PROSPECTUS
Dated September 25, 2017
Please read Section 32 of the Companies Act, 2013
Book Built Offer

SBI LIFE INSURANCE COMPANY LIMITED

Our Company was incorporated at Mumbai on October 11, 2000 as SBI Life Insurance Company Limited, a public limited company under the Companies Act, 1956 and received a certificate of commencement of business on November 20, 2000. Our Company is registered with IRDAI for carrying out the business of life insurance pursuant to registration certificate number 111, dated March 29, 2001. For details relating to change in the registered office of our Company, see "History and Certain Corporate Matters" on page 167.

Registered Office and Corporate Office: 'NATRAJ', M. V. Road and Western Express Highway Junction, Andheri (East), Mumbai 400 069
Tel: (91 22) 6191 0000; **Fax**: (91 22) 6191 0338
Contact Person: Aniket K. Karandikar, Company Secretary and Compliance Officer;
E-mail: investor@sbilife.co.in; **Website**: www.sbilife.co.in
Corporate Identity Number: U99999MH2000PLC129113

OUR PROMOTERS: STATE BANK OF INDIA AND BNP PARIBAS CARDIF S.A.

INITIAL PUBLIC OFFER OF 120,000,000* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SBI LIFE INSURANCE COMPANY LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ 700 PER EQUITY SHARE AGGREGATING TO ₹ 83,864* MILLION, THROUGH AN OFFER FOR SALE BY STATE BANK OF INDIA AND BNP PARIBAS CARDIF S.A. ("PROMOTER SELLING SHAREHOLDERS") OF 80,000,000* EQUITY SHARES AND 40,000,000* EQUITY SHARES, RESPECTIVELY, AGGREGATING TO ₹ 55,909.33* MILLION AND ₹ 27,954.67* MILLION, RESPECTIVELY (THE "OFFER"). THIS OFFER INCLUDES A RESERVATION OF 2,000,000* EQUITY SHARES (CONSTITUTING 0.2%* OF OUR POST-OFFER PAID-UP SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES AT A DISCOUNT OF 9.71% (EQUIVALENT TO ₹ 68) ON THE OFFER PRICE (AS DEFINED IN "DEFINITION AND ABBREVIATIONS") AGGREGATING TO ₹ 1,264* MILLION (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF 12,000,000* EQUITY SHARES (CONSTITUTING 10%* OF THE OFFER) FOR PURCHASE BY STATE BANK SHAREHOLDERS (AS DEFINED IN "DEFINITION AND ABBREVIATIONS") FOR CASH AT A PRICE OF ₹ 700 PER EQUITY SHARE AGGREGATING TO ₹ 8,400* MILLION (THE "STATE BANK SHAREHOLDERS RESERVATION PORTION"). THE OFFER CONSTITUTES 12%* OF OUR POST-OFFER PAID-UP SHARE CAPITAL AND THE NET OFFER CONSTITUTES 10.60%* OF OUR POST-OFFER PAID-UP SHARE CAPITAL. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS ₹ 700 PER EQUITY SHARE AND IS 70 TIMES THE FACE VALUE OF THE EQUITY SHARES.

SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT.

This Offer has been made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"). The Offer was made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI Regulations**"), wherein 50% of the Net Offer was allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company and the Promoter Selling Shareholders in consultation with the Lead Managers, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third was reserved for domestic Mutual Funds only, subject to valid Bids received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) was allocated on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids received at or above the Offer Price. All potential investors, other than Anchor Investors, were required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account which was blocked by the SCSBs, to participate in this Offer. For details, see "Offer Procedure" beginning on page 446.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 70 times the face value of the Equity Shares. The Offer Price (determined by our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, as stated under "Basis for Offer Price" beginning on page 87) 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 or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment 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 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 in the Offer have not been recommended or approved by Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 20.

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

THE IRDAI 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 THE IRDAI UNDER THE IRDAI ISSUANCE OF CAPITAL REGULATIONS (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") SHALL NOT IN ANY MANNER BE DEEMED TO BE OR SERVE AS A VALIDATION OF THE REPRESENTATIONS BY OUR COMPANY IN THIS PROSPECTUS.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer and that the information contained in this 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 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 of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically made by such Promoter Selling Shareholder in this Prospectus as the Promoter Selling Shareholder in the context of the Offer and assumes responsibility for statements in relation to themselves and the Equity Shares offered through the Offer.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letter bearing number DSC/IPO/PGS/IP/360/2017-18 dated August 11, 2017 and letter bearing number NSE/LIST/15387 dated August 10, 2017, respectively. For the purposes of the Offer, the Designated Stock Exchange is NSE. A copy of the Red Herring Prospectus and this Prospectus have been registered with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents that were 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 446.

BOOK RUNNING LEAD MANAGERS

JM FINANCIAL	AXIS CAPITAL	BNP PARIBAS	citi
JM Financial Institutional Securities Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: sbilife.ipo@jmfl.com Investor grievance email: grievance.ibd@jmfl.com Website: www.jmfl.com Contact person: Prachee Dhuri SEBI Registration number: INM000010361	**Axis Capital Limited** 1st floor, Axis House C 2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai - 400 025 Tel: (91 22) 4325 2183 Fax: (91 22) 4325 3000 Email: sbilife.ipo@axiscap.in Investor grievance email: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Simran Gadh SEBI Registration No.: INM000012029	**BNP Paribas*** BNP Paribas House 1 North Avenue, Maker Maxity, Bandra-Kurla Complex Bandra (East), Mumbai 400 051 Tel: (91 22) 3370 4000 Fax: (91 22) 6196 5194 Email: dl.ipo.sbilife@asia.bnpparibas.com Investor grievance email: indiainvestors.care@asia.bnpparibas.com Website: www.bnpparibas.co.in Contact Person: Arkadeep Biswas SEBI Registration No.: INM000011534	**Citigroup Global Markets India Private Limited** 1202, 12th Floor First International Financial Center G-Block Bandra Kurla Complex Bandra East, Mumbai 400 098 Tel: (91 22) 6175 9999 Fax: (91 22) 6175 9961 Email: sbi.life.ipo@citi.com Investor grievance email: investors.cgmib@citi.com Website: www.online.citibank.co.in Contact Person: Ashish Guneta SEBI Registration No.: INM000010718

BOOK RUNNING LEAD MANAGERS

	ICICI Securities	kotak® Investment Banking	SBI Capital Markets Limited
Deutsche Equities India Private Limited The Capital, 14th floor C -70, G Block, Bandra Kurla Complex Mumbai 400 051 Tel: (91 22) 7180 4444 Fax: (91 22) 7180 4199 Email: sbilife.ipo@db.com Investor grievance email: db.redressal @db.com Website: www.db.com/India Contact person: Viren Jairath SEBI Registration number: INM000010833	**ICICI Securities Limited** ICICI Center, H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460 Fax: (91 22) 2282 6580 Email: sbilife.ipo@icicisecurities.com Investor grievance email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Vishal Kanjani/Govind Khetan SEBI Registration number: INM000011179	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC, Plot No. 27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 4336 0000 Fax: (9122) 6713 2447 Email: sbilife.ipo@kotak.com Investor grievance email: kmccredressal @kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**SBI Capital Markets Limited*** 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tel: (91 22) 2217 8300 Fax: (91 22) 2218 8332 Email: sbilife.ipo@sbicaps.com Investor grievance email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Gitesh Vargantwar/Sambit Rath SEBI Registration number: INM000003531

REGISTRAR TO THE OFFER

KARVY Computershare	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Hyderabad 500 032 Tel: (91 40) 6716 2222; Fax: (91 40) 2343 1551 Email: einward.ris@karvy.com; Investor grievance email: sbilife.ipo@karvy.com; Website: https://karisma.karvy.com Contact person: M. Murali Krishna SEBI registration number: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENED ON**	September 20, 2017
BID/OFFER CLOSED ON	September 22, 2017

** 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 SEBI Regulations, BNP Paribas and SBI Capital Markets Limited are involved only in marketing of the Offer.*
*** The Anchor Investor Bid/Offer Period was September 19, 2017.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to them herein below. References to any legislation, act, regulation, rules, guidelines, policies, circulars, notifications or clarifications shall be to such legislation, act, regulation, rules, guidelines, policies, circulars, notifications or clarifications as amended.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act, the IRDA Act, the Insurance Act and the rules and regulations made thereunder, unless the context otherwise indicates or implies.

In "Main Provisions of Articles of Association" beginning on page 487, defined terms have the meaning given to such terms in the Articles of Association. In "Statement of Tax Benefits" beginning on page 90, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In "Financial Statements" beginning on page 218, defined terms have the meaning given to such terms in the Financial Statements. In Embedded Value Report from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary, beginning on page 350, defined terms have the meaning given to such terms in the Embedded Value Report from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary.

General Terms

Term	Description
Our Company/the Company/we/our	SBI Life Insurance Company Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 'NATRAJ', M. V. Road and Western Express Highway Junction, Andheri (East), Mumbai 400 069

Company Related Terms

Term	Description
AoA/Articles of Association	The articles of association of our Company, as amended
Appointed Actuary	The appointed actuary of our Company, Subhendu Kumar Bal
BNP Paribas	BNP Paribas S.A., the promoter of BNPPC
BNPPC	BNP Paribas Cardif S.A., an insurance holding company incorporated under the laws of France
Board/ Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Director(s)	The director(s) of our Company
Equity Shares	The equity shares of our Company of face value of ₹10 each
Group Companies	The companies which are covered under the applicable accounting standards and also other companies as considered material by our Board of Directors, as identified in "Our Group Companies" on page 205
Inter-se Agreement	The agreement executed amongst State Bank and BNPPC on July 15, 2017
Joint Auditors/Joint Statutory Auditors	L.S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants
Existing Joint Venture Agreement	The joint venture agreement dated February 27, 2001, executed amongst State Bank and BNPPC, as amended by the amendment agreement dated August 29, 2016 and the second amendment agreement dated July 15, 2017
Key Management Personnel	The key management personnel of our Company in terms of the SEBI Regulations (defined subsequently), the Companies Act, 2013, the Corporate Governance Guidelines (defined subsequently) and as disclosed in "Our Management" beginning on page 180
MoA/Memorandum of Association/Memorandum	The memorandum of association of our Company, as amended
Promoters	The promoters of our Company which are State Bank and BNPPC. For details, see "Our Promoters and Promoter Group" beginning on page 192

Term	Description
Promoter Group	The entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations (defined subsequently). For details, see "Our Promoters and Promoter Group" beginning on page 199
Registered Office and Corporate Office	'NATRAJ', M. V. Road and Western Express Highway Junction, Andheri (East), Mumbai 400 069
Restated Financial Statements	The financial information prepared by the management of our Company from its audited financial statements for the Fiscals 2013, 2014, 2015, 2016, 2017 and for the three months ended June 30, 2017 (prepared in accordance with Indian GAAP and the IRDAI (Preparation of Financial Statements Regulations (defined subsequently)) and as restated by the Joint Auditors in accordance with the requirements of (a) Section 26, Part I of Chapter III of the Companies Act, 2013 read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; (b) relevant provisions of the SEBI Regulations (defined subsequently); and (c) relevant provisions of the IRDAI Issuance of Capital Regulations (defined subsequently)
RoC/Registrar of Companies	The Registrar of Companies, Maharashtra, at Mumbai
SBI Corporate Agency Agreement	Corporate Agency agreement dated December 15, 2016 executed amongst State Bank and our Company effective from April 1, 2016
SBI Trademark License Agreement	Licensing agreement dated October 31, 2014, executed amongst State Bank and our Company effective from October 1, 2014, in accordance with IRDAI Guidelines on usage of Trade Logo of Promoting Partners of Insurance Companies dated May 05, 2014
Shareholders	The shareholders of our Company
State Bank	State Bank of India

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, the transfer of the Equity Shares offered by the Promoter Selling Shareholders pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations (defined subsequently) and the Red Herring Prospectus
Anchor Investor Allocation Price	₹ 700 per Equity Share, being the price at which Equity Shares were allocated to Anchor Investors in terms of the Red Herring Prospectus, which was decided by our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/Offer Period	September 19, 2017
Anchor Investor Offer Price	₹ 700 per Equity Share
Anchor Investor Portion	60% of the QIB Portion which was allocated by our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations (defined subsequently) One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price

Term	Description
ASBA/Application Supported by Blocked Amount	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to make Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis	Axis Capital Limited
Banker to the Offer	Escrow Collection Bank, Refund Bank and Public Offer Account Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Procedure" from pages 475 to 478
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations (defined subsequently) The term "Bidding" shall be construed accordingly
Bid/Offer Closing Date	September 22, 2017
Bid/Offer Opening Date	September 20, 2017
Bid/Offer Period	September 20, 2017 to September 22, 2017
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer which was net of the Employee Discount, as applicable However, Eligible Employees applying in the Employee Reservation Portion could apply at the Cut-Off Price and the Bid amount was the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	21 Equity Shares and 21 Equity Shares thereafter
Bidder	Any prospective investor who made 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
Bidding Centres	The centres at which the Designated Intermediaries accept the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BNPP	BNP Paribas, one of the Lead Managers who in compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5(3) of the SEBI Regulations (defined subsequently), was involved only in marketing the offer
Book Building Process	The book building process, as provided in Schedule XI of the SEBI Regulations (defined subsequently), in terms of which the Offer is made
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period

Term	Description
Cap Price	₹ 700 per Equity Share
CDP/Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Citi	Citigroup Global Markets India Private Limited
Client ID	The client identification number maintained with one of the Depositories in relation to the dematerialisation account
CRISIL	CRISIL Limited
CRISIL Report	Report titled "Analysis of Life Insurance Industry in India" dated July 13, 2017 issued by CRISIL Research, a division of CRISIL Limited
Cut-off Price	The Offer Price finalised by our Company and the Promoter Selling Shareholders in consultation with the Lead Managers Only Retail Individual Bidders, Eligible Employees under the Employee Reservation Portion and State Bank Shareholders Bidding under the State Bank Shareholders Reservation Portion (subject to the Bid Amount being up to ₹ 200,000) were entitled to Bid at the Cut-off Price. State Bank Shareholders applying for the Bid Amount above ₹ 200,000 under the State Bank Shareholders Reservation Portion, respectively, and QIBs (including Anchor Investors) and Non-Institutional Investors, were not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders, being address, name of the Bidders' father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which 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 locations of the CDPs where Bidders submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Banker to the Offer from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after this Prospectus is filed with the Registrar of Companies
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	NSE
Deutsche	Deutsche Equities India Private Limited
DRHP/Draft Red Herring Prospectus	The draft red herring prospectus dated July 17, 2017 issued in accordance with the SEBI Regulations (defined subsequently), which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer

Term	Description
Eligible Employees	Pursuant to Regulation 42 of the SEBI Regulations, all or any of the following: (a) a permanent and full time employee of our Company and our Promoter (State Bank) (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company and our Promoter (State Bank), until the submission of the Bid cum Application Form; and (b) a Director of our Company who is eligible to apply under the Employee Reservation Portion under applicable law and is resident in India as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee could not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, 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
Eligible NRI(s)	NRI(s) from 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 constitutes an invitation to purchase the Equity Shares
Employee Discount	9.71% (equivalent of ₹ 68) to the Offer Price to Eligible Employees and announced five Working Days prior to the Bid/Offer Opening Date
Employee Reservation Portion	The portion of the Offer being 2,000,000* Equity Shares aggregating to ₹ 1,264* million, available for allocation to Eligible Employees, on a proportionate basis ** Subject to finalisation of the Basis of Allotment*
Escrow Account	The account opened with the Banker to the Offer and in whose favour the Anchor Investors transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The escrow agreement dated September 11, 2017 entered into amongst our Company, the Promoter Selling Shareholders, the Lead Managers, the Registrar to the Offer and the Banker to the Offer for *inter alia*, collection of the Bid Amounts from the Anchor Investors and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	A bank, which is a clearing member and registered with SEBI as a banker to an offer and with whom the Escrow Account has been opened, in this case being State Bank
First Bidder	The Bidder whose name is mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Floor Price	₹ 685 per Equity Share
GID/General Information Document	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI suitably modified and included in "Offer Procedure" beginning on page 458
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Institutional Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Lead Managers	The book running lead managers to the Offer, being JM Financial Institutional Securities Limited, Axis Capital Limited, BNP Paribas, Citigroup Global Markets India Private Limited, Deutsche Equities India Private Limited, ICICI Securities Limited, Kotak Mahindra Capital Company Limited and SBI Capital Markets Limited
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot

Term	Description
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 1,060,000* Equity Shares which was available for allocation to Mutual Funds only ** Subject to finalisation of the Basis of Allotment*
Net Offer	The Offer less the Employee Reservation Portion and the State Bank Shareholders Reservation Portion
NIIs/Non-Institutional Investors	All Bidders 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 Portion	Portion of the Net Offer being not less than 15% of the Net Offer or 15,900,000* Equity Shares which was available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price ** Subject to finalisation of the Basis of Allotment*
NRI/Non-Resident	A person resident outside India as defined under FEMA
Non-Resident Indians	A non-resident Indian as defined under the FEMA Regulations
Offer	Initial public offer of 120,000,000* Equity Shares for cash at a price of ₹ 700 per Equity Share aggregating to ₹ 83,864* million, through an offer for sale by State Bank and BNPPC of 80,000,000* Equity Shares and 40,000,000* Equity Shares at the Offer Price aggregating to ₹ 55,909.33* million and to ₹ 27,954.67* million respectively in terms of the Red Herring Prospectus. The Offer comprises the Net Offer, Employee Reservation Portion and the State Bank Shareholders Reservation Portion ** Subject to finalisation of the Basis of Allotment*
Offer Agreement	The offer agreement dated July 17, 2017 entered into amongst our Company, the Promoter Selling Shareholders and the Lead Managers pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	₹ 700 per Equity Share. A discount of 9.71% (equivalent of ₹ 68) per Equity Share on the Offer Price was offered to Eligible Employees bidding in the Employee Reservation Portion. The Offer Price was decided by our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, on the Pricing Date
Price Band	The price band of a minimum price of ₹ 685 per Equity Share (Floor Price) and the maximum price of ₹ 700 per Equity Share (Cap Price). The Price Band and the minimum Bid Lot size for the Offer was decided by our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, and advertised, five Working Days prior to the Bid/Offer Opening Date in all editions of Financial Express, all editions of Jansatta and Mumbai edition of Navshakti (Which are English, Hindi and Marathi newspapers respectively, Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation
Pricing Date	September 25, 2017, being the date on which our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, finalised the Offer Price
Promoter Selling Shareholders	State Bank and BNPPC
Prospectus	This prospectus dated September 25, 2017 filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI Regulations (defined subsequently), containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The account opened, in accordance with Section 40 of the Companies Act, 2013, with the Public Offer Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Offer Bank	The bank(s) with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts has been opened, in this case being State Bank
QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being 50% of the Net Offer or 53,000,000* Equity Shares which has been allocated to QIBs (including Anchor Investors) ** Subject to finalisation of the Basis of Allotment*

Term	Description
QIBs/QIB Bidders/ Qualified Institutional Buyers	The qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations (defined subsequently)
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank	State Bank
Registered Brokers	The 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 4, 2012 issued by SEBI
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Retail Portion	The portion of the Net Offer being not less than 35% of the Net Offer or 37,100,000* Equity Shares which was available for allocation to RIBs in accordance with the SEBI Regulations (defined subsequently), subject to valid Bids being received at or above the Offer Price ** Subject to finalisation of the Basis of Allotment*
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs, Eligible Employees and State Bank Shareholders who are RIBs could revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
RHP/Red Herring Prospectus	The red herring prospectus dated September 11, 2017 issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations (defined subsequently), which did not have complete particulars of the price at which the Equity Shares were offered and the size of the Offer including any addenda or corrigenda thereto. The red herring prospectus was registered with the Registrar of Companies at least three Working Days before the Bid/Offer Opening Date and has become this Prospectus which is filed with the Registrar of Companies on or after the Pricing Date
RIBs/Retail Individual Bidders	The individual Bidders, who have Bid for the Equity Shares for an amount 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)
RTAs/Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SBI Capital	SBI Capital Markets Limited
SCSB(s)/Self Certified Syndicate Bank(s)	The Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement in this case being, Karvy Computershare Private Limited
Share Escrow Agreement	The share escrow agreement dated September 11, 2017 entered into amongst our Company, the Promoter Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Promoter Selling Shareholders and credit of such Equity Shares to the dematerialised accounts of the Allottees
Specified Locations	The Bidding centres where the Syndicate accepts Bid cum Application Forms
State Bank Shareholders	Individuals and HUFs (i) who are the public equity shareholders of State Bank, being our Promoter and one of our Group Companies (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines and depository receipt holders of State Bank) as on the date of this Prospectus
State Bank Shareholders Reservation Portion	Reservation of up to 12,000,000 Equity Shares aggregating to ₹ 8,400 million in favour of State Bank Shareholders

Term	Description
Syndicate/Members of the Syndicate	The Lead Managers and the Syndicate Members
Syndicate Agreement	The syndicate agreement dated September 11, 2017 entered into amongst our Company, the Promoter Selling Shareholders, the Lead Managers and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, in this case being, JM Financial Services Limited, Kotak Securities Limited, SBICAP Securities Limited and Sharekhan Limited
Underwriters	The Lead Managers and the Syndicate Members
Underwriting Agreement	The underwriting agreement dated September 25, 2017 amongst our Company, the Promoter Selling Shareholders, the Registrar and the Underwriters
Wilful Defaulter	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 any company whose director or promoter is categorised as such
Working Day	All days other than second and fourth Saturday of each calendar month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; (b) Bid/Offer Period, “Working Day” means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) 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 Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Insurance industry related terms/abbreviations

Term	Description
Acquisition cost	Costs that vary with and are primarily related to the acquisition of insurance contracts
Amortisation of premium/Accretion of discount	Premium/discount refers to the price paid for a bond as against the par value of the bond. This premium/discount is spread over the remaining life of the bond and is called amortisation of premium/accretion of discount respectively
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
Asset Liability Management	It is an ongoing process of formulating, implementing, monitoring and revising strategies related to assets and liabilities to achieve an insurer’s financial objectives, given the insurer’s risk appetite, risk tolerances and business profile
Assets Under Management / AUM	AUM refers to the carrying value of investments managed by the Company and includes loans against policies and net current assets pertaining to investments
Bancassurance	An arrangement entered into by a bank and an insurance company, through which the insurance company sells or markets its products to the bank’s customer base
Bonus	The non-guaranteed benefits 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	CIF refers to those employees of a corporate agent designated as Specified Person (defined below) under Regulation 2(p) of IRDAI (Registration of Corporate Agents) Regulations (defined subsequently). Specified Person is an employee of a Corporate Agent who is responsible for soliciting and procuring insurance business on behalf of a corporate agent and have fulfilled the requirements of qualification, training and passing of examination as specified in IRDAI Registration of Corporate Agents Regulations (defined subsequently).

Term	Description
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 (defined subsequently)
Common service centres	Centers established under National e-Governance Plan by CSC e-Governance Services India Limited. They are front-end delivery points for government, private and social sector services to citizens of India
Death claims or mortality claims	Amount of benefit payable on death as specified in the policy document. This is stated at the inception of the contract
Death Claims Settlement Ratio	Ratio of death claims settled to death claims reported to the Company and outstanding at the beginning of the year
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 have 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 September 6, 2017 prepared by the Independent Actuary
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 account	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
Funds for discontinued policies/Discontinued policy fund	A segregated fund of the insurer that is set aside and is constituted by the fund value of all discontinued policies determined in accordance with the IRDA (Linked Insurance Products) Regulations, 2013
Funds for future appropriation	The Funds for Future Appropriation (the "FFA"), comprise funds which have not been explicitly allocated either to policyholders or to shareholders at the valuation date
Grievance Disposal Rate	Number of grievances settled by the Company during a fiscal year divided by the total number of grievances reported to the Company and outstanding at the beginning of the year
Grievance Ratio	Number of grievances reported to the Company divided by number of policies issued by the Company in the same period (per 1,000)
Gross Written Premium	The total premium written by the Company before deductions for reinsurance ceded
Independent Actuary	Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary
Indian Assured Lives Mortality 2006 – 2008 table	Published 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 (defined subsequently)
Indian Embedded Value Methodology	Embedded value determined as per the requirements and principles set forth by the Institute of Actuaries of India, in accordance with Actuarial Practice Standard 10
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. This includes maturity and survival benefit Claims
Individual New Business Premium	Insurance premium that is due in the first policy year of an individual life insurance contract

Term	Description
Individual Rated Premium	Premiums written by the Company under individual products and weighted at the rate of 10.00% for single premiums
Insurance density	Premium per capita
Insurance marketing firm	Entity registered by the 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
Interim bonus	Bonus paid under a policy which becomes payable to policy holders when the policy results into a claim either by death, surrender or maturity for the period from the last declared bonus date and is paid to provide for the fact that the policy will not be eligible for bonus at the next bonus declaration
Investment yield	A measure of the income received from an investment compared to the price paid for the investment. Normally expressed as a percentage. Quarter ended yield has been annualized wherever applicable
LIC(a) 96-98 table for annuities	Published 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 (defined subsequently)
Life insurance penetration	Insurance premium as % of GDP
Linked liabilities (fund reserves)	This represents the liability for units held under the life insurance contracts and is part of the liability that is held under the unit linked business
Market Consistent Embedded Value Methodology	Embedded value determined as the sum total of the adjusted net worth and the value of in-force covered business computed on a market consistent basis
Mathematical Reserves	The provision made by an insurer to cover liabilities (excluding liabilities which have fallen due and liabilities arising from deposit back arrangement in relation to any policy whereby an amount is deposited by re-insurer with the cedant) arising under or in connection with policies or contracts of 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 provision 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 IRDAI Micro Insurance Regulations (defined subsequently) 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 the Company it is computed as the price per unit of the segregated fund as defined under IRDAI Linked Insurance Product Regulations (defined subsequently). In the context of the investments made in mutual funds by the Company, it represents the value of one unit held by us and is computed as total assets of the 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 and reserves including share premium share application money and fair value change account net of debit balance in profit and loss account

Term	Description
New Business Annualized Premium Equivalent	The sum of annualized first year premiums on regular premium policies, and 10.00% of single premiums, written by the Company during the fiscal year from both retail and group customers
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
New Business Regular Premium or Regular Premium	Insurance premium that is due in the first policy year of a life insurance contract excluding single premium
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 as defined under Regulation 2(k) of IRDAI Actuarial Report and Abstract for Life Insurance Business Regulations (defined subsequently). Examples include pure risk policies such as fixed annuities, term insurance, critical illness etc.
Operating Expense Ratio	Operating expenses (excluding commission) divided by Gross Written Premium
Participating or Par Product	Policies with participation in profits means polices which are not non-par policies as defined under regulation 2(k) of IRDAI Actuarial Report and Abstract for Life Insurance Business Regulations (defined subsequently); A life insurance policy where the policyholder is entitled to at least a 90.00% share of the surplus emerging in the participating fund and the remaining belongs to the shareholders
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 (defined subsequently), as applicable
Premium	The consideration the policyholder will have to pay in order to secure the benefits offered by the insurance policy
Present Value of New Business Premium Margin	This is the ratio of the Value of New Business to the Present Value of all Premiums expected to be paid in the future from New Business written during the period. Present Value of New Business Premium for a specified period is the discounted value at the point of sale, of the projected premiums before reinsurance allowing for decrements and using reference rate at the point of sale consistent with those used in the estimate of Value of New Business
Private life insurers	All Indian life insurance companies other than the Life Insurance Corporation of India
Protection gap	Ratio of sum assured to GDP
Reinsurance ceded/accepted	Reinsurance means 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 consideration paid/ received is termed as reinsurance ceded/accepted. 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
Return on Infused Capital / ROIC	Net profit divided by the average share capital. Quarter ended return has been annualized wherever applicable
Reversionary bonus	Reversionary bonus is expressed as a percentage of basic sum assured. Simple reversionary bonuses once vested become guaranteed
Rider	The add-on benefits which are in addition to the benefits under a basic policy
Single Premium	Those policies that require only a single lump sum payment from the policyholder

Term	Description
Solvency Ratio, Required Solvency Margin and Available Solvency Margin	"Solvency ratio" means ratio of the amount of Available Solvency Margin to the amount of Required Solvency Margin as specified in form-KT-3 of IRDAI Actuarial Report and Abstracts for Life Insurance Business Regulations (defined subsequently) "Available Solvency Margin" means the excess of value of assets (as furnished in form-AA specified under IRDAI Actuarial Report and Abstracts for Life Insurance Business Regulations (defined subsequently) over the value of life insurance liabilities (as furnished in form-H of IRDAI Actuarial Reports and Abstracts for Life Insurance Business Regulations (defined subsequently) and other liabilities of policyholders' fund and shareholders' funds 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	An absolute amount of benefit which is guaranteed to become payable on death/ maturity of the policy in accordance with the terms and conditions of the policy
Surplus	The excess of the value placed on a life insurance company's assets over the value placed on its liabilities
Surrender	Complete withdrawal/ termination of the entire policy
Surrender Ratio	Total surrender divided by the average AUM of policyholders during the year. Quarter ended return has been annualized wherever applicable
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	An additional amount of premium over and above the contractual basic premiums charged at the commencement of the contract
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 New Business Annualized Premium Equivalent	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
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.

Conventional and General Terms / Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting

Term	Description
AIF	An alternative investment funds as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS/Accounting Standards	The Accounting Standards issued by the Institute of Chartered Accountants of India
Bn/bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I Foreign Portfolio Investors	The FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	The FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	The FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act 1956	The Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	The Competition Act, 2002
Corporate Governance Guidelines	The Guidelines for Corporate Governance for insurers in India issued by the IRDAI through its circular bearing reference no: IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016
CrPC	The Code of Criminal Procedure, 1973
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DIPP	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP/Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository participant identification
EGM	Extraordinary general meeting
EPS	Earnings per share
EUR/Euro	Euro
FDI	Foreign direct investment
FDI Policy	The Consolidated Foreign Direct Investment Policy notified by the DIPP by way of circular number D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FIAI	Fellow of Institute of Actuaries of India
Financial Year/Fiscal/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
Foreign Investment Rules	The Indian Insurance Companies (Foreign Investment) Rules, 2015
FPI(s)	The foreign portfolio investors as defined under the SEBI FPI Regulations

Term	Description
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
GDP	Gross domestic product
GoI or Government	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICDS	Income Computation and Disclosure Standards
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind-AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally accepted accounting principles in India
Insurance Act	The Insurance Act, 1938
Insurance Laws Amendment Act	Insurance Laws (Amendment) Act, 2015
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDA Act	The Insurance Regulatory and Development Authority of India Act, 1999
IRDAI Actuarial Report and Abstract Regulations	Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016
IRDAI Appointed Actuary Guidelines	Insurance Regulatory and Development Authority of India (Transitory Provisions under Regulation 6 of the Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017) Guidelines, 2017
IRDAI Appointed Actuary Regulations	Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017
IRDAI Appointment of Insurance Agents Regulations	Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations, 2016
IRDAI Assets, Liabilities and Solvency Margin of Life Insurance Business, Regulations	Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IRDAI Issuance of Capital Regulations	Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015
IRDAI Linked Products Regulations	Insurance Regulatory and Development Authority (Linked Insurance Products) Regulations, 2013
IRDAI Micro Insurance Regulations	Insurance Regulatory and Development Authority of India (Micro Insurance) Regulations, 2015
IRDAI Non-Linked Products Regulations	Insurance Regulatory and Development Authority (Non-Linked Insurance Products) Regulations, 2013
IRDAI Other forms of Capital Regulations	Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015
IRDAI Preparation of Financial Statements Regulations	Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002
IRDAI Protection of Policyholders Interests Regulations	Insurance Regulatory and Development Authority (Protection of Policyholders Interests) Regulations, 2002

Term	Description
IRDAI Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's Regulations	Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015
IRDAI Registration of Corporate Agents Regulations	Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015
IRDAI Transfer of Equity Shares Regulations	Insurance Regulatory and Development Authority of India (Transfer of Equity Shares of Insurance Companies) Regulations, 2015
IST	Indian Standard Time
IT	Information technology
Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MAT	Minimum alternate tax
Mn	Million
Mutual Fund(s)	The mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NR	Non-resident
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RoNW/ Return on Net Worth	Profit after tax for the period divided by the net worth as at the period end
RTGS	Real time gross settlement
State Bank Act	The State Bank of India Act, 1955
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Erstwhile the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
U.S./US/USA/United States	United States of America
U.S. Securities Act	U.S. Securities Act, 1933
UK	United Kingdom
US GAAP	Generally accepted accounting principles in the United States of America
USD/US$	United States Dollars
VAT	Value-added tax
VCFs	The venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" in this Prospectus are to the Republic of India and all references to the "U.S.", "US", "USA" or "United States" are to the United States of America and all references to the "U.K.", "UK" are to the United Kingdom.

