herring Prospectus, our Company does not have any registered copyrights under the Indian Copyright Act, 1957. Our Company has not filed any applications for registration of copyright under the Indian Copyright Act, 1957.

For details of the trademark licensing agreements in relation to the business and operations of our Company, see "***Business***" and "***History and Certain Corporate Matters - Material agreements***" on pages 140 and 197.

VIII. Material Approvals required for which no application has been made

Nil

IX. Material Approvals for which applications have been made but are currently pending grant:

S. No	Particulars	Date of application	Authority
1.	Other Service Provider registration with Department of Telecommunication	May 1, 2018	Department of Telecommunication in Mumbai, Bangalore and Srinagar.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board has authorized the Offer pursuant to a resolution dated October 10, 2017 and June 14, 2018.
- Our Board has taken on record the Offer for Sale by the Selling Shareholders by each of their letters dated July 26, 2018.
- Our Board and the IPO Committee has approved this Draft Red Herring Prospectus pursuant to its resolutions dated July 12, 2018 and July 26, 2018, respectively.

Approvals from the Selling Shareholders

The Selling Shareholders have specifically confirmed and approved the transfer of the Equity Shares pursuant to the Offer for Sale as set out below:

S. No.	Name of the Selling Shareholder	Date of Consent Letter	Number of Equity Shares offered for sale
1.	PNB#	July 26, 2018	80,495,242
2.	MIHL#	July 26, 2018	129,036,281
3.	MPCL	July 26, 2018	107,611,370
4.	EIL	July 26, 2018	76,659,064
5.	IGE	July 26, 2018	19,164,766
6.	Manimaya	July 26, 2018	6,289,461
7.	JKB	July 26, 2018	76,641,892

#PNB and MIHL are also the Promoters of the Company.

Each Selling Shareholder specifically confirms that, as required under Regulation 26(6) of the SEBI ICDR Regulations, it has held the Equity Shares proposed to be offered and sold by it in the Offer for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus and, to the extent that the Equity Shares being offered by such Selling Shareholders in the Offer have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus. Therefore, the Equity Shares offered by the Selling Shareholders in the Offer are eligible to be offered for sale in the Offer.

Regulatory Approval

Our Company received the in-principle approval dated July 19, 2018 from IRDAI to undertake a public offer in accordance with the provisions of the SEBI ICDR Regulations, under the provisions of the IRDAI Issuance of Capital Regulations. This approval is subject to the following conditions:

1. Revision of shareholders agreement and Articles of Association to give effect to changes in promoters and shareholding; – Complied with and noted for compliance.
2. Disclosures in the offer document shall be in compliance with the requirements indicated in the Schedule I in terms of 6(1)(iv) and 6(2) of IRDAI Issuance of Capital Regulations (over and above the disclosure requirements prescribed by SEBI); – Complied with and noted for compliance.
3. The Board of our Company shall be responsible to ensure the Indian ownership and control criteria is complied with at all times as prescribed under the IRDAI O&C Guidelines. – Complied with and noted for compliance.

The final approval from IRDAI to undertake a public offer shall be subject to the submission of the above to the satisfaction of the IRDAI.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or Governmental Authorities

None of our Company, our Promoters, our Promoter Group, our Directors or persons in control of our Company are or have ever been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authorities. Neither our Promoters, nor any of our Directors or persons in control of our Company were or are a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI or any other governmental authorities. Further, except as disclosed in "***Outstanding Litigation and Material Developments – Litigation involving PNB***" on page 390, there have been no violations of securities laws committed by any of them in the past or are currently pending against them and if there were prosecutions filed (whether pending or not).

Each Selling Shareholder, severally and not jointly, specifically confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, each Selling Shareholder, severally and not jointly, specifically confirms that it has not been declared as a wilful defaulter, as defined under the guidelines issued by the RBI. There are no violations of securities laws committed by each of the Selling Shareholders in the past or are currently pending against any of them.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India or abroad.

Except as disclosed in "***Management - Directorships of Directors in listed companies***" on page 212, none of our Directors is in any manner associated with the securities market, including securities market related business. As on the date of this Draft Red Herring Prospectus, no action has been taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

Neither our Company, nor our Promoters, nor any member of our Promoter Group, nor our Directors are or have been declared as wilful defaulters, as defined by the SEBI ICDR Regulations.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations as described below:

"*An issuer may make an initial public offer, if:*

(a) it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:

Provided that if more than fifty percent of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

Provided further that the limit of fifty percent on monetary assets shall not be applicable in case the public offer is made entirely through an offer for sale.

(b) it has a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated basis, during the three most profitable years out of the immediately preceding five years.

(c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);

(d) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of the issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;

(e) if it has changed its name within the last one year, at least fifty percent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name."

Set forth below are the net tangible assets, monetary assets and net worth, derived from our Restated Financial Statements as of and for the years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 included in this Draft Red Herring Prospectus.

(*₹ in million except as indicated*)

Particulars	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net worth[1]	6,998.94	7,624.12	8,301.23	9,338.32	10,752.24
Net tangible assets[2]	109,521.38	127,122.81	133,865.39	153,781.84	174,756.77
Monetary assets[3]	N.A.	N.A.	N.A.	N.A.	N.A

Notes:

(1) 'Net worth' has been defined as the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of the miscellaneous expenditure (to the extent written-off) and debit balance of the profit and loss Account as per Restated Financial Statements.

(2) Net tangible assets' refers to the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India. Policyholders' reserve has not been considered for arriving at net tangible assets.

(3) Monetary assets include cash in hand and bank balances in current accounts.

Our average pre-tax operating profit calculated on a restated basis, during the three most profitable years being years ended on 2018, 2017 and 2014 out of the immediately preceding five years is ₹ 1,400.33 million.

Hence, we are eligible for the Offer as per Regulation 26(1) of the SEBI ICDR Regulations.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, otherwise, the entire application money will be refunded forthwith. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from investors, failing which interest shall be due to be paid to the applicants at the specified interest rate for the delayed period.

All expenses in relation to the Offer, other than the listing fees which shall be borne by the Company, shall be shared among the Selling Shareholders in accordance with Applicable Law. The Shareable Expenses shall be reimbursed to the Company from the proceeds of the Offer upon successful completion of the Offer. In the event the Offer is withdrawn or not completed for any reason whatsoever, all the expenses relating to the Offer shall be borne by the Company. Notwithstanding the foregoing, it is hereby clarified that PNB's portion of the shareable expenses will be pro rata to the proportion of the Offered Shares sold by it, in the Offer for Sale.

Our Company is in compliance with conditions specified in Regulations 4(2) and 4(5)(a) of the SEBI ICDR Regulations to the extent applicable.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO THE SECURITIES EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND PNB INVESTMENT SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDERS ARE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKINGS MADE BY THEM IN THE DRAFT RED HERRING

PROSPECTUS IN RELATION TO THEMSELVES AND THE RESPECTIVE PORTION OF EQUITY SHARES BEING OFFERED BY THEM IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND PNB INVESTMENT SERVICES LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 26, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER; - <u>COMPLIED TO THE EXTENT APPLICABLE</u>**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:**

   A. **THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS ETC., FRAMED/OFFERED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   C. **THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND UNTIL DATE SUCH REGISTRATIONS ARE VALID <u>- COMPLIED WITH AND NOTED FOR COMPLIANCE;</u>**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>;**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS <u>– COMPLIED WITH</u>;**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS – COMPLIED WITH AND NOTED FOR COMPLIANCE;**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT JOINT STATUTORY AUDITORS CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – NOT APPLICABLE;**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY – NOT APPLICABLE**

AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH;

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013, AS NOTIFIED;**

10. **WE CERTIFY THAT DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY;**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

- **a.** **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER - NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - COMPLIED WITH TO THE EXTENT APPLICABLE;**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY - COMPLIED WITH;**

16. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST OFFERS HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR - COMPLIED WITH;**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT RED HERRING PROSPECTUS AND AS CERTIFIED BY THE JOINT STATUTORY AUDITORS OF OUR COMPANY, K. S. AIYAR & CO., CHARTERED ACCOUNTANTS AND THAKUR, VAIDYANATH AIYAR & CO., CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED JULY 26, 2018;**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.**

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company, the Selling Shareholders and any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in this Draft Red Herring Prospectus and Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Price Information of past issues handled by the Book Running Lead Managers

Kotak Mahindra Capital Company Limited

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Kotak Mahindra Capital Company Limited.*

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing date	Opening Price on Listing Date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Varroc Engineering Limited(1)	19549.61	967	6-Jul-18	1,015.00	-	-	-
2.	IndoStar Capital Finance Limited	18440.00	572	21-May-18	600.00	-0.96%[+1.84%]	-	-
3.	Lemon Tree Hotels Limited	10386.85	56	9-Apr-18	61.60	+30.18%[+3.26%]	+29.91%[+3.79%]	-
4.	Bandhan Bank Limited	44730.19	375	27-Mar-18	499.00	+31.81%[+3.79%]	+42.96[+6.26%]	-
5.	Aster DM Healthcare Limited	9801.36	190	26-Feb-18	183.00	-13.66% [-3.77%]	-4.97%[+0.21%]	-
6.	The New India Assurance Company Limited(2)	95858.22	800	13-Nov-17	750.00	-27.91% [+0.15%]	-12.93%[+2.25%]	-13.06%[+5.69%]
7.	Mahindra Logistics Limited(3)	8288.84	429	10-Nov-17	429.00	+3.12% [-0.54%]	+9.48%[+1.50%]	+21.00%[+3.84%]
8.	General Insurance Corporation of India(4)	112568.31	912	25-Oct-17	850.00	-12.92% [+0.52%]	-13.95%[+6.52%]	-20.78%[+2.61%]
9.	Indian Energy Exchange Limited	10007.26	1650	23-Oct-17	1,500.00	-8.15% [+1.39%]	-1.77%[+6.97%]	-0.71%[+3.72%]
10.	Godrej Agrovet Limited	11573.12	460	16-Oct-17	615.60	+14.96%[-0.43%]	+34.95%[+4.40%]	+51.09%[+2.44%]

Source: www.nseindia.com

Notes:
1. *In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.*
2. *In The New India Assurance Company Limited, the issue price to retail individual bidders and employees was ₹ 770 per equity share after a discount of ₹ 30 per equity share.*
3. *In Mahindra Logistics Limited, the issue price to employees was ₹ 387 per equity share after a discount of ₹ 42 per equity share. The Anchor Investor Issue price was ₹ 429 per equity share.*
4. *In General Insurance Corporation of India, the issue price to retail individual bidders and employees was ₹ 867 per equity share after a discount of ₹ 45 per equity share.*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Nifty is considered as the benchmark index.*
8. *Restricted to last 10 issues.*

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Kotak Mahindra Capital Company Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	3	48376.46	-	-	1	-	1	-	-	-	-	-	-	-
2017-2018	9	384510.39	-	1	5	-	1	2	-	-	4	1	1	1
2016-2017	11	135676.30	-	-	4	2	1	4	-	1	2	5	2	1

Notes:
1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

DSP Merrill Lynch Limited

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by DSP Merrill Lynch Limited.*

S. No.	Offer name	Offer size (₹ million)	Offer price (₹)	Listing date	Opening price on listing date (in ₹)[(2)]	+/- % change in closing price, [+/- % change in closing benchmark]- 30th Calendar days from listing[(3)(4)(5)]	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar days from listing [(3)(4)(6)]	+/- % change in closing price, [+/ % change in closing benchmark]- 180th Calendar days from listing [(3)(4)(7)]
1.	*ICICI Securities Limited[(8)]*	*34,801.16*	*520.00*	*4-Apr-18*	*435.00*	*-27.93% [+5.44%]*	*-37.26% [+5.22%]*	*NA*
2.	*ICICI Lombard General Insurance Company Limited*	*57,009.39*	*661.00*	*27-Sep-17*	*651.10*	*+3.62% [+6.25%]*	*+18.97% [8.17%]*	*+15.36% [4.06%]*
3.	*PNB Housing Finance Limited [(1)]*	*30,000.00*	*775.00*	*7-Nov-16*	*860.00*	*+11.70% [-4.16%]*	*+26.92% [3.58%]*	*+70.50% [9.28%]*
4.	*ICICI Prudential Life Insurance Company Limited*	*60,567.91*	*334.00*	*29-Sep-16*	*330.00*	*-7.60% [+0.54%]*	*-11.54% [-6.50%]*	*+12.31% [5.28%]*
5.	*L&T Technology Services Limited*	*8,944.00*	*860.00*	*23-Sep-16*	*920.00*	*-1.09% [-1.39%]*	*-8.54% [-8.72%]*	*-9.55% [3.28%]*

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

1) In PNB Housing Finance Limited, price for eligible employees was ₹ 700 per equity share
2) Opening price information as disclosed on the website of NSE.
3) Benchmark index is CNX Nifty
4) In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered
5) 30th listing day has been taken as listing date plus 29 calendar days.
6) 90th listing day has been taken as listing date plus 89 calendar days.
7) 180th listing day has been taken as listing date plus 179 calendar days
8) Calculated offer size based on final allotment after technical rejections which is 66,925,305 Equity Shares

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by DSP Merrill Lynch Limited.*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-2019	1	34,801.16	-	1	-	-	-	-	-	-	-	-	-	-
2017-2018	1	57,009.39	-	-	-	-	-	1	-	-	-	-	-	1
2016-2017	3	99,511.91	-	-	2	-	-	1	-	-	1	1	-	1

Source: www.nseindia.com

1. Based on the day of listing

Citigroup Global Markets India Private Limited

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Citigroup Global Markets India Private Limited*

S. No.	Offer name	Offer size (₹ million)	Offer price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th Calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th Calendar days from listing
1.	Varroc Engineering Limited	19,551.8	967.00	July 6, 2018	1,015.00	NA	NA	NA
2.	ICICI Securities Limited	35,148.5	520.00	April 4, 2018	435.00	(-)27.93% [+5.44%]	(-)38.63% [+5.64%]	NA

S. No.	Offer name	Offer size (₹ million)	Offer price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th Calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th Calendar days from listing
3.	General Insurance Corporation of India	112,568.3	912.00	October 25, 2017	850.00	(-)12.92% [+0.52%]	(-)13.95% [+6.52%]	(-)20.78% [+2.61%]
4.	SBI Life Insurance Company Limited	83,887.3	700.00	October 3, 2017	735.00	(-)7.56% [+5.89%]	(-)0.66% [+6.81%]	(-)3.11% [2.58%]
5.	AU Small Finance Bank Limited	19,125.1	358.00	July 10, 2017	530.00	+58.76% [+2.12%]	+71.80% [+2.14%]	+95.38% [+8.06%]
6.	Eris Lifesciences Limited	17,404.9	603.00	June 29, 2017	611.00	+0.87% [+5.37%]	(-)5.69% [+3.87%]	+27.19% [+10.40%]
7.	Tejas Networks Limited	7,766.9	257.00	June 27, 2017	257.00	+28.04% [+5.35%]	+23.27% [+4.76%]	+51.65% [+10.32%]
8.	India Grid Trust	22,499.6	100.00	June 6, 2017	99.70	(-)7.66% [+0.00%]	(-)3.50% [+3.50%]	(-)5.15% [+5.03%]
9.	Laurus Labs Limited	13,305.1	428.00	December 19, 2016	489.90	+11.44% [+3.62%]	+23.97% [+13.03%]	+41.43% [+18.31%]
10	Endurance Technologies Limited	11,617.4	472.00	October 19, 2016	572.00	+16.06% [(-)6.69%]	+23.78% [(-)2.84%]	+76.32% [+5.68%]

Source: www.nseindia.com

Notes:

1. *Nifty is considered as the benchmark index.*
2. *In case 30th/ 90th/180th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered.*
3. *Since the listing date of ICICI Securities Limited was April 4, 2018, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.*
4. *Since the listing date of Varroc Engineering Limited was July 6, 2018, information relating to closing prices and benchmark index as on 30th / 90th / 180th calendar day from listing date is not available.*

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by Citigroup Global Markets India Private Limited*

Financial year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	2	54,700.3	-	1	-	-	-	-	-	-	-	-	-	-
2017-18	6	263,252.1	-	-	3	1	1	1	-	-	3	2	1	-
2016-17	5	59,804.8	-	-	1	-	1	3	-	-	1	3	1	-

Notes:

1. *Since the listing date of ICICI Securities Limited was April 4, 2018, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.*
2. *Since the listing date of Varroc Engineering Limited was July 6, 2018, information relating to closing prices and benchmark index as on 30th / 180th calendar day from listing date is not available.*

PNB Investment Services Limited

1. *Price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by PNB Investment Services Limited.*

S. No.	Offer name	Offer size (₹ million)	Offer price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th Calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th Calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th Calendar days from listing
1.	Dilip Buildcon Limited	6,539.77	219.00	August 11, 2016	240.00	-8.56%, [+3.20%]	-11.68%, [-0.57%]	+6.24%, [+2.43%]
2.	GNA Axles Limited	1,304.10	207.00	September 26, 2016	252.00	+1.55%, [-0.6%]	-26.69%, [-9.34%]	-21.12%, [+4.41%]

Source: www.nseindia.com
Notes:
a) *The CNX NIFTY is considered as the Benchmark Index.*
b) *Price on NSE is considered for all of the above calculations.*
c) *In case 30th, 90th and 180th is not a trading day, closing price on NSE on the next trading day has been considered.*
d) *Since 30 calendar days, 90 calendar days, 180 calendar days, as applicable, from listing date as not elapsed for few of the above issues, data for the same is not available.*

2. *Summary statement of price information of past issues (during the current financial year and two financial years preceding the current financial year) handled by PNB Investment Services Limited*

Financial year	Total no. of IPOs	Total funds raised (₹ in Million)	Nos. of IPOs trading at discount – 30th calendar day from listing			Nos. of IPOs trading at premium – 30th calendar day from listing			Nos. of IPOs trading at discount – 180th calendar day from listing			Nos. of IPOs trading at premium – 180th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-19*	NA	NA												
2017-18	NA	NA												
2016-17	2	7,843.87	-	-	1	-	-	1	-	-	1	-	-	1

Source: www.nseindia.com
**The information is as on date of the document*
The information for each of the financial years is based on issues listed during such financial years

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the Book Running Lead Managers mentioned below.

Book Running Lead Managers	Website
Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
DSP Merrill Lynch Limited	www.ml-india.com
Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/
PNB Investment Services Limited	www.pnbisl.com

Caution – Disclaimer from our Company, our Directors, the Selling Shareholders and the Book Running Lead Managers

Our Company, our Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.pnbmetlife.com, or any website of our Promoters or any of the members of our Promoter Group or any affiliate of our Company or the Selling Shareholders, would be doing so at his or her own risk. Each of the Selling Shareholders and its affiliates accept no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to the Company or its business, other than those made by the such respective Selling Shareholders, and only in relation to it and/or to the Equity Shares offered through the Offer for Sale.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement entered into among the Book Running Lead Managers the Selling Shareholders and our Company dated July 26, 2018, and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders, the Book Running Lead Managers to the Investors and public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, the Selling Shareholders to the extent that such information pertains to such Selling Shareholder and the Equity Shares offered by it by way of the Offer, nor any member of the Syndicate shall be liable to the Investors for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

The Book Running Lead Managers and their respective associates may engage in transactions with, and perform services for our Company, the Selling Shareholders and our respective affiliates or associates in the ordinary course of business, and have engaged, or may in the future engage in underwriting, commercial banking and investment banking transactions with our Company or the Selling Shareholders or their respective affiliates or associates for which they have received, and may in future receive compensation.

Investors that bid in the Offer will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are eligible to contract under the Indian Contract Act, 1872, as amended, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares, Mutual Funds registered with the SEBI, Indian financial institutions multilateral and bilateral development institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), systemically important NBFCs, state industrial corporations or trusts under the applicable trust laws, and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, venture capital funds, permitted insurance companies registered with the IRDAI, provident funds (subject to applicable laws), insurance funds set up and managed by the army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and pension funds and, to permitted non-residents including Eligible NRIs, Alternative Investment Funds ("**AIFs**"), Foreign Portfolio Investors registered with SEBI ("**FPIs**") and QIBs.

This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Important Information for Investors – Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from,

or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Investors are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

DISCLAIMER CLAUSE OF IRDAI

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA DOES NOT UNDERTAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF OUR COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS CONNECTION.

ANY APPROVAL BY IRDAI UNDER THE IRDAI ISSUANCE OF CAPITAL REGULATIONS SHALL NOT IN ANY MANNER BE DEEMED TO BE OR SERVE AS A VALIDATION OF THE REPRESENTATIONS BY THE COMPANY IN THIS DRAFT RED HERRING PROSPECTUS.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act, 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration to the RoC situated at the address mentioned below.

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sadan
Kormangala, Bengaluru
Karnataka, India

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The initial listing application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company and the Selling Shareholders shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. If such monies are not repaid within the prescribed time after our Company and the Selling Shareholders become liable to repay it, then our Company and every officer in default shall be liable to co-pay the money with interest as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Investors, failing which interest shall be due to be paid to the Investors at the specified interest rate of 15% per annum for the delayed period.

The Selling Shareholders undertake to provide such reasonable assistance as may be required by our Company, the Managersor under Applicable Law to the extent such assistance is in relation to its Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.

Subject to Applicable Law, a Selling Shareholder shall not be responsible to pay interest for any such delay, except to the extent such delay has been caused solely and directly by an act or omission attributable to such Selling Shareholder.

Impersonation

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of (a) each of the Selling Shareholders, our Directors, the Chief Financial Officer, the Company Secretary and Compliance Officer, the Joint Statutory Auditors, the legal counsels, the Bankers to our Company, CRISIL for including their report titled 'CRISIL Research - Analysis of life insurance industry in India' dated July 10, 2018, the Book Running Lead Managers and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/ Escrow Collection Bank, Refund Bank and the Public Offer Account Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 and 32 of the Companies Act, 2013. Further, such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus with the RoC.

Our Company has received written consent from the Joint Statutory Auditors, K. S. Aiyar & Co. and Thakur, Vaidyanath Aiyar & Co., to include their names as an expert as defined under Section 2(38) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Joint Statutory Auditors dated July 26, 2018, on the Restated Financial Statements of our Company, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has received written consent dated July 26, 2018 from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, to include his name as required as an "expert" as defined under section

2(38) of the Companies Act, 2013 in respect of the embedded value report dated July 4, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Expert Opinion

Our Company has received written consent from the Joint Statutory Auditors, K. S. Aiyar & Co. and Thakur, Vaidyanath Aiyar & Co., to include their names as experts under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the reports of the Joint Statutory Auditors dated July 26, 2018, on the Restated Financial Statements of our Company, and the Statement of Tax Benefits dated July 12, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Our Company has obtained an embedded value report dated July 4, 2018, from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, in accordance with the IRDAI Issuance of Capital Regulations. Our Company has received a written consent dated July 26, 2018 from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, to include his name as required as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the embedded value report dated July 4, 2018 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Except as stated hereinabove, our Company has not obtained any expert opinion.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions and processing fees, brokerage fees and bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, book-building fees and listing fees. For further details of Offer expenses, see "***Objects of the Offer***" on page 93.

All expenses in relation to the Offer, other than the listing fees which shall be borne by the Company, shall be shared among the Selling Shareholders in accordance with Applicable Law. The Shareable Expenses shall be reimbursed to the Company from the proceeds of the Offer upon successful completion of the Offer. In the event the Offer is withdrawn or not completed for any reason whatsoever, all the expenses relating to the Offer shall be borne by the Company. Notwithstanding the foregoing, it is hereby clarified that PNB's portion of the shareable expenses will be pro rata to the proportion of the Offered Shares sold by it, in the Offer for Sale.

Fees, Brokerage and Selling Commission

The total fees payable to the Book Running Lead Managers and Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the engagement letter, and the Syndicate Agreement to be executed among our Company, the Selling Shareholders and the members of the Syndicate, copies of which shall be available for inspection at our Registered Office and our Corporate Office, from 10.00 a.m. to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date. For further details, see "***Objects of the Offer***" on page 93.

Credit Rating:

As this is an Offer of Equity Shares, there is no credit rating of the Offer.

IPO Grading

No credit rating agency registered with SEBI has been appointed in respect of obtaining grading of the Offer.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the agreement dated July 26, 2018 signed by and among our Company, the Selling Shareholders and the Registrar to the Offer, a copy of which shall be made available for inspection at our Registered Office.

Particulars regarding Public or Rights Offers during the Last Five Years

Other than as disclosed in "***Capital Structure***" on page 81, there have been no public issues, including any rights issues to the public undertaken by our Company during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission or Brokerage on Previous Offers

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous Offers Otherwise than for Cash

Except as disclosed in "***Capital Structure***" on page 81, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital Offers in the Preceding Three Years

Our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis Objects

Except as disclosed in "***Capital Structure***" on page 81, our Company has not undertaken any public, including any rights issues to the public in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Performance vis- à-vis Objects: Last issue of listed Group Companies

We do not have any group companies.

Outstanding Debentures, Bonds or Redeemable Preference Shares or other instruments issued by our Company

Other than employee stock options issued under the ESOP Scheme 2017, our Company does not have any outstanding debentures, bonds or redeemable preference shares, as on the date of this Draft Red Herring Prospectus.

Partly Paid-Up Shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The agreement dated July 26, 2018 between the Registrar to the Offer, the Selling Shareholders and our Company, provides for retention of records with the Registrar to the Offer for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period prescribed under applicable law, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the Book Running Lead Managers for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Investor, Bid cum Application Form number, Investors' DP ID, Client ID, PAN, address of the Investor, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Investor shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Investor, Bid cum Application Form number, Investors DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Investor, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company, Book Running Lead Managers and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Yagya Turker, Company Secretary, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Yagya Turker
PNB MetLife India Insurance Company Limited
1st Floor, Techniplex -1, Techniplex Complex
Off Veer Savarkar Flyover
Goregaon (West), Mumbai 400 062
Tel: (+91) 22 4179 0000
Fax: (+91) 22 4179 0203
E-mail: investor@pnbmetlife.com

The Selling Shareholders have authorized the Compliance Officer for the Offer and the Registrar to the Offer to redress any complaints received from Investors in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders Relationship Committee comprising our Directors, Ms. Sonu Bhasin, Ms. Anisha Motwani and Mr. Ashish Kumar Srivastava, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "***Management***" on page 202.