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

Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our Restated Financial Statements as of and for the three months ended June 30, 2017 and Fiscals 2017, 2016, 2015, 2014 and 2013. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and relevant rules framed thereunder, the Insurance Act, the IRDAI Preparation of Financial Statements Regulations, the IRDAI Issuance of Capital Regulations, IRDA Act, regulations framed and circulars issued thereunder and restated under the SEBI Regulations. The information pertaining to our Assets Under Management and details of investments in "Our Business" are based on the Restated Financial Statements.

In this 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 Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary and the CRISIL Report and accordingly there may be consequential changes in this 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 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 US 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 Prospectus and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. See "Risk Factors" beginning on page 20 for risks involving differences between Indian GAAP and other accounting principles and auditing standards and risks in relation to Ind-AS. The degree to which the financial information included in this 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 IRDA Act, regulations framed and circulars issued thereunder, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting policies and practices, Indian GAAP, the Insurance Act, the IRDA Act, regulations framed and circulars issued thereunder, the Companies Act, the IRDAI Issuance of Capital Regulations, IRDAI Preparation of Financial Statements Regulations and the SEBI Regulations and practices on the financial disclosures presented in this Prospectus should accordingly be limited. Our Company has obtained the Embedded Value Report from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary, in accordance with the IRDAI Issuance of Capital Regulations. For further details, see "Embedded Value Report" beginning on page 350.

Our Company has obtained a certificate dated July 17, 2017, from our Appointed Actuary in relation to actuarial report and abstract for the Fiscal 2017, under the Insurance Act and the IRDAI Actuarial Report and Abstract Regulations. Additionally, our Company has obtained a certificate dated September 7, 2017 from our Appointed Actuary in relation to actuarial valuation of liabilities of our Company as at June 30, 2017, as required under the IRDAI Issuance of Capital Regulations.

Unless the context otherwise indicates, any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 20, 121 and 322, respectively, and elsewhere in this Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." or "Re" are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States; and
- "EUR" or "EURO" is to Euro, the official currency of the European Union.

Except otherwise specified, our Company has presented certain numerical information in this Prospectus in "million" and "billion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Rupees that have been presented solely to comply with the SEBI Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, details with respect to the exchange rate between the Rupee and other currencies:

(*in* ₹)

Currency	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015	As on March 31, 2016	As on March 31, 2017	As on June 30, 2017
1 USD*	54.39(1)	60.10(2)	62.59	66.33	64.84	64.74
1 EUR*	69.54(1)	82.58(2)	67.51	75.10	69.25	74.00

* *Source: RBI reference rate*

(1) *Exchange rate as on March 28, 2013, as RBI reference rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, a Saturday and a public holiday, respectively*

(2) *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.*

Industry and Market Data

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

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 Prospectus is reliable, it has not been independently verified by us, our Directors, our Promoters, the Promoter Selling Shareholders or the 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 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 Prospectus contains information from an industry report which we have commissioned from CRISIL Research" on page 37.

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. SBI Life 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 the Report are that of CRISIL Research and not of CRISIL's Ratings Division/CRIS. No part of the Report may be published/reproduced in any form without CRISIL's prior written approval.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans, prospects or goals are also 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our Company's exposure to market risks, general economic and political conditions in India which have an impact on our Company's 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 and other changes in our industry. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. An inability to maintain our market share, implement growth strategies or effectively address the requirements of specific customer segments by maintaining a strategic portfolio of insurance products may materially and adversely affect our business operations and prospects, and consequently our financial condition and results of operations;

2. Any termination of, or adverse change in, our bancassurance arrangements, and in particular our bancassurance agreement with the State Bank, or a decline in performance standards of our bancassurance partners, may have a material adverse effect on our business, results of operations and financial condition;

3. A significant proportion of our New Business Premiums are generated by a certain category of products. Any regulatory changes or market development that adversely affects the sale of such products could have a material adverse effect on our business, financial condition and results of operations;

4. Any adverse change in our relationship with our individual agents and other distribution intermediaries, a decline in performance of our agent or other distribution network or an inability to enter into additional distribution arrangements may have a material adverse effect on our business, results of operations and financial condition; and

5. Our investment portfolio is subject to liquidity risk and volatility in the market value of such financial instruments and may be concentrated in certain asset classes.

For further discussion on factors that could cause the actual results to differ from the expectations, see "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 20, 121 and 322, respectively. Further, as required under the IRDAI Issuance of Capital Regulations, the Embedded Value Report has been included in this Prospectus, which contains certain assumptions for the future, including assessment of appropriate assumptions for future experience. By their nature, certain market risk related disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of our future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Promoter Selling Shareholders, the Lead Managers nor any of their respective affiliates or advisors 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 the SEBI Regulations, our Company will ensure that investors in India are informed of material developments from the date of this Prospectus until obtaining the listing and trading permission by the Stock Exchanges. The Promoter Selling Shareholders will ensure that investors are informed of material developments in relation to statements and undertakings made by the Promoter Selling Shareholders in this Prospectus until obtaining the listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all information in this Prospectus, including the risks and uncertainties described below. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In order to obtain a complete understanding about our Company, read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 121 and 322, respectively, as well as the other financial and statistical information included in this Prospectus. If any single risk or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, our business, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline and you may lose all or part of your investment. The financial and other related consequences of the risk factors, wherever quantifiable, have been disclosed in the risk factors. However, the financial impact of certain risk factors is not quantifiable. You should consult your own tax, financial and legal advisors about the particular consequences to you of an investment in this Offer. Please note that as an insurance company in India we are subject to a complex and extensive regulatory regime that may materially vary from those in other jurisdictions applicable to similar companies and accordingly you must rely on your own examination of our business and financial performance and the terms of the Offer, including the merits and the risks involved.

This Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Prospectus. For further information, see "Forward-Looking Statements" on page 19.

We have, in this Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Joint Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other insurance companies in India and other jurisdictions. In addition, we have in this Prospectus included the Embedded Value Report issued by the Independent Actuary which includes certain information relating to our Embedded Value as of March 31, 2017 calculated in accordance with the Indian Embedded Value Methodology, which may vary from that used by other life insurance companies in India and other jurisdictions. The Embedded Value as of March 31, 2017 and the operational and financial performance indicators included in this Prospectus may also vary from similar information we have calculated historically and presented publicly in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, 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 Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Fiscals 2017, 2016, 2015, 2014 and 2013 and as of and for the three months ended June 30, 2017 included in this Prospectus. For further information, see "Financial Information" on page 218. Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the CRISIL Report (extracts of which have been appropriately incorporated as part of the section titled "Industry Overview" on page 99). Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant Fiscal.

Internal Risk Factors

Risks Relating to our Business and Operations

1. ***An inability to maintain our market share, implement growth strategies or effectively address the requirements of specific customer segments by maintaining a strategic portfolio of insurance products may materially and adversely affect our business operations and prospects, and consequently our financial condition and results of operations.***

   We develop and distribute a range of participating, non-participating and unit-linked individual products as well as group products. Since our capital requirement, pricing assumptions, level of reserves, profitability, and the profit period patterns vary from product to product, changes in the product mix for new business may affect our financial condition and results of operations. We have strategically focused on certain of our products to maintain growth, improve profitability and increase the value of our new business. For example, an inability to continue to grow our product portfolio, achieve an increase in the relative proportion of our high margin products in our new business, such as our pure protection products, or an inability to maintain our overall growth levels while developing additional products may adversely affect our market position, profitability and the Value of New Business.

   As part of our growth strategy, we may undertake investments, acquire certain assets and technologies, and develop new business verticals, products and distribution channels. Our future growth may place significant demands on our managerial, operational and capital resources. The rapid expansion of our business operations exposes us to various challenges, including, but not limited to, managing our rapidly growing investment assets; designing new products to address specific customer requirements; developing new distribution channels, including digital platforms to expand capacity and improve productivity; strengthening and expanding our risk management capabilities and information technology systems to effectively manage risks associated with our operations; developing adequate underwriting and claims settlement capabilities; recruiting, training and retaining management, technical personnel and sales staff as well as individual agents with sufficient experience and knowledge; compliance with additional regulatory obligations; and meeting increased capital base and managing operating expenses to satisfy applicable Solvency Ratio and other financial performance requirements stipulated by the IRDAI as well capital required for further business growth. Our ability to develop and distribute appropriate insurance products for specific customer segments through our multiple distribution channels on a timely basis affects our business prospects and financial performance. We typically incur losses in the initial period of new life insurance policies as the costs associated with the development and marketing of products and applicable profit margins, if any, from such policies emerge over the term of the insurance contract. A significant growth in new business, while beneficial for our business in the long term will result in us incurring significant losses in the short term, thereby affecting our results of operations and financial condition.

The Indian life insurance sector is highly competitive, and we may not be able to sustain our growth amidst intense competitive pressures, consolidation among competitors, or due to macroeconomic and other factors beyond our control. In particular, we may not be able to rapidly recruit and effectively train and retain a sufficient number of agents and employees to keep pace with the growth of our business operations. Any decrease in our growth rates, whether in absolute terms or relative to industry standards, could adversely affect our market share and future prospects. Any of the foregoing events may materially and adversely affect our business, financial condition and results of operations.

2. ***Any termination of, or adverse change in, our bancassurance arrangements, and in particular our bancassurance agreement with the State Bank, or a decline in performance standards of our bancassurance partners, may have a material adverse effect on our business, results of operations and financial condition.***

We have an extensive multi-channel distribution network across India, and bancassurance represents our largest distribution channel. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, the bancassurance channel contributed 51.75%, 60.74%, 64.71% and 65.66%, respectively, of our New Business Premium from individual products. We have in recent years experienced a significant increase in sales through our bancassurance channels, supported by the expansive distribution network of our bancassurance partners and significant access to potential customers. In particular, we have entered into bancassurance arrangements with our Promoter, State Bank, which was India's largest commercial bank in terms of deposits, advances and number of branches as of March 31, 2017 *(Source: RBI data)*. We have historically relied and expect to continue to rely primarily on State Bank for generation of our New Business Premium in our bancassurance channel. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, New Business Premium generated through State Bank represented 38.26%, 42.66%, 41.48% and 61.74%, respectively, of our New Business Premium in such periods. New Business Premium generated through State Bank may further increase in the future as we strategically expand our bancassurance business through additional branches of State Bank. As of March 31, 2017, our Company's top three bancassurance partners were State Bank (including its associate banks that merged with State Bank with effect from April 1, 2017), Andhra Pradesh Grameena Vikas Bank and Purvanchal Grameen Bank. The bancassurance arrangements with State Bank, Andhra Pradesh Grameena Vikas Bank and Purvanchal Grameen Bank are effective from April 1, 2016 and are valid until terminated in accordance with provisions of the respective agreements.

IRDAI regulations permit our bancassurance partners to enter into distribution arrangements with up to three life insurers, and we may therefore compete with other life insurers to promote our products through our bancassurance partners. Our bancassurance arrangement with State Bank is not exclusive in nature, and there can be no assurance that State Bank will not enter into similar bancassurance arrangements with other life insurers in the future. In such circumstances we will be required to compete with other life insurers in India to promote our products through State Bank. Our bancassurance agreement with State Bank does not contemplate any minimum sales levels. While we have also entered into bancassurance arrangements with 17 Regional Rural Banks in India and with Punjab and Sind Bank and South Indian Bank as of the three months ended June 30, 2017, these arrangements are also not exclusive in nature, and they currently do not, and may not in the future, contribute a significant proportion of our bancassurance channel business. Any termination of, disruption to, or any other adverse change affecting, our relationship with our bancassurance partners, and in particular State Bank, could materially and adversely affect our product sales and the growth of our business. An inability to enter into additional bancassurance arrangements, maintain our relationship with existing partners over competing life insurers with similar arrangements, fully capitalize on the distribution channels presented by our existing bancassurance partners, or a lack of qualified and experienced representatives CIFs at our bancassurance partners could adversely affect our product sales.

The bancassurance distribution channel also benefits from inherent cost efficiencies resulting in lower cost of sales and greater profitability. As the bancassurance market becomes increasingly competitive, distribution banks, including State Bank, may demand higher commission rates, which could increase our cost of sales, thereby reducing profitability. Our bancassurance partners are subject to the RBI master directions dated May 26, 2016, which are distinct from the regulatory regime applicable to insurance companies in India. Any regulatory changes affecting the bancassurance business and distribution of insurance products by banks could adversely affect our arrangements with bancassurance partners or restrict our ability to further grow our business through the bancassurance channel.

3. ***A significant proportion of our New Business Premiums are generated by a certain category of products. Any regulatory changes or market development that adversely affects the sale of such products could have a material adverse effect on our business, financial condition and results of operations.***

The Indian life insurance industry has witnessed significant changes driven by changes in customer preferences and regulations, in both products and distribution since the opening up of the insurance sector in India to private companies. These changes include the emergence of unit-linked insurance products and the emergence of the bancassurance channel.

In Fiscal 2017 and for the three months ended June 30, 2017, unit-linked products represented 78.97% and 73.37%, respectively, of our New Business Premium earned from our individual product business in such period, and 79.20% and 72.93%, respectively of our New Business Annualized Premium Equivalent from our individual products in such periods. In the past, while various regulatory changes, including the introduction of the IRDAI Linked Products Regulations which introduced, among others, changes in the prescribed minimum levels of sum assured, specific limits on permissible charges payable by customers and introduction of limits on payment of commission, have been significant for the life insurance industry, such changes have not had a material effect on our business, financial condition and results of operations. However, there can be no assurance that any regulatory changes or market development or any changes in customer preferences that adversely affect sales of our unit-linked products will not materially and adversely affect our business. Further, certain of our products, in particular our unit-linked products are also subject to pricing restrictions prescribed by the IRDAI. In addition, we may not be able to develop a new product strategy to replace or support sales of any unit-linked products or work around any applicable regulatory restriction or market perception relating to such products. If we are unable to anticipate market developments and design new products to capture market opportunities, we may not be able to compete with more attractive products offered by our competitors in case of any such shift in customer preference or other market development. Further, if the growth of our unit-linked products or our pure protection products is not as anticipated or if we are unable to maintain our overall levels of growth while growing these lines of business, our Value of New Business and profitability may be adversely affected. If our unit-linked funds underperform their respective benchmarks, we may not be able to market these products in the future and may be in a disadvantageous position as compared to our competitors. Such changes in product categories that are currently significant for us or are likely to become significant to our business in future, could have a material adverse effect on our business, financial condition and results of operations. For further information in relation to the applicable regulatory framework, please see "Regulations and Policies" beginning on page 157.

4. ***Any adverse change in our relationship with our individual agents and other distribution intermediaries, a decline in performance of our agent or other distribution network or an inability to enter into additional distribution arrangements may have a material adverse effect on our business, results of operations and financial condition.***

In addition to the bancassurance channel, we distribute our products through a large number of individual agents and other financial intermediaries. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, our individual agent network contributed 45.76%, 37.78%, 34.08% and 32.59%, respectively, of our New Business Premium from individual products in such periods. For further information in relation to our individual agents and comparative analysis of their productivity see, "Industry Overview" on page 99. We typically enter into exclusive arrangements with our individual agents. We compete with other insurance companies and financial institutions to attract and retain individual agents. Our success is dependent on the sales commissions and other rewards and recognition programs extended by us subject to applicable regulatory restrictions, the wide range of our product offering, our established brand and business reputation, market and customer perception regarding the stability of our financial condition, our financial performance, marketing and related support services we provide our agents and other intermediaries, as well as our longstanding relationship with our individual agents. If we are unable to attract or retain productive sales agents, it could have a material adverse effect on our business, financial condition and results of operations. It is also difficult, time consuming and expensive to recruit, train and deploy insurance agents and other retail distributors. If we are unable to develop an effective team of agents in a cost-effective manner, or at all, it could adversely affect our sales as well as customer perception of our business and products. We may experience high attrition rates of individual agents and other intermediaries as a result of increased competition. In addition to individual agents, we also rely on other distribution channels including corporate agents, brokers, micro-agents, common service centers and insurance marketing firms. An inability to continue to recruit, train and retain productive sales agents and other distribution intermediaries may have a material adverse effect on our business, prospects, financial condition and results of operations.

5. ***Our investment portfolio is subject to liquidity risk and volatility in the market value of such financial instruments and may be concentrated in certain asset classes.***

As of June 30, 2017, our AUM was ₹ 1,012,260.34 million, and equities, government securities and corporate bonds represented 23.02%, 46.44% and 21.92%, respectively, of our AUM as of such date. As of March 31, 2015, 2016 and 2017 and as of the three months ended June 30, 2017, we had long-term investments including loans of ₹ 624,310.31 million, ₹ 701,688.36 million, ₹ 894,110.50 million and ₹ 924,171.66 million, respectively, and short-term investments including loans of ₹ 89,079.01 million, ₹ 96,587.41 million, ₹ 83,255.53 million and ₹ 88,088.68 million, respectively. For further information in relation to investments see, "Our Business - Investments" on page 146. As a large institutional investor in India, we may also hold significant positions in many of the listed stocks that we directly invest in, and any decision to sell or any perception in the market that we intend to sell such investments could adversely affect the liquidity and market price of these securities and, in turn, our return on investment in such securities. In times of market volatility and reduced liquidity, we may find it difficult to execute such trades in order to meet any significant insurance claims. Some of our investments may not have sufficient liquidity as a result of a lack of market makers, market sentiment and volatility, and the availability and cost of credit. In these circumstances, our ability to sell our assets without significantly depressing market prices, or at all, may be limited. Our investment portfolio may also have a significant concentration in certain asset classes. In the event that any particular asset class in which we have a significant asset allocation experiences adverse developments, such developments could have a material adverse effect on our business, financial condition and results of operations. For additional details regarding sensitivity to interest rate and equity market fluctuations, see "Embedded Value Report" on page 350. In accordance with the provisions of the Insurance Act and IRDAI Investment Regulations our investments can only be in instruments/securities issued in India.

If there is an increase in interest rates or a change in the prevailing market yields on our investments, or an unfavourable change in the liquidity of an investment, or an unfavourable change in the financial prospects, or a downgrade in the credit rating of an issuer of our investment securities, it could adversely affect the value of our investments, as well as the value of our unit-linked products.

6. ***Changes in interest rates may have a material adverse effect on our business and results of operations.***

The profitability of certain of our insurance products and our return on investment are particularly sensitive to interest rate fluctuations. As of March 31, 2015, 2016 and 2017 and as of the three months ended June 30, 2017, 68.75%, 77.47%, 76.81% and 76.98%, respectively, of our investments were in debt securities. Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) could reduce our investment returns and spread and thus materially and adversely affect our business and investment returns, financial condition and results of operations. Our spread, which is the difference between the actual investment returns of our insurance products' reserves and the rate that needs to be earned to cover the benefits and expenses, is a key measure of our profitability.

Interest rates are highly sensitive to various factors, including governmental, monetary and taxation policies, Indian and international economic and political considerations, balance of payments, regulatory requirements and other factors beyond our control. The RBI or the Government of India may implement measures in response to changes in the macroeconomic environment, which may have a material adverse effect on our business, prospects, financial condition and results of operations.

Depending on the nature of our asset and liability portfolio and the evolution of interest rates, our financial condition would be materially adversely affected either by rising interest rates or reducing interest rates. While an increase in interest rates could result in an increase in investment returns on our newly added fixed income assets, it could also result in a decrease in the value of our existing fixed income assets when calculated based on fair value. An increase in interest rates may result in increase in surrender by policyholders and in turn result in realization of mark to market loss. During periods of declining interest rates, our investment yield may be affected as our maturing investments and bonds that are redeemed or prepaid to take advantage of the lower interest rate environment may have to be replaced with new investments carrying lower yields, thus reducing our investment margins and investment income. For further details of interest rate volatility on our Indian Embedded Value, see "Embedded Value Report – Section 4: Results – 4.8" on page 350.

There can be no assurance that our asset liability management process will effectively address our exposure to interest rate risk. An inability to closely match the duration of our assets and liabilities will expose us to risks related to interest rate changes, which could materially and adversely affect our financial condition and results of operations.

7. ***Our Company, Directors, Promoters and certain Group Companies are involved in certain legal and other proceedings.***

Our Company, Directors, Promoters and certain Group Companies are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summaries of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters and actions by regulatory and statutory authorities against our Company, Directors, Promoters and certain Group Companies as well as awards given by the Insurance Ombudsman in relation to the Company have been set out below. Further, the summary of the outstanding matters also include other material litigation, wherein the following has been considered as material (i) other outstanding matters pending as on the date of this Prospectus against State Bank, where the amount involved exceeded ₹ 1,000 million, and Group Companies (other than State Bank and BNPPC) where the amount involved exceeded ₹ 477.33 million, (ii) other outstanding matters pending against our Company as on the date of this Prospectus where the amount involved exceeded ₹ 477.33 million, and (iii) all outstanding litigation involving our Directors as on the date of this Prospectus where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company. For further information regarding the applicable materiality threshold, see "Outstanding Litigation and Material Developments – Litigation involving our Company" on page 387, "Outstanding Litigation and Material Developments-Litigation involving our Promoters" on page 398, "Outstanding Litigation and Material Developments-Litigation involving our Group Companies" on page 403 and "Outstanding Litigation and Material Developments-Litigation involving our Directors" on page 408.

Litigation against our Company:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Criminal matters	6	-
Direct tax matters	29	2,894.48
Indirect tax matters	16	6,050.49
Action by regulatory/ statutory authorities	2	8.60
Awards given by the Insurance Ombudsman from Fiscal 2015	282	52.41
Matters considered otherwise material	7	-

Litigation against our Directors:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Criminal matters	2	-

Litigation against our Promoters:

Litigation against State Bank:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Criminal matters	1	-
Direct tax matters	Over 44	168,200
Indirect tax matters	157	11,420
Actions taken by regulatory/statutory authorities	1	-
Other matters exceeding ₹ 1,000 million	9	47,773
Matters considered otherwise material	2	-

Litigation against our Group Companies:

Litigation against BNP Paribas:

Nature of the cases	No. of cases outstanding	Amount involved (Euro in millions)
Criminal matters	1	0.18
Direct tax matters	58	992.70
Indirect tax matters	11	9.50
Action by regulatory/ statutory authorities	1	-

Litigation against SBI General Insurance Company:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Indirect tax matters	6	271.28
Other matters exceeding ₹477.33 million	2	1,580
Matters considered otherwise material	1	-

Litigation against SBI Cap Trustee Company Limited:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Direct tax matters	1	0.22

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Action by regulatory/ statutory authorities	1	-

Litigation against SBI Global Factors Limited:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Direct tax matters	2	4.75
Indirect tax matters	3	17.60

Litigation against SBI Capital:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Direct tax matters	29	650.20
Action by regulatory/ statutory authorities	1	10.00

Litigation against SBICAP Securities Limited:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Direct tax matters	1	5.02

Litigation against SBI Funds Management Private Limited:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Criminal matters	1	-
Action by regulatory/ statutory authorities	2	-

Litigation against SBI Cards and Payment Services Private Limited:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Criminal matters	2	-
Direct tax matters	6	1,350
Indirect tax matters	8	268.20

Litigation involving PT Bank SBI Indonesia:

Nature of the cases	No. of cases outstanding	Amount involved (Indonesian Rupiah in millions)
Direct tax matters	1	18,454.72

Litigation against SBIDFHI Limited:

Nature of the cases	No. of cases outstanding	Amount involved (in ₹ millions)
Direct tax matters	2	6.58

We are exposed to the risk of complaints and/or litigation filed by customers relating to alleged breach of promise or alleged wrongful denial of claims or, which may result in adverse publicity or direct financial losses due to alleged breaches of promise or alleged wrongful denial of claims. Additionally, improper expectations by customers of certain product features could damage our brand and reputation and/ or lead to significant financial losses resulting from dispute settlements. Such lawsuits are costly to defend against and can materially affect our financial condition, even if we are successful in defending them or effectively redress such complaints. If we are unsuccessful in defending these suits or settling these complaints, we may have to pay significant damages. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to such litigation and complaints, and such costs could be substantial, or our reputation could be materially harmed. For further information, see "Outstanding Litigation and Material Developments" on page 387. Any determination in such legal proceedings adverse to our interests may have a material adverse effect on our business and we may have to make provisions in our financial statements, which could increase our expenses and our liabilities, and adversely affect our reputation, thereby adversely affecting our business, results of operations and financial condition.

8. ***We operate in a regulated industry and any change in regulations or any regulatory action against us, agents and other intermediaries could have an adverse effect on our business, prospects, financial condition and results of operations.***

We are subject to various insurance laws and regulations. The laws and regulations or the regulatory or enforcement environment may change at any time, which may have an adverse effect on the products, or services we offer, or our business in general. The Insurance Laws (Amendment) Act, 2015 has overhauled the insurance regulatory framework in India. Further, the laws and regulations governing the insurance industry have over a period become increasingly complex governing a wide range of issues. For further information, see "Regulations and Policies" on page 157. In particular, any change in IRDAI policies, including with respect to investment or provisioning or rural and social sector obligations or norms, may result in our inability to meet such increased or modified regulatory requirements or could require us to increase our coverage to relatively riskier segments. The Insurance Act restricts the types of capital of an insurer in India to only consist of equity share capital, consisting of equity shares each having a single face value, and other forms of capital as specified under the IRDAI Other Forms of Capital Regulations prescribing preference share capital, subordinated debt instruments and any other debt instrument as may be permitted by the IRDAI. Accordingly, our ability to issue capital of varied nature is limited. The Insurance Act also provides that the appointment, reappointment or termination of appointment, of a managing or whole time director, a manager or a chief executive officer of an insurance company will require the prior approval of the IRDAI. Additionally, as per the Indian Insurance Companies (Foreign Investment) Rules, 2015, foreign investment in an Indian insurance company is capped at 49.00%. Further, in terms of The IRDAI Investment Regulations, life insurers are required to invest a fixed percentage of their investment assets forming part of their controlled fund in certain products in certain specified categories of assets and instruments, including bonds and securities issued by various government institutions and investments in housing and infrastructure sector. Additionally, IRDAI from time to time issues exposure norms and prudential norms which govern the types and categories of securities in which we are permitted to invest. Certain other regulations that impact our operations include the IRDAI Appointment of Insurance Agents Regulations, IRDAI Registration of Corporate Agents Regulations, IRDAI Non-Linked Insurance Products Regulations and IRDAI Linked Insurance Products Regulations. Our proposed joint venture in Nepal requires the prior approval of the IRDAI. These regulations also specify various requirements relating to rural and social sector obligations, the terms and conditions of our products, as well as the terms of any distribution arrangement we enter into, including limits on commission fees and other incentives we can pay. The applicable insurance regulatory framework in India also specifies strict solvency and reserve requirements as well as other financial condition terms that we are required to comply with as a life insurer in India. Ensuring compliance with these laws and regulations could have a material adverse effect on our business operations and financial condition.

We are also subject to periodic examination by such regulatory authorities. An inability to comply with the regulatory framework applicable to us, our employees, agents and other intermediaries may result in regulatory action. We are exposed to various regulatory risks, relating to improper business practices such as inadequate due diligence, including customer verification, non-adherence to anti-money laundering guidelines, and customer needs analysis, in the sales process. Any fraud, sales misrepresentation, money laundering and other misconduct committed by our employees, agents and distribution partners could result in violations of laws and regulations by us and subject us to regulatory sanctions. We have in the past received several requests for information and clarification by the IRDAI with respect to the distribution of our products. An inability to satisfactorily address such queries in a timely manner or at all may result in us being subject to regulatory action by the IRDAI, including penalties and / or sanctions. In addition, our intermediaries are also subject to regulatory oversight of the IRDAI, in addition to other regulators specific to the respective intermediaries. Any regulatory action against such channel partners or other intermediaries could reduce our ability to distribute our products through them.

For instance, the IRDAI, pursuant to on-site inspections in the past has issued multiple orders against our Company in respect of our "Dhanraksha Plus Limited Premium Paying Term" ("Dhanraksha") and "Super Suraksha" products, alleging certain discrepancies and violations under the guidelines and regulations issued by the IRDAI on the part of our Company, including payment of excess commission to our corporate agents, collection of policy premium in violation of guidelines and regulations of the IRDAI. Our Company has settled or paid penalties to IRDAI in respect of some of these orders, and has initiated appellate proceedings on certain grounds against others. For further information, see "Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company - Pending Actions by regulatory/statutory authorities – Actions by IRDAI" on page 389.

9. ***An inability to effectively manage risks related to our business operations may materially and adversely affect our business, prospects, financial condition and results of operations.***

As an insurance company, our operations are exposed to various operational risks, and there can be no assurance that we will not incur losses as a result of, or that our reputation will not be adversely affected by such operational risks in the future. Key operational risks in the insurance sector include human and systems errors within a complex and high volume transaction framework, technology failures resulting in accounting errors or disruption of operations, inadequate technology infrastructure or inappropriate systems architecture, failure to adequately monitor and control our various distributors, failure to implement sufficient information security controls, an interruption in services by our service providers, damage to physical assets, including IT assets, or with respect to appropriately wording our policy documents.

We have, in the past, been subject to penalties by the IRDAI and other applicable regulatory authorities in connection with operational lapses. For instance, we were penalized by the IRDAI for an amount of ₹ 1 million for unauthorized sourcing of policies by a corporate agent, pursuant to an IRDAI inspection carried out in Fiscal 2013. Pursuant to such inspection, our Company has implemented necessary checks at the time of underwriting in order to ensure that policy is procured by individuals and entities authorised to procure such insurance policies. There can be no assurance we will not be subject to similar penalties in the future resulting from similar operational lapses or operational risks beyond our control. For further information, see "Outstanding Litigation and Material Developments" on page 390.

10. Our risk management policies and procedures may not be adequate or effective in identifying or mitigating significant operational and other risks applicable to us, which could have an adverse effect on our business and financial performance.

While we have established stringent risk management policies and procedures that are periodically reviewed for effectiveness, and implemented enterprise risk management processes to identify risks in each of our functional areas, our risk management systems may not be adequate or effective in identifying or addressing our risk exposure under various market environments or all kinds of operational risks. The management of our operational, legal and regulatory risks requires us to, among other matters, develop and implement policies and procedures to properly record and verify a large number of transactions, and such policies and procedures may not be entirely effective. Any failure of such systems and policies may have a material and adverse effect on our business, financial condition and results of operations. An inability to implement and continuously upgrade effective risk management procedures or non-availability of adequate information to respond to such risks in a timely manner may result in significant operational risks including non-compliance with applicable regulations which may adversely affect our business and financial performance.

Our operations are geographically dispersed through a large number of branches, our individual agent network, our bancassurance partners and our other intermediaries, which involves a certain degree of operational decentralization and flexibility. Accordingly, operational systems, processes and policies may not be uniformly or consistently implemented across our operations. Our employees, agents and other distribution partners are involved in certain critical business decisions including ensuring compliance with underwriting guidelines, product design and pricing, investment decisions, and pursuit of business opportunities, among others. In addition, our employees, agents and other distribution partners may take decisions beyond their scope of authority thereby exposing us to excessive risk. If our employees, agents and other distribution partners take excessive risks, act in a fraudulent manner or make unintentional mistakes, the impact of those risks or mistakes could have a material adverse effect on our business, results of operations and financial condition.

In addition, an inability to develop and maintain effective internal controls and compliance procedures may adversely affect our business operations, and consequently our results of operations and financial condition. Our internal controls over financial reporting must be reviewed on an ongoing basis as risks evolve, and the processes to maintain such internal controls involve human diligence and compliance and are subject to lapses in judgment and breakdowns resulting from human error. To the extent that there are lapses in judgment or breakdowns resulting from human error, the accuracy of our financial reporting could be affected, resulting in a loss of investor confidence and a decline in the price of the Equity Shares.

We manage our risk exposure based on historical experience of market behavior or statistics, and such methodology may not accurately predict future risk exposure. Our risk management methodology also involves evaluation of publicly available information regarding markets, customers or other applicable risk factors, which information may not be current, accurate, complete or properly evaluated.

As the Indian insurance market continues to evolve rapidly, we expect to introduce additional products to address customer needs and invest in a broader range of asset classes. An inability to timely adapt our risk management policies and procedures to such new business developments could have a material adverse effect on our business, results of operations and financial condition.

11. Any actual or alleged misconduct or fraudulent activity, including any mis-selling by our employees, agents or other intermediaries may result in customer claims or regulatory action against us, which could adversely affect our reputation, business prospects, financial condition and results of operations.

We sell our insurance products either directly or through intermediaries, including individual agents, corporate agents, brokers and bancassurance partners. Our individual agents and other distribution intermediaries are required to assist customers in selection of suitable insurance products and advice on the relevant benefits, premium payable and all material terms of the relevant product. Under certain circumstances, the sales process followed by such agents or other intermediaries may not be in compliance with required disclosure standards or procedures, or our employees, agents or other intermediaries may indulge in fraudulent misconduct or mis-selling activities during the marketing or sale of the insurance policy or subsequent customer service. We have in the past experienced and may in the future experience, such misconduct or mis-selling by employees, agents or other intermediaries. For the period April 1, 2014 to June 30, 2017, our Company received a total of 12,148 grievances in relation to alleged mis-selling by our employees, intermediaries and agents, and of these grievances, 8,962 were rejected, 1,079 grievances were settled partially in favour of the policyholders and 2,065 were settled completely in favour of the policyholders. Our Company has received a total premium of ₹ 182.41 million from the complaints whose grievances were settled completely or partially in their favour. For information in relation to such aforementioned instances, please see, "Outstanding Litigation and Material Developments – Litigation filed against our Company – Other Matters" and "Outstanding Litigation and Material Developments – Litigation filed against our Company – Criminal Maters" on pages 391 and 387, respectively. Additionally, for instance, we were penalized by the IRDAI for an amount of ₹ 1 million for unauthorized sourcing of policies by a corporate agent, pursuant to an IRDAI inspection carried out in Fiscal 2013. During April 1, 2014 to June 30, 2017, our Company had 101 cases of fraud perpetrated by our employees, our intermediaries or third parties, such aforementioned cases included instances of misappropriation of funds, tempering of documents and claim frauds. However, there was no material financial impact on our Company pursuant to such claims. We cannot assure you that past losses are indicative of future losses or that our future losses may not be significantly higher than our past losses. For further information, see "Outstanding Litigation and Material Developments - Actions by regulatory/statutory authorities" on page 389.

Our sales agents have direct contact with customers and knowledge of their personal and financial information, which exposes customers to possible misconduct, including illegal sales practices, fraud, identity theft and loss of personal or financial information. We are also exposed to fraudulent acts of our customers. Third parties may also misrepresent themselves as our agents to defraud customers. Such acts of fraud may result in significant financial losses, including commission payments that we are unable to recover, loss of business reputation, or even attract penal action by regulatory authorities. We may also be unable to detect any fraud on our Company by individual agents. Any actual or alleged misconduct or fraudulent activity, improper sales or mis-selling, or recurring instances thereof, may result in substantial customer claims and penalties levied against us, which could have a material adverse effect on our business reputation, prospects, financial condition and results of operations.

12. An inability to verify the accuracy and completeness of information provided by or on behalf of our customers and counterparties may subject us to fraud, misrepresentation and other similar risks, which could adversely affect our business, financial condition and results of operations.

In the course of our business operations, including any decision to issue policies, pay out claims or enter into other transactions with counterparties, we rely on information furnished to us by or on behalf of our customers and counterparties, including but not limited to, personal details, medical histories, business operations and relevant financial information. An inability to verify the accuracy and completeness of such information and reliance on any incorrect, misleading or incomplete information received from customers and counterparties may subject to us to fraud, misrepresentation and other similar risks. Such information could involve non-disclosure of pre-existing medical conditions, inaccurate, incomplete or forged income and financial statements, asset ownership documents, know your customer documents, thereby leading to non-compliance with various applicable regulations including 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 misrepresentation of fact or any fraudulent act, subsequent to three years from the date of the relevant policy, i.e., the later of (i) date of issuance of policy, (ii) commencement of risk or (iii) revival of policy (or any rider to the policy). If we are unable to detect any such misstatement or fraud within the stipulated period, we could be subjected 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.

In the event we are unable to timely detect or address any such misrepresentation or fraudulent misconduct, it could adversely affect our reputation, lead to further regulatory action, and have a material adverse effect on our business, financial condition and results of operations.

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

Our brand equity, business reputation and market perception is critical to maintaining our market share and growing our business. While we have developed our brand and business reputation over the years, any negative incident or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity, or attract regulatory investigation or litigation. In addition, our brand and business reputation will be adversely affected in the event of any adverse publicity relating to State Bank and its operations, irrespective of whether such development relates to factors within State Bank's control. The high level of media scrutiny and public attention that the insurance sector is subjected to, together with increasing consumer activism in India, has significantly increased the risk of negative publicity that may affect our reputation or the reputation of the insurance industry in general.

Any significant claim or litigation, employee misconduct, operational failure, regulatory investigation, media speculation and adverse publicity, whether actual, unfounded or merely alleged, could damage our brand, business reputation and confidence of customers. Our brand may also be adversely affected if our products, or the services provided by our employees, agents and other intermediaries, do not meet customer expectations (whether legitimate or reasonable), or if there is a change in customer expectation from the relevant insurance product. Negative publicity could be based, for instance, on allegations that we have failed to comply with regulatory requirements, or result from any failure in business continuity or information technology systems, from loss of confidential customer information, inadequate customer service levels or insufficient transparency in product terms and administration of claims.

Any damage to our brand or business reputation may result in loss of existing and potential customers, and inability to maintain existing or enter into additional distribution arrangements. Furthermore, negative publicity may result in an increase in regulatory scrutiny of our operations, and an increase in claims litigation, which may further increase our cost of operations and adversely affect our profitability. Negative publicity may also influence market perception of our business and affect our ability to maintain our credit ratings. Accordingly, any adverse impact on our brand and business reputation may have a material adverse effect on our business, prospects, financial condition and results of operations.

14. *Any catastrophic event, including any major natural disaster, could result in significant claims which could have a material adverse effect on our business, prospects, financial condition and results of operations.*

The incidence and severity of unpredictable events such as hurricanes, windstorms, monsoons, earthquakes, fires, industrial explosions, floods, riots and other natural or man-made disasters, including acts of terrorism, catastrophes within any particular period are inherently unpredictable. These events could materially and adversely affect our business and prospects, including resulting in a number of policy surrenders, claims and policy lapses. For instance, we experienced additional claims in the past as a result of floods in southern India in 2015 and in Uttarakhand in 2013. 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, "Our Business-Reinsurance" on page 145. Further, the frequency of such catastrophic events may also have an adverse effect on our business, prospects, financial condition and result of operations. We are also exposed to any major outbreak of infectious disease / pandemic resulting in large scale loss of life, resulting in significant claims over a short period.

15. *Any significant variation from the various assumptions and estimates used in the pricing of, and maintaining reserves for, our wide range of products, could have a material adverse effect on our business, financial condition and results of operations.*

We offer a wide range of individual life insurance products including participating products, non-participating protection products, other non-participating products and unit-linked products, as well as a range of group life insurance products. We price our products based on various assumptions and estimates relating to, among other factors, benefits, claim patterns, and Persistency Ratios. We determine liabilities that provide for future obligations relating to our products, and our earnings therefore are dependent on the extent to which actual benefits, claims and Persistency Ratios are consistent with the assumptions and estimates we have used in the pricing of our products and the determination of the appropriate amount of policy reserves. Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of liabilities relating to unpaid insurance policy claims, we are unable to determine in any precise manner the amount that will ultimately be required to settle such liabilities. The pricing of our products, and the estimation of reserves, involves various assumptions and estimates based on our management's assessment of the information available to us, historical data, probable forecast of future events that could affect our policyholders or the insurance industry in general, as well as anticipated estimates of future claims severity and frequency, loss trends in claim frequency and severity experienced by us, our loss history and loss history in the Indian life insurance industry and information regarding claims. These assumptions and estimates are also affected by other factors beyond our control, such as regulatory development or judicial determination relating to insurance claims and damages, any change in the political environment or general macroeconomic trends affecting the Indian economy, including inflation. We also utilize policyholder information and other third-party data in our modeling exercise, which could be inaccurate or incomplete.

In our operations, we typically make certain assumptions relating to future persistency of policyholders, and on the basis of such assumptions and past experience, we can generally anticipate the overall level of policy surrenders, withdrawals, discontinuance and lapses in a given period. In addition, the modeling methodologies we use may not be either accurate or optimal, and are also likely to be more complex and less accurate as we increase the number and complexity of insurance products we offer. Since the prices we set for our products and the expected profitability on such products is based in part upon expected patterns of premiums and assumptions related to persistency, if the actual persistency of our customers varies significantly from our persistency assumptions, it could have a material adverse impact on our business and profitability. Our assumptions regarding persistency are inherently uncertain. The incidence of unusual events with significant or lasting impact, such as sharp declines in income of customers resulting from adverse macroeconomic conditions, radical changes in the applicable regulatory framework or government policies impacting the economy in general or the insurance industry in particular, loss of customer confidence in the insurance industry due to actual or perceived weakening of the financial strength of one or more insurance companies, or increased volatility in the capital markets, could also result in unanticipated high levels of surrenders, withdrawals, discontinuance and lapses of insurance policies, thereby adversely affecting our persistency rates. For further information on discontinued fund, see "Financial Statements - Annexure – V: Summary of Significant Accounting Policies and Notes to Accounts – C. Notes to Accounts – 24. Discontinued policies" on page 228. In particular, increased volatility in Indian capital markets also generally results in concentrated surrenders in our unit-linked portfolio, thereby reducing our persistency rates.

Based on our risk assessment, if we underprice our products, our profitability could be adversely affected, while if we overprice our products, our competitiveness, sales, market share and business prospects may be materially and adversely affected. In addition, various assumptions related to future investment returns are used in pricing our products and setting of reserves. Actual investment returns that are lower than those projected could result in significant losses on particular products, thereby causing us to increase the price of our products, thereby affecting future business. An inability to accurately price our insurance products may adversely affect our profitability, results of operations and financial condition.

We maintain reserves to cover amounts we estimate will be required to settle insured losses as well as for any expenses incurred to settle claims. Our policy liabilities net of reinsurance as of March 31, 2015, 2016 and 2017 and as of the three months ended June 30, 2017 were ₹ 676,689.66 million, ₹ 756,558.25 million, ₹ 928,967.90 million and ₹ 956,815.76 million, respectively. However, our reserves do not, and will not in the future, represent any precise calculation of liability, but rather are estimates of the anticipated net future policy benefits and claims payments, and are consequently inherently uncertain. An estimation of the loss and loss expense reserves is an arduous and complex process that involves a number of variables and is subject to the subjective assumptions, estimates and judgment of our senior management. Consequently, in the event that our claim payments vary significantly from the assumptions used in the pricing of, or maintaining reserves for, our insurance products, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

16. ***An inability to control our operating and other expenses may have a material adverse effect on our business, results of operations and financial condition.***

We price our products based on assumptions for expenses we expect to incur. These assumptions for expenses include policy acquisition cost, infrastructure related costs, employee costs, policy maintenance cost and other support costs. Expenses may be higher than expected due to specific events and changes in macroeconomic conditions including inflation, changes in regulations, competition dynamics, distributor pressures, and other factors beyond our control. Our bancasurrance expenses may increase owing to the IRDAI mandated non-exclusive arrangements with banks and insurance companies. In addition, a significant variation of actual inflation from our assumptions could also result in higher than expected expenses. If the actual incurred expenses exceed the assumed expense levels taken into account for the pricing of our products, it could have a material adverse effect on our business, results of operations and financial condition. There can also be no assurance that we will be able to control or maintain increased costs resulting from low productivity levels or increased competition. Any of these factors may result in us incurring higher than expected expenses and may have a material adverse effect on our business, results of operations and financial condition. In addition, since a significant portion of our expenses are fixed, in the event future sales are lower than expected, our expenses may not decrease in proportion, or at all, which could adversely affect our profitability and business prospects.

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

As of June 30, 2017, our aggregate contingent liabilities, in accordance with the provisions of Accounting Standard – 29 – Provisions, Contingent Liabilities and Contingent Assets, were ₹ 4,166.10 million. The table below sets forth certain information on our contingent liabilities as of June 30, 2017:

Particulars	As of June 30, 2017 (₹ million)
Partly paid-up investments	-
Claims, other than against policies, not acknowledged as debts by the Company	6.36
Underwriting commitments outstanding (in respect of shares and securities)	-
Guarantees given by or on behalf of the Company	-
Statutory demands or liabilities in dispute, not provided	-
Reinsurance obligations to the extent not provided for in accounts	-
Others: - Insurance claims disputed by the Company, to the extent not provided or reserved;	563.62

Particulars	As of June 30, 2017 (₹ million)
- Directions issued by IRDAI under section 34(1) of the Insurance Act, 1938	3,596.12
Total	4,166.10

For further information, see "Financial Information" and "Outstanding Litigation and Material Developments" on pages 218 and 387, respectively. Our joint auditors have not included any qualifications to their opinion with respect to the contingent liabilities not provided for by us since Fiscal 2013.There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal or in the future. In the event that any of our contingent liabilities were to be recognized on our financial statements, they could have a material adverse effect on our business, financial condition and results of operations.

18. ***The actuarial valuation of liabilities for our policies with outstanding liabilities is not required to be audited under applicable regulations, and any inaccurate actuarial valuation may have an adverse effect on our financial condition and results of operations.***

The actuarial valuation of liabilities for our policies with outstanding liabilities are performed by the Appointed Actuary and presented in our financial statements. Under Indian regulations, the Appointed Actuary of an insurance company is required to certify such actuarial valuation of liabilities for our policies with outstanding liabilities and confirm that the assumptions taken into account for purposes of such valuation comply with relevant regulations and guidelines stipulated by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. Additionally, the valuation methodologies including assumptions are verified as a part of peer review process as prescribed under Actuarial Practice Standards-4 issued by the Institute of Actuaries of India. Our joint statutory auditors rely on the certificate provided by the Appointed Actuary on such actuarial valuation and such valuation is not subjected to an independent audit by our joint statutory auditors. The process of actuarial valuation of liabilities for policies with outstanding liabilities in India may vary from that followed by insurance companies and insurance regulatory authorities in other jurisdictions, and therefore may not be comparable. In the event the underlying assumptions or actuarial modeling used in the determination of the actuarial valuation of our liabilities are inaccurate, or if the absence of an audit or similar process independently evaluating the actuarial liabilities results in an error in the calculation of such actuarial valuation, it could have an adverse effect on our financial condition and results of operations. While there have been no materially incorrect actuarial valuations for our policies with outstanding liabilities in the recent past, we cannot assure you that there will be no instances of incorrect actuarial valuations in the future. For further information see "Outstanding Litigation and Material Developments - Litigation against our Company - Actions by Regulatory and Statutory Authorities" on page 389.

19. ***Any breakdown or inadequacy in our IT systems could materially and adversely affect our operations and consequently our business, prospects, financial condition and results of operations.***

Our business operations are dependent on our IT systems to record and process applicable operational information and financial data and to provide uninterrupted and reliable service support. The proper functioning of our financial controls, accounting, customer database, customer service and other data processing systems, including those relating to underwriting and claims processing functions, actuarial and risk management, and the communications systems linking our headquarters, branches, sales and service outlets and our principal IT centers, are critical to our business operations and our ability to compete effectively. We may experience partial or complete failure in our IT systems arising from, among others, hardware failure, software program errors, computer virus attacks, internet failure, conversion errors due to system upgrading or system relocation, failure to successfully implement ongoing IT initiatives, as well as IT system and process failures resulting from lack of adequate public infrastructure, human errors, natural disasters, war, terrorist attacks, blackouts and other unanticipated problems partly or entirely beyond our control.

Although we have established large data centers, maintain disaster recovery systems and have invested significantly on our IT infrastructure, there can be no assurance that there will not be any delay, system failure or other accident in the future, including those associated with system upgrades or introduction of new IT systems. We have recently upgraded our policy management system called Ingenium for which we have partnered with an established technology provider. There can however be no assurance that any such upgraded or new IT systems will meet the requisite processing capacities or reliability standards, or that they will be adequate to effectively address the IT requirements of our fast growing operations.

We may be unable to prevent or address in a timely manner, any disruption to the operation of our information technology system or timely upgrade our IT systems, which could have a material adverse effect on our business. Any such failure could result in our inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and customer data, or a failure to comply with regulatory requirements. Any such failure could also affect our risk management and customer service functions, resulting in a material adverse effect on our business, prospects, financial condition and results of operations.

20. An inability to ensure the security of confidential information or ensure any breach of privacy rights, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

In the course of our business operations, we collect, process, store, use, transmit and otherwise have access to a large volume of confidential information belonging to our customers. Our computer networks and IT infrastructure and those of our distribution intermediaries may be vulnerable to computer hackers, computer viruses, worms, malicious applications and other security problems resulting from unauthorized access to, or improper use of, such networks and IT infrastructure by our employees, third-party service providers or even independent third parties. Although appropriate security systems have been implemented against such unauthorized access or malware attacks, such malicious attacks or malware related disruptions may jeopardize the security of information stored in and transmitted through our IT infrastructure and computer systems. We may therefore be required to incur significant expenses to protect against the threat of such security breaches and/or to alleviate problems caused by such breaches. Unauthorized access and malware sabotage techniques and systems change frequently and generally are not recognized until launched against a target. We may be unable to anticipate these techniques or implement adequate preventative measures. Even if we anticipate these attacks, we may not be able to prevent or counteract such attacks or control the impact of such attacks in a timely manner or at all.

Any security breach, data theft, unauthorized access, unauthorized usage, virus or similar breach or disruption could result in loss or disclosure of confidential information, damage to our reputation, litigation, regulatory investigation or other liabilities. Actual or perceived concerns that our systems may be vulnerable to such attacks or disruptions may deter our customers from using our services and result in negative publicity. Data collection and storage are increasingly subject to legislation and regulations in various jurisdictions and governments have become increasingly active in the protection of privacy and security of personal information. Our attempts to comply with applicable legal requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition and results of operations. We could be adversely affected if additional legislation or amendments to existing regulations are introduced to require changes in our business practices or if such legislation or regulations are interpreted or implemented in ways that adversely affect our business, financial condition and results of operations.

21. We are in the process of obtaining or renewing certain approvals or licenses required in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval for its renewal. For instance, we have applied for renewal of 20 registrations under the respective shops and establishments laws in various states in India, which renewals have not been granted as of the date of this Prospectus. For further information, see "Government and Other Approvals" on page 410. Further, the approvals that we have obtained stipulate certain conditions requiring our compliance. If we fail to obtain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

22. An inability to meet Solvency Ratios or other regulatory requirements relating to our financial condition could lead to regulatory action, which could affect our ability to continue operations, acquire new business or implement our growth strategies, thereby adversely affecting our business, financial condition and results of operations.

Indian laws and regulations require us to maintain a control level of solvency. Solvency Ratio is the ratio of the excess of assets over liabilities to the required capital. An inability to maintain the relevant control level of solvency requirements may result in regulatory action from the IRDAI that could affect our ability to continue operations, acquire new business or implement our growth strategies. For further information on the regulatory framework applicable to us and other insurance companies in India, see "Regulations and Policies" on pages 158 and 159.

As of March 31, 2015, 2016 and 2017 and as of the three months ended June 30, 2017, our Solvency Ratio was 2.17, 2.12, 2.04 and 2.11, respectively, compared to the IRDAI mandated requirement of 1.5. Our Solvency Ratio may be affected by various factors, including the amount of capital available, the mix of insurance products sold by us, our business growth as well as profitability. For details, see "Our Business – Risk Management – Strategic Risk Assessment and Capital planning" on pages 151 and 152. In the event we are unable to comply with statutory Solvency Ratio requirements due to inadequacy of share capital and profit to support business growth, statutory solvency requirements being increased, or the decline of our financial condition or due to any other factor, we will be required to raise additional capital to meet applicable Solvency Ratio requirements. In addition, the IRDAI may increase the control level of solvency or modify the existing regulatory framework in the future. Any such development, including the implementation of the risk-based solvency framework, may require us to raise additional capital to meet any modified regulatory requirement. For further information in relation to the regulatory framework applicable to solvency ratio requirements, see "Regulations and Policies-Insurance Regulatory and Development Authority of India Assets, Liabilities and Solvency Margin of Life Insurance Business, Regulations, 2016" on page 158.

Our ability to raise additional capital from external sources in the future is subject to a variety of uncertainties, including but not limited to, our future financial condition, results of operations, cash flows, regulatory approvals, changes in regulations relating to capital raising activities by insurance companies, our credit rating, general market conditions for capital raising activities, and other economic and political conditions in India and globally. We may not be able to raise additional capital in a timely manner or on acceptable terms or at all. An inability to meet the Solvency Ratio requirements may therefore have a material adverse effect on our business, prospects, financial condition and results of operations.

23. An inability to attract or retain experienced and talented senior management or key managerial personnel could adversely affect our business, financial condition and results of operations.

Our ability to maintain our market position, continue the growth of our business, address future challenges and our ability to successfully implement our business plans and growth strategies depends on the continued service of our experienced senior management team and on our ability to attract, recruit and retain experienced, talented and skilled professionals. We currently do not have any non-compete agreements with our directors, senior management or other key personnel and have not obtained any key man insurance with respect to any such individual. As a result of the significant increase in the number of insurance companies and other financial institutions in India in recent years, and the expansion of their business operations, competition for experienced and talented senior management personnel has increased significantly. In the event of the loss of services of our directors, senior management or other key operational or managerial personnel or our inability to recruit, train and retain a sufficient number of experienced personnel or our inability to manage the attrition levels in various employee categories, may have an adverse effect on our business operations, financial condition and results of operations.

Our business is significantly dependent on the services of a limited number of qualified and experienced actuarial personnel, including our Appointed Actuary. Actuaries work in a specialised profession and there are a limited number of persons qualified to practice as an actuary in India. In addition, the qualifications of actuaries are subject to regulatory requirements in India under the IRDAI (Appointed Actuaries) Regulations, 2017. Any failure on our part to attract, retain or find suitable replacements in the event of any vacancy arising, for our actuarial personnel, including the Appointed Actuary, could have a material adverse effect on our business, including our ability to conduct our business.

The IRDAI (Appointed Actuary) Regulations, 2017 require that the appointed actuary of a life insurance company to clear a course in life insurance. Our Appointed Actuary will be required to pass this course in the next two years, failing which we may be required to find a replacement. Any failure to do find a replacement in time or at all may have an adverse impact on our business and results of operation.

The success of our business is in part dependent on the continued service of our actuarial team. As a result of the significant increase in competition in the insurance industry in recent years, market demand and competition for experienced actuaries has intensified. Our business and financial performance will be materially and adversely affected in the event we are not in a position to attract and retain competent actuarial personnel.

24. Our Embedded Value included in this Prospectus is based on various assumptions and estimates, and may vary if such assumptions or estimates are modified or if our actual experience is different from such assumptions and estimates.

In order to provide investors with additional information to understand our business and financial performance and our economic value, we have included in this Prospectus the Embedded Value Report issued by the Independent Actuary which provides certain information regarding our Embedded Value. There is significant technical complexity involved in and various assumptions and estimates used in calculation of Embedded Value, and consequently Embedded Value calculations may vary significantly if key assumptions or estimates are modified or if our actual experience is different from such assumptions and estimates. In addition, the methodology for calculation of Embedded Value followed may itself be inaccurate, and any modification in such methodology may also result in variation in Embedded Value calculation even if similar assumptions and estimates are used. While our Embedded Value public disclosure as of March 31, 2016 was prepared internally by the Company based on the Market Consistent Embedded Value Methodology that is conventionally followed by life insurance companies outside India, our Embedded Value Report as of March 31, 2017 has been prepared by the Independent Actuary on the basis of the Indian Embedded Value Methodology as specified by the IRDAI, which differs from other methodology that may be used in other jurisdictions such as the European Embedded Value method or the Traditional Embedded Value method. Accordingly, the Embedded Value information included in this Prospectus must be read in conjunction with the assumptions, estimates and limitations specified in the Embedded Value Report included in this Prospectus and care must be exercised in interpreting the Embedded Value results. As the methodology for Embedded Value calculation used in the March 31, 2016 public disclosure that was prepared internally by the Company is not consistent with the Indian Embedded Value Methodology specified by the IRDAI used for the March 31, 2017 Embedded Value Report, we have not included the March 31, 2016 report in this Prospectus and investors are cautioned against placing any reliance on any such information relating thereto.

Further, our Promoter, BNPPC, through the consolidated supplementary financial information of its ultimate parent company, BNP Paribas, may publish information relating to our Embedded Value or other information relating to various assumptions and estimates used in the calculation of our Embedded Value. All consideration of financial and other information with regard to any investment decision should be made only on the basis of the financial information included in the Red Herring Prospectus and in this Prospectus and not be based on any information or documents published by our Promoters.

Therefore, care must be exercised when reading and interpreting the Embedded Value Report of the Independent Actuary included in this Prospectus and investors are cautioned against placing undue reliance on such information.

25. An inability to reduce our risks and increase our underwriting capacity through adequate reinsurance arrangements may adversely affect our business, results of operations and financial condition.

Like other major insurance companies in the world, we transfer some of the risk we assume under the life insurance policies we underwrite to reinsurance companies in exchange for a portion of the premiums we receive in connection with the underwriting of these policies. Although reinsurance makes the reinsurer liable to us for the risk transferred, it does not discharge our liability to our policyholders. Our ability to obtain reinsurance on a timely basis and at a reasonable cost is subject to a number of factors, including prevailing market conditions that are beyond our control. The availability and cost of reinsurance may affect the volume of our business as well as our profitability. In particular, we may be unable to maintain our current reinsurance coverage or to obtain other reinsurance coverage in adequate amounts or at favourable rates. If we are unable to renew our expiring coverage or to obtain new reinsurance coverage, either our net risk exposure would increase or, if we are unwilling to bear an increase in net risk exposures, our overall underwriting capacity and the amount of risk we are able to underwrite would decrease. To the extent we are not able to obtain reinsurance on a timely basis and at a reasonable cost, or at all, our business, financial condition and results of operations would be materially and adversely affected.

Further, we are exposed to credit risk with respect to our reinsurers. In particular, a default by one or more of our reinsurers under our existing reinsurance arrangements would increase our financial losses arising out of a risk we have insured, which would reduce our profitability and may adversely affect our liquidity position.

Our ability to reinsure our risks is also subject to restrictions imposed by the IRDAI in respect of the reinsurers we choose to engage with; for instance, under Regulation 28(9) of the IRDAI Registration and Operations of Branch offices of Foreign Reinsurers other than Lloyd’s Regulations, Indian insurers are obliged to follow a prescribed order of priority in respect of reinsurers to whom risks may be ceded, with first preference being accorded to Indian re-insurers having a minimum credit rating as prescribed, followed by, inter alia, duly registered branch offices of foreign re-insurers. We are accordingly required to accord preference to prescribed Indian reinsurers in the first instance, and whilst we believe that the terms on which we have currently engaged with Indian reinsurers are as favourable as the terms we may have otherwise received from foreign reinsurers, we cannot assure you that the terms we engage with such Indian reinsurers on are as favourable as the terms we may have otherwise received from foreign reinsurers.

In the event of a catastrophic loss that affects a significant number of Indian insurers, our reinsurers, may not be able to pay us on a timely basis, or at all. We have reinsurance arrangements with a number of reinsurance companies, all of which had credible credit ratings at the time they entered into reinsurance agreements with us. However, we cannot assure you that these reinsurance companies will be able to meet their obligations under the existing reinsurance arrangements on a timely basis, or at all, or that these insurance companies will be able to maintain their respective credit ratings during the term of their reinsurance arrangements with us. If our reinsurers fail to pay us or fail to pay us on a timely basis, our financial condition and results of operations could be materially and adversely affected.

26. A downgrade or a potential downgrade in our claims paying ability rating could have a material adverse effect on our business, financial condition, results of operations and prospects.

We are not required by IRDAI to obtain a financial strength rating. As a measure of good governance as well as independent certification of our financial performance, we have subscribed to ICRA Limited’s surveillance on claims paying ability rating that measures an insurance company’s ability to meet policyholder obligations and to CRISIL Ratings surveillance on our financial strength. We have been rated iAAA since Fiscal 2009 by ICRA Limited with respect to our claims paying ability, while CRISIL has rated us AAA/Stable with respect to our financial strength rating since Fiscal 2007. Any downgrade in our claims paying ability ratings, or our financial strength ratings, or any announcement of a potential downgrade, could have a material adverse effect on our business, financial condition and results of operations.

27. We are subject to various credit risks in the course of our operations which may expose us to significant losses.

In the course of our business operations, we enter into transactions with a large number of counterparties, including bancassurance partners, individual agents and other distribution intermediaries, as well as co-insurers, reinsurers and reinsurance brokers with respect to any reinsurance arrangements. In connection with our investments, the counterparties we transact with include issuers of securities we hold, counterparties of any derivative transactions that we may enter into, banks that hold our deposits, debtors and investees of private equity funds. If any of these counterparties do not perform their obligations due to bankruptcy, lack of liquidity, business failure, economic downturn, fraud, or due to any other reason beyond our control, we could suffer significant losses. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances, or at all and such losses could have a material adverse effect on our business, prospects, financial condition and results of operations.

28. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.

Any dividends to be declared and paid in the future are required to be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements and Solvency Ratio requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future consistent with our past practices, or at all. For information relating to dividend declared by us in the past, see "Dividend Policy" on page 217.

29. We do not own the "SBI" trademark or the "SBI Life" logo, and the termination of the SBI Trademark License Agreement with State Bank or otherwise inability to use the "SBI" name or the "SBI Life" logo may materially and adversely affect our business, prospects, financial condition and results of operations.

We do not own the "SBI" Trademark and currently use the "SBI Life" logo pursuant to the SBI Trademark License Agreement. We are required to pay State Bank a license fee for the use of the "SBI" logo. The SBI Trademark License Agreement by its terms may be terminated if State Bank's direct or indirect shareholding becomes less than 26% of our Company's Equity Share capital on a fully diluted basis. The SBI Trademark License Agreement may also be terminated by State Bank at any time by providing notice in accordance with its terms.

Since we are significantly dependent on the brand equity and customer goodwill associated with the State Bank brand, an inability to use the "SBI" trademark or "SBI Life" logo will significantly affect our business prospects and financial performance. In addition, we may experience unauthorized infringement of our intellectual property, including such trademark and logo by third parties, which could result in loss to our reputation and goodwill. We may be required initiate legal proceedings in order to protect our intellectual property and brand equity, and such legal proceeding could be time-consuming and expensive and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate measures in a timely manner or at all to enforce protection of unauthorized use of our intellectual property.

30. We benefit from our relationship with State Bank and BNPPC, in particular drawing from their established brand equity and goodwill among customers. Any adverse change in these relationships may adversely affect our business and financial performance.

We benefit from our relationship with State Bank and BNPPC, in particular drawing from their established brand equity and goodwill among customers. As of March 31, 2017, State Bank was India's largest commercial bank in terms of deposits, advances and number of branches *(Source: RBI data)*. Following its recent merger with certain of its subsidiary banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches, 195 international offices in 36 countries globally and more than 420 million customers. BNPPC, the insurance subsidiary of BNP Paribas, with operations across 36 jurisdictions, is among the global leaders in credit life insurance business. BNP Paribas was a top 10 global financial institution in terms of revenues in 2017 *(Source: Fortune Global 500)*. We believe our relationship with State Bank and BNPPC has enabled us to enhance our brand, access specialist industry expertise, grow our business and maintain our market position.