Investor grievance mechanism and investor complaints for the listed companies (whose equity shares are listed on stock exchanges) under the same management within the meaning of section 370 (1B) of the Companies Act 1956

PNB, one of our Promoters, has arrangements and mechanism in place for redressal of investor grievances. As on date of this draft red herring prospectus, there are no investor complaints pending with respect to PNB.

Changes in Auditors

Except as described below, there has been no change in our statutory auditors during the three years immediately preceding this Draft Red Herring Prospectus.

Name of Auditor	Date of Change	Reason
M. P. Chitale & Co.	August 6, 2015	Resignation
Thakur, Vaidyanath Aiyar & Co.	May 2, 2015	Appointment
Fraser & Ross	August 6, 2016	Resignation
Kalyaniwalla & Mistry LLP	August 6, 2016	Appointment
Kalyaniwalla & Mistry LLP	July 4, 2017	Resignation
K. S. Aiyar & Co.	August 10, 2017	Appointment

Capitalization of Reserves or Profits

Except as disclosed in "***Capital Structure***" in page 81, our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

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SECTION VIII – OFFER RELATED INFORMATION

OFFER STRUCTURE

The Offer is of up to 495,898,076 Equity Shares of face value of ₹ 10 each, at an Offer Price of ₹ [●] per Equity Share for cash, aggregating up to ₹ [●] million by way of an Offer for Sale by the Selling Shareholders. In terms of Rule 19(2)(b) of the SCRR, the Offer will constitute at least 10% of the post-Offer paid up Equity Share capital of our Company.

The Offer is being made through Book Building Process.

	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation[2]	Not more than 247,949,037 Equity Shares	Not less than 74,384,712 Equity Shares or the Offer less allocation to QIB Investors and Retail Individual Investors shall be available for allocation	Not less than 173,564,327 Equity Shares or the Offer less allocation to QIB Investors and Non Institutional Investors shall be available for allocation
Percentage of Offer size available for allocation	Not more than 50% of the Offer size. However 5% of the QIB Portion, net of the Anchor Investor Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB portion will also be eligible for allocation in the QIB category. Unsubscribed portion in the Mutual Fund Portion will be added to the QIB portion (other than the Anchor Investor Portion).	Not less than 15% of the Offer or Offer less allocation to QIB Investors and Retail Individual Investors	Not less than 35% of the Offer or Offer less allocation to QIB Investors and Non Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) At least 4,958,981 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 94,220,634 Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. Up to 148,769,422 Equity shares have been allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to maximum Bid Lot. For details see, "***Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIIs***" on page 465.
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size Offer subject to applicable limits to the Investor	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer subject to applicable limits to the Investor	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter		
Trading Lot	One Equity Share		
Who can Apply [4]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance companies registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial company having a net-worth of more than five hundred crore rupees as per the last audited financial statements.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors registered with SEBI, which are foreign corporate or foreign individuals.	Resident Indian Individuals, Eligible NRIs, HUF (in the name of *Karta*).
Terms of Payment	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids. ***In case of all other Investors:*** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Investor that is specified in the ASBA Form at the time of submission of the ASBA Form.[5]		

(1) *Our IPO Committee may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "**Offer Procedure**" on page 430.*

(2) *Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 26(1) of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our IPO Committee, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Investors (other than Anchor Investors) including Mutual Funds, subject*

to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Category or the Retail Category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our IPO Committee, in consultation with the Book Running Lead Managers and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from other categories or a combination of categories. The Offer shall constitute at least 10% of the fully diluted post-Offer paid up equity share capital of our Company. In the event of under-subscription in the Offer, and in compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Offer from the valid Bids.

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Investor whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Investor would be required in the Bid cum Application Form and such first Investor would be deemed to have signed on behalf of the joint holders.*

(5) *In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the Pay-In-Date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them. For details of terms of payment applicable to Anchor Investors, see "**Offer Procedure – Allotment Procedure and Basis of Allotment**" on page 465.*

Investors will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The Insurance Act prohibits any transfer of Equity Shares in the event the total paid-up share capital held by the transferee is likely to exceed 5% of the paid-up share capital after the transfer, unless a prior approval has been obtained by the insurer from the IRDAI in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder, in the event the total post-Offer share capital held by such Bidder is likely to exceed 5% of the paid-up share capital of our Company after Allotment without such approval.

Additionally, the IRDAI, on August 5, 2016, has issued the Listed Insurance Company Guidelines, which are applicable to insurance companies whose equity shares are listed on stock exchanges, and to the process of allotment of equity shares pursuant to a public issue. The Listed Insurance Company Guidelines propose, inter alia, filing of self-certification of 'fit and proper' criteria with the insurer by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid-up share capital of the insurer, which shall be considered a deemed approval of the IRDAI. However, if the person intends to acquire equity shares of the insurer such that the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, would increase to 5% or more of the paid-up share capital of the insurer or the total voting rights thereof, such acquisition would require prior approval of the IRDAI. If such prior approval has already been obtained from the IRDAI by any person, subsequent acquisitions of equity shares of the concerned insurer resulting in aggregate holding of up to 10% of the paid-up share capital or voting rights of the insurer by such person together with persons acting in concert, would not require prior approval of the IRDAI. However, where such additional acquisition of equity shares results in the aggregate holding by such person along with persons acting in concert exceeding 10% of the paid-up share capital or voting rights of the concerned insurer, fresh prior approval of the IRDAI shall be required.

Withdrawal of the Offer

Our IPO Committee, in consultation with the Book Running Lead Managers, reserve the right to not proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If our IPO Committee withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly. If the Offer is withdrawn after the Designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

If our IPO Committee, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

Bid/ Offer Programme

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centers, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date for non-QIBs), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the Book Running Lead Managers to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Investors are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholders and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letters dated July 3, 2006 and July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our IPO Committee, in consultation with the Book Running Lead Managers, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the Book Running Lead Managers and terminals of the Syndicate Members. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Investor, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned Ministry/Department of Government and the RBI. Foreign investment in the insurance sector is also regulated by the Insurance Act, the IRDAI Act and the rules and regulations made thereunder and such laws are implemented by the IRDAI.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (the "**DIPP**").

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. DIPP, issued the Consolidated FDI Policy Circular of 2017 (the "**FDI Policy**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The FDI policy incorporates the changes made in the past year, including liberalisation of sectors such as construction, defence, broadcasting, Single Brand Retail Trading and LLPs. Additionally, pursuant to the FDI Policy, the sectoral cap for foreign investment in an insurance company is 49%. Further, the FDI Policy allows foreign investment (including by FPIs) of up to 49% under the automatic route subject to verification by the IRDAI.

The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until an updated circular is issued by the DIPP.

Further, the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000, provides for calculation of shareholding of foreign investors in an insurer to be the aggregate of the quantum of paid up equity share capital held by the foreign investors (including foreign venture capital investors) in the insurer and the proportion of the paid up equity share capital held or controlled by such foreign investor(s) either by itself or through its subsidiary companies in the Indian promoter(s) or Indian investor(s) of the insurer, unless the Indian promoter or investor is: (1) a banking company other than foreign bank (or a branch of a foreign bank functioning in India) or a public financial institution: (2) a promoter /Investor of a listed Indian insurer where such promoter/investor is regulated by RBI, SEBI and/or National Housing Board.

Additionally, the foreign investment rules also permit total foreign investment up to 49% of the paid up equity capital of Indian insurance companies, under the automatic route while ensuring that its ownership and control remains at all times in the hands of resident Indian entities as determined by Department of Financial Services, Government of India and the IRDAI. On March 30, 2016, the FEMA Regulations were also amended to reflect this change.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the concerned Ministry/Department of Government or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and the RBI.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to Section 4(a)(2) of the U.S. Securities Act or another available exemption from registration under the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdictions, except in compliance with the applicable laws of such jurisdictions.

The above information is given for the benefit of the Bidders / Applicants. Our Company, the Selling Shareholders, the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders / Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, 2013, the Insurance Act, the IRDAI Act and the rules and regulations made thereunder, including the IRDAI Issuance of Capital Regulations, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI, the IRDAI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

Offer for sale

All expenses in relation to the Offer, other than the listing fees which shall be borne by the Company, shall be shared among the Selling Shareholders in accordance with Applicable Law. The Shareable Expenses shall be reimbursed to the Company from the proceeds of the Offer upon successful completion of the Offer. In the event the Offer is withdrawn or not completed for any reason whatsoever, all the expenses relating to the Offer shall be borne by the Company. Notwithstanding the foregoing, it is hereby clarified that PNB's portion of the shareable expenses will be pro rata to the proportion of the Offered Shares sold by it, in the Offer for Sale.

Ranking of Equity Shares

The Equity Shares being offered and allotted in the Offer will be subject to the provisions of the Companies Act, 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see "***Dividend Policy***" and "***Main Provisions of the Articles of Association***" on pages 244 and 476, respectively.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, 2013, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment in this Offer, will be received by the Allottees, in accordance with applicable law. For more information, see "***Dividend Policy***" and "***Main Provisions of our Articles of Association***" on pages 244 and 476, respectively.

Section 49 of the Insurance Act states that an insurer for the purpose of declaring and paying any dividend to shareholders is prohibited from utilising directly or indirectly any portion of the life insurance fund or any other such equivalent fund, apart from the surplus as represented in the valuation balance sheet submitted to the IRDAI as part of the actuarial abstract. For more details, see "***Key Regulations and Policies***" on page 178.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10, the Offer Price is ₹ [●] per Equity Share and the Anchor Investor Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] and the Price Band is ₹ [●] - ₹ [●].

The Price Band and the Minimum Bid Lot will be decided by our IPO Committee, in consultation with the Book Running Lead Managers and published at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper, and [●] editions of [●] (a widely circulated Kannada regional daily newspaper, Kannada being the regional language in the place where our Registered Office is located**)**, and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the respective websites of the Stock Exchanges.

At any given point of time there will be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI and the IRDAI from time to time.

Rights of the Equity Shareholders

Subject to applicable law and our Articles of Association, the Equity Shareholders will have the following rights:

- right to receive dividend, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting;
- right to receive offers for rights shares and be allotted bonus shares, if announced;
- right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law including any rules and regulations prescribed by the IRDAI or the RBI; and
- such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013 the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

In accordance with section 11(2) of the Insurance Act, every insurer shall keep separate accounts relating to funds of shareholders and policy-holders and hence the funds attributed to policy-holders cannot be utilised by shareholders. Further, in accordance with Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, the claims of preference shareholders and equity shareholders shall be subordinate to the interests of the policyholders, subordinated debt holders and all other creditors.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "***Main Provisions of the Articles of Association***" on page 476.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013, the Equity Shares will be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of one Equity Share. For the method of Basis of Allotment, see "***Offer Procedure***" on page 430.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination Facility

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first Investor, with other joint Investors, may nominate any one person in whom, in the event of the death of sole Investor or in case of joint Investors, death of all the Investors, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, as amended, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Investor will prevail. If Investors want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	
FINALIZATION OF BASIS OF ALLOTMENT	[●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS	[●]
COMMENCEMENT OF TRADING	[●]

** Our IPO Committee, in consultation with the Book Running Lead Managers may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

*** Our IPO Committee, may in consultation with the Book Running Lead Managers, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

This timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date, the timetable may be subject to change for various reasons, including extension of Bid/Offer period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading in the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Selling Shareholders undertake to provide such reasonable assistance as may be required by our Company, the Managersor under Applicable Law to the extent such assistance is in relation to its Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges.

Subject to Applicable Law, a Selling Shareholder shall not be responsible to pay interest for any such delay, except to the extent such delay has been caused solely and directly by an act or omission attributable to such Selling Shareholder.

Minimum Subscription

The requirement for minimum subscription is not applicable to the Offer for Sale in accordance with SEBI ICDR Regulations.

Pursuant to Regulation 26(4) of the SEBI ICDR Regulations, our Company will ensure that the number of Investors to whom the Equity Shares are Allotted in the Offer will be not less than 1,000. In the event our Company does not make the minimum Allotment specified under terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the applicable law.

All refunds made, interest borne and expenses incurred (with regard to payment of refunds) by the Company on behalf of any of the Selling Shareholders will be adjusted or reimbursed by such Selling Shareholder to the Company as agreed among the Company and the Selling Shareholders in writing, in accordance with Applicable Law. For the avoidance of doubt, no liability to make any payment of interest shall accrue to any Selling Shareholder unless any delay in obtaining listing and/or trading approvals or any other approvals in relation to the Offer is caused by such Selling Shareholder.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on Transfer of Shares

Except for lock-in of pre-Offer equity shareholding, Minimum Promoters' Contribution and Anchor Investor lock-in in the Offer, as detailed in *"**Capital Structure**"* on page 81 and except as provided in the Insurance Act, the IRDAI Transfer of Equity Shares Regulations and the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, as provided in our Articles as detailed in "***Main Provisions of the Articles of Association***" on page 476, there are no restrictions on transfers and transmission of shares and on their consolidation/splitting.

The Insurance Act requires prior approval from the IRDAI where the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of the group, or body corporate under the same management, jointly or severally exceeds 1% of the paid-up share capital of an insurance company. The Insurance Act prohibits any transfer of equity shares of an insurer in the event the total paid-up capital held by the transferee is likely to exceed 5% of the paid-up share capital of the insurer after the transfer, unless a prior approval has been obtained by the insurer from the IRDAI in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder in the event the total paid-up share capital of our Company held by such Bidder is likely to exceed 5% of the paid-up share capital of our Company after Allotment.

Additionally, the IRDAI, on August 5, 2016, has issued the Insurance Regulatory and Development Authority of India (Listed Indian Insurance Companies) Guidelines, 2016 (the "**Listed Insurance Company Guidelines**"), which are applicable to all insurance companies whose equity shares are listed on stock exchanges, and to the allotment process pursuant to a public issue. The Listed Insurance Company Guidelines propose, inter alia, filing of self-certification of 'fit and proper' criteria with the insurer by a person intending to acquire equity shares of an insurer amounting to 1% or more, but less than 5%, of the paid-up share capital of the insurer, which shall be considered a deemed approval of the IRDAI for the purposes of Section 6A(4)(b)(iii) of the Insurance Act. However, if the person intends to acquire equity shares of the insurer such that the aggregate holding of such person, his relatives, associate enterprises and persons acting in concert, would increase to 5% or more of the paid-up share capital of the insurer or the total voting rights thereof, such acquisition would require prior approval of the IRDAI. If such prior approval has already been obtained from the IRDAI by any person, subsequent acquisitions of equity shares of the concerned insurer resulting in aggregate holding of up to 10% of the paid-up share capital or voting rights of the insurer by such person together with persons acting in concert, would not require prior approval of the IRDAI. However, where such additional acquisition of equity shares results in the aggregate holding by such person along with persons acting in concert exceeding 10% of the paid-up share capital or voting rights of the concerned insurer, fresh prior approval of the IRDAI shall be required.

Accordingly, investors intending to acquire Equity Shares amounting to 1% or more, and up to 5%, of the paid-up share capital of our Company pursuant to the Offer would be required to comply with the requirement of self-certification of 'fit and proper' criteria to be set out in the Red Herring Prospectus. Additionally, investors proposing to acquire more than 5% (or 10%, if an investor already has prior approval from the IRDAI for more than 5% of the paid-up share capital/voting rights of our Company) of the paid-up share capital or total voting rights of our Company in aggregate along with their respective relatives, associate enterprises and persons acting in concert would require prior approval of the IRDAI.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Investors will only be in the dematerialized form. Investors will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

OFFER PROCEDURE

*All Investors should review the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, notified by SEBI ("**General Information Document**") included below under section titled " – **Part B - General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

Our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer will be available for allocation to QIBs on a proportionate basis, provided that our IPO Committee, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis, of which at least one-third will be available for allocation to domestic Mutual Funds, in accordance with the SEBI ICDR Regulations. In case of under subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Category (other than Anchor Investor Portion), the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Category (other than Anchor Investor Portion) for proportionate allocation to QIBs. The remainder will be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Insurance Act prohibits any transfer of Equity Shares in the event the total paid-up capital held by the transferee is likely to exceed 5% of the paid-up capital after the transfer, unless a prior approval has been obtained by the insurer from the IRDAI in this regard. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Investor, in the event the total post-Offer capital held by such Investor is likely to exceed 5% of the paid up capital of our Company after the Allotment without such approval.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our IPO Committee, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis, subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Investors only in dematerialised form. The Bid cum Application Forms which do not have the details of the Investors' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Investors will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers, at our Registered Office and at our Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Investors (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

ASBA Bidders must provide bank account details and authorisation by the ASBA bank holder to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Form that does not contain such detail are liable to be rejected.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Investors must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed color of the Bid cum Application Forms for various categories is as follows:

Category	Color of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs, and Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis^	Blue
Anchor Investors**	-

** Excluding electronic Bid cum Application Forms*
***Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*
^ Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Form to the respective SCSB, where the Investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Investors set forth under the section "***General Information Document for Investing in Public Offers – Category of Bidders Eligible to Participate in an Issue***" on page 444, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them;

Bids by Bidders for 1% or more, and less than 5% of the Post-Offer paid up Equity Share capital of our Company

If any Bidder makes a Bid for Equity Shares representing 1% or more but less than 5% of the post-Offer paid up Equity Share capital of our Company, such Bidder will be required to attach a self-certification with the Bid cum Application Form, confirming and certifying that such Bidder is a 'fit and proper person'. To be a 'fit and proper person' the Bidder must be:

A. Either

1. an intermediary registered (or deemed to be registered) with SEBI in terms of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended; or

2. an entity carrying out business which is regulated in India by RBI, SEBI, IRDAI, PFRDA or outside India by any financial services, capital markets or banking regulatory authorities including the U.S. Securities and Exchange Commission, the (U.K.) Prudential Regulation Authority, the Monetary Authority of Singapore and the Hong Kong Monetary Authority; or

3. a subsidiary of an entity falling under 1 or 2 above; or

4. a sovereign wealth fund or an investment company which is controlled by a sovereign wealth fund, either directly or indirectly; or

5. a person who or whose affiliates (including the investment companies of such Bidder) is the promoter of a company in the top 100 listed companies in India. The top 100 listed companies will be on the basis of their respective market capitalisation. The market capitalisation shall be the product of the "weighted average number of total shares" of such company and the "volume weighted average market price" of such shares for the preceding quarter. (The terms "weighted average number of total shares" and "volume weighted average market price" have the meaning assigned to them in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Additionally, the "volume weighted average market price" will be adjusted for corporate actions such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of extraordinary dividend (50% higher than the dividend per share paid during the preceding three Fiscals), de-mergers and reduction of capital, where the record date for effecting such corporate actions falls within the preceding quarter.)

B. Is eligible to hold, subscribe and deal with the Equity Shares of the Company under the applicable laws; and

C. The aggregate of the existing shareholding in the Company of the Bidder, if any, and the Equity Shares for which the Bid has been made do not exceed 5% of the post-Offer paid up Equity Share capital of our Company.

For details relating to the paid up Equity Share capital of our Company, see "***Capital Structure***" on page 81.

Any Bidder submitting Bids for 1% or more and less than 5% of the post-Offer paid up Equity Share capital of our Company should satisfy the 'fit and proper person' criteria as set out hereinabove.

Bidders which do not satisfy the aforementioned criteria may submit a self-certification specifying non-confirmation of the 'fit and proper person' criteria for our consideration. Based on such self-certification submitted by the Bidder, our Company shall determine whether the Bidder is 'fit and proper' to acquire 1% or more and less than 5% of the post-Offer paid up Equity Share capital of our Company. Failing this, our Company reserves the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof. The aforementioned 'fit and proper person' criteria has been noted by the IPO Committee.

Participation by associates and affiliates of the Book Running Lead Managers and the Syndicate Members, Promoters, Promoter Group and persons related to Promoter/Promoter Group

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the Book Running Lead Managers and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Investors, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoters, Promoter Group, Book Running Lead Managers and any persons related to the Book Running Lead Managers (except Mutual Funds sponsored by entities related to the Book Running Lead Managers) cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our IPO Committee reserve the right to reject any Bid without assigning any reason therefore. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in color).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in color).

Bids by FPI

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of our post-Offer Equity Share capital. Further, the total aggregate investment of all FPIs cannot exceed 24%. However, this limit can be increased by way of a resolution passed by the Board and the Shareholders of the Company.

The existing individual and aggregate investment limits for an FPI in our Company is 10% and 49% of the total paid-up Equity Share capital of our Company, respectively.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in color).

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations and circulars issued in this regard, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which are issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instruments is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the foreign portfolio investor is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the foreign portfolio investor.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The FVCI Regulations and the SEBI AIF Regulations among other things, prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF or FVCI registered with SEBI in any company should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our IPO Committee reserve the right to reject any Bid without assigning any reason therefor.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our IPO Committee reserve the right to reject any Bid without assigning any reason. The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Investors are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India, systematically important non-banking finance companies or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our IPO Committee reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our IPO Committee, in consultation with the Book Running Lead Managers, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our IPO Committee, in consultation with the Book Running Lead Managers, may deem fit.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see "***Offer Procedure – Part B – General Information Document for Investing in Public Offers***" on page 441.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Investors. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Investors are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Kannada national daily newspaper), Kannada being the regional language in the place where our Registered Office is located). Our

Company shall, in the pre- Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company intends to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. ensure that you have Bid within the Price Band;

3. read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. ensure that the details about the PAN, DP ID and Client ID are correct and the Investors depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. if the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;

7. all Investors (other than Anchor Investors) should submit their Bids through the ASBA process only;

8. ensure that the signature of the First Investor in case of joint Bids, is included in the Bid cum Application Forms;

9. ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Investor whose name should also appear as the first holder of the beneficiary account held in joint names;

10. ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

11. ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

12. submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Investors, including without limitation, multilateral/

bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Investors should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. ensure that the Demographic Details are updated, true and correct in all respects;

15. ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

16. ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

17. ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

18. ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

19. Investors should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

20. ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

21. in terms of the Listed Indian Insurance Companies Guidelines, Bidders submitting Bid for Equity Shares representing 1% or more and less than 5% of the post-Offer paid up equity capital of our Company should satisfy the 'fit and proper' criteria set out by our Company, through a self-certification process. For details of the 'fit and proper' criteria set out by our Company, see "***Offer Procedure - Bids by Bidders for 1% or more and less than 5% of the post-Offer paid up equity share capital of our Company***" on page 431;

22. note that in the event the acquisition of Equity Shares results in the Bidder holding 5% or more of the post-Offer paid up equity share capital of our Company, the approval of the IRDAI in this regard will have to affixed along with the Bid cum Application Form;

23. ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

24. the Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with; and

25. Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

1. do not Bid for lower than the minimum Bid size;

2. do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

4. do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Anchor Investors should not Bid through the ASBA process;

7. do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

8. do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

9. do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

10. do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

11. do not submit your Bid after 3.00 pm on the Offer Closing Date;

12. if you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

13. instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

14. do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors);

15. do not submit the General Index Register (GIR) number instead of the PAN;

16. do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;

18. do not submit more than five Bid cum Application Forms per ASBA Account;

19. do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

20. do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Investor;

21. do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise; and

22. do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account

Our IPO Committee, in consultation with the Book Running Lead Managers, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favor of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 20, 2012 entered into by and among NSDL, our Company and the Registrar to the Offer.

- Agreement dated December 14, 2012 entered into by and among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that it shall take all necessary steps to ensure dispatch of Confirmation of Allocation Notes, the completion of Allotment, dispatch of Allotment Advice, including any revisions, if required, refund orders to Anchor Investors and unblocking ASBA Accounts in relation to other applicants, as per the modes prescribed in the Offer Documents, in any case not later than the time limit prescribed under Applicable Law, and in the event of failure to do so, to pay interest to the applicants as required under Applicable Law;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date, or such other time period as may be prescribed under Applicable Law;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that except for any Equity Shares issued pursuant to exercise of options granted pursuant to the ESOP Scheme 2017, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(vii) that the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms;

Undertakings by the Selling Shareholders

Each Selling Shareholders, severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

(i) we shall provide all reasonable assistance to the Company and the BRLMs, as may be required and necessary by us as a Selling Shareholder, for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer;

(ii) we shall provide all reasonable assistance to the Company for giving appropriate instructions for dispatch of refund orders or Allotment Advice, to the extent of our respective Offered Shares, to successful Bidders within the time specified under Applicable Law; and

(iii) all monies raised in the Offer shall not be accessed until receipt of final listing and trading approvals from the Stock Exchanges. If permission to list and obtain an official quotation of the Equity Shares offered in the Offer is not granted by any of the Stock Exchanges, we, as a Selling Shareholder, shall forthwith repay such monies to the applicants together with interest, in accordance with Applicable Law.

The Selling Shareholders have authorized the Compliance Officer for the Offer and the Registrar to the Offer to redress any complaints received from Investors in respect of the Offer for Sale.

Utilization of Offer Proceeds

Each of the Selling Shareholders specifically severally and not jointly confirm and declare that all monies received from its component of the Offer for Sale shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Offers

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **Lead Manager(s)** to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is, among other things, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is, among other things, required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the Lead Manager(s), and the advertisement in the newspaper(s) issued in this regard.

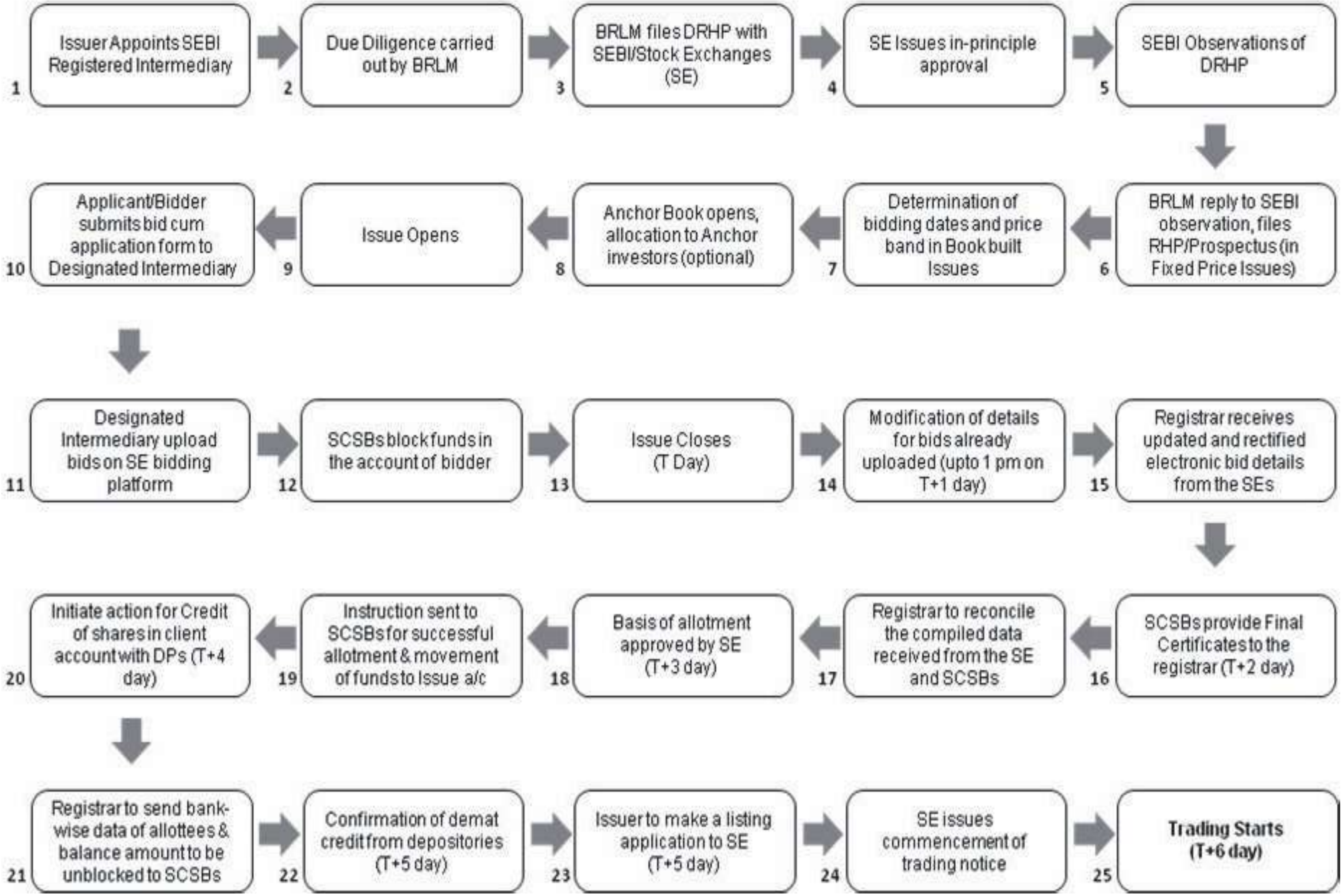
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7 : Determination of Issue Date and Price

    ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.



1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF BIDDERS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three).
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship).
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares.
- QIBs.
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law.
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable).
- FPIs registered with SEBI.
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category.
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category.
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares.
- Scientific and/or industrial research organisations in India, authorised to invest in equity shares.
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India.
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008.
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Bidders, Bid cum Application Forms shall be available at the offices of the Lead Manager.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Investors and the Bid cum Application Form for non-resident Investors are reproduced below:

Application Form – For Residents

COMMON BID CUM APPLICATION FORM | **XYZ LIMITED - INITIAL PUBLIC ISSUE - R** Address : .... Contact Details: .... CIN No............ | **FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS**

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS | **PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No.
Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Application Form – For Non – Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)______

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ______________	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ________________

Bank & Branch ________________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) Nomination Facility to Bidder/Applicant: Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Issue.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off

Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Book Running Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids until Bid/Issue Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Investor should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Investors, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Issue portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: BIDDER STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the bidder status. Details regarding bidder status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their bidder status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.

(c) All Bidders (except Anchor Investors) can participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Lead Manager.

(b) Payments should be made either by RTGS or NEFT.

(c) The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

(a) Bidders may submit the Bid cum Application Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by bidder, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.1.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.2 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 **Discount (if applicable)**

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or Lead Manager(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the Designated Intermediary, where the Bid was submitted or

iii. Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

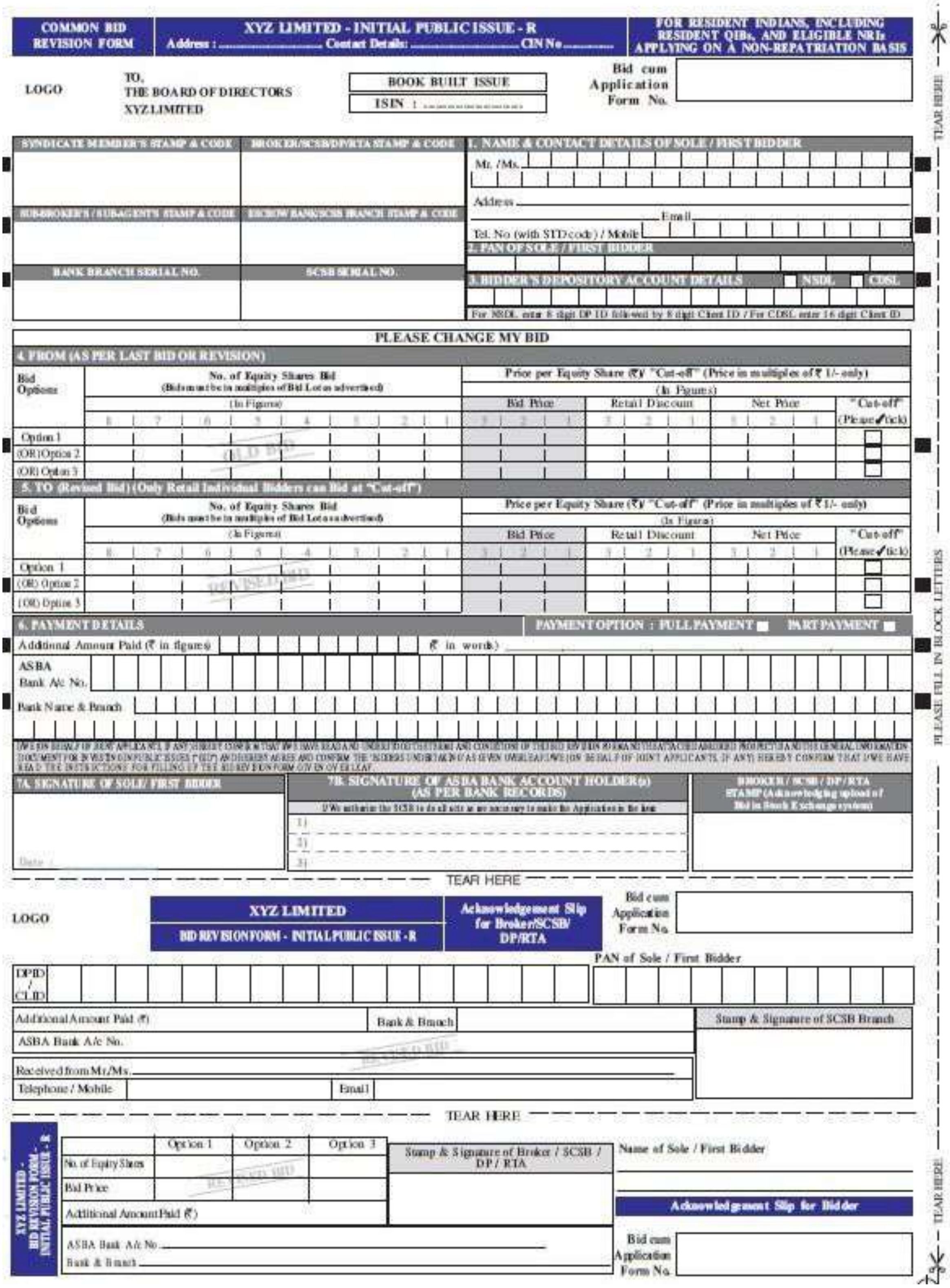
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Issue Closing date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:



COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3**: **NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. The maximum Bid Amount under the employee reservation portion by an eligible employee shall not exceed ₹ 500,000 on a net basis. However, Allotment to an eligible employee in the Employee Reservation Portion may exceed ₹ 200,000 (which will be less employee discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to eligible employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an eligible employee not exceeding ₹ 500,000 (which will be less employee discount).

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-

Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELD 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other bidders must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP

ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other bidders (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: BIDDER STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Bidders) are required to make use ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

(a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.

(b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the Collecting RTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Lead Manager to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Book Running Lead Managers at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediary;

ii. the Bids uploaded by the Designated Intermediary; and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The Book Running Lead Managers and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) Book Running Lead Managers and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

Any RIB whose Bid has not been considered for Allotment, due to failures on the part of the SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, among other things, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the bidders residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of bidders;

(l) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(m) Bids/Applications at Cut-off Price by NIIs and QIBs;

(n) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(p) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(t) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such

Bid/Application Amount in the bank account;

(u) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank;

(v) Where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(x) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collection Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various bidders.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the Book Running Lead Managers, may finalise the Issue Price at or below such cut-off price, i.e., at or below ₹

22.00. All bids at or above this Issue Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (**"Alternate Book Building Process"**).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (**"ASBA Account"**). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the issue to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual bidders other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot **("Maximum RII Allottees")**. The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

  i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

  ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

  iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 250 crores and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the Lead Manager, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within five Working Days from the Bid/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue, the Equity Shares in the Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

i. **NACH**—National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Escrow Collection Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in this Draft Red Herring Prospectus, the description as ascribed to such term in this Draft Red Herring Prospectus shall prevail.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the Book Running Lead Managers, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Issue/ Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Issue Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Issue Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Opening Date

Term	Description
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Issue Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective bidder who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
Lead Manager(s)/Lead Manager(s)/Lead Manager/LM	The Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or Collecting RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, bidder status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	The date on which funds are transferred by the Escrow Collection Bank from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and Collecting RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the Collecting RTAs where Bidders can submit the Bid cum Application Forms to Collecting RTAs. The details of such Designated RTA Locations, along with names and contact details of the Collecting RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Anchor Collection Bankand in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Lead Manager(s), the Escrow Collection Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form

Term	Description
NACH	National Automated Clearing House, a consolidated system of ECS.
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholders
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Other Bidders	Bidders other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTO	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Bidders who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

ARTICLES OF ASSOCIATION

OF

PNB METLIFE INDIA INSURANCE COMPANY LIMITED

The Articles of Association of the Company consist of two parts, Part A and Part B. Until the commencement of the listing and trading of the shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the shares of the Company, Part B of these Articles shall remain in full force and shall over-ride and supersede, in its entirety, the provisions of Part A of these Articles. Upon the commencement of the listing and trading of the shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the shares of the Company, Part B shall automatically stand deleted, not have any force, and be deemed to be removed from the Articles of Association, and the provisions of Part A shall automatically come in effect and be in force, without the requirement of any further corporate or other action by the Company or its Members.

Part A

The following regulations set forth in these Articles of Association were adopted pursuant to a resolution of the Members passed at the extraordinary general meeting of the Company held on July 9, 2018 in substitution for, and to the entire exclusion of, the earlier regulations set forth in the extant Articles of Association of the Company.

1. (1)	The regulations contained in the Table marked 'F' in Schedule I to the Act shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the Act.	Table 'F' not to apply
(2)	The regulations for the management of the Company and for the observance by the Members and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.	Company to be governed by these Articles
	Definitions and Interpretation	
2. (1)	In these Articles —	
	(a) "Act" means the Companies Act, 2013 (including the relevant rules framed thereunder) or any statutory modification or re-enactment thereof for the time being in force, and the term shall be deemed to refer to the applicable section thereof that is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.	"Act"
	(b) "Applicable Laws" means all applicable statutes, laws, ordinances, rules, regulations, standards and judgments, and any notification, circular, order, decree, bye-law, guideline, decision, determination, interpretation or policy, in all cases, having the force of law, including any authorization by any authority, in each case as in effect from time to time.	"Applicable Laws"
	(c) "Articles" means these articles of association of the Company, as altered from time to time.	"Articles"
	(d) "Beneficial Owner" shall have the meaning assigned thereto in Section 2(1)(a) of the Depositories Act, 1996.	"Beneficial Owner"
	(e) "Board of Directors" or "Board" means the Board of Directors of the Company.	"Board of Directors" or "Board"
	(f) "Company" means PNB MetLife India Insurance Company Limited.	"Company"
	(g) "Depository" means a depository as defined in Section 2(1)(e) of the Depositories Act, 1996.	"Depository"
	(h) "Director" means a director of the Company nominated and appointed, from time to time, in accordance with these Articles.	"Director"
	(i) "Elpro" means Elpro International Limited and its affiliate, I.G.E. (India) Private Limited, collectively.	"Elpro"
	(j) "Managing Director" means the managing director of the Company, for the time being (if any).	"Managing Director"
	(k) "Member" means a duly registered holder, from time to time, of the shares, and includes every person whose name is entered as Beneficial	"Member"

	Owner in the records of the Depository.	
	(l) “Memorandum” means the memorandum of association of the Company, as altered from time to time.	“Memorandum”
	(m) “MetLife” shall collectively mean MetLife, Inc. and its affiliate(s) or its group company(ies) (including MetLife International Holdings, LLC) who may, from time to time, be a Member.	“MetLife”
	(n) “MPCL” means M. Pallonji & Company Private Limited and its affiliate, M. Pallonji Enterprises Private Limited.	“MPCL”
	(o) “Nomination and Remuneration Committee” means the committee constituted by the Board in compliance with the Applicable Laws.	“Nomination and Remuneration Committee”
	(p) “Ordinary Resolution” shall have the meaning assigned to it under Section 114 of the Act.	“Ordinary Resolution”
	(q) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act.	“Rules”
	(r) “Seal” means the common seal of the Company.	“Seal”
	(s) “Special Resolution” shall have the meaning assigned to it under Section 114 of the Act.	“Special Resolution”
(2)	Words importing the singular number shall include the plural number, and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender.	“Number” and “Gender”
(3)	Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	Expressions in these Articles to bear the same meaning as in the Act
(4)	Words and expressions used and not defined in these Articles but defined in the Act and Rules, the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or under any other Applicable Law shall have the same meaning respectively assigned to them in those Acts, rules and regulations made thereunder or any statutory modification or re-enactment thereto, as the case may be.	Expressions not defined in these Articles to bear the meanings under the respective laws
	Share capital and variation of rights	
3.	The authorised share capital of the Company shall be as per Clause V of the Memorandum and payable in the manner as may be determined by the Board, from time to time, with the power (subject to Article 6) to (i) increase, reduce, subdivide or repay the same, (ii) divide the same into several classes, (iii) attach any right thereto, (iv) consolidate or subdivide or re-organise the shares; and (v) subject to the Act, vary such rights as may be provided by these Articles.	Authorised share capital
4.	Subject to these Articles and the Act, the shares shall be under the control of the Board, which may allot or dispose of the same to such person and at such times, either at a premium or at par, and for cash, as the Board may think fit.	Shares under control of Board
5.	Subject to the Act, these Articles and with the sanction of the Company in the general meeting to give to any person the option or right to call any shares, either at par or premium, during such time and for such consideration as the Board think fit, the Board may issue, allot or otherwise dispose of shares on payment or part payment for (i) any property or assets of any kind whatsoever sold or transferred, (ii) goods or machinery supplied or (iii) services rendered to the Company in the conduct of its business, and any shares that may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and, if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Board may allot shares otherwise than for cash
6.	Except as otherwise provided by the conditions of an issuance of shares or by these Articles, the Company shall issue all shares with identical voting, dividend, and other rights.	Kind of share capital
7. (1)	Every person whose name is entered as a Member in the register of members shall be entitled to receive, within (i) two (2) months after allotment, (ii) one (1) month from the date of receipt by the Company of the application for the registration of transfer or transmission, sub-division, consolidation or renewal of shares, or (iii) such other period as the conditions of issue shall provide – (a) one or more certificates in marketable lots for all his shares of each class or denomination registered in his name, without payment of any charges; or	Issue of certificate

		(b) several certificates, each for one or more of his shares, upon payment of Rupees Twenty for each certificate, or such charges as may be fixed by the Board for each certificate after the first.	
	(2)	Every certificate shall (i) be under the Seal, (ii) specify the shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon, and (iii) be in such form as the Board may prescribe and approve.	Manner of issuance of share certificate
8.	(1)	The Company shall be entitled to dematerialize its shares and to offer shares in a dematerialized form, and further to rematerialize the shares held by a Depository, in each of the foregoing cases, in accordance with the Depositories Act, 1996.	Dematerialization of shares
	(2)	Every person holding shares through allotment or otherwise shall have the option to receive and hold the same in the form of share certificates or to receive and hold the same in the dematerialized form with a Depository.	Option to receive share certificate or hold shares with a Depository
	(3)	(a) A Depository shall be deemed to be the registered owner for the purposes of effecting the transfer of the ownership of shares on behalf of the Beneficial Owner and shall not have any voting rights or any other rights in respect of the shares held by it; and (b) Every person holding shares and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member. The Beneficial Owner of shares shall be entitled to all the rights and benefits (including those as contained in these Articles) and be subject to all the liabilities in respect of his shares (including those as contained in these Articles) that are held by a Depository.	Registered owner and Beneficial Owner
	(4)	Subject to the other provisions of these Articles, the transfer of shares held by a Depository shall be governed by the provisions of the Depositories Act, 1996.	Transfer of dematerialized shares
9.		If any certificate shall be worn out, defaced, mutilated or torn, or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees not less than Rupees twenty and not more than Rupees fifty for each certificate as may be fixed by the Board; Provided that no fee shall be charged for issue of new certificates in replacement of those that are worn out, defaced or where there is no further space on the back thereof for endorsement of transfer; and Provided that notwithstanding what is stated above, the Board shall comply with such rules, regulations or requirements of any stock exchange or the Rules or rules made under the Securities Contracts (Regulation) Act, 1956 or any other Applicable Laws thereof in this behalf.	Issue of new certificate in place of one defaced, lost or destroyed
10.		Any application signed by or on behalf of any applicant for shares followed by an allotment of the shares shall be acceptance of shares within the meaning of these Articles, and every person who thus otherwise accepts any shares and whose name is in the register of members shall, for the purpose of these Articles, be a Member; provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind. The Company shall be entitled to treat the person whose name appears in the register of members as the holder of any share or whose name appears as the Beneficial Owner of shares in the records of the Depository, as the absolute owner thereof. Except as required by the Applicable Laws, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound, or be compelled in any way, to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or the Applicable Laws) any other rights in respect of any share, except an absolute right to the entirety thereof in the registered holder.	Acceptance of shares

11.		Subject to these Articles, the Act and any other Applicable Laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at a general meeting, appointment of nominee directors, etc. Debentures and any other securities with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in a general meeting by Special Resolution.	Terms of issue of debentures and other securities
12.		The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities, including debentures (except where the Act otherwise requires) of the Company.	Provisions as to issue of certificates to apply *mutatis mutandis* to debentures, etc.
13.	(1)	The Company may exercise the powers of paying commissions conferred by the Act to any person in connection with the subscription to its securities; provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.	Power to pay commission in connection with securities issued
	(2)	The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.	Rate of commission in accordance with Rules
	(3)	The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in the one way and partly in the other.	Mode of payment of commission
14.	(1)	If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the Act and whether the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.	Variation of members' rights
	(2)	To every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.	Provisions as to general meetings to apply *mutatis mutandis* to each meeting
15.		The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.	Issue of further shares not to affect rights of existing members
16.		Subject to section 55 of the Act, the other provisions of the Act and any other Applicable Laws, the Board shall have the power to issue or re-issue preference shares of one or more classes that are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board.	Power to issue redeemable preference shares
17.	(1)	Where, at any time, the Company proposes to increase its subscribed capital by issue of further shares, either out of the unissued capital or the increased share capital, such shares shall be offered: (a) to persons who, at the date of offer, are holders of equity shares in proportion as near as circumstances admit, to the share capital paid up on those shares by sending a letter of offer on the following conditions: - (i) the aforesaid offer shall be made by a notice specifying the number of shares offered and limiting a time prescribed under the Act from the date of the offer within which the offer, if not accepted, will be deemed to have been declined; (ii) the aforementioned offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice mentioned in sub-clause (i) of this clause (a) above shall contain a statement of this right; and (iii) after the expiry of the time specified in the aforesaid offer or on receipt of earlier intimation from the person to whom such offer is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner that is not	Further issue of share capital

	disadvantageous to the shareholders and the Company; (b) to employees under any scheme of employees' stock option, subject to (i) a Special Resolution passed in a general meeting and (ii) the conditions as specified under the Act and the Rules; or (c) to any persons, if it is authorized by a Special Resolution passed in a general meeting, whether those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for consideration other than cash, subject to the Act and the Rules. The offer referred to in sub-clause (i) of clause (a) above shall be dispatched through registered post or speed post or through electronic mode to all persons mentioned above at least 3 (three) days before the opening of the issue. The provisions contained in this Article shall be subject to sections 42 and 62 of the Act, as applicable, the Rules thereunder, any other applicable provisions of the Act and any other Applicable Laws. Nothing in Article 17(1)(a) shall be deemed: (i) To extend the time within which the offer should be accepted; or (ii) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares included in the renunciation.	
(2)	Nothing in this Article 17 shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares; Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debenture or the raising of loan by a Special Resolution passed by the Company in general meeting.	Increase in subscribed capital on exercise of option
(3)	Subject to and in accordance with the Applicable Laws, a further issue of shares may be made in any manner whatsoever as the Board may determine, including by way of preferential offer, private placement or public offer.	Mode of further issue of shares
18. (1)	The Company shall have a first and paramount lien – (a) on every share (not being a fully paid share) and upon the proceeds of sale thereof for all monies (whether presently payable) called, or payable at a fixed time, in respect of that share; and (b) on all shares (not being fully paid shares) standing registered in the name of a Member for all monies presently payable by him or his estate to the Company; Provided that the Board may, at any time, declare any share to be wholly or in part exempt from the provisions of this Article.	Company's lien on shares
(2)	The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared, from time to time, in respect of such shares for any money owing to the Company.	Lien to extend to dividends, etc.
(3)	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.	Waiver of lien in case of registration
19.	The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien; Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder	As to enforcing lien by sale

		for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.	
20.	(1)	To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.	Validity of sale
	(2)	The purchaser shall be registered as the holder of the shares included in any such transfer.	Purchaser to be registered holder
	(3)	The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by the relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.	Validity of Company's receipt
	(4)	The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.	Purchaser not affected
21.	(1)	The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.	Application of proceeds of sale
	(2)	The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.	Payment of residual money
	(3)	Under the aforesaid powers of the Board, where any share is sold and the certificate in respect thereof has not been delivered to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit, from the certificate not so delivered.	
22.		The provisions of these Articles relating to liens shall *mutatis mutandis* apply to any other securities, including debentures of the Company.	Provisions as to lien to apply *mutatis mutandis* to debentures, etc.
		Calls on shares	
23.	(1)	The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.	Board may make calls
	(2)	Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	(3)	A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
24.		A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	Call to take effect from date of resolution
25.		The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
26.	(1)	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.	When interest on call or instalment payable
	(2)	The Board shall be at liberty to waive payment of any such interest wholly or in part.	Board may waive interest
27.	(1)	Any sum that, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which, by the terms of issue, such sum becomes payable.	Sums deemed to be calls
	(2)	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Effect of non-payment of sums
28.		The Board – (a) may, if it thinks fit and subject to the Act, receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate	Payment in anticipation of calls may carry interest

		as may be fixed by the Board. Nothing contained in this clause shall confer on the Member (i) any right to participate in profits or dividends or (ii) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him. The Board may at any time repay the amount so advanced.	
29.		If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.	Instalments on shares to be duly paid
30.		All calls shall be made on a uniform basis on all shares falling under the same class. *Explanation*: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.	Calls on shares of same class to be on uniform basis
31.		The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures of the Company.	Provisions as to calls to apply *mutatis mutandis* to debentures, etc.
		Transfer of shares	
32.	(1)	A common form of transfer shall be used and the instrument of transfer of any share shall be in writing and be duly executed by or on behalf of both the transferor and transferee and all provisions of section 56 of the Act and other Applicable Laws shall be duly complied with in respect of all transfer of shares and the registration thereof.	Instrument of transfer to be executed by transferor and transferee
	(2)	The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	Deemed holder on transfer
33.		The Board may, subject to the right of appeal conferred by section 58 of the Act, decline to register - (a) the transfer of a share, not being a fully paid share, to a person of whom it does not approve; (b) any transfer of shares on which the Company has a lien; or (c) any transfer of shares that are not in compliance with the Applicable Laws or where any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from recording such transfer. Without prejudice to the foregoing provisions and without limiting in any manner the generality of the above provisions, the Directors may, at their absolute and uncontrolled discretion, refuse to register the transfer of any shares if the Directors are satisfied that as a result of the proposed transfer of any shares or block of shares, a change in the composition of the Board of Directors or change in the controlling interest of the Company is likely to take place and that such change would be prejudicial to the interest of the Company or to the public interest. For the purpose of this Article, the Directors shall be entitled, *inter alia*, to rely upon this Article to form their own opinion as to whether such registration of transfer of any of its shares should be refused.	Board may refuse to register transfer
34.		The Board may decline to recognise any instrument of transfer unless- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.	Board may decline to recognize instrument of transfer
35.		On giving of previous notice of at least seven (7) days or such lesser period in accordance with the Act and the Rules, the registration of transfers may be suspended at such times and for such periods as the Board may, from	Transfer of shares when suspended