State Bank is the largest bancassurance partner in India and provides us with a large distribution network and significant technology support. We have also been licensed the use of the "SBI" logo pursuant to the SBI Trademark Licensing Agreement. Any adverse change in our continuing relationship with State Bank and BNPPC may adversely affect our business and financial performance.

31. One of our Promoters, State Bank, and/or certain of our Directors and related entities may be subject to conflicts of interest because of their interests in another insurance company which could have a material adverse effect on our business, financial condition, results of operations and prospects.

One of our Promoters, State Bank and/or certain of our Directors and related entities hold direct and indirect interests in SBI General Insurance Company Limited which is engaged in the general insurance business, and SBI Pension

Funds Limited, which is engaged in the business of providing management services to the National Pension Scheme Trust. IRDAI permits general insurance companies and life insurance companies to offer products with health insurance features. Additionally, one of our Promoters, BNPPC, engages in the life and general insurance business outside India through one or more of entities of our Promoter Group.

Due to such conflicts of interest, our Promoters or some of our Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our or other shareholders' best interests. They may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects.

32. 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. These include, but are not limited to, premium, interest income, commission and rewards and recognition expenses, rental expenses, etc. We have also paid salary and allowances to our key management personnel. For more information on our related party transactions, see the section entitled "Related Party Transactions" on page 216.

Certain related party transactions also 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. 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 favourable to us in future. While we believe that all of our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is also likely that we will enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflict of interests. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, results of operations and prospects.

33. Certain of our Group Companies have incurred losses in the past, which may have an adverse effect on our reputation and business.

Certain of our Group Companies have incurred losses during the last Fiscal, as set out below:

(₹ in million, unless otherwise stated)

Name	Profit/(loss) after tax		
	Fiscal 2017	**Fiscal 2016**	**Fiscal 2015**
SBICAP (UK) Limited*	(54.20)	(56.73)	(38.10)
SBICAP (Singapore) Limited**	(11.23)	(10.89)	75.15
SBI Infra Management Solutions Private Limited	(6.70)	NA	NA
SBI Funds Management (International) Private Limited***	(0.03)	(0.07)	(0.04)

**in Pound sterling million*
***in Singapore Dollar million*
****in US Dollar million*

There can be no assurance that our Group Companies will not incur losses in the future which may have an adverse effect on our reputation and business.

34. The interests of our Promoters may conflict with your interests as a shareholder.

The interests of our Promoters may be different from our interests or the interests of other shareholders. As a result, the Promoters may take actions with respect to our business and the businesses of our peers and competitors that may not be in our or our other shareholders' best interests. Further, our Promoters will continue to exercise significant influence over us through their shareholding subsequent to the Offer and listing of our Equity Shares. The Promoters could, by exercising their powers of control, delay or defer or initiate a change of control of the Company or a change in our capital structure, delay or defer a merger, consolidation, or discourage a merger with another insurance company.

35. Our Promoters, State Bank and BNPPC, are interested in our Company other than to the extent of their shareholding and dividends payable to them.

Our Company has entered into the SBI Trademark Licensing Agreement for licensing of the "SBI" trademark for which our Company pays State Bank certain licensing fees. In addition, State Bank is also interested to the extent of receiving commissions in its capacity as a bancassurance partner from our Company. State Bank also provides our Company with hardware and software support in the form of centralized negotiations with vendors for procurement. Our Company also has arrangements with State Bank for providing services such as the display of publicity material and customer awareness initiatives for our Company. Additionally, both State Bank and BNPPC are also interested in our Company to the extent of salaries and remuneration of employees hired. For further information relating to the interest of our Promoters in our Company, see "Related Party Transactions" on page 216. There can be no assurance that in such circumstances such interests of our Promoters will not conflict with the rights of other Shareholders best interests.

36. The proceeds from this Offer will not be available to us.

As this Offer is by way of an offer for sale of Equity Shares by the Selling Shareholders, the proceeds from this Offer will be remitted to the Selling Shareholders and we will not benefit from such proceeds. For further information, see" Objects of the Offer" on page 85.

37. We rely on independent contractors and service providers for various services and there can be no assurance that such contractors and service providers will comply with relevant regulatory requirements or their contractual obligations.

We outsource some of our operations, including data entry, printing of policies, software development, security, housekeeping services and IT infrastructure maintenance, to independent contractors and service providers in compliance with applicable regulations. However, there can no assurance that such independent contractors and service providers will comply with all applicable regulatory requirements or meet their contractual obligations to us in a timely manner, or at all. Third-party service providers may not comply with the terms of their respective agreements with us, including because of their own financial difficulties or business priorities or other factors beyond our control. They may also terminate or refuse to renew their agreements, potentially at a time when replacement of their services may be expensive or otherwise inconvenient for us. Our business operations could be adversely affected due to any such event despite having continuity plans in place as required by applicable regulations. In addition, if any third-party service provider is unable to comply with applicable regulations, confidentiality or other ethical business standards, we could suffer reputational harm, which could result in a material adverse effect on our business prospects, financial condition and results of operations.

38. Most of our business operations are conducted on leased premises, and an inability to renew or extend the terms of such leases as required may affect our business operations.

Most of our business operations, including most of our branches and offices are conducted on premises leased or under similar arrangements from independent lessors. We may enter into additional leases and similar arrangements for our branches and offices in the future. Any adverse development affecting the title or ownership rights of our lessors over such premises, or the breach of any contractual term of such lease or similar arrangements, or an inability to renew or extend such arrangements on commercially viable terms, or at all, may adversely affect our business operations, and consequently our financial condition and results of operations.

39. Our proposed international operations are subject to regulatory, political and economic risks specific to the relevant jurisdictions, which could adversely affect our business, financial condition and results of operations.

While we have obtained the necessary regulatory approvals to commence operations in Bahrain, we are yet to commence operations. We may in the future further expand our international operations. We are accordingly subject to various regulatory, political and economic risks associated with doing business in such international markets. Our prospective financial performance of our international operations may be adversely affected by various factors specific to such countries or regions, many of which are beyond our control. These factors include political instability, local and global economic conditions, legal and regulatory constraints, tax regulations, local labor laws, anti-money laundering laws and regulations, trade policies, currency regulation, and other matters in any of the countries or regions in which we currently operate or may operate in the future. Our business in these territories may be particularly affected by the general economic conditions and currency exchange rates. A decrease in economic growth rates, periods of decline and/or increase in inflation or interest rates may result in lower demand for our products, lower pricing or a shift to lower margin products, thereby affecting our profitability. Additional risks inherent in our international operations will include, among others, costs and difficulties of managing international operations, and potential adverse tax consequences.

40. This Prospectus contains information from an industry report which we have commissioned from CRISIL.

This Prospectus in this section and the sections titled "Summary of Industry", "Summary of Business", "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 49, 55, 99, 121 and 322, respectively, includes information that is derived from an industry report titled "Analysis of Life Insurance Industry in India" prepared by CRISIL, pursuant to an engagement with us. We commissioned this report for the purpose of confirming our understanding of the insurance industry in India. Neither we, nor any of the Lead Managers, our Directors, nor any other person connected with the Offer has verified the information in the commissioned report. Although the commissioned report is based on information obtained from sources that we believe is considered reliable, it does not guarantee the accuracy, adequacy or completeness of such information. We and the Lead Managers disclaim responsibility for any errors or omissions in the information or for the results obtained from the use of such information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. Methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions made by CRISIL are correct or will not change and, accordingly, our position in the market may differ from that presented in this Prospectus. Further, the commissioned report is not a recommendation to invest or disinvest in the Equity Shares. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Prospectus, when making their investment decisions.

41. Statistical and industry data in this Prospectus may be incomplete or unreliable.

Statistical and industry data used throughout this Prospectus has been obtained from various government and industry publications. We believe the information contained therein has been obtained from sources that are reliable, but it has not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result data from other market sources may not be comparable. The extent to which the market and industry data presented in this Prospectus is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based only on such information. For further information, see "– This Prospectus contains information from an industry report which we have commissioned from CRISIL."

42. We did not have adequate internal controls for managing our secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.

In the past, our internal controls and compliances for managing our secretarial records and compliances have been inadequate as a result of which there have been factual inaccuracies, delays and failures in making certain regulatory filings by our Company. We cannot assure you that there are no other instances of irregularities in regulatory filings/allotments made by our Company. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation. Our Company has in the past failed to adhere to the prescribed timelines in respect of filing Form FC-GPR for all allotments made to BNPPC between the years 2001 and 2008. For further information on such allotments, see "Capital Structure" on pages 77 and 78.

While we have subsequently been able to address the delays in respect of the Form FC GPR filings by taking the necessary steps including compounding of such offences in the year 2009 and paying the relevant amounts demanded pursuant to final order passed by RBI, we cannot assure you that the RBI will not seek more information in relation to the allotments made to non-resident Shareholders in the future and that we will be able to provide information for all such queries from the RBI within the timelines prescribed by the RBI. Additionally, we have made certain clerical lapses while filing form FC-GPR including the date of allotment and nature of issue in respect of certain allotment. We cannot assure you that the RBI will not ask us to initiate compounding proceedings or not impose any penalty in this regard.

Risks Relating to our Industry

43. An inability to effectively compete in the highly competitive insurance industry could have a material adverse effect on our business, results of operations and financial condition.

We compete with a number of other companies in the life insurance business, and face intense competition from public and private sector life insurance companies in India. We compete for business on the basis of various factors, including product features, price, coverage offered, quality of customer service, distribution network, relationships with agents, bancassurance partners and other intermediaries, brand recognition, size of operations, financial strength and credit ratings. In addition, life insurance products also compete with certain other financial services products. For example, in the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes. We also face competition from smaller life insurance companies that have been seeking to expand market share in recent years and may develop positions in certain customer segments. The Life Insurance Corporation of India is the only public sector life insurance company in India, and enjoys competitive advantages in the Indian insurance market due to its large customer base, extensive nationwide individual agent network and brand recognition. Additionally, the Life Insurance Corporation Act, 1956, as amended, provides that amount insured by way of insurance policies and any bonus declared to policyholders of Life Insurance Corporation of India is guaranteed by the central government of India. Some of our competitors may offer higher commissions or more attractive rewards to agents and other distribution intermediaries, or offer similar insurance products at lower pricing.

We compete with other established private sector life insurance companies as well as relatively newer entrants in the industry to attract new bancassurance partners and maximize our share of business from existing bancassurance partners which promote life insurance products from more than one insurance company. Such potential competitors may further increase the competitive pressures we expect to face, especially in our bancassurance distribution channel.

The life insurance industry in India may also experience increased consolidation. Such consolidation among competitors may result in our competitors attaining increased financial strength, management capabilities, resources, operational experience, market share, distribution channels and capabilities in pricing, underwriting and claims settlement.

In addition, we potentially compete with commercial banks that are allowed to invest in, or form alliances with, insurance companies in order to offer insurance products and services. Closer alignment between the insurance and banking industries in India may incentivize some of the commercial banks to distribute insurance products of their affiliates or strategic partners rather than our products.

In recent years, financial institutions in India have focused on developing new kinds of investment products in response to the increasing public demand for diversified financial investments, which has led to the availability of a variety of financial investment products. These products may be more attractive to customers for tax reasons, investment returns or otherwise, and may compete with our products that offer similar investment features.

In addition, products offered by financial institutions are subject to different tax treatment than insurance products, which may result in superior tax incentives for customers. Financial institutions that are not life insurers may be subject to a less stringent regulatory regime that may allow them to market their products aggressively and compete more effectively in the market for investment products. For example, our products that are not unit-linked are subject to certain minimum investment requirements in particular categories or sectors including government securities and infrastructure, while our unit-linked products are restricted from investing in certain classes of securities, thereby making it more arduous for us to identify attractive investments within applicable regulatory limitations. Other financial institutions may not be subject to similar limitations and restrictions and may be able to invest in securities with higher risks and rates of returns, and therefore enjoy a competitive advantage.

An inability to effectively respond to these various competitive pressures could result in a decrease of market share, decrease in our margins and spreads, reduced customer base, increase in pricing of our products, increase in operating expenses, as well as higher attrition rates among management and sales staff, a decline in market share, lower growth rates, or even losses. An inability to effectively compete in the highly competitive insurance industry could have a material adverse effect on our business, results of operations and financial condition.

44. Our business is subject to seasonal fluctuations in operating results and cash flows.

Our business 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 availing income tax benefits that life insurance products offer. 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.

45. Any significant shift in demographic trends and consumer preferences towards life insurance products may have a material and adverse effect on our business, financial condition and results of operations.

Our business and profitability are affected by general economic and demographic conditions in India. India’s economic growth trends, household savings rate, consumer attitudes towards financial savings, demographic profile, and life insurance penetration rates are some of the key factors affecting the performance of its life insurance industry. However, if the economic or demographic conditions in India deteriorate or are not in line with our expectations, or the impact on our business is different from what we expect, our financial condition and results of operations may be materially and adversely affected.

46. The preparation and presentation of our financial statements and the calculation of certain operational and financial performance indicators presented in this Prospectus may vary significantly from those of non-insurance companies or even other insurance companies.

Our Restated Financial Statements have been prepared in accordance with Indian GAAP, the Companies Act, the Insurance Act, the IRDA Act, including regulations framed and circulars issued thereunder and have been restated in accordance with the SEBI Regulations. Our historical audited financial statements, the Restated Financial Statements included in this Prospectus, and the financial statements that will be prepared for future accounting periods vary and will vary significantly from those prepared by non-insurance companies and may be difficult to understand. For example, while financial statements of companies other than insurance companies generally consists of a balance sheet, profit and loss statement and cash flows statement, our financial statements consist of a balance sheet, revenue account, the profit and loss account and the receipts and payments account. As a result of the technical nature of our financial statements compared to those of non-insurance companies, an investor may find them difficult to understand or interpret, and it may cause an investor to make an investment decision without fully understanding the manner in which our financial statements are prepared and presented.

We have, in this Prospectus, included various operational and financial performance indicators, including the Embedded Value, Embedded Value Operating Profit, Operating Return on Embedded Value, Value of New Business and Value of New Business Margin and Present Value of New Business Premium Margin, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our statutory auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other insurance companies in India and other jurisdictions. The operational and financial performance indicators included in this Prospectus may also vary from similar information we have calculated historically and presented publicly or provided to the IRDAI in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision 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 Prospectus.

47. We will be required under applicable regulations to prepare our financial statements under the Indian Accounting standards converged with IFRS ("Ind-AS") with effect from April 1, 2020. Accounting standards under Ind-AS vary from accounting standards under Indian GAAP and there can be no assurance that our financial statements prepared and presented in accordance with Ind-AS will not materially or adversely vary from our historical financial statements prepared and presented under Indian GAAP, which could adversely affect the trading price of the Equity Shares.

We currently prepare our 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 (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, MCA issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 ("Amendment Rules") applicable for accounting periods commencing on or after 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 implementation has been deferred owing to (i) the fact that India does not have a standard equivalent of International Accounting Standard 39 on Financial Instruments: Recognition and Measurement, (ii) the implementation of Ind-AS in its current form would lead to a position where assets will be valued at fair value / market value and liabilities will continue to be valued as per existing formula based approach leading to a mismatch in asset and liability valuation and volatility in the financial statements of insurance companies, and (iii) compliance costs would have to be incurred twice, once on implementation of Ind-AS and again when IFRS 17 Insurance Contracts is implemented. However, as required by the IRDAI, we have submitted certain proforma Ind-AS financial statements to the IRDAI every fiscal quarter since the quarter ended December 31, 2016.

The manner of application of certain Ind-AS accounting standards, particular 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 from the IRDAI on the interpretation and application of Ind-AS accounting standards and policies to insurance companies with effect from April 1, 2020, 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 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.

48. Any adverse change in applicable tax laws or interpretation thereof could adversely affect business, financial condition and results of operations.

Any adverse changes in existing tax laws, including indirect taxes, including any discontinuance of existing tax exemptions or tax benefits available to insurance companies and insurance products, which could adversely impact our profitability. In the event of an increase in the existing special corporate tax rates of 14.42% applicable to insurance companies, our tax burden is expected to increase significantly. Other tax benefits such as the non-applicability of minimum alternate tax rates applicable to companies in other sectors, or exemption for dividend income from investments in other Indian companies or mutual funds, exemption for income of an IRDAI approved pension products and exemption for interest received from a public sector company in respect of tax free bonds, if discontinued, may materially and adversely affect our results of operations. Adverse changes in tax legislation or in the interpretation of existing tax legislation may therefore have a material adverse effect on our financial condition and could also result in a significant decrease in the sales of certain of our products.

In addition, the Government of India has, with effect from July 1, 2017, implemented a comprehensive national Goods and Services Tax (the "GST") regime that has combined the levy of taxes by the central and state governments under one unified taxation scheme. Implementation of this regime is expected to, among other things, increase the prices of life insurance services and increase the operational and compliance burden, which could have an adverse impact on our business, financial condition and results of operations. The Government of India and other state governments have announced status quo of all related parties will be protected following the implementation of the GST. There are possibilities of disputes between various state governments over the assessment jurisdiction on the issue of taxability of sale of goods and services, which could create some uncertainty among businesses. Any future unexpected increases or amendments may affect the overall tax efficiency of companies operating in India including us.

The provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, relating to General Anti-Avoidance Rules ("GAAR") are applicable with effect from assessment year 2019 (fiscal 2018). The GAAR provisions propose to identify any arrangement with the primary purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the impact of the application of these provisions is uncertain.

Similarly, the Ministry of Finance had issued a notification dated March 31, 2015 notifying Income Computation and Disclosure Standards ("ICDS") which creates a new framework for the computation of taxable income. The Central Board of Direct Taxes, Ministry of Finance, has deferred the applicability of ICDS to Fiscal 2017 onwards, 2017 being the first assessment year. This will have impact on computation of taxable income for Fiscal 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind-AS. On March 23, 2017, the Central Board of Direct Taxes issued a circular to clarify applicability of provisions of ICDS, wherein ICDS is currently not applicable to life insurance companies.

In addition, if international tax reforms such as the base erosion and profit sharing measures of the Organization for Economic Co-operation and Development are adopted by India, we may be subject to enhanced disclosure and compliance requirements and a resultant increase in our costs related to such compliance. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on the 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 and the trading price of the Equity Shares. We cannot predict whether any tax laws or regulations impacting insurance products will be enacted, the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

49. There are certain loans taken by BNP Paribas, one of our Group Companies, which are repayable on demand.

BNP Paribas, one of our Group Companies, has issued various outstanding medium term notes during the calendar years 2015, 2014 and 1999 with maturity periods varying from 3 to 20 years. Such term notes are also repayable on demand.

EXTERNAL RISK FACTORS

Risks Relating to India

50. Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations and financial condition.

In addition, we use certain financial institutions as partners in our business, and in particular rely on State Bank for substantially all of our bancassurance business. Any one of them could be negatively affected by financial difficulty as a result of occurrences over which we have no control. If one or more of our financial institutional partners, including State Bank, suffers economic difficulty, this could have a material adverse effect on our business, results of operations and financial condition.

51. ***The rate of growth of the Indian insurance market may not be as high or as sustainable as we anticipate.***

We expect the insurance market in India to expand and the insurance penetration rate to rise with the continued growth of the Indian economy and household wealth, the reform of the social welfare system, demographic changes and the liberalization of the Indian insurance industry allowing increased equity participation by foreign investors. Our judgments regarding anticipated drivers of such growth and their impact on the Indian insurance industry are prospective. There cannot be any assurance that such prospective judgments will be consistent with actual developments in the Indian insurance industry and in particular in the life insurance industry. Our judgments regarding the anticipated drivers of such growth and their impact on the Indian insurance industry might also be mistaken and actual developments might not reflect such expectations. In addition, the Indian insurance industry may not be free from systemic risks, including risks related to macroeconomic conditions and Indian customers' attitude to financial savings. Consequently, there can be no assurance regarding the anticipated growth rates in the Indian insurance industry.

52. ***Adverse macroeconomic conditions and financial markets in India and globally may have a material adverse effect on our business, results of operations and financial condition.***

In the event of adverse macroeconomic conditions in India or globally, which may be characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for insurance and savings products could be adversely affected. Our investments are currently all in India.

Our policyholders may opt to defer or discontinue paying insurance premiums or avail continuing insurance cover. We may also experience an increase in incidence of claims and lapses of policies. Changes in the economic conditions can affect our financial results through their effect on market conditions and investment income and through changes in consumer demand for insurance products and services. In addition, premium and claim trends in insurance and reinsurance markets are cyclical in nature and unpredictable events such as the occurrence of natural disasters, inflationary pressures, competition, regulatory developments or judicial decisions may affect the size of future claims and adversely impact our profitability.

Several global economic developments are expected to have an impact on the Indian economy and consequently may affect our financial performance, including but not limited to (i) in the short term, the change in the outlook for global interest rates as a result of the implied change in expectations of US fiscal and monetary policy may impact on India's capital flows and exchange rates; (ii) the medium-term political outlook for globalization, a strong dollar, and stagnant or declining trade at the global level will affect India's export and growth prospects; and (iii) developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is unable to successfully re-balance its economy, there could be negative spillover effects on India and the rest of the world *(Source: Economic Survey 2016-2017 – Ministry of Finance).* In addition, UK's withdrawal from the European Union may also create business and financial uncertainty. There can be no assurance as to the effect of such exit from the European Union may have on the general economic, financial and political conditions in the UK, Europe or globally, nor the impact such conditions may have on factors that affect our business, results of operation and financial condition.

In addition, inflation in India could have an adverse effect on our profitability and if significant, on our financial condition. The annual rate of inflation, was at 1.88% (provisional) for the month of July, 2017 (over July, 2016) as compared to 0.90% (provisional) for the previous month and 0.63% during the corresponding month of 2016 *(Source: Index Numbers of Wholesale Price in India, Review for the month of July 2017, published on August 14, 2017 by Government of India, Ministry of Commerce and Industry).* High rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

Global economic conditions therefore, continue to significantly impact macroeconomic conditions in India and consequently our performance. Any adverse macroeconomic development in India, whether as a result of domestic or global developments, would adversely affect our customers and thereby have a material adverse effect on our business, results of operations and financial condition.

53. The limited amounts 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 commercially practicable, the average duration of our investment assets and the corresponding insurance policy liabilities they support. Matching the duration of our assets to the corresponding liabilities reduces our exposure to changes in interest rates, because the effect of the changes could largely be offset against each other. However, in compliance with Indian insurance laws and related regulations, including the IRDAI (Investment) Regulations, 2016, as amended, on the type of investments and amount of investment assets in which we may invest, as well as the limited amounts and types of long-term investment assets in the Indian capital markets capable of matching the duration of our liabilities, may result in a shorter duration of assets than liabilities with respect to certain of our investment accounts. Our exposure to interest rate risk may also worsen as we expand our business. We cannot assure you that the investment restrictions imposed on insurance companies in India will not be strengthened or the sizes and types of long-term fixed income products available in the Indian securities market may increase in the future. Our failure to closely match the duration of our assets to that of the corresponding liabilities will continue to expose us to risks related to interest rate changes, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

54. Our business is substantially affected by prevailing economic, political and others prevailing conditions in India.

All of our business, assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy include:

- global slowdown of the financial market and economies contributing to weakness in the Indian financial and economic environment;
- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- 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 neighboring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- increased volatility of commodity prices;
- financial difficulties faced by certain financial institutions / intermediaries such as clearing agencies, banks, securities firms and exchanges;
- increase in India’s trade deficit;
- downgrading of rating of India, the Indian banking sector rating agencies; and
- other significant regulatory or economic developments in or affecting India or its insurance sector.

An adverse impact on the Indian economy due to any of the above-mentioned factors, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

55. Differences exist between Indian GAAP and other accounting principles, which may be material to investors’ assessments of our financial condition.

Our financial statements, including the financial statements included in this Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or IFRS, on the financial data included in this Prospectus, nor do we provide a reconciliation of its financial statements to those prepared pursuant to U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in several respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Prospectus.

56. Any unanticipated measures undertaken by the Government of India or any regulatory authority such as the recent demonetization measures may adversely affect our business, financial condition and results of operations.

On November 8, 2016, the Indian Government announced phasing out of large-denomination currency notes (₹ 500 and ₹ 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new ₹ 500 and ₹ 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. Unexpected demonetization weighed on growth in the third quarter of fiscal 2017. Any such anticipated measures undertaken by the Government of India or any regulatory authority may adversely affect our business, financial condition and results of operations.

57. Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our Directors or officers.

Majority of our Directors and executive officers and key managerial personnel are residents of India and all of our assets and most of such persons are located in India. As a result, it may be difficult for investors to affect service of process upon us or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Risks Relating to the Equity Shares

58. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations of SEBI, our Equity Shares are required to be listed on the Stock Exchanges within six Working Days from the Bid and Offer Closing Date, subject to any change in the prescribed timeline in this regard.

However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

The Offer Price of the Equity Shares has been determined by us in consultation with the Lead Managers through the Book Building Process. This price is based on numerous factors, as described under "Basis for Offer Price" on page 87 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

60. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all.

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. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. 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 and volatility in the Stock Exchanges and securities markets elsewhere in the world.

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

After the completion of the Offer, our Promoters will own, a minimum of 84.10 % of our outstanding Equity Shares. Any future equity issuances by us, including in a primary offering, may lead to the dilution of your shareholdings. Whilst, pursuant to provisions of the Insurance Act, our Promoters cannot encumber or pledge Equity Shares held by them in any manner, there can be no assurance that any sales of our Equity Shares by our Promoters in accordance with applicable law (including regulations notified by the IRDAI) or any future equity issuances by us or other major shareholders may not adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or that our significant shareholders will not dispose of their Equity Shares in the future.

62. 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;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- research analysts' recommendations;
- 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 exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition. Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

63. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, prospects, future financial performance and the prices of the Equity Shares.

64. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares, and payments on Equity Shares may be subject to FATCA withholding after December 31, 2018.

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction tax ("STT") has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. As such, any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. 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 equity shares.

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% 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 payer, 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. We have 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 us 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.

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

Our Articles of Association, regulations of our 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.

66. 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) subject to compliance with the extant 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. We cannot assure 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, pursuant to the amendment of the Insurance Act, vide the Insurance Laws (Amendment) Act, 2015, the cap on aggregate holdings of equity shares by foreign investors including portfolio investors, has been increased from the erstwhile 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. For further information on the cap on foreign investment and calculation of foreign investment in insurers, see "Restrictions on Foreign Ownership of Indian Securities" on page 486. If we reach 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.

67. If we are classified as a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes, U.S. investors may incur adverse tax consequences.

The Company does not believe it was a PFIC for its taxable year ending March 31, 2017, and does not expect to be a PFIC for the current year or any future years. However, the determination of whether the Company is a PFIC is a factual determination made annually after the end of each taxable year, and there can be no assurance that the Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of the Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules, including the circumstances under which a non-U.S. company will be treated as predominantly engaged in an insurance business, is uncertain in several respects. Furthermore, the Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

68. 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.

69. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account 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.

70. Investors 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 the Companies Act, 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 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 the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company 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 we elect 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 such 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 our Company would be reduced.

Prominent Notes:

1. Public offer of 120,000,000* Equity Shares for cash at a price of ₹700 per Equity Share, through an offer for sale by State Bank and BNPPC of 80,000,000* Equity Shares and 40,000,000* Equity Shares aggregating to ₹55,909.33* million and ₹27,954.67* million, respectively. The Offer includes a reservation of 2,000,000* Equity Shares and 12,000,000* Equity Shares for subscription by Eligible Employees and State Bank Shareholders, respectively. Our Company and the Promoter Selling Shareholders in consultation with the Lead Managers, have offered a discount of 9.71% (equivalent ₹68) on the Offer Price to Eligible Employees. The Offer constitutes 12%* of our post-Offer paid-up Share capital and the Net Offer constitutes 10.60%*of our post-Offer paid-up Share capital.

   **Subject to finalisation to the Basis of Allotment.*

2. As of June 30, 2017, our Company's net worth was ₹58,787.97 million and as of March 31, 2017, our Company's net worth was ₹55,520.80 million as per our Company's Restated Financial Statements.

3. As of June 30, 2017, the net asset value per Equity Share was ₹58.79 as per our Company's Restated Financial Statements and the book value per Equity Share was ₹58.79 as per our Company's Restated Financial Statements and as of March 31, 2017, the net asset value per Equity Share was ₹55.52 as per our Company's Restated Financial Statements and the book value per Equity Share was ₹55.52 as per our Company's Restated Financial Statements.

4. The average cost of acquisition of Equity Shares for State Bank is ₹10 per Equity Share, the average cost of acquisition of Equity Shares for BNPPC is ₹10 per Equity Share. For further details, see "Capital Structure" beginning on pages 78 and 79.

5. For details of related party transactions entered into by our Company with our Group Companies in the last Fiscal, see "Related Party Transactions" on page 216.

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

7. Except as disclosed in "Our Promoters and Promoter Group", "Our Group Companies" and "Related Party Transactions" beginning on pages 192, 205 and 216, none of our Group Companies have business interest or other interests in our Company.

8. For any complaints, information or clarifications pertaining to the Offer, investors may contact the Registrar to the Offer, our Company, the Lead Managers who have submitted the due diligence certificate to SEBI.

With reference to IRDAI Issuance of Capital Guidelines, we have set forth the risks specific to the Insurance sector which form part of this section of this Prospectus:

Sr. No.	Particular	Section reference	Page reference
Risk Factors			
1.	Insurance risk	Section II – Risk Factors-Risk number - 14, 22, 23 and 46	20-48
2.	Market Risk	Section II – Risk Factors-Risk number - 3, 6, 50 and 52	20-48
3.	Credit Risk	Section II – Risk Factors-Risk number - 11, 24 and 27	20-48
4.	Operational Risk	Section II – Risk Factors-Risk number - 1, 9, 16, 17, 18 and 37	20-48
5.	Liquidity Risk	Section II – Risk Factors-Risk number - 5, 14, and 24	20-48
6.	Catastrophic Losses Risk	Section II – Risk Factors-Risk number - 13	20-48
7.	Reinsurance Risk	Section II – Risk Factors-Risk number - 24 and 27	20-48
8.	Embedded Value Risk	Section II – Risk Factors-Risk number - 22 and 46	20-48
9.	Regulatory Risks	Section II – Risk Factors-Risk number - 8 and 54	20-48
10.	Market Growth Risk	Section II – Risk Factors-Risk number - 43	20-48
11.	Distribution Risks	Section II – Risk Factors-Risk number - 2 and 4	20-48
12.	Other risks		20-48
	Excessive dependence on select actuarial personnel	Section II – Risk Factors-Risk number - 1 and 21	20-48
	Difficulty in understanding financial statements	Section II – Risk Factors-Risk number - 46	20-48
	Effects of unexpected claims and coverage issues	Section II – Factors-Risk number - 52	20-48
	Concentration by type of policies of the insurance company	Section II – Factors-Risk number - 3	20-48
	Cyclical nature of insurance industry	Section II – Factors-Risk number - 44	20-48
	Difficulty in predicting benefits, claims and other costs or to manage such costs	Section II – Factors-Risk number - 14	20-48

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Investors should note that this is only a summary of the industry in which our Company operates and does not contain all information that should be considered before investing in the Equity Shares. Investors should read this entire Prospectus, including the information in "Industry Overview" and "Financial Information" beginning on pages 99 and 218, respectively. An investment in the Equity Shares involves a high degree of risk, for a discussion of certain risks in connection with an investment in the Equity Shares, see "Risk Factors" beginning on page 20.

Indian Economy

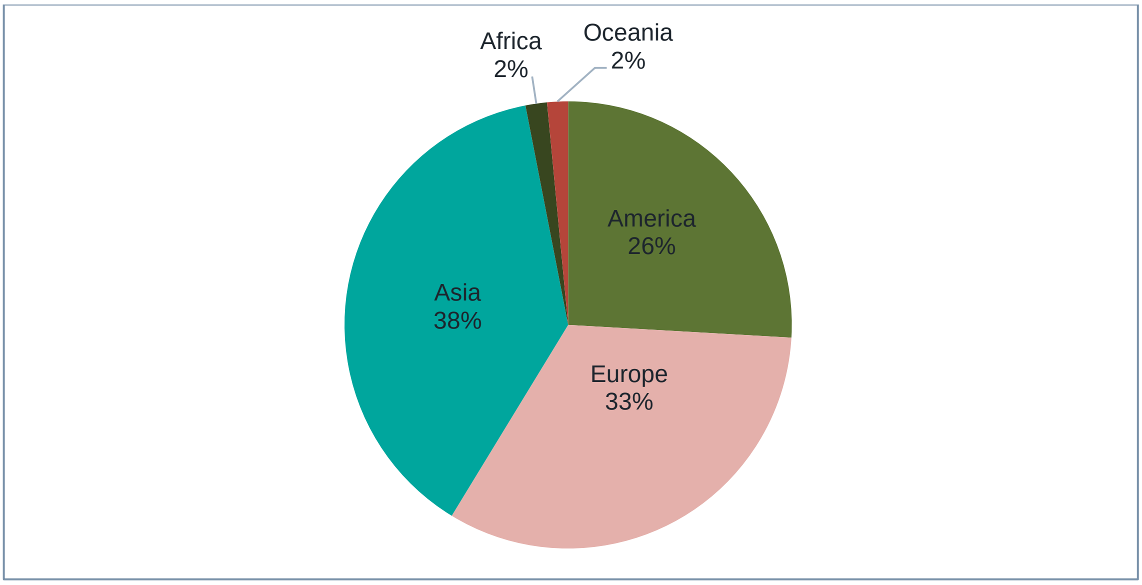
The Indian economy with a gross domestic product ("GDP") at current prices in the year fiscal year 2017 is estimated at ₹151.84 trillion, showing a growth rate of 11.0 percent over the estimates of GDP for fiscal 2016 of ₹136.82 trillion (*Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, available at http://mospi.nic.in/sites/default/files/press_release/PRESS_NOTE_PE_2016-17.pdf as of May 31, 2017*). It is one of the fastest growing major economies in the world with private final consumption contributing to over half of the overall GDP growth of 7.9% in 2015 – 2016 (*Source: RBI Annual Report 2015 – 2016*).

Global Life Insurance Industry

Growth in the global life insurance industry has been almost stagnant after the financial crisis in 2008. Before the crisis, the total premium of the industry grew at 4% CAGR (in nominal dollar terms) during 2003 to 2007. However, there was a revival in growth from 2014 onwards, as the global life insurance industry recorded 3.5% CAGR growth during 2013-2016 on real premium basis. Growth was primarily driven by China, where premium grew over 15% CAGR during the period. *(Source: CRISIL Report)*

Growth in the post-crisis era has been primarily driven by emerging markets, where premiums grew 6.6% CAGR during 2009 to 2016. Growth in the Indian life insurance industry has been in-line with the emerging market average during the period. *(Source: CRISIL Report)*

Asia is the largest market for life insurance, accounting for 38% of the premium collected. India's share in the global market was 2%. *(Source: CRISIL Report)*



(Source: Swiss Re, sigma No 3/2017, CRISIL Report)

Indian Life Insurance Industry

The size of the Indian life insurance industry is ₹ 4.2 trillion on a total-premium basis as of fiscal 2017. In terms of total premium, the Indian life insurance industry is the 10th largest market in the world and the fifth largest in Asia based on Swiss Re, sigma No 3/2017 report. New premium constituted 42% of the total premium as of fiscal 2017. The industry's assets under management (AUM) grew at a compound annual rate (CAGR) of 19% during fiscal 2001 to fiscal 2017 to ₹ 30 trillion. Total premium has grown at a stupendous 17% CAGR during fiscal 2001 to fiscal 2017, after the privatisation in 2000. *(Source: CRISIL Report)*

Within the premium bucket, new business premium (NBP) grew at 9% CAGR during fiscals 2007 to 2017 to ~ ₹ 1.8 trillion, with fiscal 2017 seeing a sharp 26% year-on-year rise. Group business premium grew at ~22% CAGR during the period over a relatively low base, whereas individual premium rose at a tepid ~2% CAGR. *(Source: CRISIL Report)*

Penetration of Insurance in India

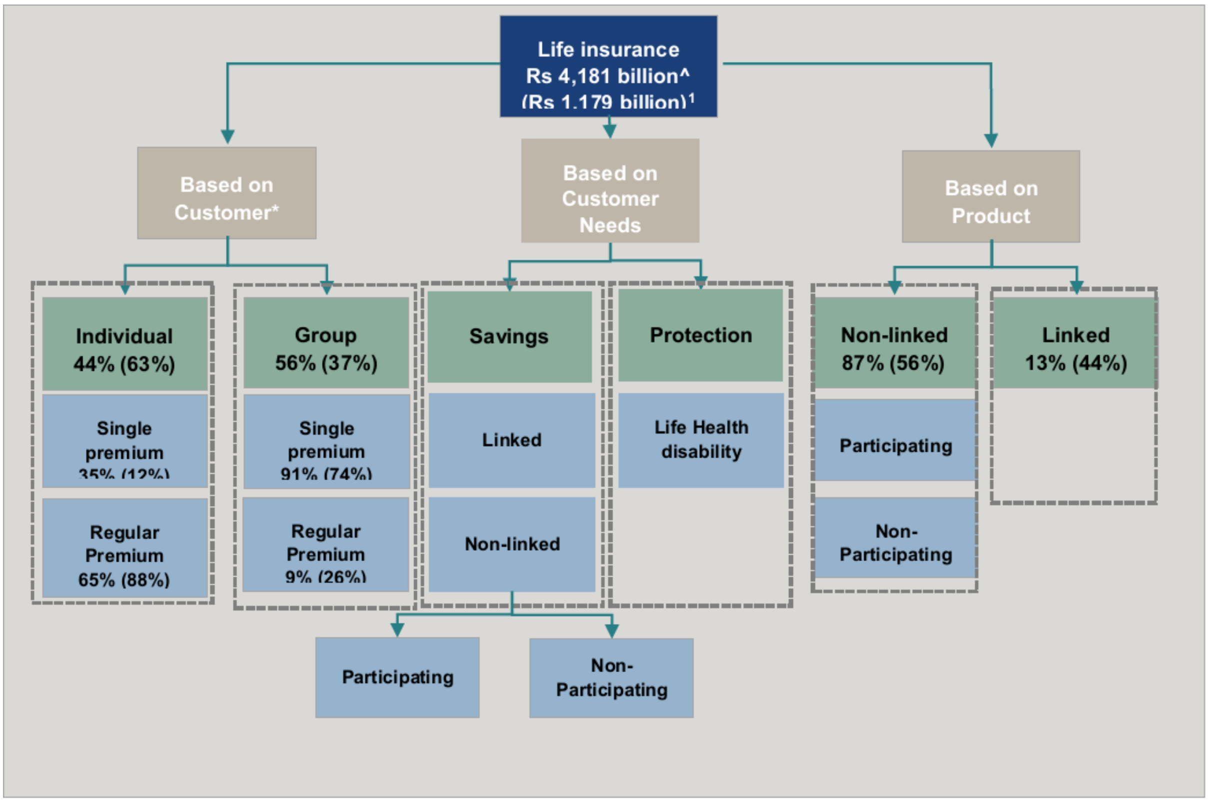
At current prices, India's GDP was ₹151.9 trillion as of fiscal 2017. India's life insurance penetration stood at 2.7% in 2016, compared with 4.4% in 2010. Among Asian countries, life insurance penetration in Thailand, Singapore and South Korea were at 3.7%, 5.5%, and 7.4%, respectively, in 2016. Hence this suggests the untapped potential of the Indian life insurance market. The protection gap for India stood at US$ 8.5 trillion as of 2014, which was much higher compared with its Asian counterparts. The protection margin for India was highest among all the countries at 92% in Asia Pacific. *(Source: CRISIL Report)*

With India expected to be the fastest-growing Asian economy – GDP increasing at 10% CAGR in the next five years (in dollars, current prices), according to IMF forecasts (published in April 2016) – the Indian life insurance industry seems poised for strong growth in the years to come. *(Source: CRISIL Report)*

Life Insurance Products

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

Non-linked products are traditional products with a protection and savings element built in or only pure-protection products. Non-linked savings products can be further divided into participating products and non-participating products. Participating products have variable returns, as it is linked to the performance of the insurance company. Linked products' returns, on the other hand, are tied to the performance of debt and equity markets. Linked products started gaining traction from fiscal 2007. *(Source: CRISIL Report)*



^ *Classification based on total premium as of fiscal 2017*

1 *Numbers in brackets are for private players*

* *Classification based on new business premium as of fiscal 2017*

(Source: IRDAI, CRISIL Report)

History of Life Insurance Development in India

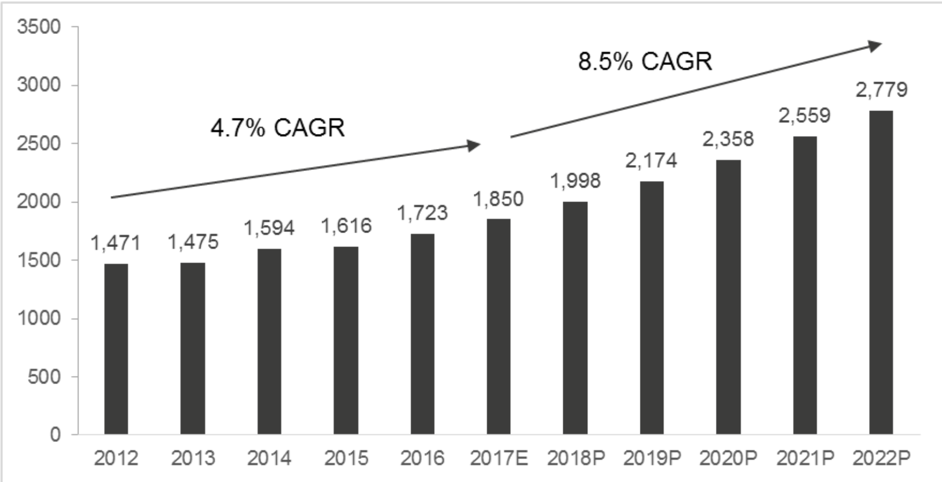
The Indian life insurance industry consisted of only one player –LIC–during 1956 to 2000. Post privatisation in 2000, 10 private players entered the life insurance industry during 2000 to 2001. Among the current top five players in the industry, HDFC Standard Life was the first private company to register in 2000, followed by ICICI Prudential Life and MaxLife Insurance in the same year. SBI Life and Bajaj Allianz entered the industry in 2001. Only four new private players entered between 2002 to 2005, post which there was a surge again, with eight players setting up businesses till 2009. Edelweiss Tokio Life Insurance was the last entrant in the industry in 2011. Out of the 23 private players registered with the IRDAI, 20 players have joint ventures (JVs) with foreign partners. *(Source: CRISIL Report)*

Factors Contributing to Growth of Indian Life Insurance Industry

Strong GDP growth

CRISIL Research forecasts India's economy to grow at 7.4% (in real terms) in fiscal 2018, up from 7.1% in the previous fiscal, assuming normal monsoon and supported by improved consumption demand. Softer interest rates and inflation will also likely aid consumption. In the next five years, growth should be ~8% annually. Faster growth in GDP should translate into rising income, which, in turn, is favourable for growth in life insurance. *(Source: CRISIL Report)*

Trend in Per Capita GDP growth for India



(Source: IMF, CRISIL Report)

Increase in Savings

While GDP growth in India is projected to improve compared with the preceding five-year period, control over inflation is another key structural positive. When the country witnessed 23% deficient monsoon in fiscal 2010, the consumer price index-linked (CPI) inflation had climbed to 12.4%. However, despite two successive deficient monsoons in 2014 and 2015, CPI inflation averaged 6% in fiscal 2015 and dropped to 5% in fiscals 2016 and 2017. We expect CPI inflation to remain stable at around these levels in fiscal 2018 as well. Over the long term too, the Reserve Bank of India (RBI) is committed to keep inflation low and range-bound. Lower inflation gives an impetus to overall savings, as people can save more. *(Source: CRISIL Report)*

Increasing awareness among rural population to increase geographical reach and penetration

The share of new business premium from Maharashtra increased from 15% in fiscal 2011 to 18.7% in fiscal 2017. The share of Uttar Pradesh and Tamil Nadu in individual premium decreased 80 bps and 70 bps, respectively during the period, whereas the share of West Bengal was stagnant at 9.2%. We expect the geographical reach of players to expand with the increase in bank branches in the hinterland, the government's focus on financial inclusion, and increasing awareness of insurance with schemes such as the Pradhan Mantri Jeevan Jyoti Bima Yojana.

Rise in Healthcare Spending

As per IRDAI data, only 359 million people (or 27% of the total population) have health insurance coverage as of fiscal 2016. Only ~20% of this health insurance coverage is provided by commercial insurance providers (life and non-life included), with the remaining covered under Central or state government-sponsored schemes such as Central Government Health Scheme and Employee State Insurance Scheme. Several factors underscore the massive opportunity in health insurance for commercial insurance providers. These are (i) low penetration, (ii) rising cost of healthcare, (iii) constraints for government spending, (iv) limited coverage (currently provided only for hospitalisation), and (v) increasing demand for quality healthcare with rising incomes. *(Source: CRISIL Report)*

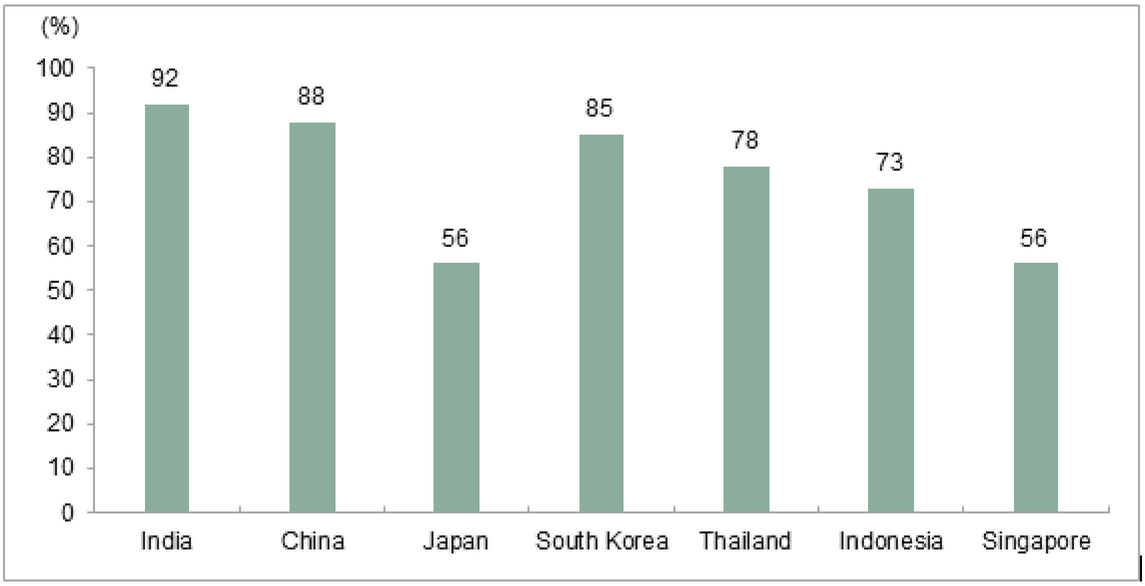
Pension Funds

As of 2014, only ~8% of retirees within the private sector receive a pension; therefore, a multi-fold increase in pension coverage to the private sector workforce is an imperative. If 70% of private sector retirees are adequately covered by 2030, their retirement assets will rise to ~26% of GDP in 2030. If the entire private sector workforce, which will be over 60 in 2030, has an adequate retirement cover, the size of the retirement corpus will rise to nearly ₹ 276 trillion (or 38% of GDP) by 2030 and ₹ 3,626 trillion (or 74% of GDP) by 2050. The provision of additional tax benefits to the extent of employers' contribution in the New Pension Scheme is expected to provide an opportunity for the growth of pension premium. *(Source: CRISIL Report)*

Protection Gap

The protection gap for India stood at US$ 8.5 trillion as of 2014, which was much higher compared to its Asian counterparts. The protection margin for India was the highest amongst all the countries at 92% in Asia Pacific, as per a Swiss Re report. This means that for 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. Further, with the penetration of retail products being low in India; financiers are aggressively focusing on retail credit, the growth of which will support insurance off take. *(Source: CRISIL Report)*

Protection Gap for Different Countries (as of 2014)



(Source: Swiss Re, Economic Research & Consulting "Mortality Protection Gap Asia-Pacific 2015", CRISIL Report)

Increasing Insurable Population

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

Rise in urbanization

India has a very low urbanisation rate as compared to its Asian peers like China, Japan and Thailand. The share of the urban population rose steadily from 28.8% in 2004 to an estimated 33.5% in 2017. CRISIL Research expects urbanisation to accelerate, translating into 2.0-2.5% CAGR in the urban population between 2017 and 2022, compared with overall population growth of 1.2% during the same period. Further, the increase in urbanisation will also aid the increase in GDP per capita as also suggested during the previous five years. Also, increasing urbanisation will enhance financial literacy among consumers, thereby supporting the growth of the life insurance industry. *(Source: CRISIL Report)*

Focus on Financial Inclusion

With a focus on financial inclusion, the Union Government launched the Pradhan Mantri Jan-Dhan Yojana. As much as 286 million accounts were opened under this scheme as of May 30, 2017, with total deposits of ₹ 643 billion. The inclusion of so many people in the financial system opens avenues for investments in insurance and other savings products. *(Source: CRISIL Report)*

Concurrently, the government launched Pradhan Mantri Jeevan Jyoti Bima Yojana in March 2015 with the aim of providing life cover at a nominal cost to anyone in the age group of 18-50 having a bank account. Under the scheme, a life insurance cover of ₹ 200,000 is provided on payment of premium of ₹ 330 per annum. As the adoption of insurance cover under this scheme gains traction, so will the awareness about insurance as a product and its associated benefits. *(Source: CRISIL Report)*

Competition from Other Avenues

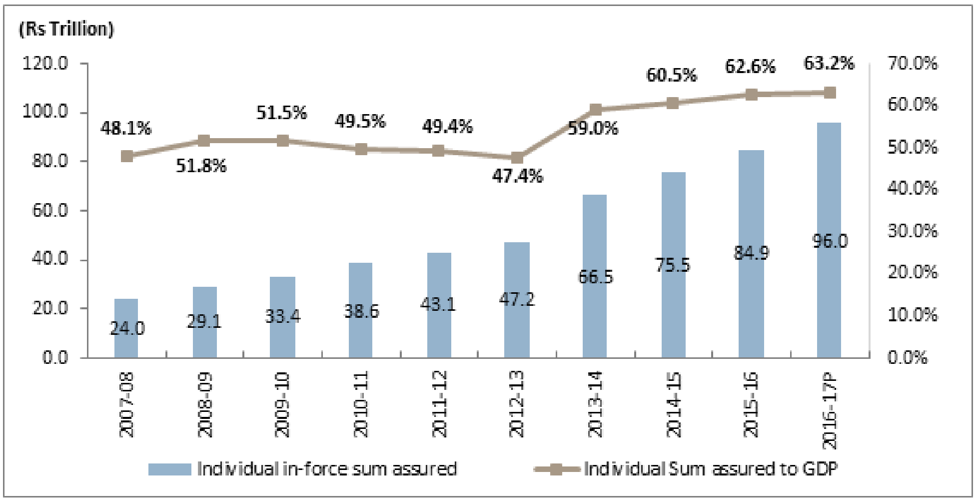
Insurance faces competition from other modes of financial savings, such as mutual funds, bank deposits, and small-savings instruments, besides physical savings. Similar to the trend of the life insurance industry, the AUM of the mutual fund industry grew at 35% CAGR from fiscals 2006 to 2010, and then saw a sudden slowdown at 10% CAGR from fiscals 2010 to 2016. However, growth revived in fiscals 2015 and 2016, as the AUM increased 31% and 14%, respectively. In fiscal 2017 as well, the mutual fund industry witnessed a strong 42% jump in AUM and surge in inflows. Insurance companies will have to focus on increasing customer awareness, improving the value proposition, increasing transparency, and keeping costs competitive to make their products a vital part of the customers' financial plans. *(Source: CRISIL Report)*

Life Insurance Industry Parameters

Sum Assured and Number of Policies

The total sum assured under the individual life insurance business was ₹ 96 trillion as of fiscal 2017 in India. The sum assured for the individual insurance is estimated to have increased at a CAGR of 16% from fiscals 2011 to 2017. The total number of individual policies in force was 322 million as of fiscal 2017. *(Source: CRISIL Report)*

Trend in Individual In-Force Sum Assured



(Source: IRDA, Life Insurance Council, CRISIL Research Estimates)

Premium

The average premium (new business premium / total policies) for the industry increased at a CAGR of 8% from fiscal 2007 to fiscal 2017. Growth of private players was slightly higher at 9% CAGR during the period, despite the higher base. The average premium of ULIPs is higher than the average ticket size of traditional policies. The increase in tax exemption from investment in life insurance policies (and other investment products as mentioned in Section 80C of Income Tax Act, 1961) from ₹ 100,000 to ₹ 150,000 in fiscal 2015 led to increase in the ticket size even on traditional investment policies, as insurance is viewed more as a savings-cum-protection product than a pure protection product in India. The higher ticket size from linked insurance products was due to buoyant capital market performance. *(Source: CRISIL Report)*

New Business Premium (NBP)

The overall industry saw revival on NBP basis in fiscal 2016, which is a lag of a year as compared to total premium, as growth in renewal premium had primarily driven growth in fiscal 2015. However, revival for private players was visible even in fiscal 2015, as both NBP and renewal premium grew ~18% and ~12% on-year, respectively. During fiscals 2015 to 2017, NBP for LIC and private players posted CAGRs of ~26% and ~21%, respectively. During fiscals 2011 to 2014, the NBP of private players declined 9% CAGR, which was a significant underperformance as compared to industry, which fell 2% CAGR. *(Source: CRISIL Report)*

Distribution Channels

With IRDAI permitting bank agents to sell insurance products, private insurance players leveraged banking channels to market their products. This gradually led to an increase in the share of banking corporate agents and a decline in the share of individual agents in the distribution of individual life insurance products. The share of corporate agents (banks) increased from 6% in fiscal 2007 to 24% in fiscal 2017 in the individual business, driven by private players. For private players, new business from banking corporate agents increased from 16.6% to 53.9% during the period. The share of new business premium from individual agents for the industry decreased from 90.5% to 68.9%. The NBP for private life insurers grew at a CAGR of 9.39% between fiscal 2015 to fiscal 2017. In fiscal 2017, SBI Life's individual agent network generated 22.88% of the individual NBP generated by the private life insurance industry, enjoying the largest market share in the channel. *(Source: CRISIL Report)*

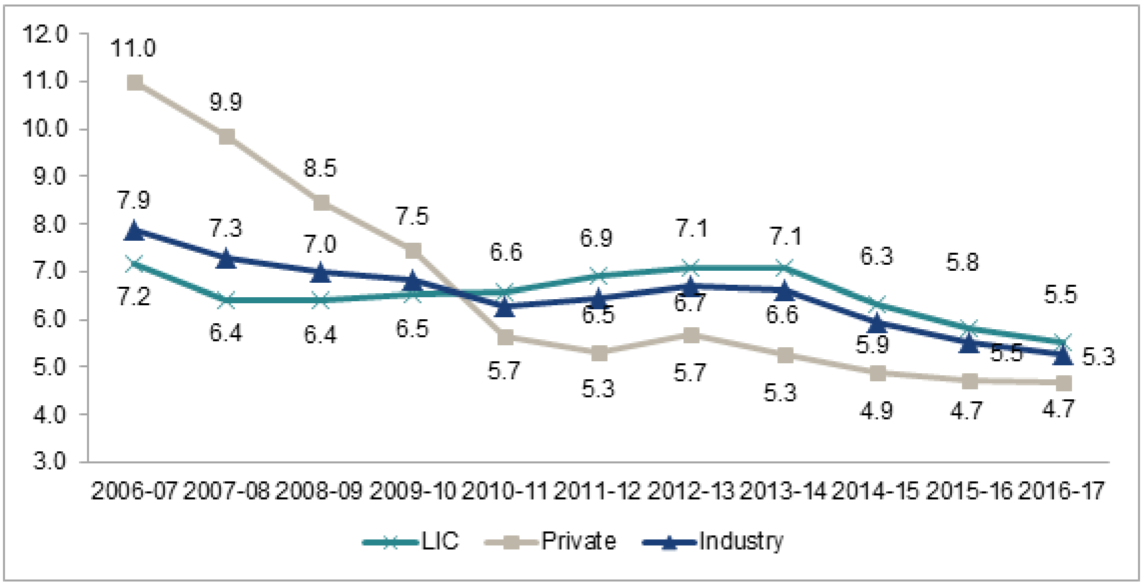
New Insurance Products

705 products were in-force in the life industry as of March 2017, with 536 products in the individual segment and 169 products in the group business segment. In fiscal 2017, 74 new products were introduced, with 13 in the group business segment and 61 in the individual business segment. HDFC Standard Life provides the highest numbers of products in the individual segment, followed by SBI Life and Tata AIA Life. In the group business, Kotak Mahindra Old Mutual Life provides the maximum number of products in the industry, followed by LIC. *(Source: CRISIL Report)*

Commission-Expense Ratio

The commission-expense ratio on a total premium basis has declined considerably, due to the drop in commission on linked products post fiscal 2010. Before fiscal 2010, the commission was very high with significant upfront costs. However, due to the IRDAI regulations in 2010, which capped the commission on linked products, there was a substantial decline in commission. But, with LIC sourcing a significant amount of individual business through individual agents (96% in fiscal 2017), its commission ratio is high compared with private players. *(Source: CRISIL Report)*

Commission Expense Ratio (as % of total premium)



(Source: IRDAI, CRISIL Research)

Operating Expense Ratio

Before 2010, private players had a higher operating expense ratio due to the high infrastructure costs incurred on increasing their geographic reach. Therefore, despite the increase in total premium during fiscals 2007 to 2010, the ratio remained high. After 2010, private players went into a consolidation phase and began focussing on cost efficiencies. However, the ratio improved only marginally due to the slowdown in premium growth during fiscals 2010 to 2014. Operating expense during the period declined at 5% CAGR for private players. The total premium also declined by 1% CAGR. After fiscal 2014, the ratio improved as operating expense increased, at a much slower rate of ~8% CAGR, compared with ~14% CAGR of total premium. *(Source: CRISIL Report)*

Net New Cash*

Net new cash additions for the industry saw a decline post fiscal 2010 due to a slowdown in premium growth. However, the benefits paid to policyholders saw a surge during fiscals 2010 to 2014. The benefits paid increased at ~22% CAGR, compared with mere ~4% CAGR in premium. For private players, the gap was much wider, as premium was flat during the period; however, the benefits paid increased at a staggering pace of ~37% CAGR. *(Source: CRISIL Report)*

However, there was significant improvement in the net new cash additions for the private players as well as industry post fiscal 2014, as there was revival in the premium growth during the period. *(Source: CRISIL Report)*

**Net new cash = Net premium minus net benefits*

SUMMARY OF OUR BUSINESS

Investors should note that this is only a summary of our business and does not contain all information that should be considered and investors should read this Prospectus entirely, including the information in the sections "Risk Factors", "Financial Information", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 20, 218 121 and 322, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section "Risk Factors" on page 20.

Overview

We are India's largest private life insurer, in terms of New Business Premium generated in each fiscal year, since Fiscal 2010 (*Source: CRISIL Report*). We have also increased our market share of New Business Premium generated among private life insurers in India, from 15.87% in Fiscal 2015 to 20.04% in Fiscal 2017 (*Source: CRISIL Report*). Between Fiscal 2015 and Fiscal 2017, our New Business Premium generated increased at a CAGR of 35.45%, which is the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*).

In Fiscal 2017, we enjoyed a market share of Individual Rated Premium of 20.69% among private life insurers in India and 11.16% of the entire life insurance industry in India (*Source: CRISIL Report*). Between Fiscal 2015 and Fiscal 2017, our Individual Rated Premium increased at a CAGR of 37.90 %, the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). We have also issued the highest number of individual life policies annually among the top five private life insurers (in terms of total premium in Fiscal 2017) in India since Fiscal 2014 (*Source: CRISIL Report*).

Based on the Embedded Value Report issued by the Independent Actuary, our Embedded Value was ₹165,379 million as of March 31, 2017. Our Value of New Business was ₹10,368 million in Fiscal 2017 while our Value of New Business Margin was 15.4% and our Present Value of New Business Premium Margin was 3.8% for Fiscal 2017.

We were established as a joint venture between the State Bank and BNPPC in 2001. As of March 31, 2017, State Bank was India's largest commercial bank in terms of deposits, advances and number of branches *(Source: RBI data)*. Following its recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches and 195 international offices in 36 countries and more than 420 million customers. BNPPC, an insurance subsidiary of BNP Paribas, with operations across 36 jurisdictions internationally, is among the leading credit life insurance businesses globally. BNP Paribas was a top 10 global financial institution in terms of revenues in 2016 (*Source: Fortune Global 500*). We believe our relationship with State Bank and BNPPC has enabled us to enhance our brand, access specialist industry expertise, grow our business and consolidate our market position.

As of July 31, 2017, we had a comprehensive product portfolio of 37 individual and group products (of which eight products are group products), including a range of protection and savings products to address the insurance needs of diverse customer segments. Our individual products include participating products, non-participating protection products, other non-participating products and unit-linked products, which contributed 10.77%, 0.95%, 1.69% and 50.36%, respectively, of our New Business Premium in Fiscal 2017 and 15.43%, 0.72%, 1.85% and 49.61%, respectively, of our New Business Premium for the three months ended June 30, 2017; while our group products include credit life group protection products, other group protection products, group fund management ("Group FM") products and other group products, which contributed 2.72%, 1.14%, 31.73% and 0.65%, respectively, of our New Business Premium in Fiscal 2017 and 2.91%, 2.04%, 26.84% and 0.60%, respectively, of our New Business Premium for the three months ended June 30, 2017.

We have developed a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 95,177 agents as of July 31, 2017, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries. In Fiscal 2017, we collected the highest amount of New Business Premium generated by private life insurers in India both through the bancassurance channel as well as through an individual agent network (*Source: CRISIL Report*). We have also developed long standing institutional relationships with large corporates with respect to our group life insurance products.

Our brand, business reputation and customer satisfaction are critical factors in developing new business and maintaining our leadership position. We were recognized as among the Most Trusted Brands by The Economic Times Brand Equity – Nielsen survey in Fiscal 2017 for the sixth consecutive year. We were awarded the "Private Sector Life Insurance Company of the Year" and "Bancassurance Leader Life Insurance (Large Category)" at the Indian Insurance Awards organized by Fintelekt in two consecutive years and were awarded the "Legal Era Risk Award" under the category Most innovative risk management strategy by Legal Era Risk Awards, 2017, the Economic Times Best Corporate Brand, 2016 and the LIMRA and LOMA Social Media Silver Bowl Awards, 2016 at the Social Business Conference for Financial Services in Boston, Massachusetts. According to the Kantar – IMRB survey 2017, in a survey conducted across more than 15 cities in India, we were jointly top-ranked for customer loyalty in the life insurance category.

In Fiscal 2017, we had 13th month and 61st month Persistency Ratios of 81.07% and 67.18%, respectively, with our 61st month Persistency Ratio being the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). For the three months ended June 30, 2017, our 13th month Persistency Ratio was 81.97% and our 61st month Persistency Ratio was 64.62%. In Fiscal 2017, our Mis-Selling Ratio of 0.20% was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*. For the three months ended June 30, 2017, our Mis-Selling Ratio was 0.20%. Our Grievance Disposal Rate was 99.96% in Fiscal 2017, and 95.10% for the three months ended June 30, 2017. For further information in relation to policyholder and intermediaries complaints during the past five years and for the three months ended June 30, 2017, see "Outstanding Litigation and Material Developments – Policyholder and intermediaries complaints during the past five years and for the three months ended June 30, 2017" on pages 393 to 397. Our Death Claims Settlement Ratio improved from 92.33% in Fiscal 2015 to 97.98% in Fiscal 2017, and was 89.61% for the three months ended June 30, 2017. We have consistently maintained our Solvency Ratio at over 2.00 in each of the last five fiscal years, and at 2.11 as of June 30, 2017, compared to the IRDAI mandated minimum Solvency Ratio of at least 1.50.