	time to time, determine; Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty-five (45) days in the aggregate in any calendar year.	
36.	Subject to sections 58 and 59 of the Act, these Articles and any other Applicable Laws, the Board may refuse, whether in pursuance of any power of the Company under these Articles or the Applicable Laws, to register the transfer of, or the transmission by operation of the Applicable Laws of, any shares or interest of a Member. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal; Provided that, subject to Article 35, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person indebted to the Company on any account whatsoever.	Notice of refusal to register transfer
37.	The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities, including debentures of the Company.	Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.
38.	Until the earlier to occur of: (i) the Company receiving at least the new business premium (i.e., first year premium) of a sum equal to INR 16,262 crores in accordance with the business plan agreed between the Company and Punjab National Bank prior to 16 January 2013, or (ii) 16 January 2023, Punjab National Bank shall continue to own at least twenty percent (20%) of the equity share capital of the Company; provided that dilution of the equity shareholding of Punjab National Bank in the Company to below twenty percent (20%) as a consequence of non-subscription by Punjab National Bank to a further issue of securities of the Company will not amount to breach by Punjab National Bank of its obligations under this Article, as long as and to the extent the further issue is of a nature other than (i) a rights offering under any rights issue, or (ii) a bonus issue.	Obligation of Punjab National Bank
	Transmission of shares	
39. (1)	On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, provided the Board may require such evidence of death as it may deem fit.	Title to shares on death of a Member
(2)	Nothing in clause (1) above shall release the estate of a deceased joint holder from any liability in respect of any share that had been jointly held by him with other persons.	Estate of deceased Member liable
40. (1)	Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may, from time to time, properly be required by the Board and, subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent Member could have made.	Transmission
(2)	The Board shall, in either case, have the same right to decline or suspend registration as it would have had if the deceased or insolvent Member had transferred the share before his death or insolvency.	Board's right unaffected
41. (1)	If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.	Right to election of holder of share
(2)	If the aforesaid person shall elect to transfer the share, he shall testify his election by executing a transfer of the share.	Manner of testifying election
(3)	All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.	Limitations applicable to notice
42.	A person becoming entitled to a share by reason of the death or insolvency	Claimant to be entitled to same

	of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.	advantage
43.	The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities, including debentures of the Company	Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.
44.	For the purposes of Articles 41 to 43, no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.	No fee for transfer or transmission
	Forfeiture of shares	
45.	If a Member fails to pay any call, instalment of a call or money due in respect of any share on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	If call or instalment not paid notice must be given
46.	The aforesaid notice shall: (a) name a further day (not being earlier than the expiry of fourteen (14) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Form of notice
47.	If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeited
48.	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting Member and an entry of the forfeiture with the date thereof shall forthwith be made in the register of members but no forfeiture shall in any manner be invalidated by an omission or neglect to give such notice or to make such entry as aforesaid.	Entry of forfeiture in register of members
49.	The forfeiture of a share shall involve extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share.	Effect of forfeiture
50. (1)	A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
(2)	At any time before a sale, re-allotment or disposal, as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
51. (1)	A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies that, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.	Members still liable to pay money owing at the time of forfeiture
(2)	The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	Cease of liability
52. (1)	A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a share has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the	Certificate of forfeiture

	share.	
(2)	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.	Title of purchaser and transferee of forfeited shares
(3)	The transferee shall thereupon be registered as the holder of the share.	Transferee to be registered as holder
(4)	The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	Transferee not affected
53.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and, after his name has been entered in the register of members in respect of such shares, the validity of the sale shall not be impeached by any person.	Validity of sales
54.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles relating to forfeiture of shares or enforcement of a lien, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares
55.	The Board may, subject to the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as he thinks fit.	Surrender of share certificates
56.	The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum that, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Sums deemed to be calls
57.	The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures of the Company.	Provisions as to forfeiture of shares to apply *mutatis mutandis* to debentures, etc.
	Alteration of capital	
58.	Subject to the Act, the Company may, by Ordinary Resolution - (a) increase the share capital by such sum, to be divided into shares of such amount, as it thinks expedient; (b) consolidate and divide all or any of the share capital into shares of larger amount than its existing shares; Provided that any consolidation and division that results in changes in the voting percentage of Members shall require approvals under the Applicable Laws; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; and (e) cancel any shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	Power to alter share capital
59.	Where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; Provided that the Board may, from time to time, fix the minimum amount of stock transferable so that such minimum shall not exceed the nominal	Right of stockholders

	amount of the shares from which the stock arose; (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock that would not, if existing in shares, have conferred that privilege or advantage; and (c) such of these Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "Member" shall include "stock" and "stock-holder" respectively.	
60.	The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (a) the share capital; and/or (b) any capital redemption reserve account; and/or (c) any securities premium account; and/or (d) any other reserve in the nature of share capital.	Reduction of capital
61.	Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:	Joint holders
	(a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments that ought to be made in respect of such share.	Liability of joint holders
	(b) On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share, but the Board may require such evidence of death as it may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.	Death of one or more joint holders
	(c) Only the person first named in the register of members as one of the joint holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders.	Delivery of certificate and giving of notice to first named holder
	(d) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) in the register of members in respect of such shares shall alone be entitled to vote in respect thereof.	Vote of joint holders
	(ii) Several executors or administrators of a deceased Member in whose (deceased member) sole name any share stands shall, for the purpose of this clause, be deemed joint holders.	Executors or administrators as joint holders
	(e) The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities, including debentures of the Company registered in joint names.	Provisions as to joint holders as to shares to apply *mutatis-mutandis* to debentures, etc.
	Capitalisation of profits	
62. (1)	The Company, by Ordinary Resolution in general meeting, may, upon the recommendation of the Board, resolve — (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the	Capitalisation

		credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below among the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.	
	(2)	The aforesaid sum shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards: (A) paying up any amounts for the time being unpaid on any shares held by such Members respectively; (B) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and among such Members in the aforesaid proportions; or (C) partly in the way specified in sub-clause (A) above and partly in that specified in sub-clause (B) above.	How sum applied
	(3)	A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to Members as fully paid bonus shares.	Utilization of securities premium account and other account for bonus shares
	(4)	The Board shall give effect to the resolution passed by the Company in pursuance of this Article.	
63.	(1)	Whenever such a resolution, as aforesaid, shall have been passed, the Board shall – (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and (b) generally do all acts and things required to give effect thereto.	Powers of the Board for capitalisation
	(2)	The Board shall have power— (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, in case of shares or other securities becoming distributable in fractions; and (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.	Board's power to issue fractional certificate/ coupon, etc.
	(3)	Any agreement made under such authority shall be effective and binding on such Members.	Agreement binding on Members
		Buy-back of shares	
64.		Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other Applicable Laws, the Company may purchase its own shares or other specified securities.	Buy-back of shares
		General meetings	
65.		All general meetings other than the annual general meeting shall be called extraordinary general meetings.	Extraordinary general meetings
66.		The Board may, whenever it thinks fit, call an extraordinary general meeting.	Powers of Board to call extraordinary general meeting
67.		All general meetings shall be convened and governed in accordance with these Articles and the Act. Further, a notice for calling a general meeting will be subject to, and governed in accordance with section 100 of the Act.	Convening general meeting and notice of general meeting
		Proceedings at general meetings	
68.		No business shall be transacted at any general meeting unless a quorum of	Presence of quorum

		Members is present at the time when the meeting proceeds to business.	
69.		No business shall be discussed or transacted at any general meeting, except election of the chairman whilst the chair is vacant.	Business confined to election of the chairman whilst chair vacant
70.		The quorum for a general meeting shall be as provided in the Act.	Quorum for general meeting
71.		(1) The chairman of the Board shall preside as chairman at every general meeting. If the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present shall elect another Director nominated by MetLife as the chairman for that meeting. The provisions of this Article 71(1) shall apply only if approved by the members of the Company through a Special Resolution passed at the first general meeting of the Company held post listing of the equity shares of the Company. (2) If no such Directors are present within fifteen (15) minutes after the time appointed for holding the meeting, the Members present shall choose one of the other Directors present, and if no such Director is present, one of their Members, to be chairman of the meeting.	Members to elect a chairman
72.	(1)	The Company shall cause minutes of the proceedings of every general meeting of any class of Members or creditors and every resolution passed by postal ballot or as per Applicable Laws to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty (30) days of the conclusion of every such meeting concerned or passing of resolution by postal ballot or as per Applicable Laws entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot or as per Applicable Laws
	(2)	There shall not be included in the minutes any matter that, in the opinion of the chairman of the meeting – (a) is, or could reasonably be regarded as, defamatory of any person; (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.	Certain matters not to be included in minutes
	(3)	The chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.	Discretion of chairman in relation to minutes
	(4)	The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.	Minutes to be Evidence
73.	(1)	The books containing the minutes of the proceedings of any general meeting or a resolution passed by postal ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any Member, without charge, during business hours on all working days.	Inspection of minute books of general meeting
	(2)	Any Member shall be entitled to be furnished with a copy of any minutes referred to in clause (1) above within the time prescribed by the Act after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board.	Members may obtain copy of minutes
		Adjournment of meeting	
74.	(1)	The chairman may, *suo motu,* adjourn the meeting, from time to time and from place to place.	Chairman may adjourn the meeting
	(2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.	Business at adjourned meeting
	(3)	When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.	Notice of adjourned meeting
	(4)	Save as aforesaid and provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Notice of adjourned meeting not required
		Voting rights	
75.		Subject to any rights or restrictions for the time being attached to any class or classes of shares -	Entitlement to vote on show of hands and on poll

	(a) on a show of hands, every Member present in person shall have one vote; and (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital.	
76.	A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
77.	In the case of joint holders, the vote of the first holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.	Vote of joint holders
78.	A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any Member is a minor, the vote in respect of his share or shares shall be exercised by his guardian or any one of his guardians.	How Members *non compos mentis* and minor may vote
79.	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
80.	No Member shall be entitled to vote at any general meeting in respect of a share: (i) unless all calls or other sums presently payable by him in respect of such share have been paid, or (ii) on which the Company has exercised any right of lien.	Restriction on voting rights
81.	A Member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 80.	Restriction on exercise of voting rights in other cases to be void
82.	Any Member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other Members of the same class.	Equal rights of Members
	Proxy	
83. (1)	Any Member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person, as a proxy on his behalf, for that meeting.	Member may vote in person or otherwise
(2)	The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority shall be deposited at the registered office of the Company not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and if in default, the instrument of proxy shall not be treated as valid.	Proxies when to be deposited
84.	An instrument appointing a proxy shall be in the form as prescribed in the Rules.	Form of proxy
85.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given; Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Proxy to be valid notwithstanding death of the principal
	Board of Directors	
86.	Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) and the maximum number of Directors shall not exceed sixteen (16).	Board of Directors
87.	As long as MetLife has right to nominate a Director, the chairman of the Board shall be nominated by MetLife from among the Directors nominated by it and shall not have a casting vote. If at any meeting of the Board, the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, the Directors present may choose another Director nominated by MetLife as the chairman of that meeting. If MetLife ceases to have right to nominate a Director in accordance with	Chairman

<table>
<tr><td></td><td>these Articles, the Board may elect a new chairman and determine the period for which he holds the office.

The provisions of this Article 87 shall apply only if approved by the members of the Company through a Special Resolution passed at the first general meeting of the Company held post listing of the equity shares of the Company.</td><td></td></tr>
<tr><td>88.</td><td>Retirement of directors who are liable to retire by rotation will be in accordance with the provisions of the Act.

Provided that at every annual general meeting, one-third of the Directors on the Board, or if their number is neither three nor a multiple of three, then the number nearest to one-third, are liable to retire by rotation.

Provided that for the purpose of determining “total number of Directors” above, Independent Directors appointed on the Board under the Act or any other Applicable Laws shall not be included.</td><td>Directors liable to retire by rotation</td></tr>
<tr><td colspan="3">Appointment and Remuneration of Directors</td></tr>
<tr><td>89.</td><td>(1) The Board shall consist of the Directors appointed in accordance with this Article 89.
(2) MetLife, Punjab National Bank, MPCL, and Elpro shall be entitled to nominate Directors in the following manner:
<table>
<tr><td>Percentage of ownership interest in the Share Capital by such Shareholder</td><td></td><td>Number of Directors that can be nominated by such Shareholder</td></tr>
<tr><td>Less than 6.75%</td><td>:</td><td>None</td></tr>
<tr><td>6.75% and up to 13.5%</td><td>:</td><td>One (1) Director</td></tr>
<tr><td>Above 13.5%</td><td>:</td><td>Two (2) Directors</td></tr>
</table>

A Director nominated by each of MetLife, Punjab National Bank, MPCL and Elpro pursuant to the nomination rights available set out in this Article may be removed by such Member with or without cause, and each such Member may nominate a new Director in the place of the Director so removed, in each case, subject to such nomination right continuing to subsist at the relevant time. If the position of a Director becomes vacant for any reason (including as a consequence of retirement of any such nominee Director in terms of Article 88) then the relevant Member having a right to nominate such Director (being one or more of MetLife, Punjab National Bank, MPCL and Elpro) shall be entitled to nominate a new Director for such vacant position.

(3) If the equity share capital held by a Member named in Article 89(2) falls below the percentage prescribed for such nomination under Article 89(2), such Member shall lose its right to nominate one or more Directors, as applicable, in accordance with the principles set out in Article 89(2), and such Member shall withdraw its nominee(s) upon such occurrence; provided that, once any such Member holds less than six and three-quarters percent (6.75%) of the equity share capital, such Member shall forever lose its right to nominate any Directors under Article 89(2).
(4) In addition to the above, MPCL and Elpro shall have the right to nominate one (1) additional Director in aggregate (“Additional Director Nomination Right”) until such time that each of their singular holding in the equity share capital is at least six and three-quarters percent (6.75%) and their aggregate holding in the equity share capital exceeds thirteen and one-half percent (13.5%). MPCL shall first have the right to nominate one (1) additional Director in exercise of the Additional Director Nomination Right. Such right shall be exercisable for a period of two (2) years from the date on which such additional Director is first appointed. Upon expiry of the said two (2) year period, Elpro shall have the right to exercise the Additional Director Nomination Right for a period of two (2) years from</td><td>Board construct</td></tr>
</table>

	the date on which the MPCL nominee has vacated office. Thereafter, the Additional Director Nomination Right shall be exercisable in rotation by MPCL and Elpro for each successive two (2) year period, it being clarified that at any given point of time, only one of MPCL or Elpro shall be entitled to exercise the Additional Director Nomination Right. If, at any time, either of MPCL or Elpro's singular holdings in the equity share capital of the Company falls below six and three-quarters percent (6.75%) or their aggregate holding in the equity share capital falls below thirteen and one-half (13.5%) percent, then notwithstanding the then additional Director being an MPCL or Elpro nominee, MPCL and Elpro shall forever lose the right to nominate the additional Director under this Article 89(4) and MPCL or Elpro, as the case may be at the relevant time, shall immediately withdraw their nominee upon such occurrence. Neither MPCL nor Elpro shall have the right to assign or otherwise transfer the Additional Director Nomination Right to any person under any circumstance. (5) In addition to the above, the Company shall have following Directors on the Board: (a) such number of Directors as independent Directors as required under the Applicable Laws, and the Company shall ensure compliance with the Applicable Laws with respect to the appointment of such independent Directors. The Board shall appoint such independent Directors, from time to time, after receiving and considering the recommendations made by the Nomination and Remuneration Committee; and (b) one (1) Director who shall be the Managing Director (having all powers of the chief executive officer) and shall be appointed by the Board in accordance with Article 111(a). (6) Till such time that each of MetLife, Punjab National Bank, MPCL, Elpro and J&K Bank individually hold at least two and one-half percent (2.5%) of the equity share capital, then each such Member whose individual holding is not less than 2.5% (being MetLife, Punjab National Bank, MPCL, Elpro and/ or J&K Bank) shall have a right of visitation (on the Board of Directors) in the manner provided in this Article 89(6). Accordingly, the Board will invite any one person designated by such Member (who is an employee, officer, or director of such Member) as an observer to remain present from the commencement of, and through the full length of, the meetings of the Board of Directors; provided that such Member shall ensure that the observer complies with any confidentiality obligations and other restrictions or rules as may be reasonably required by the Board of Directors. The right of such Member under this Article 89(6) shall be available as long as it is permissible under the Applicable Laws. Notwithstanding anything to the contrary contained herein, the right of such Member under this Article 89(6) shall not: (i) be applicable in the event that such Member has the right to appoint one (1) or more Directors; and (ii) be assignable or otherwise transferrable to any other person under any circumstance. (7) Till such time M. Pallonji & Company Private Limited and M. Pallonji Enterprises Private Limited are under common control, the equity share capital held by both of them will be considered as one block for the purposes of ascertaining the right to nominate a Director or observer under Articles 89(2), 89(4), and 89(6). Likewise, till such time Elpro International Limited and I.G.E. (India) Private Limited are under common control, the equity share capital held by both of them will be considered as one block for the purposes of ascertaining the right to nominate a Director or observer under Articles 89(2), 89(4), and 89(6). The provisions of this Article 89 shall apply only if approved by the members of the Company through a Special Resolution passed at the first general meeting of the Company held post listing of the equity shares of the Company.	
90.	Subject to these Articles and the Act (including the ceiling prescribed in the	Sitting fees

		Act), the Board may decide to pay a Director out of funds of the Company by way of sitting fees a sum to be determined by the Board for each meeting of the Board or any committee or sub-committee thereof attended by him.	
91.		In addition to the remuneration payable to them as determined in connection with Article 90, the Directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.	Travelling and other expenses
92.		Subject to sections 196, 197 and 188 of the Act read with schedule V to the Act, the Directors shall be paid such further remuneration, whether in the form of a monthly payment or by a percentage of profit or otherwise and if required, as the Company in general meetings may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination shall be divided among the Directors equally or if so determined paid on a monthly basis.	Remuneration
93.		Subject to these Articles and the Act, if any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from the place of his normal residence for any of the purposes of the Company or has given any special attendance for any business of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be agreed with the Director.	Payment for extra service
94.		All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall determine, from time to time, by resolution.	Execution of negotiable instruments
95.	(1)	Subject to the Act, the Board shall have power, at any time and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by these Articles.	Appointment of additional Directors
	(2)	Such person shall hold office only up to the date of the next annual general meeting but shall be eligible for appointment by the Company as a Director at that meeting, subject to the Act.	Duration of office of additional Director
96.	(1)	The Board may appoint an alternate Director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India in which the meetings of the Board are ordinarily held. No person shall be appointed as an alternate Director for (x) an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act, or (y) a nominee Director except a person nominated by the Member having the right to nominate the Original Director.	Appointment of alternate Director
	(2)	An alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.	Duration of office of alternate Director
	(3)	If the term of office of the Original Director is determined before he returns to India, the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate Director.	Re-appointment provisions applicable to Original Director
97.	(1)	If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board.	Appointment of Director to fill a casual vacancy
	(2)	The Director so appointed shall hold office only up to the date on which the Director in whose place he is appointed would have held office.	Duration of office of Director appointed to fill casual vacancy
98.		The Directors are not required to hold any qualification shares.	No qualification shares
99.		The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.	Remuneration of Directors
		Powers of Board	
100.		Subject to these Articles and the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do;	General powers of the Company vested in Board

	Provided that in exercising such powers, or doing such acts or things, the Board shall be subject to the relevant provisions contained in the Memorandum, these Articles, the Act or any other Applicable Laws, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting; Provided, further, that the Board shall not exercise any powers, or do any acts or things, which is directed or required, whether under the Memorandum, these Articles, the Act, any other Applicable Laws or otherwise, to be exercised or done by the Company in general meeting. No regulation made by the Company in general meeting shall invalidate any prior act of the Board that would have been valid if that regulation had not been made.	
	Proceedings of the Board	
101. (1)	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit; Provided, that the Board of Directors shall hold meetings at least once in every three months.	When meeting to be convened
(2)	The chairman or any one Director with the previous consent of the chairman may, or the company secretary on the direction of the chairman shall, at any time, summon a meeting of the Board.	Who may summon Board meeting
(3)	The quorum for a meeting of the Board shall be one-third of the total strength of the Board, and in an original meeting, there shall be no quorum unless at least one (1) Director nominated by each of MetLife, Punjab National Bank, MPCL, and Elpro are present at the commencement of, and throughout, such meeting. In the event either MetLife or Punjab National Bank or MPCL or Elpro, as the case may, is no longer entitled to nominate any Director(s) to the Board, then the foregoing quorum requirement set out above shall cease to operate with respect to such shareholder but shall continue to operate for the other shareholders till such time that they individually retain the right to nominate Director(s) on the Board. Solely for purposes of this Article 101(3): (i) presence of the additional Director nominated by MPCL in exercise of the Additional Director Nomination Right under Article 89(4) (during the time that such right is available to MPCL) shall be construed as an MPCL nominee Director for the constitution of quorum; and (ii) presence of the additional Director nominated by Elpro in exercise of the Additional Director Nomination Right under Article 89(4) (during the time that such right is available to Elpro) shall be construed as an Elpro nominee Director for the constitution of quorum. In the event that a Director nominated by either MetLife, or PNB, or MPCL or Elpro, as the case may be, is unable to attend a Board Meeting, then the relevant shareholder may, at its sole discretion, provide a written waiver to the Company for excluding the presence of its nominee Director from constitution of valid quorum. In a Board Meeting with respect to which such a waiver is received by the Company from one or more shareholders, the Board shall not transact any matters other than those set out in the agenda circulated to all Directors prior to the meeting. The quorum of the adjourned meeting shall be as prescribed under Applicable Law and notwithstanding any provisions under these Articles. In addition to the aforesaid quorum requirements, until such time that the Applicable Laws impose such a requirement, there shall be no quorum unless out of the Directors present, the number of Directors nominated by Indian shareholders (taken in the aggregate) exceeds the number of Directors nominated by MetLife. The provisions of this Article 101(3) shall apply only if approved by the members of the Company through a Special Resolution passed at the first general meeting of the Company held post listing of the equity shares of the Company.	Quorum for Board meetings
(4)	The participation of Directors in a meeting of the Board may be either in	Participation at Board meetings

		person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under the Applicable Laws.	
102.		At least twenty-one (21) clear days' notice of every meeting of the Board of Directors shall be given in writing to every Director present for the time being in India at his or her usual address in India and to every other Director; provided, however, that in the case of Directors residing outside India, notice of every meeting of the Board of Directors shall be given to such Directors at their addresses, if any, in India and also to their addresses outside India and to their alternates, if any, in India at their usual addresses in India. Notice of Board of Directors' meetings to Directors shall be given in writing by facsimile or e-mail. Notwithstanding the foregoing, a meeting of the Board of Directors may be convened by a shorter notice subject to Applicable Laws.	Notice of Board meetings
103.		The agenda for board meetings shall be given in accordance with Applicable Laws. In a first call for a meeting of the Board of Directors, no item of business shall be transacted at such meeting unless such item of business is identified on the agenda; provided, however, that with the consent of all the Directors present at the meeting any item of business not included on the agenda may be transacted at the meeting. In any adjourned meeting of the Board of Directors, no item of business shall be transacted at such meeting unless such item of business is identified on the agenda.	Agenda of the Board meetings
104.		Subject to the Act, the Board of Directors shall determine and decide the matters by simple majority vote.	Decision on matters at Board meeting
105.		The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting, but for no other purpose.	Directors not to act when number falls below minimum
106.	(1)	The Board may, subject to the Act and any other Applicable Laws, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.	Delegation of powers
	(2)	Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.	Committee to conform to Board regulations
	(3)	The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under the Applicable Laws.	Participation at committee meetings
107.	(1)	A committee may elect a chairperson of its meetings unless the Board, while constituting a committee, has appointed a chairperson of such committee.	Chairperson of committee
	(2)	If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.	Who to preside at meetings of committee
108.	(1)	A committee may meet and adjourn as it thinks fit.	Committee to meet
	(2)	Subject to the Act, the committee shall determine and decide the matters by simple majority vote.	Decision on matters at committee meeting
109.		All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.	Acts of Board or committee valid notwithstanding defect of appointment
110.		Save as otherwise expressly provided in the Act, provided proper notice with respect to the proposed action is given to all Board or committee members (as the case may be), a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a committee thereof, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.	Passing of resolution by circulation
Management, Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer			
111.	(a)	The Managing Director/ chief executive officer of the Company and the key management persons shall be appointed by the Board on the basis of	Appointment of Managing Director and key management

	the recommendations of the Nomination and Remuneration Committee; and the appointment of the Managing Director/ chief executive officer shall be approved by the Members at the next general meeting. Further, the Board shall be entitled to remove or dismiss the Managing Director/ chief executive officer and such key management persons. Subject to the Act, a Managing Director shall not, while he continues to hold that office, be liable to retire by rotation but he shall (subject to the provisions of any contract between him and the Company) be subject to the same provision as to resignation and removal as the other Directors of the Company and shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of Director from any cause.	persons
(b)	Further, the Board shall be entitled to remove or dismiss any of the above officers in accordance with the Applicable Laws.	
(c)	The Managing Director/ chief executive officer shall act subject to the superintendence, direction, and control of the Board, and shall be responsible for the day-to-day affairs and management of the Company. The Board may further entrust and delegate to the Managing Director/ chief executive officer any other specific powers and responsibilities in writing, as the Board may deem fit. Without prejudice to the forgoing powers, the Managing Director/ chief executive officer shall have the following powers in respect of the day-to-day affairs and management of the Company: 1. engaging, suspending, or dismissing personnel of the Company not expressly reserved to the Board; 2. instituting, prosecuting, and defending any proceedings in the Company's name; 3. selecting suppliers of materials, supplies, and services (including accounting, administrative, legal, technical, financial, management, consulting, and other services) necessary for operations conducted by the Company; 4. incurring all reasonable expenses and paying all obligations of the Company; 5. executing and delivering any and all contracts, agreements, documents, or instruments of any kind that the Managing Director/ chief executive officer may deem necessary or appropriate for carrying out the purposes of the Company; 6. acquiring and maintaining any contract of insurance that the Managing Director/ chief executive officer may deem necessary or appropriate and covering such risks as are appropriate in the discretion of the Managing Director/ chief executive officer, including insurance policies insuring the Company and for the conservation of the property of the Company; 7. opening, operating and closing of bank accounts, depositing funds in banks and authorizing withdrawals therefrom on the signature of such persons as the Managing Director/ chief executive officer determines; 8. procuring an individual borrowing for the Company in an amount up to US$200,000 or the equivalent thereof in any other currency, in the ordinary course of business; and 9. making any loan or extending credit to any person in the ordinary course of business (for purposes of this sub-clause, an unsecured loan extended by the Company to any person in excess of two percent (2%) of the Company's total investments or US$500,000 or the equivalent thereof in any other currency (whichever is lower) shall not be deemed to be in the ordinary course of business).	Powers of the Managing Director
	Registers	
112.	The Company shall keep and maintain at its registered office or such other office, with such approvals as may be determined by the Applicable Laws,	Statutory registers

		all statutory registers (namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements) for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual returns shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	
113.	(a)	The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register, and the Board may (subject to the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.	Foreign register
	(b)	The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis,* as is applicable to the register of members.	Inspection of foreign register
		The Seal	
114.	(1)	The Board shall provide for the safe custody of the Seal.	The Seal, its custody and use
	(2)	The Seal of the Company shall not be affixed to any instrument, except (i) by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and (ii) in the presence of at least one Director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; such Director or manager or the secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.	Affixation of Seal
		Service of Documents and Notice	
115.		A document or notice may be served or given by the Company on any Member or an officer thereof either personally or by sending it by post, e-mail, or electronic mode, to him to his registered address, or if he has no registered address in India, to the address, if any, within India supplied by him to the Company for serving documents or notices on him.	Notice
116.		Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the document or notice.	Document or notice sent when effective
117.		A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every Member who has no registered address in India and has not supplied to the Company any address within India for the service of documents on him or the sending of notice to him.	Notice through advertisement
118.		A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of death or insolvency of a Member by sending it through the post in a prepaid letter addressed to him by name or by the title or representative of the deceased or assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the person claiming to be so entitled (until such an address has been so supplied) by serving the document or notice in any manner in which the same would have been given if the death or insolvency had not occurred.	Notice on personal representative
119.		Documents or notice of every general meeting shall be served or given in the same manner hereinbefore authorised on or to (a) every Member, (b) every person entitled to a share in consequence of the death or insolvency of a Member, and (c) the auditor or auditors for the time being of the Company.	To whom documents or notices must be served or given
120.		Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of each share, which previously to his name and address being entered in the register of members, shall have been duly served on the person from whom he derives his title to such share.	Members bound by documents if notices served on or given to previous holders
121.		Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board for such purpose and the signature may be written, printed or lithographed.	Document or notice by Company and signature thereof

122.		All documents or notices to be served or given by Members on or to the Company or any officer thereof shall be served or given by sending them to the Company or officer by post under a certificate of posting or by registered post or by leaving it at the registered office or by means of such electronic or other modes as may be prescribed in the Act.	Service of document or notice by Member
		Dividends and Reserve	
123.		The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Company in general meeting may declare dividends
124.		Subject to the Act, the Board may, from time to time, pay to the Members such interim dividends of such amount on such class of shares and at such times as it may think fit.	Interim dividends
125.	(1)	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums, as it thinks fit, as a reserve or reserves that shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion of the Board, either be employed in the business of the Company or be invested in such investments (other than shares) as the Board may, from time to time, think fit.	Dividends only to be paid out of profits
	(2)	The Board may also carry forward any profits that it may consider necessary not to divide, without setting them aside as a reserve.	Carry forward of profits
126.	(1)	Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares, dividends may be declared and paid according to the amounts of the shares.	Division of profits
	(2)	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.	Payments in advance
	(3)	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.	Dividends to be apportioned
127.	(1)	The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares.	No Member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom
	(2)	The Board may retain dividends payable upon shares in respect of which any person is, under Article 40, entitled to become a Member, until such person shall become a Member in respect of such shares.	Retention of dividends
128.	(1)	Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named in the register of members, or to such person and to such address as the holder or joint holders may in writing direct.	Dividend how remitted
	(2)	Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Instrument of payment
	(3)	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment that is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	Discharge to Company
129.		Any one of two or more joint holders of a share may give effective receipts for any dividends, interests, bonuses or other monies payable in respect of such share.	Receipt of one holder sufficient
130.		No dividend shall bear interest against the Company.	No interest on dividends
131.		The waiver, in whole or in part, of any dividend on any share by any document (whether under Seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.	Waiver of dividends
		Unpaid Or Unclaimed Dividend	
132.	(1)	Where the Company has declared a dividend but which has not been paid	Transfer of unclaimed dividend

		or claimed within thirty (30) days from the date of declaration, the Company shall, within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend that remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank.	
	(2)	Any money transferred to the unpaid dividend account of the Company that remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established under section 125 of the Act. Any person claiming to be entitled to an amount may apply to the authority constituted by the Central Government for the payment of the money claimed.	Transfer to IEPF account
	(3)	No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by the Applicable Laws.	Forfeiture of unclaimed dividend
		Accounts	
133.	(1)	The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act and the Rules.	Inspection by Directors
	(2)	No Member (not being a Director) shall have any right of inspecting any books of account or books and papers or document of the Company, except as conferred by the Applicable Laws or authorised by the Board.	Restriction on inspection by Members
		Borrowing Powers	
134.		Subject to these Articles and the Act, the Board may, from time to time and at its discretion, raise or borrow funds or moneys for the purposes of the business of the Company and, in particular, by the issue of debenture stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.	
		Secrecy Clause	
135.		Save as otherwise provided in these Articles, no Member shall be entitled to require discovery of, or any information respecting any detail of, the Company's working, trading or any matter that is or may be in the nature of a trade secret, mystery of trade or secret process, which may relate to the conduct of the business of the Company, and which in the opinion of the Directors, will be inexpedient in the interest of the Members of the Company to communicate to the public.	
		Winding up	
136.		Subject to the Act and the Rules-	Winding up of Company
	(a)	If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide among the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind.	Distributions
	(b)	For the aforesaid purpose, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.	
	(c)	The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.	Vesting of assets with trustee
		Indemnity and Insurance	
137.	(a)	Subject to the Act, the Company shall indemnify every Director, manager, company secretary and other officer of the Company out of the funds of the Company and pay all costs, losses and expenses (including travelling expenses) that such Director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity.	Directors and officers right to indemnity
	(b)	To the fullest extent permitted under the Applicable Laws, every Director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings in relation to the Company, whether civil or criminal.	Directors and officers right to indemnity in defending proceedings
	(c)	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial	Insurance

	personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	
General Power		
138.	Wherever in the Act it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then, and in that case, this Article authorizes and empowers the Company to have such rights, privileges and authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.	General power

Part B

1. PRELIMINARY

Subject as hereinafter provided, the regulations in Table "F" in Schedule I to the Act (as defined below) shall apply to the Company (as defined below) and constitute its regulations, except insofar as they are hereinafter expressly or impliedly excluded, modified, or varied.

In the event of any inconsistency between Part A and Part B of these Articles, the provisions of Part B of these Articles shall prevail. Until the commencement of the listing and trading of the shares of the Company on any recognised stock exchange in India pursuant to an IPO, Part B of these Articles shall remain in full force and shall over-ride and supersede, in its entirety, the provisions of Part A of these Articles, provided that Articles 86, 87, 88 and 89 of Part A of these Articles shall come into effect immediately upon adoption by the Shareholders of the Company and replace the Articles 7.1, 7.2, 7.3, 7.4 and 7.5 of Part B of these Articles. However, in the event that the listing and commencement of trading of the Equity Shares on the Stock Exchanges does not occur by [●] (the "**IPO Deadline Date**"), Articles 7.1, 7.2, 7.3, 7.4 and 7.5 of Part B of these Articles shall automatically stand reinstated and shall replace Articles 86, 87, 88 and 89 of Part A of these Articles, without any further steps being required on the part of the Company or its Shareholders to make any further amendments to the Articles. Upon the commencement of the listing and trading of the shares of the Company on any recognised stock exchange in India pursuant to an IPO, Part B shall automatically stand deleted, not have any force, and be deemed to be removed from the Articles of Association, and the provisions of Part A shall automatically come in effect and be in force, without the requirement of any further corporate or other action by the Company or its Members.

It is clarified that if the listing of the Company's shares on a stock exchange in India is not completed on or before the IPO Deadline Date, the Company shall undertake all such actions, and do all such things, as may be necessary to ensure that the Indian Shareholders are placed in the same position, and possess the same rights, as if these Articles of Association had not been amended, approved, and implemented.

2. DEFINITIONS AND INTERPRETATION

DEFINITIONS

In these Articles:

"**Act**" shall mean the Companies Act, 2013 or the Companies Act 1956 (to the extent applicable) and the rules and regulations thereunder, as amended from time to time.

"**Affiliate**" shall mean, with respect to any Shareholder (as defined below), any person (including the spouse, siblings, ascendants or descendants of such person, or the spouse of any such sibling, ascendant or descendant) that, directly, indirectly, individually, or, if acting collectively, collectively controls, is controlled by, or is under common control with such Shareholder. For the purpose of this definition, "**control**", with respect to any person, shall mean (i) the direct or indirect ownership of more than fifty percent (50%) of the voting shares of such person, or (ii) the power to direct the voting of more than fifty percent (50%) of the voting shares of such person, whether by contract or otherwise, or (iii) the power to direct or cause the direction of the management and policies of such other person.

"**Affiliate Deed of Adherence**" shall mean the deed of adherence executed by an Affiliate of any Shareholder that acquires Shares (as defined below) from such Shareholder, in the form agreed in the applicable Joint Venture Agreement (as defined below).

"**Annual General Meeting**" shall mean the annual general meeting of the Shareholders.

"**Applicable Laws**" shall mean the laws and regulations governing, or applicable to, the life insurance business in India (including the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, and the rules and regulations framed thereunder), any other laws, regulations, decrees, circular letters, and other written promulgations having the force of law in India pertaining, or applicable to, the Company, and any applicable treaties, together with any laws, regulations, decrees, circular letters, and other written promulgations having the force of law in India that may be issued implementing, supplementing, amending, or replacing these laws, regulations, treaties, decrees, circular letters, and other written promulgations having the force of law.

"**Articles**" shall mean these Articles of Association of the Company, as amended from time to time.

"**Audit Committee**" shall mean the Committee constituted by the Board in compliance with Section 177 of the Companies Act, 2013 and the Corporate Governance Guidelines, which Committee shall:

a) initially comprise of three (3) members, of which two (2) members shall be independent Directors, and one (1) member shall be a Director nominated by MetLife; and

b) when the Company increases the number of independent Directors on its Board to three (3) pursuant to Article 7.2 or Article 7.3, the Committee shall comprise of five (5) members, of which three (3) members shall be independent Directors, one (1) member shall be a Director nominated by MetLife, and one (1) member shall be a Director nominated by PNB;

provided that, in either of the above two scenarios, if MetLife or PNB lose their right to nominate a Director under these Articles, the right of such Shareholder to nominate one (1) Director on the Committee shall automatically cease to be in force, and such seat on the Committee shall be filled by the Board.

"**Authorized Share Capital**" shall mean the authorized share capital of the Company as reflected in the Memorandum of Association (as defined below).

"**Board**" or "**Board of Directors**" shall mean the Board of Directors of the Company.

"**Business**" shall mean the business of providing life insurance and related businesses as may be permitted under the Applicable Laws to be undertaken by a life insurance company registered under the Insurance Act, 1938, and all other activities that the Company may undertake in accordance with the Objects Clause in the Memorandum of Association and in compliance with the Applicable Laws.

"**CA Agreement**" shall mean the corporate agency agreement, dated October 19, 2011, entered into between the Company and PNB, as amended from time to time.

"CHPL" shall mean Chintalapati Holdings Private Limited (and includes its successors and permitted assigns).

"**Company**" shall mean PNB MetLife India Insurance Company Limited.

"**Committee**" shall mean any committee of the Board of Directors.

"**Competitor**" shall mean any third party that, directly or indirectly, competes with the Company and/ or MetLife.

"**Control Change Event**" means acquisition of control of MetLife by any global insurance company or any governmental authority.

"**Corporate Governance Guidelines**" shall mean the corporate governance guidelines issued by the IRDA and applicable to Indian insurance companies, as amended from time to time.

"**Directors**" shall mean the directors of the Company.

"**Elpro**" shall collectively mean Elpro International Limited (and includes its successors and permitted assigns) and IGE (India) Limited (and includes its successors and permitted assigns), who has become a shareholder in the Company by virtue of being an Affiliate of Elpro International Limited (and includes its successors and permitted assigns).

"**Encumbrance**" has the meaning ascribed to such term in Article 4.1.

"**General Meeting of Shareholders**" or "**GMS**" shall mean an annual or extraordinary general meeting of the Shareholders, as the case may be, pursuant to the provisions of these Articles and/ or the Act.

"**Identified Indian Shareholders**" has the meaning ascribed to such term in Article 4.3.1.

"**Indian Shareholders**" shall mean each of the Shareholders other than MetLife; for clarity, including MPCL (as defined below), J&K Bank (as defined below), Elpro, PNB (as defined below), and Manimaya (as defined below).

"**Investment Bank**" has the meaning ascribed to such term in Article 16.1.

"**Investors**" shall mean each of the private equity investors, being, Elpro and Manimaya, who or which have been issued and allotted Shares by the Company in order to meet the capitalization requirement under the Applicable Laws.

"**IPO**" shall mean an initial public offering of the Share Capital (as defined below).

"**IRDA**" shall mean the Insurance Regulatory and Development Authority constituted under and in accordance with the provisions of the Insurance Regulatory and Development Authority Act, 1999.

"**J&K Bank**" shall mean The Jammu & Kashmir Bank Limited (and includes its successors and permitted assigns).

"**Joint Venture Agreement(s)**" shall mean any or all of the joint venture agreements entered into between MetLife and, individually, each of the Indian Shareholders, except PNB, and the shareholders' agreement entered into among MetLife, PNB, and all of the Other Indian Shareholders (as defined below), as the context may require.

"**List A Matters**" shall mean the matters listed in Article 6.6.

"**List B Matters**" shall mean the matters listed in Article 7.21.

"**Managing Director**" shall mean the managing director of the Company, for the time being (if any).

"**Manimaya**" shall mean Manimaya Holdings Private Limited (and includes its successors and permitted assigns).

"**Memorandum of Association**" shall mean the memorandum of association of the Company, as amended from time to time.

"**MetLife**" shall collectively mean MetLife International Holdings, LLC. (and includes its successors and permitted assigns) and its Affiliate(s) who may, from time to time, own any Share Capital (and includes its/ their successors and permitted assigns), in each case, in accordance with the provisions of these Articles.

"**MetLife Default Notice**" shall mean a written notice that may be issued in accordance with PNB's Joint Venture Agreement by PNB, being a non-defaulting party under PNB's Joint Venture Agreement, exercising its right to put all its Shares to MetLife.

"**MetLife Default Price**" shall have the meaning ascribed to such term in Article 15.1.

"**MPCL**" shall collectively mean M. Pallonji & Co. Private Limited (and includes its successors and permitted assigns) and M. Pallonji Enterprises Private Limited (and includes its successors and permitted assigns), in its capacity as an Affiliate of M. Pallonji & Co. Private Limited.

"**Nomination and Remuneration Committee**" shall mean the Committee constituted by the Board in compliance with Section 178 of the Companies Act, 2013 and the Corporate Governance Guidelines, which Committee shall:

a) initially comprise of four (4) members, of which two (2) members shall be independent

Directors, one (1) member shall be a Director nominated by MetLife and one (1) member shall be a Director nominated by MPCL; and

b) when the Company increases the number of independent Directors on its Board to three (3) pursuant to Article 7.2 or Article 7.3, the Committee shall comprise of six (6) members, of which three (3) members shall be independent Directors, one (1) member shall be a Director nominated by MetLife, one (1) member shall be a Director nominated by MPCL, and one (1) member shall be a Director nominated by Elpro;

provided that, in either of the above scenarios, if MetLife, MPCL or Elpro lose their right to nominate a Director under these Articles, the right of such Shareholder to nominate one (1) Director on the Committee shall automatically cease to be in force, and such seat on the Committee shall be filled by the Board.

"**Observer**" has the meaning ascribed to such term in Article 7.5 (a).

"**Offer Notice**" has the meaning ascribed to such term in Article 4.2.

"**Offer Price**" has the meaning ascribed to such term in Article 4.2.1.

"**Offered Shares**" has the meaning ascribed to such term in Article 4.2.1.

"**Offeree Notice**" has the meaning ascribed to such term in Article 4.4.

"**Offeree Shareholder**" has the meaning ascribed to such term in Article 4.2.

"**Offeror Shareholder**" has the meaning ascribed to such term in Article 4.2.

"**Other Indian Shareholders**" has the meaning ascribed to such term in Article 4.5.2.1.

"**PNB**" shall mean Punjab National Bank (and includes its successors and permitted assigns).

"**PNB Closing Date**" shall mean the date on which Shares are sold to PNB by MetLife, MPCL, J&K Bank, IGE (India) Limited, Manimaya and CHPL, in accordance with the provisions of a share purchase agreement, dated December 4, 2012 between PNB, MetLife, MPCL, J&K Bank, IGE (India) Limited, Manimaya, CHPL and the Company.

"**PNB Default Notice**" shall mean a written notice that may be issued in accordance with PNB's Joint Venture Agreement by MetLife, being a non-defaulting party under PNB's Joint Venture Agreement, exercising its right to call and acquire, either on its own, or through one or more of its designees, all Shares of PNB.

"**PNB Default Price**" shall have the meaning ascribed to such term in Article 15.2.

"**PNB Prospective Purchaser**" has the meaning ascribed to such term in Article 4.5.2.2.

"**PNB Shareholding**" shall mean PNB's ownership interest in the Share Capital, from time to time.

"**Prospective Purchaser**" has the meaning ascribed to such term in Article 4.2.1.

"**Share Capital**" shall mean the issued and allotted share capital of the Company from time to time.

"**Shareholder Competitor**" shall mean any third party that, directly or indirectly, competes against MPCL, Elpro or J&K Bank, as the context may require, in any of its major lines of business.

"**Shareholders**" shall mean MetLife, MPCL, J&K Bank, Elpro, PNB, and Manimaya, and shall include any other person that may from time to time be registered as a member of the Company.

"**Shares**" shall mean equity shares of the Company of par value of Rs.10/- (Rupees Ten) each.

"**Transfer**" has the meaning ascribed to such term in Article 4.1.

"**Transferee Deed(s) of Adherence**" shall mean the deed of adherence executed by a person that acquires Shares from any Shareholder(s), in the form agreed in the applicable Joint Venture Agreement(s).

"**Valuation**" has the meaning ascribed to such term in Article 16.1.

INTERPRETATION

In these Articles, unless the context otherwise requires:

(a) reference to any statute or statutory provision includes a reference to it as from time to time amended, extended, or re-enacted, and any regulation promulgated thereunder;

(b) any reference in these Articles to "writing" or cognate expressions includes a reference to telex, cable, facsimile transmission, e-mail, and other electronic or comparable means of communication;

(c) words importing the singular number shall include the plural and vice versa;

(d) headings are inserted for ease of reference only and shall not affect the interpretation thereof or of these Articles;

(e) any reference to a person means an individual, partnership, joint venture, corporation, company, trust, unincorporated association, or other entity of whatever nature, or any group of the foregoing;

(f) references to "day" or "days" are to calendar days;

(g) references to amounts payable under or in connection with these Articles, are references to amounts denominated in Rupees; and

(h) words importing the masculine shall include the feminine and vice versa.

3. SHARE CAPITAL AND FURTHER ISSUE THEREOF

3.1. The Authorized Share Capital is as per Clause V of the Memorandum of Association, and is payable in the manner as may be determined by the Directors, from time to time, with the power (subject to Article 3.3 below) to increase, reduce, subdivide, repay the same, or divide the same into several classes, to attach thereto any rights, to consolidate or subdivide or re-organise the Shares, and, subject to the provisions of the Act, to vary such rights as may be provided by these Articles.

3.2. Except as otherwise permitted under the Applicable Laws, the Shares shall be under the control of the Board, which may allot or dispose of the same to such person and at such times, either at a premium or at par, and for cash, as the Board may think fit subject to the provisions of the Act and these Articles.

3.3. All Shares shall have identical voting, dividend, and other rights. In the event any third party acquires any Shares or any rights or interests therein from a Shareholder(s), such Shares, rights, and interests shall be subject to the terms and conditions set forth herein.

3.4. Except as otherwise permitted under the Applicable Laws, any additional issue of Share Capital by the Company shall first be offered to the Shareholders, in proportion to the Shares then owned by such Shareholders. If the Company issues any additional Share Capital beyond Rs. 2,012.884 crores post PNB Closing Date, and the Company makes an offer to the Shareholders, as above, then, up to a future capital issuance of not more than Rs. 144 crores by the Company, PNB shall subscribe to its *pro-rata* portion; provided that PNB shall not be obligated to subscribe to such Shares if post such subscription of Shares the PNB Shareholding shall increase beyond a thirty percent (30%) ownership interest in the Share Capital.

3.5. In the event that the Board of Directors wishes to increase the capitalisation of the Company, MetLife and each of the Indian Shareholders shall attend the GMS and (as necessary) exercise their voting rights conferred upon them by way of their respective shareholdings in the Company and/ or take all steps as necessary to ensure that their nominees to the Board of Directors, if any, attend a meeting of the Board of Directors and vote, in each case, in favour of any further actions that may be required to be undertaken in respect of such capital increase, including for adoption of amendments, if any, that may be required to these Articles and the Memorandum of Association. If within a period of sixty (60) days from the issue of a rights issue notice by the Company to all Shareholders, any of MPCL, J&K Bank, Elpro, PNB, or the other Indian Shareholders fail to, or decide not to, contribute additional capital pro-rata to their respective ownership interest in the Share Capital, then, subject to the provisions of the Act, MetLife shall have the right to contribute such capital and acquire such of the additional Shares which are attributable to, and not subscribed to by, any one or more of MPCL, J&K Bank, Elpro, PNB, or the other Indian Shareholders, as the case may be. Provided however that, MetLife's right to acquire additional Shares pursuant to this Article 3.5 is restricted to the maximum amount of the Share Capital that MetLife is permitted to own under Applicable Laws.

If the amount of such additional Shares, when added to the Share Capital already owned by MetLife, exceeds the maximum amount of the Share Capital that MetLife is permitted to own under Applicable Laws then, the Board shall at its discretion dispose of such additional Shares in the best interest of the Shareholders and the Company.

3.6. Subject to the provisions of the Act, the Company shall adopt an ongoing procedure for issuing additional Shares. Pursuant to this procedure, the Company will seek to price the additional Shares to reflect an appropriate valuation of such Shares, provided that additional Shares will not be issued at less than the par value of such Shares.

3A DEMATERIALIZATION OF SHARES

3A.1 For the purpose of this Article:

"**Beneficial Owner**" shall have the meaning assigned thereto in Section 2(1)(a) of the Depositories Act, 1996.

"**Depository**" shall mean a Depository as defined in Section 2(1)(e) of the Depositories Act, 1996.

"**Member**" shall mean a duly registered holder, from time to time, of the Shares and includes every Person whose name is entered as Beneficial Owner in the records of the Depository.

3A.2 *Dematerialization of Shares:* The Company shall be entitled to dematerialize its Shares and to offer Shares in a dematerialized form, and further to rematerialize the Shares held in Depository, in each of the foregoing cases, in accordance with the Depositories Act, 1996.

3A.3 *Option to Hold Shares in Physical Form or With Depository:* Every Person holding Shares through allotment or otherwise shall have the option to receive and hold the same in the form of share certificates or to receive and hold the same in the dematerialized form with a Depository.

3A.4 *Rights of Depository and Beneficial Owners.*

(a) A Depository shall be deemed to be the registered owner for the purposes of affecting the transfer of the ownership of Shares on behalf of the Beneficial Owner and shall not have any voting rights or any other rights in respect of the Shares held by it.

(b) Every Person holding Shares and whose name is entered as the Beneficial Owner in the records of the Depository shall deemed to be a Member of the Company. The Beneficial Owner of Shares shall be entitled to all the rights and benefits (including those as contained in these Articles) and be subject to all the liabilities in respect of his/her/its Shares (including those as contained in these Articles) that are held by a Depository.

3A.5 *Transfer of Shares.* The Transfer of Shares held by a Depository shall be governed by the provisions of the Depositories Act, 1996 and shall be subject to the restrictions contained in Articles 4 and 5. Nothing contained in Section 108 of the Act shall apply to a Transfer of Shares effected by a transferor and transferee, both of whom are entered as Beneficial Owners in the records of a Depository.

4. TRANSFER OF SHARES

4.1. Subject to the provisions of the Act, no Shareholder shall sell, assign, or otherwise transfer or dispose of any of its Shares ("**Transfer**"), except in compliance with this Article 4 and Article 5. Further, subject to the provisions of the Act, no Shareholder shall create, incur, assume or suffer to exist any lien, security interest, pledge, right of first refusal, or other encumbrance, or create in any third party any interest (legal, beneficial, or otherwise) (collectively or individually "**Encumbrance**"), with respect to any of its Shares except with the prior written approval of MetLife, in the case the Shareholder in question is an Indian Shareholder, and except with the prior written approval of MPCL, J&K Bank and PNB, in case the Shareholder in question is MetLife. In the event of the failure of any of the Shareholder to comply with the provisions of this Article 4.1, the Shares of such Shareholder shall not be registered for the purposes of Transfer (including a Transfer pursuant to exercise of rights in respect of an Encumbrance created), the creation of Encumbrance, if required to be noted or registered by the Company, shall not be noted and/ or registered, and the Transfer or creation of the Encumbrance in question shall, for all purposes, be considered as null and void.