Our New Business Premium, Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 35.45%, 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017, while our Individual Rated Premium increased at a CAGR of 37.90% in the same period. Our assets under management ("AUM") increased from ₹ 713,389.30 million as of March 31, 2015 to ₹ 977,366.03 million as of March 31, 2017, and was ₹ 1,012,260.34 million as of June 30, 2017. Our AUM was the second highest among top five private life insurers (in terms of total premium in Fiscal 2017) in India as of March 31, 2017 *(Source: CRISIL Report)*. Our profit after tax increased at a CAGR of 8.24% from ₹ 8,148.67 million in Fiscal 2015 to ₹ 9,546.53 million in Fiscal 2017 and was ₹ 3,134.48 million for the three months ended June 30, 2017. We turned profitable within the first five years of our operations, and have declared dividends every year since Fiscal 2012.

Our Competitive Strengths

One of the largest private life insurer with a consistent track record of rapid growth

We are India's largest private life insurer, in terms of New Business Premium generated in each fiscal year, since Fiscal 2010 (*Source: CRISIL Report*). We increased our market share of New Business Premium generated among private life insurers in India, from 15.87% in Fiscal 2015 to 20.04% in Fiscal 2017, and market share of New Business Premium in the entire life insurance industry, from 4.89% in Fiscal 2015 to 5.80% in Fiscal 2017 (*Source: CRISIL Report*). Between Fiscal 2007 and Fiscal 2017, our New Business Premium generated increased at a CAGR of 14.74%, faster than the growth rate of the private life insurance industry in India during such period, and between Fiscal 2015 and Fiscal 2017, our New Business Premium generated increased at a CAGR of 35.45%, which is the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). We are able to leverage our diversified product portfolio to capitalize on favourable industry opportunities, as a result of which our Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017. We have also issued the highest number of individual life policies annually among private life insurers in India since Fiscal 2014 (*Source: CRISIL Report*). The number of policies issued by us increased at a CAGR of 6.42% from 1,126,211 in Fiscal 2015 to 1,275,550 in Fiscal 2017 and 231,274 policies for the three months ended June 30, 2017.

We have consistently increased our market share of Individual Rated Premium among private life insurers in India from 15.61% in Fiscal 2015, to 18.83% in Fiscal 2016 and to 20.69% in Fiscal 2017 *(Source: CRISIL Report).* Between Fiscal 2015 and Fiscal 2017, our Individual Rated Premium increased at a CAGR of 37.90%, the fastest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). In Fiscal 2017, we enjoyed a market share of Individual Rated Premium of 11.16% within the entire life insurance industry in India (*Source: CRISIL Report*). Our Return on Infused Capital increased from 81.49% in Fiscal 2015 to 95.47% in Fiscal 2017 and was 125.38% for the three months ended June 30, 2017. Our Return on Infused Capital is the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report).*

Our Embedded Value, based on the Embedded Value Report issued by the Independent Actuary, was ₹165,379 million as of March 31, 2017. Our AUM increased from ₹713,389.30 million as of March 31, 2015 to ₹ 977,366.03 million as of March 31, 2017 and was ₹ 1,012,260.34 million as of June 30, 2017, and was also the second highest as of March 31, 2017 among top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report).*

Significant brand equity and pre-eminent Promoters

We were established as a joint venture between State Bank and BNPPC in 2001. We were recognized as among the Most Trusted Brands by The Economic Times Brand Equity – Nielsen survey in Fiscal 2017 for the sixth consecutive year. According to the Kantar – IMRB survey 2017, we were jointly top-ranked for customer loyalty in the life insurance category across more than 15 cities in India. In addition, we believe that the established brand, market leading position and stability of operations of our shareholders, State Bank and BNPPC has enabled us to significantly enhance our brand and market reputation. We believe that our relationship with State Bank and BNPPC has also enabled us to access specialist industry expertise, grow our business and consolidate our market position. We believe that our significant brand equity enables us to effectively target new customers and customer segments and address new business opportunities. As life insurance products are typically long term in nature, our customers are able to better identify with our long and stable operating history, financial strength and high financial credit ratings, established business reputation and market leadership position. We believe these attributes result in superior conversion of potential customer opportunities and higher productivity of our individual agent network, bancassurance partners and other distribution channels. We have received iAAA rating for our claims paying ability from ICRA and AAA/Stable rating for our financial strength from CRISIL.

We believe that we benefit significantly from the established brand equity of State Bank and its affiliates. As of March 31, 2017, State Bank was India's largest commercial bank in terms of deposits, advances and number of branches. Following its recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches, 195 international offices in 36 countries and more than 420 million customers. We also have a bancassurance arrangement with State Bank, the largest bancassurance partner in India, and benefit from its expansive pan-India operations, diverse customer base and deep understanding of the Indian financial system.

We believe that we similarly benefit from the brand and market reputation of BNPPC, the insurance subsidiary of BNP Paribas with operations across 36 jurisdictions, BNPPC is among the global leaders in credit life insurance business and BNP Paribas was a top 10 global financial institution in terms of revenues in 2016 (*Source: Fortune Global 500*). We believe that our association with BNPPC provides us access to specialist expertise, strategic guidance and global best practices on key operational aspects relating to our business including on finance, actuarial, risk management and corporate governance matters.

We believe that our Promoters with established reputations and significant customer goodwill in India and globally, together with our diversified and innovative product portfolio, multi-channel distribution network, extensive geographic coverage and trained agents and other intermediaries, have enabled us to strengthen our business reputation and enhance our brand equity.

Expansive multi-channel distribution with pan-India bancassurance channel and high agent productivity

We have over the years developed one of the largest multi-channel distribution networks among private life insurers in India, with the largest bancassurance channel, including with State Bank, the largest bancassurance partner in India. We had the largest market share of Individual New Business Premium generated by private life insurers through bancassurance channels in Fiscal 2017 (*Source: CRISIL Report*). We also have a large and productive individual agent network comprising 95,177 agents as of July 31, 2017 and our individual agent network generated 22.88% of the Individual New Business Premium generated by private life insurers in Fiscal 2017 (*Source: CRISIL Report*). Our other distribution channels include direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries. We believe that our diversified distribution network enables us to reduce the risk of dependence on any particular channel, leverage economies of scale, and allows us access to a wide range of customer segments.

Bancassurance represents our largest distribution network and in Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, contributed 47.82%, 54.43%, 53.03% and 63.54%, respectively, of our total New Business Premium in such periods. We also reported a growth of 38.42% in Individual New Business Premium generated through our bancassurance channel from Fiscal 2016 to Fiscal 2017. Individual New Business Premium contributed by our bancassurance channel was ₹7,990.18 million for the three months ended June 30, 2017 and increased at a CAGR of 46.72% from ₹19,442.74 million in Fiscal 2015 to ₹41,853.08 million in Fiscal 2017, compared to a CAGR of 27.20% for private life insurers in India during the same period (*Source: CRISIL Report*). Bancassurance distribution benefits from cost efficiencies and the well-regulated nature of our bancassurance partners. Following State Bank's recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches and more than 420 million customers. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, New Business Premium generated through State Bank represented 38.26%, 42.66%, 41.48% and 61.74%, respectively, of our New Business Premium in such periods. As of July 31, 2017, we have bancassurance partnerships with 17 Regional Rural Banks, and with the Punjab and Sind Bank and South Indian Bank. Our bancassurance network provides us with a strong presence across rural and urban areas, including metropolitan cities, tier I, tier II and tier III cities and towns across India. As of July 31, 2017, we engaged with more than 42,000 CIFs at our bancassurance partner branches to sell our products, and continue to provide effective technology support and training on product features, customer requirements and sales techniques.

Our exclusive individual agent network contributed 32.85%, 27.47% 22.31% and 24.89%, respectively, of our total New Business Premium in Fiscal 2015, 2016 and 2017 and three months ended June 30, 2017. As of July 31, 2017, we had 95,177 individual agents. Our Individual New Business Premium contributed by our individual agents was ₹3,966.18 million for the three months ended June 30, 2017 and increased at a CAGR of 13.24% from ₹ 17,192.10 million in Fiscal 2015 to ₹ 22,044.05 million in Fiscal 2017, compared to CAGR of 9.39% for private life insurers in India in such period (*Source: CRISIL Report*). In Fiscal 2017, our individual agent network generated New Business Premium of ₹234,501 from individual products per agent, reflecting the highest productivity among all private life insurers in India (*Source: CRISIL Report*). We believe various factors contribute to the relatively higher productivity of our sales agents, including our established brand, strong sales management practices, our attractive rewards and recognition program, our technology driven sales platforms, effective sales support and training that we provide to our agents.

We also make significant direct sales, primarily comprising sale of group products, as well as standardized individual products sold through our online offerings. We have developed strong institutional relationships with large corporate groups, in particular with respect to our group life insurance products. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, our other distribution channels, including direct sales, sales by non-bancassurance corporate agents, brokers, micro-agents, common service centres and insurance marketing firms, contributed 19.32%, 18.10%, 24.66% and 11.57%, respectively, of our total New Business Premium in such periods.

We have supported our various distribution channels by investing in additional branches, from 750 offices as of March 31, 2015 to 801 offices as of March 31, 2017, and increasing the number of sales and customer support employees to support our sales channels. As of July 31, 2017, we had 803 offices, located across 29 States and seven Union Territories, and 12,647 employees.

Sustainable business model driven by robust financial position, superior investment performance, diversified product portfolio and effective risk management

- ***Robust financial position supported by high operating efficiencies***

  We believe we have developed a strong capital base, and are adequately capitalized. We have not required additional capital infusion since 2008. We turned profitable within the first five years of our operations, have demonstrated consistent profitability since Fiscal 2010 and have declared dividends every year since Fiscal 2012. We have maintained our Solvency Ratio at over 2.00 during the last five fiscal years, and our Solvency Ratio was 2.11 as of June 30, 2017, compared to the IRDAI mandated Solvency Ratio of 1.50. Our New Business Premium, Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 35.45%, 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017, while our Individual Rated Premium increased at a CAGR of 37.90% in the same period.

  Based on the Embedded Value Report issued by the Independent Actuary, our Embedded Value was ₹165,379 million as of March 31, 2017. Our Value of New Business was ₹10,368 million in Fiscal 2017. Further, our Value of New Business Margin was 15.4% and our Present Value of New Business Premium Margin was 3.8%, for Fiscal 2017. In addition, our Embedded Value Operating Profit was ₹28,875 million in Fiscal 2017, while our Operating Return on Embedded Value was 23.0% for Fiscal 2017. In addition, our profit after tax increased at a CAGR of 8.24% from ₹8,148.67 million in Fiscal 2015 to ₹9,546.53 million in Fiscal 2017, and was ₹3,134.48 million for the three months June 30, 2017. While we have made significant investments to support our growth, we have ensured high levels of operating efficiencies reflected in low Operating Expense Ratios. In Fiscal 2015, 2016 and 2017 and three months ended June 30, 2017, our Operating Expense Ratio was 9.07%, 9.36% 7.83% and 9.82%, respectively. Our Operating Expense Ratio was the lowest among top five private life insurers (in terms of total premium in Fiscal 2017) in India for Fiscal 2017 (*Source: CRISIL Report*). We believe that relatively low Operating Expense Ratio reflects the effective utilization of our distribution channels, increased focus on bancassurance, improved productivity of our individual agent network supported by effective sales and training and leveraging our integrated IT infrastructure. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, our Total Cost Ratio was 13.77%, 13.87%, 11.56% and 14.18%, respectively. Net New Cash, defined as Net Premium minus net benefits, reflecting the inflow of funds into the business, has been growing consistently and has increased from ₹77,068.99 million in Fiscal 2016 to ₹ 113,263.11 million in Fiscal 2017, or an increase of 46.96% from Fiscal 2016, the highest among top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). Our Net New Cash was ₹11,400.88 million for the three months ended June 30, 2017.

- ***Superior investment performance***

  We manage the second largest AUM among top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*. As of March 31, 2015, 2016 and 2017, and June 30, 2017, our AUM was ₹713,389.30 million, ₹798,275.78 million, ₹977,366.03 million and ₹1,012,260.34 million, respectively. As of June 30, 2017, most of our unit-linked funds that are benchmarked to independent indices have out-performed the benchmark over the last 5 year, 3 year and 1 year horizons. The average realized returns for our traditional portfolio in Fiscal 2017 was 9.00%.

- ***Diversified product portfolio***

  We believe that our diversified product portfolio is an important contributing factor to the growth of our business. In Fiscal 2017, participating products, non-participating protection products, other non-participating products and unit-linked products contributed ₹10,923.74 million, ₹960.44 million, ₹1,717.89 million and ₹51,079.61 million, respectively, representing 16.89%, 1.48%, 2.66% and 78.97%, respectively, of our Individual New Business Premium in such period. For the three months ended June 30, 2017, participating products, non-participating protection products, other non-participating products and unit-linked products contributed ₹2,777.94 million, ₹130.03 million, ₹332.21 million and ₹8,929.48 million, respectively, representing 22.83%, 1.07%, 2.73% and 73.37%, respectively, of our Individual New Business Premium in such period. In our group products business, group protection (credit life) has been a key focus area and New Business Premium from these products has increased by 15.06% from ₹2,396.22 million in Fiscal 2016 to ₹2,757.09 million in Fiscal 2017 and was ₹524.21 million for the three months ended June 30, 2017. Our liability profile also reflects our diversified individual product portfolio with participating products, non-participating protection products, other non-participating products and unit-linked products accounting for 23.42%, 2.25%, 9.60% and 64.73%, respectively, of our individual policyholders' reserves as of March 31, 2017, and 23.53%, 2.24%, 9.45% and 64.78%, respectively, of our individual policyholders' reserves as of June 30, 2017. Our focus on maintaining a diversified product mix has resulted in our Value of New Business Margin of 15.4% in Fiscal 2017. In Fiscal 2017, our Gross Written Premium was ₹ 210,151.35 million, which comprised ₹ 58,770.06 million of Individual New Business Regular Premium, ₹5,911.62 million of individual Single Premium, ₹99,204.64 million of Renewal Premium from individual products and ₹46,265.02 million of premium from our group products. For the three months ended June 30, 2017, our Gross Written Premium was ₹37,880.74 million, which comprised ₹10,977.06 million of Individual New Business Regular Premium, ₹1,192.60 million of individual Single Premium, ₹16,855.40 million of Renewal Premium from individual products and ₹8,855.69 million of premium from our group products. Our renewals which are ₹73,379.51 million, ₹87,187.89 million, ₹108,712.72 million and ₹19,880.37 million for Fiscal 2015, 2016 and 2017 and three months ended June 30, 2017, respectively, form a key component of our Gross Written Premium and contributed over 50.00% of our Gross Written Premium in each such periods, despite our strong growth in New Business Premium. Our Renewal Premium grew at 24.69% from Fiscal 2016 to Fiscal 2017 which was the highest growth among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report).* Our high renewal composition brings stability to our Gross Written Premium growth, which has increased at CAGR of 27.80% from Fiscal 2015 to Fiscal 2017.

- ***Effective risk management***

  We believe that our robust risk management practices have been an important contributing factor to our sustainable growth. Our comprehensive risk management policy specifies the process for identification, measurement and analysis of risk exposures, monitors risk management strategies, and is coordinated with our operational policies, including those relating to compliance, outsourcing, fraud management risks and business continuity management. We were the first insurance company in India to have complied with the recommendations of ISO 31000 2009 for enterprise risk management practices and systems and all our processing centres are ISO 9001:2008 certified. We were awarded the Legal Era Risk Award under the category Most innovative risk management strategy at the Legal Era Risk Awards, 2017 and the Golden Peacock Award for Risk Management for Fiscal 2015. We have also established effective sales quality management, as well as strategic asset liability management processes and effective capital budgeting activities. We undertake an economic capital assessment process periodically, quantify various risks, and allocate capital for each risk to assess capital adequacy on an economic basis and monitor concentration of risk in specific areas. Our widespread operations across metropolitan cities, tier I, tier II and tier III cities, as well as semi urban and rural parts of India reduce any geographic concentration risk as well as dependence on any particular customer segment.

Strong focus on customer service standards

Our strong focus on customer service is a key factor for our sustained growth and we believe that our customer-centric approach to growing our business and developing our product portfolio and distribution channels is a key competitive strength. We offer a diverse and comprehensive range of products that cover various customer segments. Our widespread operations enable us to address customer needs effectively and efficiently. As of July 31, 2017, we had 803 offices located across 29 States and seven Union Territories to serve our customers. In addition, as of July 31, 2017 we provide customer support services through over 42,000 of our CIFs at the branches of our various bancassurance partners. We also provide customer support through our call centres, website and mobile application, *SBI Life –Easy Access*. We have experienced an increase in customer usage of our online presence and the *SBI Life –Easy Access* mobile application. Number of policies issued through digital mode has increased from 13,008 customers in Fiscal 2015 to 90,390 in Fiscal 2017 and customers paying their Renewal Premium through *SBI Life –Easy Access* has increased from 3,231 in Fiscal 2015 to 35,771 in Fiscal 2017. Number of policies issued through digital mode and customers paying their Renewal Premium through *SBI Life –Easy Access* for the four months ended July 31, 2017 were 16,552 and 14,270, respectively. We have leveraged our strong IT infrastructure to introduce superior customer service initiatives, including business generation through tablets, payment collection through mobile devices and provision of alternate payment gateways. We believe that our stringent customer on-boarding process, consistent customer service through call centres, and regular customer engagement through our agents, calls, email communication and text messages have enabled us to maintain customer satisfaction levels.

Our Death Claims Settlement Ratio improved from 92.33% in Fiscal 2015 to 97.98% in Fiscal 2017 and was 89.61% for the three months ended June 30, 2017. The Surrender Ratio for individual unit-linked products to average AUM was 8.82% and 8.99% in Fiscal 2017 and for the three months ended June 30, 2017, respectively. Our 13th month and 61st month Persistency Ratios were 81.07% and 67.18%, respectively in Fiscal 2017, and 81.97% and 64.62%, respectively for the three months ended June 30, 2017.

We believe our stringent customer service standards are evidenced by our low Mis-Selling Ratio of 0.20% in Fiscal 2017, which was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*. In Fiscal 2017, our Grievance Ratio was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*, having improved from 11 grievances per 1,000 policies issued in Fiscal 2015 to six grievances per 1,000 policies issued in Fiscal 2017. Grievance Ratio was seven grievances per 1,000 policies issued for the three months ended June 30, 2017. We also reported the lowest Grievance Ratio among top five private life insurers (in terms of total premium in Fiscal 2017) in India for Fiscal 2017, with a ratio of 0.61% (*Source: CRISIL Report*). For further information in relation to policyholder and intermediaries complaints during the past five fiscal years and for the three months ended June 30, 2017, see "Outstanding Litigation and Material Developments – Policyholder and intermediaries complaints during the last five years and for the three months ended June 30, 2017" on pages 393 to 397. Our grievance redressal channels include letters, emails, phone calls, text messages and toll-free customer care numbers. Our customer grievance redressal system is also fully integrated with IRDAI's Integrated Grievance Redressal Management System. Our Grievance Disposal Rate was 99.96% and 95.10% in Fiscal 2017 and for the three months ended June 30, 2017, respectively. Our service quality was recognized by the Golden Peacock National Quality Award, 2016 for Business Excellence and Innovation. We believe that our focus on continuously improving customer satisfaction parameters has enabled us to maintain our leadership position among private life insurers in India.

Professional and Highly Experienced Board of Directors and Senior Management Team

We have a distinguished Board comprising of industry professionals with extensive executive leadership experience across various industries and business domains. Our Board includes senior members of State Bank and BNPPC who are able to provide effective guidance on our operations and risk management measures. The experience of our Board and senior management allows us to make strategic decisions to address changing market conditions and evolving customer needs and implement global best practices in our operations.

Our senior management team includes qualified and experienced personnel with significant experience in all operational aspects of the insurance business including actuary, investment, underwriting, claims management and information technology. Our senior management team has strong operational and management expertise and an understanding of the key opportunities and risks associated with the insurance industry in general and life insurance in particular. A large number of our senior management personnel have worked with us for a significant period of time, resulting in effective operational coordination and continuity of business strategies. We believe that the significant experience of our management team has enabled us to effectively innovate, grow our business and consistently deliver strong financial performance.

Business Strategies

Capitalize on insurance industry growth opportunities

Indicators such as life insurance penetration (premium as a percentage of GDP), insurance density (premium per capita) and protection gap (sum assured to GDP) indicate that India is still underinsured and there is significant scope for growth. India's life insurance penetration was 2.7% lower than its comparable Asian counterparts such as Thailand, Singapore and South Korea where the life insurance penetration was 3.7%, 5.5% and 7.4% as of 2015. As of 2014, the protection gap for India was the highest among all the countries in Asia Pacific at 92%, suggesting that for every US$100 of insurance protection requirement, only US$8 was actually insured. This indicates the absence, or inadequacy, of pure protection coverage (term insurance) for a large part of the Indian population. With a gradual growth of the economy, and structural drivers in place (rising life expectancy, increase in share of working population, healthcare spending, pension needs), the growth trajectory of life insurance products is expected to be markedly stronger over the next five years. The household savings rate (household savings as a percentage of GDP) is also expected to increase gradually over the same period. In addition, gold and real estate, which represent physical savings of households, are gradually losing their appeal as investment alternatives. Recent regulatory measures to curtail black money are also expected to boost financial savings, which is likely to further benefit the life insurance industry. The large working population in India, coupled with rapid urbanisation and rising affluence, is expected to propel the Indian life insurance sector growth. *(Source: CRISIL Report)* A rise in financial savings, coupled with an expected increase in share of insurance as a percentage of financial savings, due to significant improvements in product proposition and delivery mechanisms, are expected to drive growth for the life insurance sector. Insurance is likely to remain an attractive product within the financial savings pool due to the ability to customize the product to meet different end-goals (ranging from long-term investment to pure protection), and the flexibility to determine the asset mix (in case of linked plans) depending on the risk profile of the customer.In addition, improving economic growth, along with rising awareness of insurance as investment and savings products, are expected to be key contributors to growth of life insurance products *(Source: CRISIL Report)*.

Private life insurers have been gradually gaining market share over the past two years, and it is expected that they will continue to grow at a faster rate than the industry average in the coming years. New Business Premium for life insurers is expected to grow at a CAGR of 11% - 13% from Fiscal 2017 and Fiscal 2022, compared to a CAGR of 9% between Fiscal 2012 and Fiscal 2017. Total premium is expected to grow at a CAGR of 13% to 15% over the next five years from ₹4,181 billion in Fiscal 2017 to ₹7,900 – 8,100 billion by Fiscal 2022 *(Source: CRISIL Report)*.

We believe we are well positioned to capitalize on opportunities arising out of the growing life insurance market in India. We are focused on maintaining our leadership position in the private sector life insurance market by increasing penetration and proliferation of our life insurance products in untapped/ relatively under-penetrated markets. We propose to expand our branch network based on a particular region's business potential and implement customized regional strategies to address the requirements of local customers. We also plan to develop and introduce additional individual products to add to our product portfolio of 29 individual products as of July 31, 2017. Further, we intend to diversify into other strategic business segments such as health by launching products that cater to this underpenetrated segment. We will continue to focus on further growing our credit life protection business offering coverage for loans by working more closely with our bancassurance partners and entering into strategic distribution arrangements with other financial services institutions.

Ensure profitable growth through balanced product portfolio and expansive distribution network

We will continue to focus on ensuring profitability of our business by maintaining a diversified product portfolio. We continue to undertake market assessment studies to strategically evaluate additional product offerings. As part of our efforts to enhance our Value of New Business, Embedded Value and improve margins, our strategy is to further optimize our product portfolio by maintaining a balance between unit-linked, participating and non-participating products. We also intend to expand our protection product portfolio, with a particular emphasis on credit life protection products. We also intend to gradually reduce our focus on group products due to the inherently competitive nature of this business and the high guarantee obligations related to such products. We will also continue to periodically revaluate pricing considerations based on customer feedback with a focus on profitable growth while maintaining market share.

We intend to continue to leverage our strong multi-channel distribution network to ensure profitable growth. Our large bancassurance channel provides significant cross-selling opportunities with minimal distribution costs. In particular, we will continue to focus on leveraging State Bank's large branch network and customer base to identify and penetrate new markets. We also intend to focus on improving productivity levels of our bancasssurance channels. In Fiscal 2017, 28,923 CIFs in State Bank generated New Business Premium of ₹42,074.51 million, compared to ₹21,152.93 million in Fiscal 2015 by 19,666 CIFs. For the three months ended June 30, 2017, 39,879 CIFs in State Bank generated New Business Premium of ₹11,113.56 million. We also intend to work closely with our newer bancassurance partners Punjab and Sind Bank with 1,500 branches as of March 31, 2017, primarily in north India, and with South Indian Bank with 850 branches as of March 31, 2017, primarily in south India. We continue to actively identify additional bancassurance partners, and also intend to enter into strategic distribution arrangements with small finance banks, payment banks and various non-banking financial service companies. We continue to implement various sales force automation tools, to integrate our operating processes with our bancassurance partners to improve productivity and ensure operating efficiencies.

We intend to continue to strategically grow a highly productive individual agent network, by recruiting additional agents and sales managers to support them, focusing on regions and customer segments with significant business potential. We will also continue to improve our agent training support, to offer automated sales force activity management tools, to provide them with leads and strategies and to redefine our rewards and recognition programs to ensure high productivity rates and lower turnover in our agent workforce.

We continue to increase our focus on direct sales through our website and our customized mobile applications supported by dedicated customer service and call centres. We have developed certain low-cost products aimed at online sales. We intend to market and sell additional products online by customizing products to meet requirements of specific customer segments through our website. We intend to continue to explore opportunities to expand our operations in South Asia including in Nepal and Bangladesh and have obtained all regulatory approvals for starting operations in Bahrain.

As part of our strategy to focus on customer service, we have introduced an e-payment gateway and redeveloped our customer self-service portal. We shall increase our focus on targeting customers through social media and digital platforms such as mobile applications and undertake digital marketing campaigns and data analytics to improve our brand equity and our sales.

Enhance brand equity and continue to focus on customer satisfaction

The insurance business is substantially dependent on reputation. In order to maintain our leadership position across various geographies and different customer segments, we continue to focus on further strengthening our brand by augmenting customer relationships, maintaining stakeholder expectations and improving our claims management processes. We continue to build on our existing corporate culture and strengthen our image as a socially responsible insurance company through various corporate social responsibility and insurance awareness initiatives with the intent to pursue sustainable, value-enhancing long-term growth and profitability. Our strategy is to maintain and enhance our brand value by ensuring best in class risk management practices and implementing global best practices.

We continue to focus on developing tailored products targeted at specific customer segments, and improve customer engagement and ease of transaction. We intend to deploy specialised teams within our various distribution channels to identify, engage with and manage specific customer segments. We believe specialised teams focused on specific customer segments will enable us to increase the productivity of our distribution channels, meet specific customer segments and increase quality of customer experience. Our Mis-Selling Ratio was 0.48%, 0.29%, 0.20% and 0.20% in Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, respectively, and was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*) in Fiscal 2017 and we intend to further improve our Mis-Selling Ratio through various initiatives, including, among other measures, more stringent customer on-boarding welcome calls, emphasising a focus on quality in our sales training programmes for our frontline sales force, use of analytics and a risk-score approach. A critical aspect of our reduced Mis-Selling Ratio, improved Persistency Ratio and Surrender Ratio has been our dedication to providing superior customer service. Our focus is to ensure delivery of superior customer value through our product and service offerings to sustain our growth. We have a dedicated customer engagement team involved in creating various customized initiatives to target different customer segments through ongoing awareness and wellness campaigns. We are currently working on customer engagement initiatives which we believe will help us engage more interactively with our existing and potential customers. We also provide specific training for our individual agents and sales support teams as well as to the CIFs stationed at branches operated by our bancassurance partners to improve customer engagement and consultation skills. We have developed mobile applications focused on training and intend to continue to leverage our technology platform to provide better service to our customers.

We continue to cultivate a strong customer service ethos across all our customer interfaces, across our distribution channels and customer support services including our call centres. Our call centres provide customers with an efficient means to gain access to information about their insurance policies. We regularly review our sales processes and policy documentation to simplify and ensure transparency of operations. We continue to engage with customers and revise operational policies and processes to ensure superior customer satisfaction, including prompt grievance redressal. We will continue to further streamline and automate our customer interfaces through our website and digital platforms to make them user-friendly and allow for improved ease of access.

Leverage technology to improve operating efficiencies and support growth

We will continue to leverage our robust IT infrastructure to further our strategic objective of delivering strong customer service and help ensure business growth. We continue to improve our sales processes and operational efficiencies through automation and digitization efforts to ensure increased customer retention. We continuously upgrade our IT infrastructure to reduce operating costs across our business processes including sourcing, claims management and claims settlement. We have also initiated measures to upgrade our core policy management systems, and to introduce automated claims processing and settlement mechanisms.

We have made significant investments in our IT systems and infrastructure, including innovative additions such as the *SBI Life – Easy Access* mobile application that provides product and policy related information to customers, and *Connect Life*, which allows sales personnel to select products, complete the application, pay the requisite premium and upload relevant documents from a tablet. We believe this allows for better interaction with customers through more user-friendly and improved interface and reduces turnaround time.

We have integrated our operating systems with those of State Bank branches to further improve the efficiency of our bancassurance channel. We have introduced digital sales support tools that highlight requisite customer demographic and individual customer information to our frontline staff to ensure increased productivity, superior customer service and improved customer retention. These digital sales support tools also assist our supervisory staff to focus on ensuring effective supervision of our sales teams. We are further optimising these digital sales support tools to improve productivity of our individual agents and our other distribution channels.

We will continue to leverage technology for training programs for our employees and our frontline sales force. We will increasingly use data analytics based on our large customer database to generate effective sales leads to our front line sales team, improve persistency, cross-sell our products with a specific focus on existing customers of State Bank and also for the renewal and payment of premium. We are also focusing our efforts on geographically mapping areas to identify, and increase our operations in areas with significant potential for sales of our products. As a part of our operations, we have recently introduced robotics driven self-service portals to facilitate various customer services more efficiently.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Statements as of and for the three months ended June 30, 2017 and Fiscals 2017, 2016, 2015, 2014 and 2013.

The financial statements referred to above are presented under "Financial Statements" beginning on page 218 The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 218 and 322, respectively.