4.2. If any of the Shareholders wishes to Transfer any or all of its Shares to a non-Affiliate other than pursuant to a transaction otherwise permitted hereunder, the Shareholder that wishes to Transfer its Shares (the "**Offeror Shareholder**") shall give written notice (the "**Offer Notice**") to such of the other Shareholders as is specified below (the recipient(s) of an Offer Notice is referred to as the "**Offeree Shareholder**"), with such contents and in such manner that is provided below:

4.2.1. If MetLife is the Offeror Shareholder, then MetLife shall issue an Offer Notice to all the Indian Shareholders stating its intent to make such Transfer, the number of the Shares to be Transferred (the "**Offered Shares**"), and certifying that such Transfer is pursuant to a bona fide written offer from a third party (ies) ("**Prospective Purchaser**") to acquire such Shares for valid consideration. The Offer Notice shall further state the name and address of the Prospective Purchaser(s), the price ("**Offer Price**"), and other terms and conditions of the proposed Transfer;

4.2.2. If a Shareholder other than MetLife and PNB is the Offeror Shareholder, then the Offeror Shareholder in question shall issue an Offer Notice to MetLife stating its intent to make such Transfer, the number of Offered Shares, and certifying that such Transfer is pursuant to a bona fide written offer from the Prospective Purchaser to acquire such Shares for valid consideration. The Offer Notice shall further state the name and address of the Prospective Purchaser(s), the Offer Price, and other terms and conditions of the proposed Transfer; or

4.2.3. If PNB is the Offeror Shareholder, then PNB shall issue an Offer Notice to MetLife stating its intent to make such Transfer, the number of Offered Shares, and specifying the price at which PNB proposes to Transfer the Offered Shares.

4.3. If:

4.3.1. MetLife is the Offeror Shareholder, each of MPCL, J&K Bank, and PNB (the "**Identified Indian Shareholders**") shall have the option to call and to purchase all of the Offered Shares pro-rata to their ownership interest in the Share Capital at the terms set forth in the Offer Notice. If only one of the Identified Indian Shareholders wishes to purchase the Offered Shares, then the Identified Indian Shareholder wishing to purchase such Shares shall have the option to call and to purchase all of the Offered Shares on the terms set forth in the Offer Notice. If all or two of the Identified Indian Shareholders wish to purchase the Offered Shares, then each of the Identified Indian Shareholders that has given notice of its intention to purchase the Offered Shares shall have the option to call and to purchase the Offered Shares on the terms set forth in the Offer Notice pro-rata to their ownership interest in the Share Capital; or

4.3.2. MPCL, J&K Bank, Elpro, PNB, or any of the other Indian Shareholders is the Offeror Shareholder, then MetLife shall have the option to purchase all of the Offered Shares at the terms set forth in the Offer Notice. The Offered Shares may be purchased either by MetLife itself or by a third party (ies) named by it, to such extent of the Share Capital that MetLife is then permitted to hold under the Applicable Law. In the event that the percentage of Share Capital then held by MetLife and that to be held by such third party(ies) exceeds the maximum percentage of Share Capital that MetLife is then permitted under Applicable Law to hold, then such third party(ies) shall be jointly identified and agreed by PNB, MPCL, Elpro and MetLife, each of who shall act reasonably while discussing and agreeing the name(s) of the third party(ies). The purchase of the Offered Shares by MetLife or such third party(ies), as applicable, shall be consummated after all approvals required under the Applicable Law are obtained. The foregoing requirement to obtain approvals of PNB, MPCL or Elpro shall not apply with regard to one or more of PNB, MPCL or Elpro if after the proposed sale of Shares the percentage of Share Capital that will be held by PNB, MPCL or Elpro would be less than five (5) percent.

4.4. Subject to the foregoing, the Offeree Shareholder's, option to purchase the Offered Shares shall be exercisable by a written notice (the "**Offeree Notice**") from the Offeree Shareholder to the Offeror Shareholder given within forty-five (45) days of delivery of the Offer Notice. In the event that an Offeree Notice is delivered, the Transfer of Shares to the Offeree Shareholder shall be effected within thirty (30) days from the date of receipt of the Offeree Notice and simultaneous with the payment of the Offer Price.

4.5. If an Offeree Shareholder does not deliver the Offeree Notice within the period set forth in Article 4.4, or if it gives written notice to the Offeror Shareholder that it will not exercise its option, then:

4.5.1. If any Shareholder other than PNB is the Offeror Shareholder, the Offeror Shareholder shall thereafter be free, subject to Articles 4.10, 4.11, 4.12, 4.14, and 4.18, to Transfer the Offered Shares to the Prospective Purchaser (other than a Competitor where the Offeror Party is an Indian Shareholder (other than PNB), or a Shareholder Competitor where the Offeror Party is MetLife) within a period of sixty (60) days thereafter; provided, however, that the Offeror Shareholder shall not Transfer such Shares (i) at a price lower than the Offer Price or (ii) on terms and conditions that are more favourable to the Prospective Purchaser than those stated in the Offer Notice. All documents of sale shall be provided to the Company and to the Offeree Shareholder.

4.5.2. If PNB is the Offeror Shareholder, then:

4.5.2.1. PNB shall issue to the other Indian Shareholders ("**Other Indian Shareholders**") the Offer Notice that it had issued to MetLife in accordance with the terms of Article 4.2.3. All the Other Indian Shareholders shall have the option to call and to purchase all of the Offered Shares at the terms set forth in the Offer Notice pro-rata to their ownership interest in the Share Capital. If only one of the Other Indian Shareholders wishes to purchase the Offered Shares, then the Other Indian Shareholder wishing to purchase such Shares shall have the option to call and to purchase all of the Offered Shares on the terms set forth in the Offer Notice. If two or more of the Other Indian Shareholders wish to purchase the Offered Shares, then each of such Other Indian Shareholders shall have the option to call and to purchase the Offered Shares on the terms set forth in the Offer Notice pro-rata to their ownership interest in the Share Capital. Upon receipt by the Other Indian Shareholders of the Offer Notice from PNB, the provisions of Article 4.4 shall apply; for clarity, the Other Indian Shareholders shall be considered as the Offeree Shareholder for the purposes of applicability of Article 4.4 to this Article 4.5.2.1.

4.5.2.2. If the Other Indian Shareholders do not deliver the Offeree Notice within the period set forth in Article 4.4, or if they give(s) written notice to PNB that they will not exercise their option, then PNB shall thereafter be free, subject to Articles 4.5.2.3, 4.10, 4.11, 4.12, 4.14, and 4.17, to Transfer the Offered Shares to any person (other than a Competitor) ("**PNB Prospective Purchaser**") within a period of sixty (60) days thereafter; provided, however, that (i) immediately upon identifying the PNB Prospective Purchaser, PNB shall issue a written notice to MetLife specifying the name and address of the PNB Prospective Purchaser(s), and (ii) PNB shall not Transfer such Shares at a price lower than the Offer Price and on terms and conditions that are more favourable to the PNB Prospective Purchaser than those stated in the Offer Notice. All documents of sale shall be provided to the Company and to the Offeree Shareholder.

4.5.2.3. If, following the proposed Transfer of the Offered Shares to the PNB Prospective Purchaser, or the PNB Prospective Purchaser acquiring an ownership interest in the Offered Shares, the Share Capital owned by the PNB Prospective Purchaser, or any part thereof, would be considered for computing the maximum foreign investment that is permitted in the Company, then, before making the proposed Transfer of the Offered Shares, PNB shall comply with the following:

(i) PNB shall, before making the Transfer to the PNB Prospective Purchaser, offer a right of first refusal to MetLife in respect of the Offered Shares in accordance with Articles 4.2.2 (read with the opening paragraph of Article 4.2), 4.3 and 4.4; for clarity, PNB shall comply with the provisions of Article 4.2.2 (read with the opening paragraph of Article 4.2) and not Article 4.2.3.

(ii) If MetLife does not deliver the Offeree Notice within the period set forth in Article 4.4, or if it gives a written notice to PNB that it will not exercise its option, then PNB shall thereafter be free, subject to Articles 4.10, 4.11, 4.12, 4.14, and 4.17, to Transfer the Offered Shares to the PNB Prospective Purchaser within a period of sixty (60) days thereafter; provided, however, that PNB shall not Transfer such Shares at a price lower than the Offer Price and on terms and conditions that are more favourable to the PNB Prospective Purchaser than those stated in the Offer Notice to be issued by it pursuant to Article 4.5.2.3(i). All documents of sale shall be provided to the Company and to MetLife.

4.6. If such Transfer pursuant to Articles 4.5.1, 4.5.2.2 or 4.5.2.3(ii), as applicable, shall not be consummated within the sixty (60) day period specified in Articles 4.5.1, 4.5.2.2 or 4.5.2.3(ii), as applicable, the Offered Shares and the Offeror Shareholder shall remain subject to the terms of this Article 4 in the same manner as if no Offer Notice had been given and the Offeror Shareholder shall again comply with this Article 4 as if the Offered Shares had never been offered for Transfer.

4.7. Notwithstanding Articles 4.2 to 4.6 (both inclusive), in the event that the Offeror Shareholder is MetLife, then on receipt of the Offer Notice from MetLife, the Indian Shareholders shall have the option to tag along and sell all or a portion of its or their Shares to the Prospective Purchaser, along with MetLife, at the Offer Price, and on the terms and conditions set forth in the Offer Notice. The Indian Shareholders' option shall be exercisable by a written notice from the Indian Shareholders to MetLife and the Prospective Purchaser given within thirty (30) days of the delivery of the Offer Notice. If the total Shares thereby offered for Transfer by the Indian Shareholders exceeds the number of Shares that the Prospective Purchaser is willing to purchase, then the Shares offered by the Indian Shareholders shall be disposed of first; for clarity, the Shares of the Indian Shareholders shall be disposed pro-rata on the basis of the number of Shares tendered by the Indian Shareholders for Transfer to the Prospective Purchaser. If the Shares thereby offered for Transfer by the Indian Shareholders is less than the number of Shares that the Prospective Purchaser is willing to purchase, then MetLife shall be entitled to Transfer to the Prospective Purchaser the balance of the Shares which the Prospective Purchaser is willing to purchase. If such Transfer pursuant to this Article 4.7 is not consummated within the sixty (60) day period specified in Article 4.5.1 except on account of the failure or inability of one or more Indian Shareholders to Transfer its/ their Shares, as above, the Shares shall remain subject to the terms of this Article 4 in the same manner as if no Offer Notice had been given and MetLife shall again comply with this Article 4 as if the Shares had never been offered for Transfer. If such Transfer pursuant to this Article 4.7 is not consummated within the sixty (60) day period specified in Article 4.5.1 on account of the failure or inability of one or more Indian Shareholders to Transfer its/ their Shares, as above, provided that all the Shares offered to be sold by the remaining Indian Shareholders are agreed to be acquired by the Prospective Purchaser, MetLife shall be entitled to Transfer to the Prospective Purchaser such number of Shares owned by it that one or more Indian Shareholders fail to or are unable to sell to the Prospective Purchaser. The Indian Shareholders' rights contained in this Article 4.7 shall expire if there is an IPO.

4.8. To the extent that an Affiliate of a Shareholder acquires Shares in accordance with the terms hereof, the terms "MetLife", "MPCL", "J&K Bank", "PNB", and "Investors", as the case may be, shall, except as otherwise contemplated or where the context does not permit, be deemed to include such Affiliate, as applicable. To the extent that a Shareholder has the right to acquire Shares, then such right shall be exercisable by such Shareholder, directly and/ or through one or more of its Affiliates, subject to the terms hereof, including Articles 4.10, 4.11, 4.14 and 4.15.

4.9. If, at any time, pursuant to the policies of the Indian government or because of any legal authority (including the IRDA) in India or the USA, or any state or political subdivision thereof, MetLife is not allowed to make the offer contemplated in Articles 4.3.2 or 4.5.2.3, and/ or acquire all of the Shares contemplated in Articles 4.16, 15.1 and 15.2, then MetLife shall be free to name third party(ies) for this purpose. MetLife shall be entitled to name third party(ies) to offer and/ or purchase Shares to such extent of the Share Capital that MetLife is then permitted to hold under the Applicable Law. In the event that the percentage of Share Capital then held by MetLife and that to be held by such third party(ies) exceeds the maximum percentage of Share Capital that MetLife is then permitted under Applicable Law to hold, then such third party(ies) shall be jointly identified and agreed by PNB, MPCL, Elpro and MetLife, each of who shall act reasonably while discussing and agreeing the name(s) of the third party(ies). The purchase of the Offered Shares by such third party(ies) shall be consummated after all approvals required under the Applicable Law are obtained. The foregoing requirement to obtain approvals of PNB, MPCL or Elpro shall not apply with regard to one or more of PNB, MPCL or Elpro if after the proposed sale of Shares the percentage of Share Capital that will be held by PNB, MPCL or Elpro would be less than five (5) percent.

4.10. Except as otherwise provided herein, and in addition to any other conditions to a Transfer, a Transfer of Shares shall need to be approved by the Board of Directors, which shall decide on all such matters in consonance with the principles laid down herein and such approval by the Board of Directors shall not be unreasonably withheld or delayed.

4.11. If:

4.11.1. any Shareholder proposes to Transfer any or all of the Shares owned by it to a Prospective Purchaser or the PNB Prospective Purchaser, as applicable, as a condition of such Transfer, such Shareholder shall:

(i) if such Shareholder is PNB, cause the PNB Prospective Purchaser to become a party to PNB's Joint Venture Agreement by executing a Transferee Deed of Adherence if all the Shares owned by PNB are proposed to be Transferred to the PNB Prospective Purchaser, or cause the PNB Prospective Purchaser to become a shareholder on the same terms and conditions as are provided in PNB's Joint Venture Agreement, if a part of the Shares owned by PNB are proposed to be Transferred to the PNB Prospective Purchaser. If the PNB Prospective Purchaser is required to execute a Transferee Deed of Adherence, PNB shall, simultaneous to making the Transfer, transmit, either by way of facsimile or e-mail, a copy of such executed Transferee Deed of Adherence to each of the other Shareholders. Within a period of 3 (three) business days of such Transfer, PNB shall hand over one original copy of such executed Transferee Deed of Adherence to each of the other Shareholders. PNB's obligation in the immediately preceding sentence shall survive the termination of the PNB Joint Venture Agreement to the extent such termination relates to PNB;

(ii) if such Shareholder is an Indian Shareholder other than PNB, cause the Prospective Purchaser to become a party to PNB's Joint Venture Agreement and the Joint Venture Agreement between such Indian Shareholder and MetLife, in each case, by executing the applicable Transferee Deed of Adherence if all the Shares owned by such Shareholder are proposed to be Transferred to the Prospective Purchaser, or cause the Prospective Purchaser to become a shareholder on the same terms and conditions as are provided in PNB's Joint Venture Agreement and the Joint Venture Agreement between such Shareholder and MetLife, if a part of the Shares owned by such Shareholder are proposed to be Transferred to the Prospective Purchaser. If the Prospective Purchaser is required to execute the Transferee Deeds of Adherence, the transferor Shareholder shall, simultaneous to making the Transfer, transmit, either by way of facsimile or e-mail, a copy of such executed Transferee Deeds of Adherence to each of the other Shareholders, as necessary. Within a period of 3 (three) business days of such Transfer, the transferor Shareholder shall hand over one original copy of each such executed Transferee Deed of Adherence to each of the other Shareholders, as necessary. The transferor Shareholder's obligation in the immediately preceding sentence shall survive the termination of the applicable Joint Venture Agreements to the extent such termination relates to the transferor Shareholder in question; or

(iii) if such Shareholder is MetLife, cause the Prospective Purchaser to become a party to all Joint Venture Agreements, in each case, by executing the applicable Transferee Deed of Adherence if all the Shares owned by MetLife are proposed to be Transferred to the Prospective Purchaser, or cause the Prospective Purchaser to become a shareholder on the same terms and conditions as are provided in all the Joint Venture Agreements, if a part of the Shares owned by MetLife are proposed to be Transferred to the Prospective Purchaser. If the Prospective Purchaser is required to execute the Transferee Deeds of Adherence, MetLife shall, simultaneous to making the Transfer, transmit, either by way of facsimile or e-mail, a copy of such executed Transferee Deed of Adherence to each of the other Shareholders, as necessary. Within a period of 3 (three) business days of such Transfer, MetLife shall hand over one original copy of each such executed Transferee Deed of Adherence to each of the other Shareholders, as necessary. MetLife's obligation in the immediately preceding sentence shall survive the termination of the Joint Venture Agreements to the extent such termination relates to MetLife; or

4.11.2. any Shareholder proposes to Transfer any or all of the Shares to any of its Affiliates, or nominates any of its Affiliates to subscribe to new Shares issued by the Company or otherwise acquire Shares, in each case, as contemplated in Article 4.15, as a condition of such Transfer, subscription or acquisition, such Shareholder shall:

(i) if such Shareholder is PNB, cause its Affiliate to become a party to PNB's Joint Venture Agreement by executing an Affiliate Deed of Adherence, and when such Affiliate acquires or subscribes to the Shares in question, hand over one original copy of such executed Affiliate Deed of Adherence to each of the other Shareholders;

(ii) if such Shareholder is an Indian Shareholder other than PNB, cause its Affiliate to become a party to PNB's Joint Venture Agreement and the Joint Venture Agreement between such Indian Shareholder and MetLife, in each case, by executing the applicable Affiliate Deed of Adherence and when such Affiliate acquires or subscribes to the Shares in question, hand over one original copy of such executed Affiliate Deed of Adherence to each of the other Shareholders, as necessary; or

(iii) if such Shareholder is MetLife, cause its Affiliate to become a party to all Joint Venture Agreements, in each case, by executing the applicable Affiliate Deed of Adherence and when such Affiliate acquires or subscribes to the Shares in question, hand over one original copy of such executed Affiliate Deed of Adherence to each of the other Shareholders, as necessary.

It is clarified that in each of the situations contemplated in Article 4.11.2, the Shareholder in question and its Affiliate(s) shall be treated as one block and they shall share amongst themselves all rights and obligations of such Shareholder under the Joint Venture Agreements.

4.12. Notwithstanding anything contained herein and subject to the provisions of the Act, if any Transfer of Shares shall require statutory or regulatory approval, or if the Valuation is to be determined, or approval of any Shareholder is necessary for the purposes of joint identification of a third party under this Agreement, then the sale period for such Transfer referred to herein shall be extended until such regulatory approval is obtained or has been officially and finally denied or until the Valuation has been completed, or until such Shareholder approval is obtained or has been denied, as the case may be; provided that the Shareholder seeking to extend such sale period for such Transfer shall have used its best efforts in soliciting such approval or obtaining the Valuation.

4.13. Once a Shareholder and its Affiliates have Transferred all of their Shares, such Shareholder and its Affiliates shall have no further rights or obligations other than rights or obligations which arose prior to such Transfer or rights or obligations which survive the termination of the relevant Joint Venture Agreement.

4.14. No Transfer of Shares shall be registered unless a proper instrument of transfer, duly stamped and executed is delivered to the Company.

4.15. Notwithstanding anything contained to the contrary herein and subject to the provisions of the Act, any Indian Shareholder may Transfer its Shares to its Affiliate, or, to the extent that such Indian Shareholder has the right to subscribe to fresh Shares or acquire Shares in terms hereof, permit its Affiliate to subscribe (i.e., pursuant to the issuance of fresh Shares by the Company) to such new Shares or acquire such Shares, with the approval of MetLife, which approval shall not be unreasonably withheld or delayed. Further, notwithstanding anything contained to the contrary herein and subject to the provisions of the Act, MetLife may Transfer its Shares to its Affiliate or, to the extent that MetLife has the right to subscribe to fresh Shares or acquire Shares in terms hereof, permit its Affiliate to subscribe (i.e., pursuant to the issuance of fresh Shares by the Company) to such new Shares or acquire such Shares in conformity with regulatory provisions, with the approval of MPCL, Elpro, and PNB, which approval shall not be unreasonably withheld or delayed. Any Transfer of Shares by a Shareholder to its Affiliate, or subscription of new Shares or acquisition of Shares, as above, by an Affiliate of a Shareholder, as applicable, shall be subject to the condition that if such Affiliate, at a later date, ceases to be an Affiliate of such Shareholder, then the Shares so Transferred, subscribed or acquired (as above), as applicable, shall be purchased/ repurchased by such Shareholder or by an Affiliate of such Shareholder, subject to approval as set forth hereinabove in this Article 4.15.

4.16. If a Control Change Event occurs, which in the reasonable opinion of MPCL and/ or Elpro, would have an adverse effect on the Company, which can be reasonably expected to impair the rights of MPCL and/ or Elpro as a shareholder in the Company, MPCL and/ or Elpro may put and sell all of its Shares to MetLife, and MetLife (or third party (ies) identified by MetLife) shall purchase such Shares within ninety (90) days. The purchase price of any such Shares shall be the Valuation of such Shares as determined in the manner provided for in Article 16.

4.17. To forge a strong relationship between PNB and the Company, PNB should continue to own Shares. Accordingly, notwithstanding anything to the contrary contained in these Articles:

4.17.1. for a period of five (5) years from the PNB Closing Date, PNB shall not Transfer any of the Shares acquired by it on the PNB Closing Date nor any further accretions and subscriptions of additional Shares by PNB (except as otherwise contemplated in Article 4.11.2(i) and 4.15), and PNB (and, if relevant, its Affiliates) shall continue to own all such Shares; provided that this Article 4.17.1 shall not apply: (i) if PNB exercises its rights under Article 4.7; and/ or (ii) if PNB is required to Transfer any of its Shares pursuant to Article 5.6; and

4.17.2. after the fifth (5^{th}) anniversary of the PNB Closing Date, until the earlier to occur of (i) the Company receiving at least the new business premium (i.e., first year premium) of a sum equal to INR 16,262 crores in accordance with the business plan agreed between the Company and PNB prior to the PNB Closing Date), or (ii) the tenth anniversary of the PNB Closing Date, subject to complying with the other provisions of Article 4 of these Articles, PNB shall be permitted to Transfer only such of its Shares such that the PNB Shareholding is above a twenty percent (20%) ownership interest in the Share Capital (except as otherwise contemplated in Article 4.11.2(i) and 4.15), and PNB (and, if relevant, its Affiliates) shall continue to own at least a twenty percent (20%) ownership interest in the Share Capital; provided that this Article 4.17.2 shall not apply to the extent that the reduction below a twenty percent (20%) ownership interest in the Share Capital is attributable to: (i) the exercise by PNB of its rights under Article 4.7; and/ or (ii) Transfer of any of its Shares pursuant to Article 5.6.

4.18. Notwithstanding anything to the contrary contained in these Articles, for a period of five (5) years from the PNB Closing Date, MetLife shall not Transfer any of the Shares that it owned on the PNB Closing Date nor any further Shares that are subscribed or acquired by MetLife within a period of one hundred twenty (120) days from the PNB Closing Date (except as otherwise contemplated in Article 4.11.2(iii) and 4.15), and MetLife (and, if relevant, its Affiliates) shall continue to own all such Shares.

5. TRANSFERS PURSUANT TO CHANGES IN THE APPLICABLE LAWS

5.1. Intentionally Omitted

5.2. In the event of any change in the Applicable Laws requiring divestiture by MetLife or the Indian Shareholders, MetLife and the Indian Shareholders shall review and revise the provisions of this Article 5 to be in compliance with the Applicable Laws at the time of such change.

5.3. Intentionally Omitted

5.4. In the event that MPCL, J&K Bank, Elpro, PNB, or the other Indian Shareholders are required to Transfer Shares owned by them to comply with the requirements of the Applicable Laws, they shall comply with the provisions of Article 4; provided that if PNB is prohibited under the Applicable Laws to comply with the provisions of Article 4, PNB shall not be obligated to comply with the provisions thereof.

5.5. The Shareholders agree that if and when MetLife is permitted under the Applicable Laws to own more than a twenty-six percent (26%) ownership interest in the Share Capital, the intent is for MetLife to own such higher percentage of the Share Capital which it is permitted to own in accordance with Applicable Laws by way of a secondary acquisition of Shares, subject to a maximum of a fifty-one (51%) ownership interest in the Share Capital.

5.6. In furtherance of Article 5.5, MetLife shall, if and when permitted to do so under the Applicable Laws, have an irrevocable option, exercisable at its discretion, to acquire, at a price determined in accordance with Article 5.8, up to an additional twenty-five percent (25%) ownership interest in the Share Capital, or such lesser percent as is necessary for MetLife to own a fifty-one percent (51%) ownership interest in the Share Capital, from all of the Indian Shareholders on a pro-rata basis of their ownership interest in the Share Capital, provided that (i) PNB shall not be obligated to sell any Shares owned by it that results in the PNB Shareholding falling below a thirty percent (30%) ownership interest in the Share Capital, or (ii) in the event of the PNB Shareholding being already below a thirty percent (30%) ownership interest in the Share Capital, PNB shall not be obligated to sell any Shares owned by it that results in the PNB Shareholding falling below a twenty-six percent (26%) ownership interest in the Share Capital. For clarity, it is agreed that for the purposes of each Indian Shareholder to comply with its obligations under Articles 5.5 to 5.8, the Shares owned by such Indian Shareholder and its Affiliate(s) (who shall have acquired Shares in accordance with these Articles) shall be treated as one block, and such Indian Shareholder shall have the right to choose the Shares to be sold to MetLife from amongst the Shares that are owned by it and also its Affiliate(s), as above; provided that, upon completion of such sale of Shares, MetLife receives the aggregate number of Shares that such Indian Shareholder is required to sell to it under Articles 5.5 to 5.8.

5.7. MetLife shall have the right to exercise its option to increase its ownership interest in the Share Capital as contemplated in this Article 5 in one or more tranches once the Applicable Laws permit it to own more than a twenty-six percent (26%) ownership interest in the Share Capital.

5.8. The purchase price of any Transfer of Shares acquired by MetLife from MPCL, J&K Bank, Elpro, PNB or the Other Indian Shareholders pursuant to this Article 5 shall be the Valuation of such Shares as determined in accordance with Article 16.

5.9. Notwithstanding anything contained in this Article 5 or any other Article, in the event that MetLife wishes to raise its stake in the Company to an amount over a fifty-one percent (51%) ownership interest in the Share Capital by buying additional Shares from MPCL, J&K Bank or any of the Investors, the purchase price to be paid for such Shares shall be an amount mutually agreed to by MetLife and MPCL, J&K Bank or any of the Investors, as the case may be.

5.10. Notwithstanding any Transfer of Shares pursuant to this Article 5 as a result of the requirements of the Applicable Laws, the provisions of these Articles shall remain in full force and effect in accordance with their terms and shall not be changed, except as to those specific changes necessary to recognise the existence of additional shareholders, if any.

6. GENERAL MEETING OF SHAREHOLDERS

6.1. The General Meeting of Shareholders shall be convened and governed in accordance with these Articles and the Act.

6.2. All GMS other than Annual General Meetings shall be called extraordinary general meetings.

6.3. The Board may, whenever it thinks fit, call an extraordinary general meeting. If, at any time, there are not within India such number of Directors capable of acting who are sufficient in number to form a quorum, any Director or any two (2) members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting can be called by the Board.

6.4. Subject to the provisions of sub-section (2) of Section 189 of the Act relating to special resolutions, any GMS may be called by giving members at least twenty-one (21) clear days' notice. Notice of GMS shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the GMS. In a GMS, at a first call, no item of business shall be transacted at such meeting unless such item of business is identified on the agenda; provided, however, that with the consent of all the Shareholders present at the meeting any item of business not included on the agenda may be transacted at the meeting. In a GMS, at a second call, no item of business shall be transacted at such meeting unless such item of business is identified on the agenda. A GMS may be called by shorter notice in accordance with the provisions of Section 171 of the Act.

6.5. Subject to the provisions as contained in these Articles and the Act, the quorum for GMS at a first call shall be five (5) members (representing at least a fifty-one percent (51%) ownership interest in the Share Capital) present in person or through their authorized representatives, in case of companies, at least four (4) of whom must be representatives of the Indian Shareholders and one (1) of whom must be a representative of MetLife. The quorum for GMS at a second call shall be five (5) members present (representing any amount of the Share Capital) in person or through their authorized representatives, in case of companies, at least four (4) of whom must be representatives of the Indian Shareholders and one (1) of whom must be a representative of MetLife. If a GMS is adjourned, the members present at such adjourned meeting shall constitute quorum.

6.6. On any decision that relates to one or more of the following matters ("List A Matters"), MetLife and PNB shall adhere to the consultation mechanism provided in Article 6.7; provided that this Article 6.6 and Article 6.7 shall automatically cease to be in force on and from the date when the PNB Shareholding falls below a twenty percent (20%) ownership interest in the Share Capital:

(a) Any restructuring or reorganization of the Shares forming part of the Share Capital and other securities issued by the Company, or alteration of any rights attaching to any Shares or such securities;

(b) Any corporate restructuring or reorganization involving the Company, such as entry into any joint venture, investment in a subsidiary, hiving-off a business of the Company, and other similar events; and

(c) Any amendment to the constitutional documents of the Company that conflict with the rights of PNB under the Joint Venture Agreement between MetLife and PNB.

6.7. On any decision to be taken at a GMS which relates to one or more of the List A Matters, upon receipt of a notice for a GMS, if the agenda for the GMS contains a proposed decision in relation to any of the List A Matters, MetLife and PNB shall, before the proposed date of GMS, discuss such proposed decision with each other in good faith, while keeping in view the best interests of the Company, and arrive at a mutually agreeable decision. If pursuant to such discussions, MetLife and PNB are able to arrive at a mutually agreeable decision, both of them shall exercise their voting rights in the manner agreed between them. If however, MetLife and PNB are unable to arrive at a mutually agreeable decision, each of MetLife and PNB shall be free to exercise their respective voting rights in the manner they deem appropriate and without any restrictions. .

6.8. The Company and PNB are parties to the CA Agreement. Under the CA Agreement, both the Company and PNB have assumed certain obligations for effectuating the understanding captured in the CA Agreement. Should any such obligation of the Company under the CA Agreement require approval of the Shareholders at a GMS, each of PNB and MetLife agree to attend the GMS and exercise their voting rights as necessary, conferred upon them by way of their respective ownership interest in the Share Capital, in favour of the Company discharging such of its obligations under the CA Agreement.

7. BOARD OF DIRECTORS AND BOARD MEETINGS

7.1. The Company shall be managed by the Board of Directors consisting of not less than three (3) Directors.

7.2. The Board of Directors shall, initially, consist of thirteen (13) Directors. Of the thirteen (13) Directors, two (2) shall be independent Directors appointed, from time to time, by the Board of Directors after receiving and considering the recommendations made by the Nomination and Remuneration Committee and one (1) Director shall be the Managing Director appointed in accordance with Article 8.1.1.

Provided that, the number of independent Director shall be increased to three (3) upon the earlier of: (a) December 31, 2016, or (b) if Applicable Laws require the Board of Directors to comprise of at least three (3) independent Directors, the last date prescribed for compliance with such Applicable Laws, and, consequently, the total size of the Board of Directors shall be increased to accommodate the additional independent Director and such independent Director shall be appointed in the manner provided for the appointment of the two (2) independent Directors set out under this Article 7.2. The remaining ten (10) Directors shall be nominated and/ or appointed in the following manner:

7.2.1. Subject to Articles 7.2.3 and 7.4, PNB shall be entitled to nominate three (3) Directors, Elpro shall be entitled to nominate two (2) Directors, MPCL shall be entitled to nominate two (2) Directors, and MetLife shall be entitled to nominate three (3) Directors.

7.2.2. Intentionally Omitted

7.2.3. A Shareholder shall be entitled to nominate one or more Directors as follows:

Percentage of ownership interest in the Share Capital by such Shareholder		*Number of Directors that can be nominated by such Shareholder*
Less than 8.5%	:	None
8.5% and up to 15%	:	One (1) Director
Above 15% and up to 25%	:	Two (2) Directors
Above 25% and up to 35%	:	Three (3) Directors
Above 35% and up to 45%	:	Four (4) Directors
Above 45% and up to 55%	:	Five (5) Directors
Above 55% and up to 65%	:	Six (6) Directors
Above 65% and up to 75%	:	Seven (7) Directors
Above 75% and up to 85%	:	Eight (8) Directors
Above 85% and up to 95%	:	Nine (9) Directors
Above 95%	:	Ten (10) Directors

In the event that the total number of Directors that could be nominated by the Shareholders as determined in this Article 7.2.3 exceeds ten (10) Directors, the Shareholders entitled to nominate one or more Directors shall negotiate in good faith to determine how to allocate the ten (10) Director positions; provided, however, under no circumstances shall MetLife, while MetLife owns at least a twenty-six percent (26%) ownership interest in the Share Capital, and PNB, while PNB owns at least a twenty-six percent (26%) ownership interest in the Share Capital, be required to nominate less than the number of Directors that each is entitled to nominate as determined in accordance with this Article 7.2.3. It is clarified that the total number of Directors nominated by the Indian Shareholders to the Board under this Article 7.2 must exceed the total number of Directors nominated by MetLife to the Board.

7.3. If and when MetLife owns more than a twenty-six percent (26%) ownership interest in the Share Capital, then the Board of Directors shall consist of sixteen (16) Directors; each Shareholder agrees to vote in favour of any resolution necessary to be passed at a GMS to fix the strength of the Board of Directors at sixteen (16) Directors. Of the sixteen (16) Directors, two (2) shall be independent Directors that are appointed, from time to time, by the Board of Directors after receiving and considering the recommendations made by the Nomination and Remuneration Committee, and one (1) Director shall be the Managing Director appointed in accordance with Article 8.1.1.

Provided that, the number of independent Director shall be increased to three (3) upon the earlier of: (a) December 31, 2016, or (b) if Applicable Laws require the Board of Directors to comprise of at least three (3) independent Directors, the last date prescribed for compliance with such Applicable Laws, and, consequently, the total size of the Board of Directors shall be increased to accommodate the additional independent Director and such independent Director shall be appointed in the manner provided for the appointment of the two (2) independent Directors set out under this Article 7.3.The remaining thirteen (13) Directors shall be nominated and/ or appointed in the following manner:

7.3.1. A Shareholder shall be entitled to nominate one or more Directors as follows:

Percentage of ownership interest in the Share Capital by such Shareholder		*Number of Directors that can be nominated by such Shareholder*
Less than 5%	:	None
5% and up to 10.5%	:	One (1) Director
Above 10.5% and up to 20%	:	Two (2) Directors

Percentage of ownership interest in the Share Capital by such Shareholder		*Number of Directors that can be nominated by such Shareholder*
Above 20% and up to 27.5%	:	Three (3) Directors
Above 27.5% and up to 35%	:	Four (4) Directors
Above 35% and up to 42.5%	:	Five (5) Directors
Above 42.5% and up to 50%	:	Six (6) Directors
Above 50% and up to 57.5%	:	Seven (7) Directors
Above 57.5% and up to 65%	:	Eight (8) Directors
Above 65% and up to 72.5%	:	Nine (9) Directors
Above 72.5% and up to 80%	:	Ten (10) Directors
Above 80% and up to 87.5%	:	Eleven (11) Directors
Above 87.5% and up to 95%	:	Twelve (12) Directors
Above 95%	:	Thirteen (13) Directors

In the event that the total number of Directors that could be nominated by the Shareholders as determined in this Article 7.3.1 exceeds thirteen (13) Directors, the Shareholders entitled to nominate one or more Directors shall negotiate in good faith to determine how to allocate the thirteen (13) Director positions; provided, however, under no circumstances shall MetLife, while MetLife owns at a least twenty-six percent (26%) ownership interest in the Share Capital, and PNB, while PNB owns at least a twenty-six percent (26%) ownership interest in the Share Capital, be required to nominate less than the number of Directors that each is entitled to nominate as determined in accordance with this Article 7.3.1. It is clarified that the total number of Directors nominated by the Indian Shareholders to the Board under this Article 7.3 must exceed the total number of Directors nominated by MetLife to the Board.

7.4. If a Shareholder loses its right to nominate one or more Directors in accordance with the principles set out in Article 7.2 or Article 7.3 (as may be applicable), such Shareholder shall withdraw its nominee(s) upon such occurrence; provided that if any Shareholder's ownership interest in the Share Capital falls below the ownership threshold specified in the table in Article 7.2.3 or Article 7.3.1, as applicable, and consequently such Shareholder loses its right to nominate one or more Directors, and if, and only if, there is no other Shareholder which, considering its then existing ownership interest in the Share Capital, would be entitled to nominate one or more Director(s) or one or more additional Director(s) (as the case may be), then the first stated Shareholder's right to nominate such Director(s) will continue until such time that any other Shareholder becomes entitled to nominate one or more Director(s) or one or more additional Director(s) (as the case may be) as provided in these Articles. Subject to Article 7.8, the Shareholders, at a General Meeting of Shareholders, shall, subject to the provisions of the Act, have the right to remove any Director nominated by a Shareholder pursuant to Article 7.2 or Article 7.3 (as may be applicable), but only with cause; provided that, upon removal of any such Director, the Shareholder who had nominated such Director in the first place may nominate a new Director to in the place of the Director so removed. The Shareholders, at a General Meeting of Shareholders, shall, subject to the provisions of the Act, have the right to remove any independent Director, with or without cause.

7.5. (a) Till such time that J&K Bank owns any Shares in the Share Capital, and provided that J&K Bank continues to act a corporate agent of the Company for selling insurance products of the Company, J&K Bank shall have the right of visitation (on the Board of Directors) in the manner provided in this Article 7.5(a), and accordingly, the Board will invite any one person designated by J&K Bank (who is an employee of J&K Bank or director on the board of directors of J&K Bank) as an observer to the meetings of the Board of Directors (the "**Observer**") to remain present through the full length of the meetings of the Board of Directors; provided that, J&K Bank shall ensure that the Observer complies with confidentiality obligations as may be reasonably required by the Board of Directors. The right of J&K Bank under this Article 7.5(a) shall be available as long as it is permissible under the Applicable Laws.

(b) For each of MetLife, MPCL, Elpro and PNB, till such time that each of the foregoing Shareholders owns at least a two and one-half percent (2.5%) ownership interest in the Share Capital, then each such Shareholder shall have the right of visitation (on the Board of Directors) in the manner provided in this Article 7.5(b). Accordingly, the Board will invite any one person designated by such Shareholder (who is an employee, officer or director of such Shareholder) as an Observer to remain present through the full length of the meetings of the Board of Directors; provided that such Shareholder shall ensure that the Observer complies with confidentiality obligations as may be reasonably required by the Board of Directors. The right of such Shareholder under this Article 7.5(b) shall be available as long as it is permissible under the Applicable Laws. Notwithstanding anything to the contrary contained herein, the right of such Shareholder under this Article 7.5(b) shall not: (i) be applicable in the event that such Shareholder has the right to appoint two (2) or more Directors; and (ii) be available to a Prospective Purchaser or a PNB Prospective Purchaser, as applicable, to whom all the Shares then owned by such Shareholder are Transferred.

7.6. At any meeting of the Board of Directors convened, *inter alia*, for the purpose of appointing one or more Directors as additional Directors, the Shareholders shall take all steps necessary to ensure that their nominees to the Board of Directors, if any, attend such meeting and vote and take such other steps as may be necessary to assure that each such person as nominated in accordance with Article 7.2 or Article 7.3 (as may be applicable) shall be elected as a Director.

7.7. At a General Meeting of Shareholders convened, *inter alia*, for the purpose of appointing one or more Directors, the Shareholders entitled to nominate one or more Directors shall attend such meeting and vote their respective Shares and take such other steps as may be necessary to assure that each such person as nominated in accordance with Article 7.2 or Article 7.3 (as may be applicable) shall be elected as a Director.

7.8. Any Director nominated by a Shareholder pursuant to Article 7.2 or Article 7.3 (as may be applicable) may be removed by the Shareholder who nominated such Director with or without cause and such Shareholder may nominate a new Director in the place of the Director so removed. The Shareholders entitled to nominate one or more Directors shall attend a General Meeting of Shareholders and vote and take such other steps as may be necessary to effect such removal and/ or replacement. Alternatively, to the extent permitted by the Applicable Laws, the Shareholders shall take all steps necessary to ensure that their nominees to the Board of Directors, if any, attend a meeting of the Board of Directors and vote and take such other steps as may be necessary to effect such removal and/ or replacement.

7.9. In the event that the position of a Director becomes vacant for any reason, the Shareholders entitled to nominate one or more Directors shall take such steps as may be necessary to elect as a replacement (either at a meeting of the Board of Directors or a General Meeting of Shareholders) a person nominated by the Shareholder who nominated the person whose office is vacant. The vacancy in the office of an independent Director shall be filled by the Board of Directors in accordance with these Articles.

7.10. Any notice of appointment or removal of a Director nominated by a Shareholder required under this Article 7 shall be given by such Shareholder to the Company at its registered office.

7.11. Subject to the Applicable Laws, persons nominated for the position of Director shall not be deemed to be disqualified to serve by reason of their being officers, directors, or shareholders of any other person(s), unless such person(s) conduct(s) any life insurance business in India.

7.12. Subject to the provisions of the Act, each Shareholder entitled to nominate one or more Directors shall have the right to nominate an alternate Director in place of each of its nominees on the Board of Directors to act for such nominees during such nominees' absence.

7.13. The quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors for the time being or three (3) Directors or alternate Directors, whichever is more; provided, however, that there shall be no quorum unless there are present at least two (2) Directors, or alternate Directors, nominated by MetLife and, so long as MPCL, Elpro, and PNB, as the case may be, have the right to nominate Directors pursuant to Article 7.2 or Article 7.3 (as may be applicable), there shall be no quorum unless there are also present at least one (1) Director, or alternate Director, nominated by each of MPCL, Elpro, and PNB, as the case may be, provided further that, there shall be no quorum unless out of the Directors present, the number of Directors nominated by the Indian Shareholders exceeds the number of Directors nominated by MetLife. Notwithstanding the foregoing, if a Director, or alternate Director, nominated by MPCL, Elpro, and/ or PNB shall fail to attend a duly noticed meeting of the Board of Directors, the meeting shall be adjourned for one (1) week. If a Director, or alternate Director, nominated by MPCL, Elpro, and/ or PNB, as the case may be, shall fail to attend the adjourned meeting, the foregoing provision that a Director, or alternate Director, nominated by MetLife, MPCL, Elpro, and/ or PNB be required for a valid quorum shall not be in effect for such adjourned meeting; for clarity, the quorum of the adjourned meeting shall be as required under the Companies Act, 2013 (as amended from time to time), which currently requires presence of one-third of the total Board strength or two (2) Directors, whichever is higher, for comprising quorum. In an adjourned meeting, there shall be no quorum unless out of the Directors present, the number of Directors nominated by the Indian Shareholders exceeds the number of Directors nominated by MetLife. Each of MetLife, MPCL, Elpro, and PNB shall take all steps necessary to ensure that the Directors they have nominated, if any, shall attend all Board of Directors' meetings, whether at a first or second call, for which they have received proper notice.

7.14. The Board of Directors shall meet at least once each calendar quarter. Additionally, a Board of Directors' meeting shall be convened at any time upon the written request of one (1) or more Directors.

7.15. At least twenty-one (21) clear days' notice of every meeting of the Board of Directors shall be given in writing to every Director present for the time being in India at his or her usual address in India and to every other Director; provided, however, that in the case of Directors residing outside India, notice of every meeting of the Board of Directors shall be given to such Directors at their addresses, if any, in India and also to their addresses outside India and to their alternates, if any, in India at their usual addresses in India. Notice of Board of Directors' meetings to Directors resident outside India shall be given in writing by facsimile or e-mail and confirmed in writing by prepaid registered or certified air mail or courier service. Notwithstanding the foregoing, with the consent of all the Directors, a meeting of the Board of Directors may be convened by a shorter notice.

7.16. Notice of Board of Directors' meetings shall be accompanied by the agenda setting out the business proposed to be transacted at the meeting of the Board of Directors. In a first call for a meeting of the Board of Directors, no item of business shall be transacted at such meeting unless such item of business is identified on the agenda; provided, however, that with the consent of all the Directors and/ or alternate Directors present at the meeting any item of business not included on the agenda may be transacted at the meeting. In any adjourned meeting of the Board of Directors, no item of business shall be transacted at such meeting unless such item of business is identified on the agenda.

7.17. Subject to the provisions of the Act and Article 7.21, the Board of Directors shall determine matters by simple majority vote, or by a resolution in writing passed in circulation, in lieu of a meeting, signed in support of said resolution by a majority of the Directors. Provided that proper notice with respect to the proposed resolution has been given to all Directors, a resolution in writing, in lieu of a meeting, signed by a majority of the Directors and/ or alternate Directors shall be as valid and binding as if it had been passed at a meeting of the Board of Directors. All or any of the Directors may participate in a meeting of the Board by video conference facility in accordance with the provisions of the Applicable Laws.

7.18. The Directors need not hold any qualification Shares.

7.19. Subject to the provisions of the Act and Article 7.12, the Board of Directors may appoint an alternate Director to act for a Director during his or her absence for a period of not less than three (3) months from the country in which the meetings of the Board are ordinarily held.

7.20. On any decision to be taken at a meeting of the Board of Directors which relates to one or more of the List A Matters, upon receipt of a notice for a meeting of the Board of Directors, if the agenda for such meeting contains a proposed decision in relation to any of the List A Matters, MetLife and PNB shall, before the proposed date of the meeting, discuss such proposed decision with each other in good faith, while keeping in view the best interests of the Company, and arrive at a mutually agreeable decision. If pursuant to such discussions, MetLife and PNB are able to arrive at a mutually agreeable decision, each of them shall, subject to the Applicable Laws, take all steps necessary to ensure that their nominees to the Board of Directors attend such meeting and exercise their voting rights in the manner agreed between them. If however, MetLife and PNB are unable to arrive at a mutually agreeable decision, PNB shall be free to instruct its nominees on the Board of Directors to exercise their votes in a manner that PNB may deem appropriate, and MetLife shall be free to instruct its nominees on the Board of Directors to exercise their votes in a manner that MetLife may deem appropriate, in each case, without any restrictions.

7.21. Notwithstanding the provisions of Article 7.17 and, if applicable, fall-away of the quorum requirement as specified in Article 7.13, when MetLife, MPCL, Elpro, and PNB has/ have nominated at least one (1) Director, the following matters ("List B Matters") at Board of Directors' meetings shall require the affirmative vote of one (1) Director nominated by each of MetLife, MPCL, Elpro, and PNB, as applicable (for clarity, if any of the foregoing Shareholders has not nominated at least one (1) Director, the affirmative vote requirement of one (1) Director nominated by such Shareholder shall automatically cease to be in force):

(a) An individual borrowing by the Company in excess of US$200,000 or the equivalent thereof in any other currency, other than those in the ordinary course of business;

(b) Any loan or credit extended by the Company to any person other than in the ordinary course of business;

(c) An unsecured loan extended by the Company to any person in excess of two percent (2%) of the Company's total investments or US$500,000 or the equivalent thereof in any other currency (whichever is lower);

(d) The mortgage, encumbrance, or other creation of a security interest in excess of US$500,000 or the equivalent thereof in any other currency in any portion of the assets of the Company, other than in the ordinary course of business;

(e) The sale or other manner of disposal, and the acquisition by way of purchase, of immovable property having a price in excess of US$500,000 or the equivalent thereof in any other currency;

(f) Any agreement between the Company and any Shareholder involving a payment in excess of US$100,000 per annum or the equivalent thereof in any other currency, except for any payments related to the cost of any employees seconded by MetLife to the Company and any other costs incurred by a Shareholder to purchase or provide goods or services to or on behalf of the Company without profit to the Shareholder;

(g) The giving of any guarantee or indemnity by the Company, other than in the ordinary course of business;

(h) The commencement or defense of any material litigation, arbitration, or other proceedings (other than normal debt collection or other actions in the ordinary course of business);

(i) The recommendation to Shareholders of any declaration or payment of any dividend distribution to Shareholders; and

(j) Any recommendation to Shareholders with respect to merger, consolidation, amalgamation, liquidation, or winding up, whether voluntary or compulsory, of the Company.

7.22. The Company and PNB are parties to the CA Agreement. Under the CA Agreement, both the Company and PNB have assumed certain obligations for effectuating the understanding captured in the CA Agreement. Should any such obligation of the Company under the CA Agreement require approval of the Board of Directors, each of PNB and MetLife agree, subject to the Applicable Laws, to take all steps as necessary to ensure that their nominees to the Board of Directors, if any, attend such a meeting of the Board of Directors and vote in favour of the Company discharging such of its obligations under the CA Agreement.

7.23. The Board of Directors may, subject to the provisions of the Applicable Laws and these Articles, delegate any of its powers to one or more Committees consisting of such Director(s) as it thinks fit and may from time to time revoke such delegation; provided that, except where the constitution of a Committee is specifically provided for in the Articles, if desired by any one (1) Director nominated by MetLife, each such Committee shall comprise of one (1) nominee of MetLife, and if desired by any one (1) Director nominated by PNB, each such Committee shall comprise of one (1) nominee of PNB, and if desired by any one (1) Director nominated by MPCL, each such Committee shall comprise of one (1) nominee of MPCL, and if desired by any one (1) Director nominated by Elpro, each such Committee shall comprise of one (1) nominee of Elpro. If no Director nominated by MetLife, PNB, MPCL or Elpro is a member of a Committee, and if any one (1) Director nominated by such Shareholder(s) (i.e. whose nominee Director is not a member of such Committee) desires to be a permanent invitee at the meetings of such Committee, such Committee shall invite one (1) nominee Director of such Shareholder(s) as a permanent invitee at the meetings of such Committee. The Committee(s) shall exercise its/ their powers and perform its/ their functions in accordance with the regulations that may be imposed from time to time by the Board of Directors.

7.24. The chairman of the Board of Directors shall be nominated by MetLife from among the Directors nominated by it and shall not have a casting vote.

7.25. The Board of Directors shall have the authority to pay a sitting fee of an amount that may be fixed by the Board of Directors from time to time subject to the maximum limit prescribed under the Applicable Laws, to the Directors for each meeting of the Board or to the members of a Committee for each meeting of Committee attended by them. Further, the Directors and members of a Committee may be paid/ reimbursed the actual travelling expenses and the stay expenses incurred by them in connection with attending Board of Directors or Committee meetings.

7.26. The Managing Director or whole time director/s (if any) or independent Director/s shall not, while he/she/they continues/continue to hold their office as such, be liable to retire by rotation in accordance with the provisions of Section 255 of the Act, and his/her/their appointment as Managing Director or whole time director/s or independent Director/s shall be subject to determination ipso facto if he/she/they ceases/cease from any cause to be a Director or if in a GMS, it is resolved that his/hers/their tenure of office as Managing Director or whole time director/s or independent Director/s be determined. Further all Directors, other than the Managing Director or whole time director/s (if any) or independent Director/s, shall retire at each Annual General Meeting but shall be eligible for re-appointment.

8. MANAGEMENT OF THE COMPANY

8.1. The Board shall manage the day-to-day affairs and management of the Company. The key management persons shall be appointed in the following manner:

8.1.1. The Managing Director/ Chief Executive Officer of the Company and the key management persons shall be appointed by the Board on the basis of the recommendations of the Nomination and Remuneration Committee; for clarity, the key management persons specified in Article 8.1.2 shall be appointed following the process specified in Article 8.1.2. Further, the Board shall be entitled to remove or dismiss the Managing Director/ Chief Executive Officer and the key management persons; provided that, upon such removal or any vacancy in any such offices, the Board shall appoint the Managing Director/ Chief Executive Officer and the key management persons, other than those specified in Article 8.1.2 in accordance with this Article 8.1.1, and shall appoint the key management persons specified in Article 8.1.2 in accordance with Article 8.1.2.

8.1.2. The Chief Financial Officer, Chief Investment Officer and Chief Actuary of the Company shall be appointed in the following manner:

(i) One (1) of the Directors nominated by MetLife shall, from time to time, be entitled to nominate the Chief Financial Officer, Chief Investment Officer and Chief Actuary of the Company to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall consider the nominations made by a Director nominated by MetLife, and if it deems fit, recommend to the Board the person(s) so nominated as an officer of the Company holding the applicable position, on such terms as to remuneration as the Nomination and Remuneration Committee may deem appropriate. The Board shall consider the recommendations made by the Nomination and Remuneration Committee, and if the Board deems fit, appoint the recommended person as an officer of the Company holding the applicable position, on such terms as to remuneration as the Board may deem appropriate.