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Annexure - I: Restated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
SOURCES OF FUNDS						
Shareholders' Funds						
Share Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Reserves and Surplus	47,782.30	44,647.82	36,906.65	29,909.91	23,201.17	17,093.59
Credit/(Debit) Fair Value Change Account	1,005.67	872.98	424.36	653.49	362.04	270.60
Sub-total	**58,787.97**	**55,520.80**	**47,331.01**	**40,563.40**	**33,563.21**	**27,364.19**
Borrowings	-	-	-	-	-	-
Deffered Tax Liability	-	-	-	31.51	25.66	40.04
Policyholders' Funds						
Credit/(Debit) Fair Value Change Account	8,086.29	7,763.77	3,354.01	5,008.21	2,618.93	829.01
Policy Liabilities (Refer note no. 6 of Annexure V (C) and note no. 24 (f) & (g) of Annexure V (C) for Funds for discontinued policies)	494,962.53	483,237.57	396,341.70	328,603.57	267,950.40	229,360.93
Insurance Reserves	-	-	-	-	-	-
Provision for Linked Liabilities	396,671.87	388,559.12	320,989.07	278,743.57	242,792.27	247,858.89
Add: Fair value change (Linked)	42,668.89	37,901.61	22,701.01	52,631.09	34,770.53	13,919.89
Add: Funds for Discontinued Policies (Refer note no. 24 (e) of Annexure V (C))						
(i) Discontinued on account of non-payment of premium	22,153.35	18,967.32	16,393.76	16,456.55	8,213.77	3,450.06
(ii) Others	359.12	302.28	132.71	254.88	121.94	31.34
Total Linked Liabilities	**461,853.23**	**445,730.33**	**360,216.55**	**348,086.09**	**285,898.51**	**265,260.18**
Sub-total	**964,902.05**	**936,731.67**	**759,912.26**	**681,729.38**	**556,493.50**	**495,490.16**
Funds for Future Appropriation - Linked	-	-	2.31	14.63	74.26	218.41
Funds for Future Appropriation - Other (Refer note no. 4 (c) of Annexure V (C))	415.01	-	-	58.62	44.95	14.23
TOTAL	**1,024,105.03**	**992,252.47**	**807,245.58**	**722,366.03**	**590,175.92**	**523,086.99**
APPLICATION OF FUNDS						
Investments						
- Shareholders'	52,407.61	42,955.05	35,649.02	30,702.38	23,534.64	18,115.87
- Policyholders'	480,178.48	469,617.46	382,558.97	315,044.67	253,238.79	216,878.56
Assets held to cover Linked Liabilities	461,853.23	445,730.33	360,218.86	348,100.72	285,972.76	265,478.60
Loans	1,774.82	1,781.99	1,235.62	17.74	6.38	1.73
Fixed assets	5,583.62	5,384.75	4,472.49	2,984.33	3,081.58	2,855.45
Current Assets						
Cash and Bank Balances	18,848.08	24,298.42	26,167.63	25,237.78	25,422.91	21,531.86
Advances and Other Assets	29,046.51	32,627.65	23,988.08	19,117.65	15,146.09	12,282.20
Sub-Total (A)	**47,894.59**	**56,926.07**	**50,155.71**	**44,355.43**	**40,569.00**	**33,814.06**
Current Liabilities	23,313.17	27,640.72	25,025.88	16,765.92	14,513.57	13,069.65
Provisions	2,274.15	2,502.46	2,019.21	2,073.32	1,713.66	987.63
Sub-Total (B)	**25,587.32**	**30,143.18**	**27,045.09**	**18,839.24**	**16,227.23**	**14,057.28**
Net Current Assets (C) = (A - B)	**22,307.27**	**26,782.89**	**23,110.62**	**25,516.19**	**24,341.77**	**19,756.78**
Miscellaneous Expenditure (To The Extent Not Written off or Adjusted)	-	-	-	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-	-	-	-
TOTAL	**1,024,105.03**	**992,252.47**	**807,245.58**	**722,366.03**	**590,175.92**	**523,086.99**

Annexure - II: Restated Summary of Revenue Account (Policyholders' Account/Technical Account)

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Premiums earned - Net						
(a) Premium	37,880.74	210,151.35	158,253.64	128,671.10	107,834.38	104,132.19
(b) (Reinsurance ceded) (Refer note (c) of Annexure V (B))	(254.89)	(1,626.82)	(1,599.14)	(871.10)	(814.98)	(679.19)
(c) Reinsurance accepted	-	-	-	-	-	-
Sub-total	**37,625.85**	**208,524.53**	**156,654.50**	**127,800.00**	**107,019.40**	**103,453.00**
Income from Investments						
(a) Interest, Dividends & Rent - Gross	14,714.53	51,114.67	41,611.04	33,262.02	28,055.53	23,377.90
(b) Profit on sale / redemption of investments	7,987.14	30,467.61	29,625.81	52,199.80	24,536.76	23,580.64
(c) (Loss on sale / redemption of investments)	(1,761.30)	(5,678.74)	(11,423.59)	(3,919.48)	(12,221.73)	(12,292.61)
(d) Transfer /Gain on revaluation /Change in fair value *	4,767.28	15,200.60	(29,930.08)	17,860.56	20,850.63	5,986.95
(e) Accretion of discount/(amortisation of premium) (net)	362.12	1,845.70	3,525.96	3,026.24	2,318.79	3,086.62
Other Income						
(a) Contribution from the Shareholders' A/c (Refer note no. 25 of Annexure V (C))	-	626.83	936.65	1,496.78	3,010.65	2,442.51
(b) Others						
- Miscellaneous income	188.08	673.93	196.95	138.94	124.19	120.24
Sub-total	**26,257.85**	**94,250.60**	**34,542.74**	**104,064.86**	**66,674.82**	**46,302.25**
Total (A)	**63,883.70**	**302,775.13**	**191,197.24**	**231,864.86**	**173,694.22**	**149,755.25**
Commission	1,651.33	7,833.42	7,142.58	6,037.13	5,576.13	5,099.85
Operating expenses related to Insurance Business	3,718.40	16,464.89	14,808.52	11,675.25	10,894.33	10,001.53
Provision for Doubtful Debts	0.88	0.59	0.83	0.87	0.16	10.96
Bad Debts written off	0.38	3.15	4.72	3.78	3.38	0.65
Provision for Tax						
(a) Current Tax (Refer note no. 14 of Annexure V (C))	1,215.36	1,798.34	1,532.81	1,092.25	898.86	596.59
(b) Deffered Tax Charge/ (Credit) (Refer note no. 14 of Annexure V (C))	-	-	(14.06)	5.53	(14.37)	1.94
Provisions (other than taxation)						
(a) For diminution in the value of investments (Net) (Refer note no. 19 of Annexure V (C))	11.38	(48.29)	40.96	(111.25)	(22.18)	143.30
(b) For standard assets (Refer note no. 20 of Annexure V (C))	(0.15)	2.00	4.75	-	-	-
Service Tax on charges	562.97	2,265.77	1,702.02	1,290.14	1,192.95	1,346.63
Total (B)	**7,160.55**	**28,319.87**	**25,223.13**	**19,993.70**	**18,529.26**	**17,201.45**
Benefits paid (Net)	26,224.96	95,261.42	79,585.51	81,976.85	87,802.02	77,787.83
Interim & terminal bonuses paid	55.05	240.57	73.72	26.82	15.14	6.86
Change in valuation of liability in respect of life policies						
(a) Gross **	11,586.20	85,917.39	67,585.20	60,655.45	38,679.53	46,625.44
(b) (Amount ceded in Re-insurance)	(489.16)	(33.77)	(303.65)	(8.52)	(90.05)	(79.99)
(c) Amount accepted in Re-insurance	-	-	-	-	-	-
(d) Fund reserve	12,880.03	82,770.65	12,315.43	53,811.86	15,784.01	(1,901.63)
(e) Funds for discontinued policies	3,870.79	3,755.37	271.62	8,381.97	4,854.29	2,767.55
Total (C)	**54,127.87**	**267,911.63**	**159,527.83**	**204,844.43**	**147,044.94**	**125,206.06**
SURPLUS/ (DEFICIT) (D) = (A) - (B) - (C)	**2,595.28**	**6,543.63**	**6,446.29**	**7,026.73**	**8,120.02**	**7,347.74**
Balance of previous year	-	2.31	73.25	119.21	232.64	295.41
Deficit transferred to Balance Sheet	-	-	-	-	-	-
Balance available for appropriation	2,595.28	6,545.94	6,519.53	7,145.94	8,352.66	7,643.15
APPROPRIATIONS						
Transfer to Shareholders' account	2,180.27	6,545.94	6,517.23	7,072.69	8,233.45	7,410.51
Transfer to other reserves	-	-	-	-	-	-
Balance being funds for future appropriations	415.01	-	2.31	73.25	119.21	232.64
Total (D)	**2,595.28**	**6,543.63**	**6,446.29**	**7,026.73**	**8,120.02**	**7,347.74**
Details of Total Surplus :-						
a) Interim & Terminal Bonuses Paid	55.05	240.57	73.72	26.82	15.14	6.86
b) Allocation of bonus to policyholders	-	7,407.80	6,221.90	4,573.27	3,184.01	2,185.33
c) Surplus shown in the revenue account	2,595.28	6,543.63	6,446.29	7,026.73	8,120.02	7,347.74
Total Surplus: [(a) + (b) + (c)]	**2,650.33**	**14,192.00**	**12,741.91**	**11,626.82**	**11,319.17**	**9,539.93**

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

** Represents Mathematical Reserves after allocation of bonus

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

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Amount transferred from Policyholder Account (Technical Account)	2,180.27	6,545.94	6,517.23	7,072.69	8,233.45	7,410.51
Income from Investments:						
(a) Interest, Dividend & Rent - Gross	814.94	3,143.62	2,756.86	2,316.15	1,739.90	1,333.09
(b) Profit on sale / redemption of investments	277.98	843.60	368.71	343.45	207.97	176.12
(c) (Loss on sale / redemption of investments)	(16.58)	(30.41)	(84.64)	(14.12)	(23.40)	(38.64)
(d) Accretion of discount/(amortisation of premium) (net)	(6.80)	58.78	136.94	115.65	97.34	34.62
Other Income	34.80	82.14	79.30	74.61	73.55	65.51
Total (A)	**3,284.61**	**10,643.67**	**9,774.40**	**9,908.43**	**10,328.81**	**8,981.21**
Expenses other than those directly related to the insurance business						
(a) Rates and Taxes	-	-	-	-	-	-
(b) Directors' sitting fees	0.48	4.38	2.05	2.15	0.88	0.56
(c) Board meeting related expenses	0.75	11.23	8.17	6.73	6.75	2.70
(d) Depreciation	0.75	3.17	2.87	3.02	3.02	2.41
(e) Other Expenses	21.28	128.04	170.06	35.81	40.42	210.95
(f) Corporate Social Responsibility expenses (Refer note no. 31 of Annexure V (C))	39.28	128.45	99.43	81.17	-	-
Bad debts written off	-	-	-	-	-	-
Contribution to the Policyholders' Account (Refer note no. 25 of Annexure V (C))	-	626.83	936.65	1,496.78	3,010.65	2,442.51
Provisions (Other than taxation)						
(a) For diminution in the value of Investment (Net) (Refer note no. 19 of Annexure V (C))	-	(4.12)	4.12	(10.53)	(10.44)	20.96
(b) Provision for doubtful debts	-	-	-	-	-	-
Total (B)	**62.54**	**897.98**	**1,223.35**	**1,615.13**	**3,051.28**	**2,680.09**
Profit / (Loss) Before Tax	3,222.07	9,745.69	8,551.05	8,293.30	7,277.53	6,301.12
Provision for Taxation						
(a) Current Tax (Refer note no. 14 of Annexure V (C))	87.59	199.16	127.47	144.32	-	-
(b) Deffered Tax Charge/ (Credit) (Refer note no. 14 of Annexure V (C))	-	-	(17.45)	0.31	-	-
Profit / (Loss) After Tax	3,134.48	9,546.53	8,441.03	8,148.67	7,277.53	6,301.12
APPROPRIATIONS						
(a) Balance at the beginning of the year	44,647.82	36,906.65	29,909.91	23,201.17	17,093.59	11,373.60
(b) Interim dividend during the year	-	1,500.00	1,200.00	1,200.00	1,000.00	500.00
(c) Proposed final dividend	-	-	-	-	-	-
(d) Dividend distribution tax	-	305.36	244.29	239.93	169.95	81.13
Profit / (Loss) carried to the Balance Sheet	**47,782.30**	**44,647.82**	**36,906.65**	**29,909.91**	**23,201.17**	**17,093.59**
Earnings per equity share:						
Basic per equity share in ₹	3.13	9.55	8.44	8.15	7.28	6.30
Diluted per equity share in ₹	3.13	9.55	8.44	8.15	7.28	6.30
Face value per equity share in ₹	10.00	10.00	10.00	10.00	10.00	10.00

Annexure - IV: Restated Summary Statement of Receipts and Payments Account

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES						
Premium Collection (including Service Tax collected)	39,456.40	214,972.12	161,050.02	130,556.44	109,369.84	105,201.03
Other Receipts	20.55	86.17	82.42	76.68	75.27	71.06
Cash paid towards reinsurance	(23.31)	245.14	(672.93)	(331.23)	(278.33)	(210.66)
Cash paid to suppliers and employees	(4,650.71)	(14,496.44)	(12,288.16)	(10,326.98)	(9,412.10)	(10,108.12)
Cash paid towards Income Tax	(124.41)	(4,192.81)	(3,452.66)	(2,552.39)	(1,874.42)	(540.93)
Cash paid towards Service Tax	(672.55)	(5,051.18)	(3,997.62)	(3,443.87)	(3,071.38)	(2,831.11)
Commission Paid	(1,878.81)	(7,273.87)	(6,456.74)	(5,321.12)	(5,062.95)	(4,653.92)
Benefits Paid	(24,716.04)	(98,707.86)	(76,325.88)	(81,509.33)	(88,063.24)	(75,739.65)
Security deposit	180.90	(330.12)	(159.07)	(33.33)	(18.31)	111.93
Net cash from / (for) Operating activities (A)	**7,592.02**	**85,251.15**	**57,779.38**	**27,114.87**	**1,664.38**	**11,299.63**
CASH FLOW FROM INVESTING ACTIVITIES						
Cost of purchase of investments	(171,576.50)	(749,287.54)	(679,057.53)	(500,022.56)	(466,850.26)	(496,468.71)
Proceeds from sale of investments	157,525.35	610,555.28	577,913.08	466,396.42	435,627.57	463,892.71
Investments in money market instruments and in liquid mutual funds (Net)	(1,508.06)	2,190.31	(8,110.91)	656.71	(1,565.40)	10,146.21
Interest received	15,980.28	45,738.77	37,412.91	28,172.42	23,141.67	17,267.05
Dividend received	580.71	2,590.16	2,675.81	3,264.45	3,263.38	3,134.86
Purchase of fixed assets	(305.49)	(1,484.67)	(1,812.75)	(248.72)	(515.40)	(150.80)
Proceeds from sale of fixed assets	1.17	2.87	33.43	1.59	1.54	3.36
Expenses related to investments	(17.10)	(72.38)	(69.83)	(61.60)	(52.72)	(70.47)
Security deposit	-	-	200.00	70.00	(130.00)	(20.00)
Loan against Policies	(28.68)	(45.21)	(34.00)	(11.13)	(4.53)	(1.73)
Loans disbursed	-	(700.00)	(1,250.00)	-	-	-
Loan repayment received	37.50	200.00	62.50	-	-	-
Net cash from / (for) Investing activities (B)	**689.18**	**(90,312.41)**	**(72,037.29)**	**(1,782.42)**	**(7,084.15)**	**(2,267.52)**
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of share capital (net)	-	-	-	-	-	-
Proceeds from short term borrowing	-	-	-	-	-	-
Repayment of short term borrowing	-	-	-	-	-	-
Final Dividend paid	-	-	-	-	-	(500.00)
Interim Dividend paid	(1,500.00)	(1,200.00)	(1,200.00)	(1,000.00)	(500.00)	-
Dividend Distribution Tax	(305.36)	(244.29)	(239.93)	(169.95)	(81.11)	(81.11)
Net cash from / (for) Financing activities (C)	**(1,805.36)**	**(1,444.29)**	**(1,439.93)**	**(1,169.95)**	**(581.11)**	**(581.11)**
Effect of foreign exchange rates on cash and cash equivalents (net) (D)	**(0.15)**	**(5.24)**	-	-	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**6,475.69**	**(6,510.79)**	**(15,697.84)**	**24,162.50**	**(6,000.88)**	**8,451.00**
Cash and cash equivalents at beginning of the quarter/ year	**31,569.66**	**38,080.45**	**53,778.29**	**29,615.79**	**35,616.67**	**27,165.67**
Cash and cash equivalents at end of the quarter/ year	**38,045.35**	**31,569.66**	**38,080.45**	**53,778.29**	**29,615.79**	**35,616.67**
Cash (including cheques, drafts and stamps)	540.36	1,357.91	2,419.90	1,766.99	1,440.88	1,209.64
Bank Balances (includes bank balances in unit linked funds)	2,261.52	5,659.31	5,134.43	3,946.99	1,933.83	1,673.02
Fixed Deposits(Less than 3 months)	7,345.52	-	355.00	-	2,370.00	2,310.90
Money Market instruments	27,897.95	24,552.44	30,171.12	48,064.31	23,871.08	30,423.11
Total	**38,045.35**	**31,569.66**	**38,080.45**	**53,778.29**	**29,615.79**	**35,616.67**
Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance						
Add:- Fixed deposit more than 3 months - Shareholder & Policyholder	8,700.69	17,281.20	18,258.30	19,523.80	19,678.20	16,338.30
Add:- Fixed deposit more than 3 months - Unit Linked Policyholder	-	-	-	-	-	-
Less:- Money Market instruments	(27,897.96)	(24,552.44)	(30,171.12)	(48,064.31)	(23,871.08)	(30,423.11)
Cash & Bank Balances	**18,848.08**	**24,298.42**	**26,167.63**	**25,237.78**	**25,422.91**	**21,531.86**

THE OFFER

Offer of Equity Shares(1) *	120,000,000 Equity Shares
Of which	
Offer for Sale by State Bank(1) *	80,000,000 Equity Shares
Offer of Sale by BNPPC(1) *	40,000,000 Equity Shares
The Offer consists of:	
Employee Reservation Portion(3) *	2,000,000 Equity Shares
State Bank Shareholders Reservation Portion(3) *	12,000,000 Equity Shares
Net Offer	106,000,000 Equity Shares
The Net Offer consists of:	
A) QIB portion(2)(3) *	53,000,000 Equity Shares
Of which	
(i) Anchor Investor Portion(2) *	31,800,000 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) *	21,200,000 Equity Shares
Of which	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)) *	1,060,000 Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds (excluding the Anchor Investor Portion) *	20,140,000 Equity Shares
B) Non-Institutional Portion(3) *	Not less than 15,900,000 Equity Shares
C) Retail Portion(3) *	Not less than 37,100,000 Equity Shares
Equity Shares pre and post Offer	
Equity Shares outstanding prior to the Offer	1,000,000,000 Equity Shares
Equity Shares outstanding after the Offer	1,000,000,000 Equity Shares

** Subject to finalisation of Basis of Allotment*

(1) *State Bank has provided its in-principle approval for its participation in the Offer of up to 8% of the issued subscribed and paid-up Share capital of our Company pursuant to a resolution passed by the Executive Committee of the Central Board of directors of State Bank on May 11, 2017 and BNPPC has provided its in-principle approval for its participation in the Offer of up to 4% of the issued, subscribed and paid-up Share capital of our Company pursuant to a resolution passed by its board of directors on May 30, 2017. Subsequently, State Bank has provided its final approval for its participation in the Offer of up to 80,000,000 Equity Shares pursuant to a resolution passed by the Executive Committee of the Central Board of directors of State Bank on July 10, 2017 and BNPPC provided its final approval for its participation in the Offer of up to 40,000,000 Equity Shares pursuant to a letter dated July 10, 2017 issued by the chief executive officer of BNPPC. The Equity Shares offered in the Offer have been held by the Promoter Selling Shareholders for a period of at least one year prior to the date of the Draft Red Herring Prospectus and hence eligible for being offered for sale in the Offer. Further, our Board of Directors provided in-principle approval for the Offer pursuant to its resolution dated April 18, 2017 and our Board of Directors approved the Offer pursuant to its resolution dated July 13, 2017.*

(2) *Our Company and the Promoter Selling Shareholders in consultation with the Lead Managers, have allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. One third of the Anchor Investor Portion has been 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 further details, see "Offer Procedure" beginning on page 446.*

(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 any other category or combination of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers and the Designated Stock Exchange. The unsubscribed portion if any, in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion and the State Bank Shareholders Reservation Portion.*

(4) *Our Company and the Promoter Selling Shareholders in consultation with the Lead Managers, have offered an Employee Discount of 9.71% (equivalent of ₹68) per Equity Share, which was announced at least five Working Days prior to the Bid/Offer Opening Date.*

Allocation to investors in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

GENERAL INFORMATION

Our Company was incorporated at Mumbai on October 11, 2000 as SBI Life Insurance Company Limited, a public limited company under the Companies Act, 1956. Our Company received a certificate of commencement of business on November 20, 2000. Our Company registered with IRDAI for carrying out the business of life insurance pursuant to registration certificate dated March 29, 2001.

For details of the business of our Company, see "Our Business" on page 121.

Registered Office and Corporate Office of our Company

SBI Life Insurance Company Limited
'NATRAJ', M. V. Road and Western Express Highway Junction
Andheri (East)
Mumbai 400 069
Tel: (91 22) 6191 0000
Fax: (91 22) 6191 0338
E-mail: investor@sbilife.co.in
Website: www.sbilife.co.in
CIN: U99999MH2000PLC129113
Registration Number with the IRDAI: 111

Address of the RoC

Our Company is registered with the RoC situated at 100, Everest, Marine Drive, Mumbai 400 002.

Board of Directors

Our Board comprises the following Directors as on the date of filing of this Prospectus:

Name	Designation	DIN	Address
Arundhati Bhattacharya	Chairman (*Nominee Director of State Bank*)	02011213	Dunedin, number 5, J. Mehta Road, Malabar Hills, Mumbai 400 006
Rajnish Kumar	Nominee Director of State Bank	05328267	D-10, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai, 400 006
Dinesh Kumar Khara	Nominee Director of State Bank	06737041	D-11, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai 400 006
Gérard Binet	Nominee Director of BNPPC	00066024	19, Route de la passerelle, Le Vesinet, 78110
Pierre de Portier de Villeneuve	Nominee Director of BNPPC	06738111	5 A, Rue Quinault, Saint-Germain-en-Laye, 78100
Arijit Basu	Managing Director and Chief Executive Officer	06907779	D–6, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai 400 006
Ravi Rambabu	Independent Director	01845094	Plot No. 660, Road No. 33, Jubilee Hills, Hyderabad 500 033
Nilesh S. Vikamsey	Independent Director	00031213	184, 18th Floor, Kalpataru Habitat, Dr. S. S. Rao Road, Parel, Mumbai 400 012
Raj Narain Bhardwaj	Independent Director	01571764	402, Moksh Apartments, Upper Govind Nagar, Malad East, Mumbai, 400 097
Joji Sekhon Gill	Independent Director	05310881	201B, Court Greens, Laburnum, Sushant Lok-1, Gurugram, 122 002
Deepak Amin	Independent Director	01289453	103/104 Neelkanth Tirth, 6th road, Chembur, Mumbai, 400 071
Somasekhar Sundaresan	Independent Director	00208087	54 B, Twin Towers, Twin Towers Lane, off Veer Savarkar road, Prabhadevi, Mumbai, 400 025

For further details of our Directors, see "Our Management" beginning on page 173.

Chief Financial Officer

Sangramjit Sarangi
SBI Life Insurance Company Limited
'NATRAJ', M. V. Road and Western Express Highway Junction
Andheri (East)
Mumbai 400 069

Tel: (91 22) 6191 0281
Fax: (91 22) 6191 0517
E-mail: sangramjit.sarangi@sbilife.co.in

Company Secretary and Compliance Officer for the Offer

Aniket K. Karandikar
SBI Life Insurance Company Limited
'NATRAJ', M. V. Road and Western Express Highway Junction
Andheri (East), Mumbai 400 069
Tel: (91 22) 6191 0047
Fax: (91 22) 6191 0517
E-mail: aniket.karandikar@sbilife.co.in

Investors can contact the Company Secretary and Compliance Officer for the Offer, the 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 and non-receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary to whom the Bid cum Application Form was submitted by the Bidder.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Lead Managers

JM Financial Institutional Securities Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: sbilife.ipo@jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact person: Prachee Dhuri
SEBI registration number: INM000010361

Axis Capital Limited
1st floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Tel: (91 22) 4325 2183
Fax: (91 22) 4325 3000
E-mail: sbilife.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Simran Gadh
SEBI Registration No.: INM000012029

BNP Paribas*
BNP Paribas House, 1 North Avenue
Maker Maxity, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel: (91 22) 3370 4000
Fax: (91 22) 6196 5194
E-mail: dl.ipo.sbilife@asia.bnpparibas.com
Investor grievance e-mail:
indiainvestors.care@asia.bnpparibas.com
Website: www.bnpparibas.co.in
Contact person: Arkadeep Biswas
SEBI registration number: INM000011534
** 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 SEBI Regulations, BNPP is involved only in marketing of the Offer.*

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 9961
E-mail: sbi.life.ipo@citi.com
Investor grievance e-mail: investors.cgmib@citi.com
Website: www.online.citibank.co.in
Contact person: Ashish Guneta
SEBI registration number: INM000010718

Deutsche Equities India Private Limited
The Capital, 14th floor
C-70, G Block, Bandra Kurla Complex
Mumbai 400 051
Tel: (91 22) 7180 4444

ICICI Securities Limited
ICICI Center, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Tel: (91 22) 2288 2460

Fax: (91 22) 7180 4199
E-mail: sbilife.ipo@db.com
Investor grievance e-mail: db.redressal@db.com
Website: www.db.com/India
Contact person: Viren Jairath
SEBI registration number: INM000010833

Fax: (91 22) 2282 6580
E-mail: sbilife.ipo@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact person: Vishal Kanjani/Govind Khetan
SEBI registration number: INM000011179

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
"G" Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Tel: (91 22) 4336 0000
Fax: (91 22) 6713 2445
E-mail: sbilife.ipo@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI registration No.: INM000008704

SBI Capital Markets Limited*
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2217 8300
Fax: (91 22) 2218 8332
E-mail: sbilife.ipo@sbicaps.com
Investor Grievance e-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact person: Gitesh Vargantwar/Sambit Rath
SEBI registration number: INM000003531
** 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 SEBI Regulations, SBI Capital Markets Limited is involved only in marketing of the Offer.*

Syndicate Members

JM Financial Services Limited
2, 3 and 4, Kamanwala Chambers, Ground Floor, Sir P M Road, Fort, Mumbai 400 001
Tel: (91 22) 6136 3400
Fax: (91 22) 2266 5902
E-mail: surajit.misra@jmfl.com
Investor Grievance ID: ig.distribution@jmfl.com
Website: www.jmfinancialservices.in
Contact Person: Surajit Misra/Deepak Vaidya/T. N. Kumar
SEBI registration No.: BSE-INB/F 011054831; NSE-INB/F231054835

Kotak Securities Limited
12-BKC, Plot No. C-12, "G" Block, Bandra Kurla Complex
Bandra (East), Mumbai - 400 051
Tel: (91 22) 6218 5470
Fax: (91 22) 6661 7041
E-mail: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration No.: BSE-INB010808153;
NSE-INB230808130

SBICAP Securities Limited
Marathon Futurex, 12th Floor, A & B–Wing, N. M. Joshi Marg Lower Parel, Mumbai – 400 013
Tel: (91 22) 4227 3300
Fax number: (91 22) 42273390
E-mail: archana.dedhia@sbicapsec.com
Investor Grievance E-mail: complaints@sbicapsec.com
Website: www.sbismart.com
Contact Person: Archana Dedhia
SEBI registration No.: NSE-INB231052938; BSE-INB011053031

Sharekhan Limited
10th Floor, Beta Building, Lodha iThink Techno Campus, off Jogeshwari-Vikhroli Link Road, opposite Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai 400 042
Tel: (91 22) 6115 0000
Fax: (91 22) 6748 1899
E-mail: ipo@sharekhan.com
Investor Grievance ID: myaccount@sharekhan.com
Website: www.sharekhan.com
Contact Person:Pravin Darji/Mehul Koradia
SEBI registration No.: BSE-INB011073351, NSE-INB231073330

Indian Legal Counsel to our Company and State Bank

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

International Legal Counsel to our Company

Squire Patton Boggs Singapore LLP
10 Collyer Quay

#03-01/03 Ocean Financial Centre
Singapore 049 315
Tel: (65) 6922 8668
Fax: (65) 6922 8650

Indian Legal Counsel to the Lead Managers

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai 400 013
Tel: (91 22) 6636 5000
Fax: (91 22) 6636 5050

International Legal Counsel to BNPP, Citi and Deutsche

Milbank, Tweed, Hadley & McCloy LLP
30/F, Alexandra House
18 Chater Road, Central
Hong Kong
Tel: (852) 2971 4888
Fax: (852) 2840 0792

Indian Legal Counsel to BNPPC

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

Joint Auditors of our Company

L. S. Nalwaya & Co., Chartered Accountants
405, Timmy Arcade, Makwana Road
Opp. Andheri Kurla Road, Marol, Andheri (East)
Mumbai – 400 059
Tel: (91 22) 2859 1141
Fax: (91 22) 2859 1145
E-mail: info@lsnco.com
Firm registration number: 115645W
Peer review number: 008404

P. Parikh & Associates, Chartered Accountants
501, Sujata Chambers
Off. Narsi Natha Street
Mumbai – 400 009
Tel: (91 22) 2344 3549
Fax: (91 22) 2341 5455
E-mail: ashok.rajagiri@pparikh.com
Firm registration number: 107564W
Peer review number: 006766

Banker to the Offer/Public Account Bank/Refund Bank

State Bank of India
Capital Market Branch, Videocon Heritage Building
Charanjit Rai Marg, off D N Road, Fort, Mumbai – 400 001
Tel: (91 22) 2209 4932/4927
Fax: (91 22) 2209 4921/4922
E-mail: nib.11777@sbi.co.in /sbi.11777@sbi.co.in
Investor Grievance
ID:nib.11777@sbi.co.in/sbi.11777@sbi.co.in
Website: www.sbi.co.in
Contact Person: Indrakant Chaurasia
SEBI registration No.: INBI00000038

Banker to our Company

State Bank of India
Raaj Chamber, Seth Nagardas Road
Andheri East, Mumbai – 400 069
Tel: (91 22) 2839 2925

Fax: (91 22) 6553 8658
E-mail: sbi.00539@sbi.co.in
Website: www.sbi.co.in
Contact person: Shivangi Umarye

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli
Financial District Nanakramguda, Hyderabad 500 032
Tel: (91 40) 6716 2222
Fax: (91 40) 2343 1551
E-mail: einward.ris@karvy.com
Investor grievance e-mail: sbilife.ipo@karvy.com
Website: https://karisma.karvy.com
Contact person: M. Murali Krishna
SEBI registration number: INR000000221

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Registered Brokers

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 http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent from the Joint Auditors L.S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Prospectus and as an "expert" defined under Section 2(38) of the Companies Act 2013 in respect of the examination report of the Joint Auditors dated September 7, 2017 on the Restated Financial Statements, and the statement of tax benefits dated September 7, 2017 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. As the Equity Shares in the Offer will not be registered with the United States Securities and Exchange

Commission, any references to the term "expert" herein and the Joint Auditors' consent to be named as "expert" to the Offer are not in the context of a U.S. registered offering of securities.

Our Company has obtained the Embedded Value Report from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary, in accordance with the IRDAI Issuance of Capital Regulations. Our Company has received written consent from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary, to include his name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Prospectus and as "expert" as defined under section 2(38) of the Companies Act 2013 in respect of the Embedded Value Report and such consent has not been withdrawn as on the date of this Prospectus.

Inter-se allocation of Responsibilities:

The following table sets forth details of the inter-se allocation of responsibilities for various activities among the Lead Managers for the Offer:

Sr. No.	Activity	Responsibilities	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	JM Financial
2.	Due diligence of Company's operations/management/business/ legal etc., and drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, abridged prospectus and application form. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing, follow up and co-ordination till final approval from all regulatory authorities.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	JM Financial
3.	Drafting and approval of all statutory advertisements.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, media monitoring, etc.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	Deutsche
5.	Selection of other intermediaries such as, Registrar to the Offer, printers and advertising agency.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	Axis
6.	Preparation of road show presentation and frequently asked questions.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	Deutsche
7.	International institutional marketing strategy, in consultation with the Company.	JM Financial, Axis, BNPP, Citi, Deutsche, I-Sec, Kotak and SBI Capital	Citi
8.	Finalising the international institutional meetings including road show schedule which will include, *inter alia*, finalisation of the list.	JM Financial, Axis, BNPP, Citi, Deutsche, I-Sec, Kotak and SBI Capital	BNPP
9.	Domestic institutional marketing, which will include, *inter alia*, • Finalise the list and division of investors for investor meetings, institutional allocation in consultation with the Company; • Finalising the list and division of investors for investor meetings; and • Finalising investor meeting schedules.	JM Financial, Axis, BNPP, Citi, Deutsche, I-Sec, Kotak and SBI Capital	SBI Capital
10.	Non-Institutional and Retail marketing of the Offer, which will cover, *inter alia*, • Formulating marketing strategies, preparation of publicity budget; • Finalise media and public relation strategy; • Finalising centers for holding conferences for brokers etc. • Finalising collection centers; and • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Offer material.	JM Financial, Axis, BNPP, Citi, Deutsche, I-Sec, Kotak and SBI Capital	Axis/Kotak
11.	Co-ordination with Stock Exchange for Book Building software, bidding terminals, mock trading, payment of 1% security deposit and intimation of anchor allocation.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	I-Sec
12.	Consulting with our Company and the Promoter Selling Shareholders for finalisation of pricing.	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	Citi
13.	Post-Offer activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	I-Sec

Sr. No.	Activity	Responsibilities	Co-ordination
	agencies connected with the post-issue activity such as Registrar to the Offer, Banker to the Offer, Self-Certified Syndicate Banks etc. including responsibility for underwriting arrangements, as applicable, co-ordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the Offer.		
14.	Payment of STT on behalf of the Promoter Selling Shareholders	JM Financial, Axis, Citi, Deutsche, I-Sec and Kotak	Axis

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 within the Price Band and Employee discount has been decided by our Company and the Promoter Selling Shareholders, in consultation with Lead Managers, and which has been notified in all editions of Financial Express, all editions of Jansatta and Mumbai edition of Navshakti (which are English, Hindi and Marathi newspapers, Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price has been determined by our Company and the Promoter Selling Shareholders in consultation with the Lead Managers after the Bid/Offer Closing Date.

All Bidders except Anchor Investors can participate in the Offer only through the ASBA process.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Investors Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders, Eligible Employees and State Bank Shareholders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details, see “Offer Structure” and “Offer Procedure” beginning on pages 440 and 446, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation-Illustration of Book Building Process and Price Discovery Process” on page 474.

Underwriting Agreement

On September 25, 2017, our Company and the Promoter Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number, fax number and e-mail of the Underwriters	Indicative Number of the Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
JM Financial Institutional Securities Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel: (91 22) 6630 3030; Fax: (91 22) 6630 3330 E-mail: sbilife.ipo@jmfl.com	14,999,900	10,482.93
Axis Capital Limited 1st floor, Axis House, C 2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025 Tel: (91 22) 4325 2183; Fax: (91 22) 4325 3000 E-mail: sbilife.ipo@axiscap.in	15,000,000	10,483.00
BNP Paribas* BNP Paribas House, 1 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Tel: (91 22) 3370 4000; Fax: (91 22) 6196 5194 E-mail: dl.ipo.sbilife@asia.bnpparibas.com	14,999,900	10,482.93
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 9961 E-mail: sbi.life.ipo@citi.com	15,000,000	10,483.00
Deutsche Equities India Private Limited The Capital, 14th floor, C-70, G Block, Bandra Kurla Complex, Mumbai 400 051 Tel: (91 22) 7180 4444; Fax: (91 22) 7180 4199	15,000,000	10,483.00

Name, address, telephone number, fax number and e-mail of the Underwriters	Indicative Number of the Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
E-mail: sbilife.ipo@db.com		
ICICI Securities Limited ICICI Center, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Tel: (91 22) 2288 2460; Fax: (91 22) 2282 6580 E-mail: sbilife.ipo@icicisecurities.com	15,000,000	10,483.00
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 4336 0000; Fax: (91 22) 6713 2445 E-mail: sbilife.ipo@kotak.com	14,999,900	10,482.93
SBI Capital Markets Limited* 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Tel: (91 22) 2217 8300; Fax: (91 22) 2218 8332 E-mail: sbilife.ipo@sbicaps.com	14,999,900	10,482.93
JM Financial Services Limited 2, 3 and 4, Kamanwala Chambers, Ground Floor, Sir P M Road, Fort, Mumbai 400 001 Tel: (91 22) 6136 3400; Fax: (91 22) 2266 5902 E-mail: surajit.misra@jmfl.com	100	0.07
Kotak Securities Limited 12-BKC, Plot No. C-12, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 6218 5470; Fax: (91 22) 6661 7041 E-mail: umesh.gupta@kotak.com	100	0.07
SBICAP Securities Limited Marathon Futurex, 12th Floor, A & B–Wing, N. M. Joshi Marg Lower Parel, Mumbai 400 013 Tel: (91 22) 4227 3300; Fax number: (91 22) 42273390 E-mail: archana.dedhia@sbicapsec.com	100	0.07
Sharekhan Limited 10th Floor, Beta Building, Lodha iThink Techno Campus, off Jogeshwari-Vikhroli Link Road opposite Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai 400 042 Tel: (91 22) 6115 0000; Fax: (91 22) 6748 1899 E-mail: ipo@sharekhan.com	100	0.07
Total	**120,000,000**	**83,864.00**

** 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 SEBI Regulations, BNP Paribas and SBI Capital are involved only in marketing of the Offer.*

The above-mentioned is indicative underwriting and will be finalised after actual allocation of Equity Shares and subject to the provisions of the SEBI Regulations.

In the opinion of our Board (based on certificates provided 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 SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors at its meeting held on September 25, 2017, 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 commitment. Notwithstanding the aforesaid, the Underwriters shall be severally responsible for ensuring payment with respect to the 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 purchasers for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

Updates from the Red Herring Prospectus to the Prospectus

In addition to Offer related updates, this Prospectus includes certain updates in relation to our Company, which have occurred after filing the Red Herring Prospectus with the RoC. Such updates have occurred in the normal course of our Companys business and day to day operations and include updates in the nature of: (1) receipt of approvals applied for and filing of renewal applications, as applicable; and (2) updates in litigation pursuant to hearing of matters by various courts. For further details see, "Outstanding Litigation and Material Developments" and "Government and Other Approvals" beginning on pages 387 and 410, respectively.

CAPITAL STRUCTURE

The following table sets forth details of the Equity Share capital of our Company as at the date of this Prospectus:

		Aggregate value at face value (in ₹)	Aggregate value at Offer Price** (in ₹)
A	**AUTHORISED SHARE CAPITAL**		
	2,000,000,000 Equity Shares	20,000,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	1,000,000,000 Equity Shares	10,000,000,000	
C	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS***		
	Offer for sale of 120,000,000 Equity Shares(1)	1,200,000,000*	83,864,000,000*
	Which includes		
	Employee Reservation Portion of 2,000,000 Equity Shares	20,000,000*	1,264,000,000*
	State Bank Shareholders Reservation Portion of 12,000,000 Equity Shares	120,000,000*	8,400,000,000*
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	1,000,000,000 Equity Shares	10,000,000,000	
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	Nil	
	After the Offer	Nil	

** Subject to finalisation of Basis of Allotment.*

*** The Offer Price is ₹700 and our Company offered a discount of ₹68 per Equity Share to Eligible Employees bidding under the Employee Reservation Portion.*

(1) *State Bank has provided its in-principle approval for its participation in the Offer of up to 8% of the issued subscribed and paid-up Share capital of our Company pursuant to a resolution passed by the Executive Committee of the Central Board of directors of State Bank on May 11, 2017 and BNPPC has provided its in-principle approval for its participation in the Offer of up to 4% of the issued, subscribed and paid-up Share capital of our Company pursuant to a resolution passed by its board of directors on May 30, 2017. Subsequently, State Bank has provided its final approval for its participation in the Offer of up to 80,000,000 Equity Shares pursuant to a resolution passed by the Executive Committee of the Central Board of directors of State Bank on July 10, 2017 and BNPPC provided its final approval for its participation in the Offer of up to 40,000,000 Equity Shares pursuant to a letter dated July 10, 2017 issued by the chief executive officer of BNPPC. The Equity Shares offered in the Offer have been held by the Promoter Selling Shareholders for a period of at least one year prior to the date of the Draft Red Herring Prospectus and hence eligible for being offered for sale in the Offer. Further, our Board of Directors provided in-principle approval for the Offer pursuant to its resolution dated April 18, 2017 and our Board of Directors approved the Offer pursuant to its resolution dated July 13, 2017.*

Changes in the authorised share capital of our Company

1. The initial authorised share capital of our Company was ₹ 2,500,000,000 comprising 250,000,000 Equity Shares was increased to ₹ 5,000,000,000 comprising 500,000,000 Equity Shares, pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on February 25, 2005.

2. The authorised share capital of our Company of ₹ 5,000,000,000 comprising 500,000,000 Equity Shares was increased to ₹ 10,000,000,000 comprising 1,000,000,000 Equity Shares, pursuant to a resolution passed by our Shareholders in their extra-ordinary general meeting held on January 13, 2007.

3. The authorised share capital of our Company of ₹ 10,000,000,000 comprising 1,000,000,000 Equity Shares was increased to ₹20,000,000,000 comprising 2,000,000,000 Equity Shares, pursuant to a resolution passed by our Shareholders in their annual general meeting held on April 26, 2008.

Notes to the Capital Structure

1. **Equity Share capital history of our Company**

The following table sets forth details of the history of paid-up Equity Share capital of our Company:

Date of allotment of Equity Shares	Number of Equity Shares allotted	Face value (₹)	Issue price (including premium, if applicable) (₹)	Reason for allotment	Consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	Cumulative securities premium (₹)
November 3, 2000*	700	10	10	Subscription to the Memorandum(1)	Cash	700	7,000	Nil
March 9, 2001	124,999,300	10	10	Allotment(2)	Cash	125,000,000	1,250,000,000	Nil
March 31, 2004	50,000,000	10	10	Rights issue(3)	Cash	175,000,000	1,750,000,000	Nil
March 24, 2005	175,000,000	10	10	Rights issue(4)	Cash	350,000,000	3,500,000,000	Nil
March 31, 2006	75,000,000	10	10	Rights issue (5)	Cash	425,000,000	4,250,000,000	Nil
December 26, 2006	75,000,000	10	10	Rights issue (6)	Cash	500,000,000	5,000,000,000	Nil
September 24, 2007	100,000,000	10	10	Rights issue (7)	Cash	600,000,000	6,000,000,000	Nil
March 7, 2008	400,000,000	10	10	Rights issue (8)	Cash	1,000,000,000	10,000,000,000	Nil

* *Date of subscription to the Memorandum is October 6, 2000.*

(1) *700 Equity Shares were allotted to State Bank and six individuals (who held 100 Equity Shares each as nominees of State Bank).*

(2) *92,499,300 and 32,500,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated March 9, 2001.*

(3) *37,000,000 and 13,000,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated March 31, 2004.*

(4) *129,500,000 and 45,500,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated March 24, 2005.*

(5) *55,500,000 and 19,500,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated March 31, 2006.*

(6) *55,500,000 and 19,500,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated December 26, 2006.*

(7) *74,000,000 and 26,000,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated September 24, 2007.*

(8) *296,000,000 and 104,000,000 Equity Shares were allotted to State Bank and BNPPC, respectively, pursuant to the resolution of our Board dated March 7, 2008.*

2. **The details of Equity Shares allotted for consideration other than cash or out of revaluation reserves**

Our Company has not allotted any Equity Shares for consideration other than cash or out of revaluation reserves.

3. **Issue of Equity Shares in the last two preceding years**

Our Company has not issued any Equity Shares in the last two years immediately preceding the date of the Draft Red Herring Prospectus.

4. **History of Equity Share capital held by our Promoters**

As on the date of this Prospectus, our Promoters hold 961,000,000 Equity Shares, constituting 96.10% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

The following table sets forth details of the build-up of the shareholding of our Promoters (who are also Promoter Selling Shareholders) since incorporation of our Company:

Date of transaction	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/transfer price per Equity Share (₹)	Percentage of the pre-Offer capital	Percentage of the post-Offer capital
State Bank							
November 3, 2000#	Subscription to the Memorandum of Association	700*	Cash	10	10	Negligible	Negligible
March 9, 2001	Allotment	92,499,300	Cash	10	10	9.25	9.25
March 31, 2004	Rights issue	37,000,000	Cash	10	10	3.70	3.70
March 24, 2005	Rights issue	129,500,000	Cash	10	10	12.95	12.95
March 31, 2006	Rights issue	55,500,000	Cash	10	10	5.55	5.55
December 26, 2006	Rights issue	55,500,000	Cash	10	10	5.55	5.55
September 24, 2007	Rights issue	74,000,000	Cash	10	10	7.40	7.40
March 7, 2008	Rights issue	296,000,000	Cash	10	10	29.60	29.60
December 30, 2016	Transfer(1)	(39,000,000)	Cash	10	460	3.90	3.90
Sub-Total		**701,000,000****				**70.10****	**70.10****
BNPPC							
March 9, 2001	Allotment	32,500,000	Cash	10	10	3.25	3.25
March 31, 2004	Rights issue	13,000,000	Cash	10	10	1.30	1.30
March 24, 2005	Rights issue	45,500,000	Cash	10	10	4.55	4.55
March 31, 2006	Rights issue	19,500,000	Cash	10	10	1.95	1.95
December 26, 2006	Rights issue	19,500,000	Cash	10	10	1.95	1.95
September 24, 2007	Rights issue	26,000,000	Cash	10	10	2.60	2.60
March 7, 2008	Rights issue	104,000,000	Cash	10	10	10.40	10.40
Sub-Total		**260,000,000*****				**26.00*****	**26.00*****
Total		**961,000,000**				**96.10**	**96.10**

Date of subscription to the Memorandum is October 6, 2000

* *Six individuals held 600 Equity Shares as nominees and on behalf of State Bank, subsequently State Bank informed our Company that its nominees would hold only six Equity Shares as nominees and on behalf of State Bank and the remaining 594 Equity Shares shall be held by State Bank directly.*

** *Five individuals hold six Equity Shares on behalf of and as nominees of State Bank and of the total 701,000,000 Equity Shares held by State Bank (including the shares held by five individuals as nominees of State Bank), 80,000,000 Equity Shares constituting 8.00% of the issued, subscribed and paid-up Share capital of our Company have been transferred to an escrow demat account created by the Share Escrow Agent.*

*** *Of the 260,000,000 Equity Shares held by BNPPC, 40,000,000 Equity Shares constituting 4.00% of the issued, subscribed and paid-up Share capital of our Company have been transferred to an escrow demat account created by the Share Escrow Agent.*

(1) *Transfer of 39,000,000 Equity Shares to MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited and Value Line Pte. Ltd, an affiliate of KKR Asian Fund L.P., where in each such transferee received 19,500,000 Equity Shares each.*

Further, set forth below is the pre-Offer and the proposed post-Offer shareholding of our Promoters:

Pre-Offer		**Post-Offer**	
Number of Equity Shares	**Percentage of pre-Offer capital**	**Number of Equity Shares***	**Percentage of post-Offer capital***
State Bank			
701,000,000	70.10	621,000,000	62.10

Pre-Offer		Post-Offer	
Number of Equity Shares	**Percentage of pre-Offer capital**	**Number of Equity Shares***	**Percentage of post-Offer capital***
BNPPC			
260,000,000	26.00	220,000,000	22.00
Total			
961,000,000	96.10	841,000,000	84.10

**Subject to finalisation of Basis of Allotment.*

Equity Shares allotted by our Company to our Promoters were fully paid-up as on their respective dates of allotment. Our Promoters, have confirmed to our Company and the Lead Managers that Equity Shares held by them, which shall be locked-in for a period of three years from the date of Allotment as promoters' contribution have been financed from their own funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. As of the date of this Prospectus, none of the Equity Shares held by our Promoters are pledged.

(b) *Details of promoters' contribution and lock-in*:

Pursuant to the SEBI Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, except for Equity Shares offered for sale pursuant to the Offer, shall be locked in as minimum promoters' contribution for a period of three years from the date of Allotment and the Promoters' shareholding in excess of 20% of the post-Offer Equity Share Capital shall be locked in for a period of one year from the date of Allotment. The following table sets forth details of Equity Shares which are held by our Promoters and eligible for such lock-in for a period of three years from the date of Allotment:

Date of allotment*	Nature of allotment	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price (₹)	Number of Equity Shares locked-in	Percentage of the pre-Offer capital	Percentage of the post-Offer capital
State Bank								
March 24, 2005	Rights issue	129,500,000	Cash	10	10	129,000,000	12.90	12.90
March 31, 2006	Rights issue	55,500,000	Cash	10	10	19,000,000	1.90	1.90
Total		185,000,000	**Total**			148,000,000	14.80	14.80
BNPPC								
March 24, 2005	Rights issue	45,500,000	Cash	10	10	45,000,000	4.50	4.50
March 31, 2006	Rights issue	19,500,000	Cash	10	10	7,000,000	0.70	0.70
Total		65,000,000	**Total**			52,000,000	5.20	5.20

* *All Equity Shares allotted to our Promoters were fully paid-up at the time of allotment.*

The minimum promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from our Promoters, each of whom fall within the definition of a 'promoter' under the SEBI Regulations. Our Company undertakes that Equity Shares being locked-in are not ineligible for computation of promoters' contribution in terms of Regulation 33 of SEBI Regulations. In connection, we confirm the following:

(i) Equity Shares offered for promoters' contribution have not been acquired in the last three years for (a) consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus Equity Shares out of revaluation reserves or unrealised profits of our Company or bonus Equity Shares issued against Equity Shares which are otherwise ineligible for computation of promoters' contribution;

(ii) Our Promoters' contribution does not include any Equity Shares acquired during the immediately preceding one year and at a price lower than the Offer Price;

(iii) Our Company has not been formed pursuant to the conversion of a partnership firm into a company; and

(iv) Equity Shares held by our Promoters and offered for promoters' contribution are not subject to any pledge.

Other requirements in respect of lock-in:

In addition to 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters and locked-in for three years from the date of Allotment as specified above and other than Equity Shares Allotted, the entire pre-Offer Equity Share capital of our Company, will be locked-in for a period of one year from the date of Allotment.

Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged in compliance with SEBI Regulations, only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that pledge of Equity Shares is one of the terms of the sanction of such loans. However, pursuant to the current IRDAI regulatory framework, our Promoters cannot encumber or pledge Equity Shares held by them in any manner. Equity Shares held by our Promoters which are locked-in may be transferred to and among our Promoter Group entities or to any new promoter or persons in control of our Company, subject to compliance with any lock-in or transfer restrictions prescribed by IRDAI, continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations and the Insurance Act, as applicable.

Equity Shares held by persons other than the Promoters prior to the Offer and locked-in under the SEBI Regulations may be transferred to any other person holding Equity Shares which are locked-in subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations and the Insurance Act, as applicable.

Lock-in of Equity Shares to be Allotted, if any, to the Anchor Investors

Any Equity Shares allotted as part of the Anchor Investors Portion shall be locked-in for a period of 30 days from the date of Allotment.

5. **Shareholding of our Promoters and Promoter Group in our Company**

Our Promoters hold 961,000,000 Equity Shares, constituting 96.10% of the total Equity Share capital of our Company of which 120,000,000 Equity Shares, constituting 12.00% of the total Equity Share capital of our Company have been transferred to an escrow demat account created by the Share Escrow Agent. However, our Promoter Group does not hold any Equity Shares in our Company. Additionally, apart from Dinesh Kumar Khara who is also a director of State Bank and holds two Equity Shares on behalf of and as a nominee of State Bank, none of the directors of our Promoters hold any Equity Shares in our Company.

6. Shareholding Pattern of our Company

The following table sets forth details of the shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of Equity Shares underlying Depository Receipts (VI)	Total nos. Equity Shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of Equity Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Equity Shares held (b)	
								Class eg: Equity	Class eg: Others	Total								
(A)	**Promoter and Promoter Group**	2	961,000,000*	0	0	961,000,000*	96.10*	961,000,000*	0	961,000,000*	96.10*	0	96.10*	0		NA		961,000,000 *
(B)	**Public****	2	39,000,000	0	0	39,000,000	3.90	39,000,000	0	39,000,000	3.90	0	3.9	0		NA		39,000,000
(C)	**Non Promoter-Non Public**	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0		NA		0
(C1)	**Equity Shares underlying DRs**	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0		NA		0
(C2)	**Equity Shares held by Employee Trusts**	0	0	0	0	0	0.00	0	0	0	0.00	0	0	0		NA		0
	Total	**4**	**1,000,000,000**	**0**	**0**	**1,000,000,000**	**100.00**	**1,000,000,000**	**0**	**1,000,000,000**	**100.00**	**0**	**100.00**	**0**		**NA**		**1,000,000,000**

* *Five individuals hold six Equity Shares on behalf of and as nominees of State Bank. Additionally, out of the total 961,000,000 Equity Shares cumulatively held by our Promoters, 120,000,000 Equity Shares constituting 12.00% of the issued, subscribed and paid-up Share capital of our Company has been transferred to an escrow demat account created by the Share Escrow Agent.*

** *Value Line Pte. Ltd, is an affiliate of KKR Asian Fund L.P. and MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited are foreign investors in our Company.*

7. **The list of top Shareholders of our Company and the number of Equity Shares held by them are set forth below.**

(a) The following table sets forth details of the top Shareholders as on the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares (face value of ₹ 10 each)[(1)]	Percentage (%)
1.	State Bank	701,000,000[(1)]	70.10[(1)]
2.	BNPPC	260,000,000[(2)]	26.00[(2)]
3.	Value Line Pte. Ltd, an affiliate of KKR Asian Fund L.P.	19,500,000	1.95
4.	MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited	19,500,000	1.95
Total		**1,000,000,000**	**100.00**

(1) *Five individuals hold six Equity Shares on behalf of and as nominees of State Bank and of the total 701,000,000 Equity Shares held by State Bank (including the shares held by five individuals as nominees of State Bank), 80,000,000 Equity Shares constituting 8.00% of the issued, subscribed and paid-up Share capital of our Company have been transferred to an escrow demat account created by the Share Escrow Agent.*

(2) *Of the 260,000,000 Equity Shares held by BNPPC, 40,000,000 Equity Shares constituting 4.00% of the issued, subscribed and paid-up Share capital of our Company have been transferred to an escrow demat account created by the Share Escrow Agent.*

(b) The following table sets forth details of the top Shareholders 10 days prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares (face value of ₹ 10 each)[(1)]	Percentage (%)
1.	State Bank	701,000,000[(1)]	70.10[(1)]
2.	BNPPC	260,000,000	26.00
3.	Value Line Pte. Ltd, an affiliate of KKR Asian Fund L.P.	19,500,000	1.95
4.	MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited	19,500,000	1.95
Total		**1,000,000,000**	**100.00**

(1) *Five individuals held six Equity Shares on behalf of and as nominees of State Bank.*

(c) The following table sets forth details of the top Shareholders two years prior to the date of this Prospectus:

Sr. No.	Name of the Shareholder	Number of Equity Shares (face value of ₹ 10 each)[(1)]	Percentage (%)
1.	State Bank	740,000,000[(1)]	74.00[(1)]
2.	BNPPC	260,000,000	26.00
Total		**1,000,000,000**	**100.00**

(1) *Five individuals held six Equity Shares on behalf of and as nominees of State Bank.*

8. As on the date of this Prospectus, our Company does not have any employee stock option plan.

9. As on the date of this Prospectus, all Equity Shares are held in dematerialised form by our respective Shareholders.

10. As on the date of this Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act 1956.

11. As on the date of this Prospectus, except our Managing Director and Chief Executive Officer, Arijit Basu and one of the Nominee Directors of State Bank, Dinesh Kumar Khara, who hold one and two Equity Shares on behalf of and as nominees of State Bank, respectively, none of our other Directors and Key Management Personnel hold any Equity Shares of our Company.

12. Our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year.

13. As of the date of this Prospectus, our Company has nine Shareholders, of which five individuals hold six Equity Shares on behalf of and as nominees of State Bank.

14. There has been no financing arrangement whereby our Promoter Group, directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of Equity Shares other than in normal course of business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

15. Our Company presently does not intend or propose to alter its 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, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus Equity Shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise.

16. Our Promoters have not purchased or sold any securities of our Company during the period commencing six months prior to the date of filing the Draft Red Herring Prospectus. Our Promoter Group, the directors of our Promoters, our Directors and their immediate relatives have not purchased or sold any securities of our Company during the period commencing six months prior to the date of filing the Draft Red Herring Prospectus.

17. Our Company, our Directors and the Lead Managers have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares being offered for sale pursuant to the Offer from any person.

18. As on the date of this Prospectus, except associates of BNPP and SBI Capital, none of the 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) hold any Equity Shares in our Company.

19. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Prospectus.

20. All Equity Shares allotted pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Prospectus.

21. The Offer has been made through the Book Building Process wherein 50% of the Net Offer was made available for allocation on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholders in consultation with the Lead Managers allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (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 Net Offer was made available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer was made available for allocation to Retail Individual Bidders in accordance with SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription if any, in any category (including the Employee Reservation Portion and State Bank Shareholders Reservation Portion), except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders in consultation with the Lead Managers and the Designated Stock Exchange. The unsubscribed portion if any, in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion and State Bank Shareholders Reservation Portion. All potential investors, other than Anchor Investors, were mandatorily required to utilise the ASBA process by providing details of their respective bank accounts which have been blocked by the SCSBs to the extent of the respective Bid Amounts, to participate in the Offer. For further details, see "Offer Procedure" beginning on page 446.

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

23. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise was made either by us or by our Promoters to the persons who are Allotted Equity Shares pursuant to the Offer.

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 120,000,000 Equity Shares by the Promoter Selling Shareholders (subject to finalisation of the Basis of Allotment). The listing of Equity Shares will enhance the “SBI Life” 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.

The Allotment of Equity Shares to Eligible Employees under the Employee Reservation Portion will not result in an increase, directly or indirectly, in the shareholding of our Promoters.

Offer Expenses

The total Offer-related expenses are estimated to be approximately ₹979.46 million. All expenses with respect to the Offer (other than listing fees which shall be payable by our Company) will be borne by the Promoter Selling Shareholders in proportion to the Equity Shares offered by each of them in the Offer. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Promoter Selling Shareholders and such payments will be (other than listing fees which shall be payable by our Company from our Shareholders’ account) reimbursed by the Promoter Selling Shareholders to our Company. The following table sets forth details of the break-up for the Offer expenses:

Activity	Estimated Expense (₹ million)	As a % of total estimated Offer expense	As a % of total Offer size
Fees payable to the Lead Managers (including underwriters fees)	180.00	18.38	0.21
Selling commission and processing fees for SCSBs(1)(2) and Selling commission, brokerage, and bidding charges for the Syndicate Members, Registered Brokers, RTAs and CDPs(3)(4)	169.02	17.26	0.20
Fees payable to Registrar to the Offer	7.88	0.80	0.01
Printing and stationery expenses	53.00	5.41	0.06
Advertising and marketing expenses	270.00	27.57	0.32
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 accountants; (v) Fees payable to legal counsels*; and (vi) Miscellaneous.	299.56	30.58	0.36
Total Offer Expenses	**979.46**	**100.00**	**1.17**

Only the fees payable to the legal counsels appointed by our Company in relation to the Offer.

(1) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders, Eligible Employees and State Bank Shareholders. which are directly procured by the SCSBs, would be as follows:*

*Portion for Retail Individual Bidders**	*0.35% of the Amount Allotted (plus applicable tax)*
*Portion for Non-Institutional Bidders**	*0.25% of the Amount Allotted (plus applicable tax)*
*Portion for Eligible Employee Reservation**	*0.20% of the Amount Allotted (plus applicable tax)*
*Portion for State Bank Shareholders Reservation**	*0.20% of the Amount Allotted (plus applicable tax)*

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

No additional bidding charges shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by such SCSBs.

(2) *Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Investors, Eligible Employees and State Bank Shareholders, which are procured by the Members of the Syndicate/sub-syndicate/Registered Brokers/RTAs/ CDPs and submitted to SCSBs for blocking would be as follows:*

*Portion for Retail Individual Bidders**	*₹10 per valid application (plus applicable tax)*
*Portion for Non-Institutional Investors**	*₹10 per valid application (plus applicable tax)*
*Portion for Eligible Employee Reservation**	*₹10 per valid application (plus applicable tax)*
*Portion for State Bank Shareholders Reservation**	*₹10 per valid application (plus applicable tax)*

* For each valid application

(3) Selling commission on the portion for Retail Individual Bidders, the portion for Non-Institutional Investors, the Eligible Employees Reservation Portion and State Bank Shareholders Reservation Portion which are procured by Members of the Syndicate (including their respective sub-syndicate members) would be as follows:

*Portion for Retail Individual Bidders**	*0.35% of the Amount Allotted (plus applicable tax)*
*Portion for Non-Institutional Investors**	*0.25% of the Amount Allotted (plus applicable tax)*
*Portion for Eligible Employee Reservation**	*0.20% of the Amount Allotted (plus applicable tax)*
*Portion for State Bank Shareholders Reservation**	*0.20% of the Amount Allotted (plus applicable tax)*

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

Bidding Charges: ₹ 10 (plus applicable taxes) per valid application bid by the Members of the Syndicate (including their sub-syndicate Members).

Note: The brokerage/selling commission payable to the Syndicate/sub-syndicate members will be determined on the basis of the ASBA Form number/series, provided that the application is also bid by the respective Syndicate/sub-syndicate Member. For clarification, if an ASBA Bid on the application form number/series of a Syndicate/sub-syndicate member, is bid for by an SCSB, the brokerage/selling commission will be payable to the SCSB and not to the Syndicate/sub-syndicate member. The brokerage/selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of either of the Stock Exchanges. The bidding charges payable to the Syndicate/sub-syndicate members will be determined on the basis of the bidding terminal ID as captured in the Bid book of the Stock Exchanges. Payment of brokerage/selling commission payable to the sub-brokers/agents of the sub-syndicate members be handled directly by the sub-syndicate members, and the necessary records for the same shall be maintained by the respective sub-syndicate member.

(4) Bidding charges payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, Non-Institutional Investors, Eligible Employees and State Bank Shareholders, which are directly procured by the Registered Brokers or RTAs or CDPs and submitted to SCSBs for processing, would be as follows:

*Portion for Retail Individual Bidders**	*₹10 per valid application (plus applicable tax)*
*Portion for Non-Institutional Investors**	*₹10 per valid application (plus applicable tax)*
*Portion for Eligible Employee Reservation**	*₹10 per valid application (plus applicable tax)*
*Portion for State Bank Shareholders Reservation**	*₹10 per valid application (plus applicable tax)*

* Based on valid applications.

* Amount of bidding charges payable to Registered Brokers, RTAs/CDPs shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment. In order to determine to which RTAs/CDPs the commission is payable, the terminal from which the bid has been uploaded will be taken into account.

BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company and the Promoter Selling Shareholders in consultation with the Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 68.50 times the face value at the lower end of the Price Band and 70.00 times the face value at the higher end of the Price Band. Investors should also refer to "Our Business", "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 121, 20, 218 and 322 respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following are our competitive strengths:

A. One of the largest private life insurer with a consistent track record of robust growth;

B. Significant brand equity and pre-eminent Promoters;

C. Expansive multi-channel distribution with pan-India bancassurance channel and high agent productivity;

D. Sustainable business model driven by robust financial position, superior investment performance, diversified product portfolio and effective risk management; and

E. Strong focus on customer service standards.

For further details, see "Our Business – Our Competitive Strengths" from pages 119 to 123.

Quantitative Factors

Some of the information presented in this section relating to our Company is based on the Restated Financial Statements.

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

I. Basic and Diluted Earnings per Share (Face value of ₹ 10 each):

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2017	9.55	9.55	3
March 31, 2016	8.44	8.44	2
March 31, 2015	8.15	8.15	1
Weighted Average	**8.95**	**8.95**	

** For the three months ended June 30, 2017, the basic and diluted EPS (not annualised) was ₹3.13 and ₹3.13, respectively.*

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.*
4. *Basic EPS (₹) is net profit attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period.*
5. *Diluted EPS (₹) is net profit attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period as adjusted for the effects of all potential dilutive equity shares.*

II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ 685 to ₹ 700 per Equity Share of ₹ 10 each:

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS for the Fiscal 2017	71.73	73.30
Based on diluted EPS for the Fiscal 2017	71.73	73.30

Industry P/E ratio*

Average: 38.05

Highest: 38.05

Lowest: 38.05

* **Source: The average highest and lowest Industry P/E shown above is based on the industry peer set provided below under "Comparison with Listed Industry Peers". The industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below, based on consolidated EPS numbers. For further details, see "Basis for Offer Price - Comparison with Listed Industry Peers" hereunder.**

III. Average Return on Net Worth ("RoNW")

As per Restated Financial Statements:

Fiscal/Period ended	RoNW (%