(ii) If the Nomination and Remuneration Committee and / or the Board does not approve the nominations by the Director nominated by MetLife, it shall request the Director nominated by MetLife to make fresh nominations and upon receipt of such fresh nominations, the Nomination and Remuneration Committee and/or the Board shall follow the process specified in this Article 8.1.2.

(iii) Further, the Board shall be entitled to remove or dismiss any of the above officers in accordance with Applicable Laws; provided that, upon such removal or any vacancy in any such offices the Board shall appoint such key management persons in accordance with Article 8.1.2 (i) and (ii).

8.2. The Board shall entrust and delegate to the Managing Director/ Chief Executive Officer specific powers and responsibilities in writing, as the Board may deem fit. The Managing Director/ Chief Executive Officer shall act subject to the superintendence, direction, and control of the Board of Directors and shall be responsible for the day-to-day affairs and management of the Company. The Managing Director/ Chief Executive Officer shall have the following powers in respect of the day to day affairs and management of the Company and such other powers as may further be delegated by the Board of Directors from time to time:

(a) engaging, suspending, or dismissing personnel of the Company not expressly reserved to the Board of Directors;

(b) instituting, prosecuting, and defending any proceedings in the Company's name;

(c) selecting suppliers of materials, supplies, and services (including accounting, administrative, legal, technical, financial, management, consulting, and other services) necessary for operations conducted by the Company;

(d) incurring all reasonable expenses and paying all obligations of the Company;

(e) executing and delivering any and all contracts, agreements, documents, or instruments of any kind which the Managing Director/ Chief Executive Officer may deem necessary or appropriate for carrying out the purposes of the Company;

(f) acquiring and maintaining any contract of insurance which the Managing Director/ Chief Executive Officer may deem necessary or appropriate and covering such risks as are appropriate in the discretion of the Managing Director/ Chief Executive Officer, including insurance policies insuring the Company and for the conservation of the property of the Company;

(g) depositing funds in banks and authorizing withdrawals therefrom on the signature of such persons as the Managing Director/ Chief Executive Officer determines;

(h) procuring an individual borrowing for the Company in an amount up to US$200,000 or the equivalent thereof in any other currency, in the ordinary course of business; and

(i) making any loan or extending credit to any person in the ordinary course of business (for purposes of this sub-clause (i), an unsecured loan extended by the Company to any person in excess of two percent (2%) of the Company's total investments or US$500,000 or the equivalent thereof in any other currency (whichever is lower) shall not be deemed to be in the ordinary course of business).

It is clarified that such powers shall not extend to decision-making on any matters that are expressly reserved to the Board of Directors under the Act as well as the matters falling under List A Matters or List B Matters.

8.3. The Board shall, before commencement of a financial year, formulate a one-year business plan for such ensuing financial year; provided that, to the extent of business for the Company to be generated through PNB through the CA Agreement, the one-year business plan of the Company shall, at a minimum, be based on the "Bank Business Plan" as provided in the CA Agreement. Such one-year business plan shall be reviewed and amended by the Board from time to time. The Company shall carry on its business in accordance with such one-year business plan. Each one-year business plan of the Company shall provide for, at least, the following matters:

(a) The approach of the Company to key market segments;

(b) The approach of the Company to increase its distribution spread and also for entering into distribution arrangements with new partners;

(c) The overall product and pricing strategy of the Company;

(d) The branding strategy of the Company;

(e) The outsourcing strategy of the Company;

(f) The overall organizational structure of the Company;

(g) The anticipated milestones and triggers for capital infusion by the Shareholders;

(h) The staffing and technology needs of the Company;

(i) The dedicated work-force of the Company on a regional basis;

(j) Annual expense budget; and

(k) The cash-flow plan of the Company.

8.4. If the Board of Directors fails to, or is unable to, approve a one-year business plan for a given financial year, until such time that the Board of Directors approves the one-year business plan for the financial year in question, the one-year business plan for the immediately preceding financial year shall continue to apply.

9. NON-COMPETITION

9.1. The Company shall be a full-range company conducting the Business in accordance with the Applicable Laws. To this end, there shall be no limits placed upon the Company, subject to the requirements of the Applicable Laws, either in terms of establishing any new products or ventures or expanding any existing products or ventures.

9.2. As long as MetLife, MPCL, J&K Bank, Elpro, and/ or any of their respective Affiliates own Shares, the Company will be the exclusive entity through which MetLife, MPCL, J&K Bank, Elpro and/ or their respective Affiliates will engage in the Business in India, except as otherwise provided in Articles 9.4, 9.5 and 9.6.

9.3. Any one of MetLife, MPCL, J&K Bank, and Elpro will be considered to be engaged in the Business other than through the Company, except as otherwise provided in Articles 9.4, 9.5 and 9.6, if such Shareholder or any of its Affiliates own, individually or in the aggregate, fifteen percent (15%) or more of the capital stock, or have the right to direct the voting of fifteen percent (15%) or more of the capital stock, of another Indian life insurance company that transacts the Business in India, or if any of the foregoing provides management services, or offers to sell, sells, or otherwise distributes the products or services of another Indian life insurance company which transacts the Business in India.

9.4. For purposes of Article 9.2, MetLife, MPCL, J&K Bank, and Elpro, and their respective Affiliates shall not be considered to be engaged in the Business in India to the extent that any such person is engaged in (i) the pension fund product business (other than with another Indian life insurance company or branch engaged in the Business); provided, however, that any life or disability insurance or annuity provided in connection with such pension fund products business shall be subject to Article 9.2 and may not be engaged in outside of the Company; (ii) the mutual fund product business as defined and governed by the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended; or (iii) the management of pension fund products or mutual fund products. For purposes of this Article 9.4, a "pension fund product" is any arrangement or agreement between an individual, or group of individuals, and their employer or group of employers, or another authorized provider, pursuant to which the individual becomes entitled, in respect of a period of employment, to pension or retirement benefits which provide primarily for the replacement of all or part of that individual's earned income, whether in cash or in kind, on or after the cessation of his or her period of employment.

9.5. Notwithstanding anything contained in this Article 9, MetLife, MPCL, J&K Bank, and Elpro, and/ or their respective Affiliates shall be permitted to acquire an ownership interest of fifteen percent (15%) or more of the capital stock, or have the right to direct the voting of fifteen percent (15%) or more of the capital stock, of a party engaged in the Business in India provided that not more than twenty-five percent (25%) of such party’s aggregate revenues are derived from the Business in India, and, provided that, within two (2) years after the date of such acquisition, MetLife, MPCL, J&K Bank, or Elpro, as the case may be, shall cause such acquisition to comply with this Article 9 (whether by sale of a portion of such interest, reinsurance, or otherwise).

9.6. Notwithstanding anything contained in this Article 9, MetLife shall not be considered to be engaged in the Business in India if it or any of its Affiliates (i) provides life, disability, or any other insurance coverage to temporary residents in India (e.g., military and diplomatic personnel), or their dependents, or (ii) provides life, disability, or any other insurance coverage to employees of entities in India or their dependents under policies issued to such entities or their affiliates outside of India.

10. BORROWING POWERS

Subject to the provisions of the Act and these Articles, the Board may, from time to time, at its discretion raise or borrow funds or moneys for the purposes of the Business of the Company and in particular by the issue of debenture stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

11. INITIAL PUBLIC OFFERING

11.1. In the event that there is an IPO, the offering price of the Share Capital shall be based on the recommendation of an investment banker retained for the purpose of assisting the Company with the IPO. The investment banker shall be a multinational, independent investment banker with international standing. None of the Shareholders shall have any financial interest in the investment banker. MetLife, PNB, Elpro, J&K Bank and MPCL shall decide upon the investment banker by mutual agreement. In the event that the aforesaid Shareholders are unable to agree upon an investment banker, the statutory auditors of the Company shall select a multinational, independent investment banker with international standing. The Shareholders shall cooperate with the investment banker to provide access to all the Company's books, records and personnel.

11.2. Upon occurrence of an IPO, the provisions of Article 4, excepting any portion of Article 4 that is referred to in any other Article (excluding Article 4) contained in these Articles and is required to give effect to such other Article, shall automatically cease to apply to the extent they relate to PNB.

12. COMMON SEAL

Intentionally Omitted

13. ACCOUNTS AND INSPECTION

Subject to the provision of the Act, the books and records of the Company shall be maintained, to the extent practical, in the English language and in accordance with generally accepted accounting principles of India and the USA, and shall accurately reflect the financial position, results of operations, and transactions of the Company, in accordance with such principles. Such books and records and supporting documents, and all properties of the Company, shall be available for inspection by the authorized representatives of the Shareholders at all reasonable times, as often as may be reasonably desired. Each of the Shareholders may request, as often as may be reasonably desired, an audit of such books and records by a representative of its selection, which shall be at the expense of the requesting party unless manifest error or fraud is found. If manifest error or fraud is found, the audit shall be at the expense of the Company, unless such manifest error or fraud is caused by an act or omission of a Shareholder, or employees of the Company seconded by such Shareholder, in which case the audit shall be at the expense of such Shareholder. Each Shareholder will, from time to time, have the right to request the Company to provide quarterly un-audited financial statements of the Company and, on receipt of such request, the Company will furnish the same to such Shareholder, after the same have been prepared by the Company in the ordinary course. In addition to the above, the Company shall, from time to time, keep each of the Shareholders appraised of major developments that are communicated by the Company to other Shareholders.

14. INDEMNITY

Subject to the provisions of Section 201 of the Act, every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him or her in defending any proceedings, whether civil or criminal, pertaining to the Company only, in which judgement is given in his or her favour or in which he or she is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him or her by the Court.

15. CERTAIN CONSEQUENCES OF OCCURRENCE OF EVENT OF DEFAULT UNDER PNB'S

JOINT VENTURE AGREEMENT

15.1. If PNB issues a MetLife Default Notice in accordance with the provisions of PNB's Joint Venture Agreement, PNB shall be entitled (but not obligated) to put and sell all (but not less than all) of its Shares to MetLife by making a written offer to sell such Shares to MetLife (or MetLife's designee(s)), at a price which is equal to 1.1 times the Valuation ("MetLife Default Price").

15.2. If MetLife issues a PNB Default Notice in accordance with the provisions of PNB's Joint Venture Agreement, MetLife shall be entitled (but not obligated) to call and purchase all (but not less than all) of the Shares owned by PNB, by making a written offer to purchase such Shares (either on its own or through one or more designees), at a price which is equal to the 0.9 times the Valuation ("PNB Default Price").

15.3. Within a period of ten (10) days from the date of delivery of the MetLife Default Notice to MetLife, or the PNB Default Notice to PNB, as applicable, an Investment Bank shall be appointed in accordance with the provisions of Article 16. MetLife and PNB shall comply with the provisions of Article 16 concerning the appointment of the Investment Bank and the determination of the Valuation. The sale of Shares by PNB to MetLife (or MetLife's designee(s)) shall be effected within sixty (60) days from the date of delivery of the report of the Investment Bank (appointed in accordance with Article 16) to MetLife and PNB, simultaneous with the payment by MetLife (or MetLife's designee(s)) to PNB of an amount equal to the purchase price.

16. VALUATION

16.1. In all circumstances in which Shares owned by any of them are to be valued for the purposes of these Articles, the following procedure shall be initiated by such Shareholder to determine the valuation of such Shares (the "**Valuation**").

16.2. The Valuation must be performed by one of the following multinational, independent investment banking firms: JP Morgan Chase, Citibank N.A., Deutsche Bank, Barclays Capital, Morgan Stanley, Merrill Lynch or any other independent investment banking firm agreed to by the relevant Shareholders ("Investment Bank"). None of the relevant Shareholders shall have any financial interest in the Investment Bank, and the Investment Bank shall not have a direct or indirect ownership interest in the Share Capital. The relevant Shareholders shall decide upon the Investment Bank by mutual agreement. In the event that the relevant Shareholders are unable to agree upon an Investment Bank within a period of 21 Business Days from when the requirement of appointment of the Investment Bank arises, the statutory auditors of the Company shall select the Investment Bank from among the above-named entities. The Valuation shall be completed within ninety (90) days from the date the Investment Bank is selected, unless the relevant Shareholders agree otherwise. The relevant Shareholders shall co-operate with the Investment Bank to provide access to all the Company's books, records and personnel.

16.3. The Valuation shall be carried out by the Investment Bank using the following methodology:

(a) The Investment Bank, in making its valuation of any Shares, must consider the following factors, among others, that are normally considered in valuing shares of life insurance companies:

(i) admitted assets, non-admitted assets, liabilities, value of the Company's distribution channels, goodwill, embedded value of the in-force business, statutory surplus, reserves, unrealised capital appreciation and depreciation with respect to the Company's assets, present value of new business potential, and the "control," management, or other powers (granted, *inter alia*, in these Articles, or the Applicable Laws) associated with the Company's Shares then being valued.

(b) In determining the value of new business, ten (10) years of new sales will be taken into consideration.

(c) The terminal value will be based on the assumed sales at the end of the tenth year (current and new sales) and will be valued on a going concern basis.

(d) The discount rate to be used for discounting future earnings in order to arrive at current values will be the higher of twelve percent (12%) or five percent (5%) above the long term five (5) year Indian government bond rate or such other similar Indian government bond rate as may be in place at the relevant time.

(e) In valuing the current business on the books of the Company, the lapse rate will be based on the Company's previous lapse experience.

(f) Notwithstanding the foregoing provisions of this Article 16, the minimum Valuation shall be based on one (1) times book value of the Company as determined on the basis of the Company's audited results for the previous year.

16.4. All of the fees and expenses of the Valuation shall be borne by the buyer.

16.5. Except as is otherwise provided in this Agreement, if MetLife has the right to purchase or is required to purchase Shares pursuant to the terms hereof, and:

(a) the price determined as payable by MetLife, if any, is different from the valuation guidelines prescribed under the Applicable, MetLife shall, at its option, elect to do one of the following:

(i) purchase said Shares at the price determined in accordance with these Articles, or the price determined in accordance with the prevailing valuation guidelines, whichever is higher; or

(ii) cause third party(ies) named by it to purchase such Shares. MetLife shall be entitled to name third party(ies) to purchase such Shares to the extent of the Share Capital that MetLife is then permitted to hold under the Applicable Law. In the event that the percentage of Share Capital then held by MetLife and that to be held by such third party(ies) exceeds the maximum percentage of Share Capital that MetLife is then permitted under Applicable Law to hold, then such third party(ies) shall be jointly identified and agreed by PNB, MPCL, Elpro and MetLife, each of who shall act reasonably while discussing and agreeing the name(s) of the third party(ies). The purchase of the Offered Shares by such third party(ies) shall be consummated after all approvals required under the Applicable Law are obtained. The foregoing requirement to obtain approvals of PNB, MPCL or Elpro shall not apply with regard to one or more of PNB, MPCL or Elpro if after the proposed sale of Shares the percentage of Share Capital that will be held by PNB, MPCL or Elpro would be less than five (5) percent.

(b) if, under the Applicable Laws, MetLife is precluded from owning such additional Shares, MetLife shall have the option to name third party(ies) for this purpose. MetLife shall be entitled to name third party(ies) to purchase Shares to such extent of Share Capital that MetLife is then permitted to hold under the Applicable Law. In the event that the percentage of Share Capital then held by MetLife and that to be held by such third party(ies) exceeds the maximum percentage of Share Capital that MetLife is then permitted under Applicable Law to hold, then such third party(ies) shall be jointly identified and agreed by PNB, MPCL, Elpro and MetLife, each of who shall act reasonably while discussing and agreeing the name(s) of the third party(ies). The purchase of the Offered Shares by such third party(ies) shall be consummated after all approvals required under the Applicable Law are obtained. The foregoing requirement to obtain approvals of PNB, MPCL or Elpro shall not apply with regard to one or more of PNB, MPCL or Elpro if after the proposed sale of Shares the percentage of Share Capital that will be held by PNB, MPCL or Elpro would be less than five (5) percent.

SL. NO.	**NAME, DESCRIPTION AND OCCUPATIONS OF THE SUBSCRIBERS WITH THEIR SIGNATURES**	**SIGNATURE WITH NAME, ADDRESS AND OCCUPATION OF WITNESS TO THE SIGNATURES OF THE SUBSCRIBERS**
1.	Venkatesh S. Mysore, S/o. Mr. M.R. Satyaraj, 688, 15th Cross, J.P. Nagar, Bangalore – 560 078. -Service-	Amit Bhalla, S/o. S.K. Bhalla, Flat No.3, Golden Threshold, Alenxandra Street, Richmond Town, Bangalore. -Service-.

2.	S. Raju, S/o. S. Seetharaman, Flat No.005, Skyline Surabhi, Vidypeeta Road, BSK III Stage, Bangalore – 560 085. –Service-.	

Dated this Twenty third day of July 2001 at Bangalore.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered Office and our Corporate Office, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement dated July 26, 2018 entered into by and among our Company, the Selling Shareholders and the Book Running Lead Managers.

2. Registrar Agreement dated July 26, 2018, entered into by and among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Escrow Agreement dated [●] entered into by and among our Company, the Selling Shareholders, the Book Running Lead Managers, Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Registrar to the Offer.

4. Share Escrow Agreement dated [●] entered into by and among the Selling Shareholders, the Book Running Lead Managers, our Company and a share escrow agent.

5. Syndicate Agreement dated [●] entered into by and among the members of the Syndicate, the Book Running Lead Managers, our Company, the Selling Shareholders and the Registrar to the Offer.

6. Underwriting Agreement dated [●] entered into by and among our Company, the Selling Shareholders, the Book Running Lead Managers and Underwriters.

7. Tripartite Agreement dated December 20, 2012 entered into by and among our Company, NSDL and the Registrar to the Offer.

8. Tripartite Agreement dated December 14, 2012 entered into by and among our Company, CDSL and the Registrar to the Offer.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.

2. Certificate of incorporation dated April 11, 2001.

3. Fresh certificate of incorporation issued pursuant to conversion into a public company dated January 9, 2008.

4. Fresh certificate of incorporation issued pursuant to change of name dated January 16, 2013.

5. Certificate of registration to undertake life insurance business in India, dated August 6, 2001.

6. Board resolutions, taking on record the Offer for Sale, dated October 10, 2017 and June 14, 2018 and other related matters.

7. Board resolution dated July 12, 2018 and IPO Committee resolution dated July 26, 2018, approving this Draft Red Herring Prospectus.

8. The in-principle approval dated July 19, 2018 from IRDAI to undertake a public offer in accordance with the provisions of the SEBI ICDR Regulations, under the provisions of the IRDAI Issuance of Capital Regulations.

9. The final approval dated [●] from IRDAI to undertake a public offer in accordance with the provisions

of the SEBI ICDR Regulations, under the provisions of the IRDAI Issuance of Capital Regulations.

10. Consent letters, each dated July 26, 2018 of the Selling Shareholders authorizing their respective portions of the Offer for Sale.

11. Copies of annual reports for the five Fiscal years, i.e., Fiscals 2014, 2015, 2016, 2017 and 2018.

12. Appointment letter dated August 11, 2017 issued by our Company to Mr. Ashish Kumar Srivastava.

13. The examination reports of the Joint Statutory Auditors, K. S. Aiyar & Co. and Thakur, Vaidyanath Aiyar & Co., on our Restated Financial Statements included in this Draft Red Herring Prospectus.

14. Consent of the Joint Statutory Auditors, K. S. Aiyar & Co. and Thakur, Vaidyanath Aiyar & Co., as referred to, in their capacity as "experts" and for inclusion of their examination reports on our restated financial information and the Statement of Tax Benefits in the form and context in which it appears in this Draft Red Herring Prospectus.

15. Consents of Bankers to our Company, the Book Running Lead Managers, Registrar to the Offer, the legal counsels, our Directors, the Company Secretary and Compliance Officer and the Chief Financial Officer.

16. Consents of the Syndicate Members, Bankers to the Offer/ Escrow Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 and 32 of the Companies Act 2013.

17. Consent letter dated July 26, 2018 from Mr. Vivek Jalan, Managing Partner, Willis Towers Watson Actuarial Advisory LLP, acting as an Independent Actuary, for inclusion of his name as an expert herein.

18. Certificate dated May 22, 2018 from Mr. P.K. Dinakar, actuary of our Company in relation to actuarial report and abstract for the Fiscal 2018, under the Insurance Act and the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016.

19. Report titled 'CRISIL Research - Analysis of life insurance industry in India' dated July 10, 2018 prepared by CRISIL and its consent dated July 11, 2018 for use of such report or any extract thereof.

20. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.

21. SEBI final observation letter dated [●].

22. Due diligence certificate to SEBI from the Book Running Lead Managers, dated July 26, 2018.

23. Shareholders' agreement dated December 4, 2012, between our Company, MIHL, PNB, MPCL, MPEL, EIL, IGE, Manimaya and JKB along with the corresponding amendment agreements dated December 17, 2012, April 16, 2016, October 18, 2016 and July 24, 2018, respectively.

24. Amended and restated shareholders' agreement entered into between MIHL, EIL and IGE dated December 4, 2012, as amended on April 16, 2016 and July 25, 2018, respectively.

25. Option agreement dated May 7, 2018 among MIHL, EIL and IGE, as amended on June 27, 2018.

26. Deed of Indemnity dated January 16, 2013 between MIHL and IGE.

27. Amended and restated shareholders' agreement entered into between MIHL, MPCL and MPEL dated December 4, 2012, as amended on April 16, 2016, October 18, 2016 and July 25, 2018, respectively.

28. Amended and restated shareholders' agreement entered into between MIHL and Manimaya dated December 4, 2012, as amended on April 16, 2016, October 18, 2016 and July 25, 2018, respectively.

29. Amended and restated shareholders' agreement entered into between MIHL and JKB dated December 4, 2012, as amended on April 16, 2016, October 18, 2016 and July 25, 2018, respectively.

30. IPO Agreement entered into between MIHL, PNB, MPCL, MPEL, EIL, IGE, Manimaya, JKB and our Company dated December 4, 2012.

31. Trademark License Agreement entered into between Metropolitan Life Insurance Company and our Company dated December 5, 2014, as amended.

32. Name and Trademark License Agreement entered into between PNB and our Company (then known as MetLife India Insurance Company Limited) dated December 4, 2012.

33. Intercompany Intellectual Property Rights Agreement entered into between MetLife and its affiliates dated January 1, 2008.

34. Shareholder’s agreement dated between MIHL and PNB dated July 24, 2018.

35. Statement showing allotment of Equity Shares allotted pursuant to exercise of employee stock options under the ESOP Scheme aggregated on a quarterly basis.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act, 2013 and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the regulations, guidelines issued by the Government or the regulations or guidelines issued by SEBI established under the SEBI Act, and the IRDAI established under the IRDAI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or the Insurance Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

____________________ **(Mr. Lyndon Emanuel Oliver)** **(Chairman and Non-Executive Director)**	____________________ **(Mr. Ashish Kumar Srivastava)** **(Managing Director and Chief Executive Officer)**
____________________ **(Mr. Bharat Raj Kannan)** **(Non-Executive Director)**	____________________ **(Mr. Sunil Mehta)** **(Non-Executive Director)**
____________________ **(Mr. Lingam Venkata Prabhakar)** **(Non-Executive Director)**	____________________ **(Mr. Pheroze Kersasp Mistry)** **(Non-Executive Director)**
____________________ **(Mr. Surbhit Dabriwala)** **(Non-Executive Director)**	____________________ **(Mr. Erach Kotwal)** **(Non-Executive Director)**
____________________ **(Ms. Anisha Motwani)** **(Independent Director)**	____________________ **(Dr. Archana Niranjan Hingorani)** **(Independent Director)**
____________________ **(Mr. Neeraj Swaroop)** **(Independent Director)**	____________________ **(Mr. Sunil Gulati)** **(Independent Director)**
____________________ **(Mr. Nitin Chopra)** **(Independent Director)**	____________________ **(Ms. Sonu Bhasin)** **(Independent Director)**
____________________ **(Mr. Abhaya Prasad Hota)** **(Independent Director)**	____________________ **(Mr. Joginder Pal Dua)** **(Independent Director)**
____________________ **(Mr. Niraj Ashwin Shah)** **(Chief Financial Officer)**	

Date: July 26, 2018

Place: Mumbai

DECLARATION BY PUNJAB NATIONAL BANK, AS A PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **Punjab National Bank**

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Name: Rakesh Nigam
Designation: Deputy General Manager
Date: July 26, 2018
Place:

DECLARATION BY METLIFE INTERNATIONAL HOLDINGS LLC, AS A PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **MetLife International Holdings, LLC**

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Name: Lyndon Emanuel Oliver
Designation: Director
Date: July 26, 2018
Place:

DECLARATION BY M. PALLONJI & COMPANY PRIVATE LIMITED, AS A NON PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including, the statements relating to the Company or its business, the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **M. Pallonji & Company Private Limited**

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Name: Hanoz Baria
Designation: Authorised Signatory
Date: July 26, 2018
Place:

DECLARATION BY ELPRO INTERNATIONAL LIMITED, AS A NON PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including, the statements relating to the Company or its business, the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **Elpro International Limited**

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Name: Deepak Kumar
Designation: CMD
Date: July 26, 2018
Place:

DECLARATION BY IGE (INDIA) PRIVATE LIMITED, AS A NON PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including, the statements relating to the Company or its business, the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **IGE (India) Private Limited**

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Name: Sambhaw Jain
Designation: Director
Date: July 26, 2018
Place:

DECLARATION BY THE JAMMU AND KASHMIR BANK LIMITED, AS A NON PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including, the statements relating to the Company or its business, the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **The Jammu and Kashmir Bank Limited**

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Name: Rakesh Koul
Designation: Vice President
Date: July 26, 2018
Place:

DECLARATION BY MANIMAYA HOLDINGS PRIVATE LIMITED, AS A NON PROMOTER SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made by it in this Draft Red Herring Prospectus about, or in relation to itself, and the Equity Shares offered by it in the Offer, are true and correct. The Selling Shareholder assumes no responsibility for any other statement, including, the statements relating to the Company or its business, the statements made by the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

For **Manimaya Holdings Private Limited**

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Name: Kanchan Agarwal
Designation: Authorised Signatory
Date: July 26, 2018
Place: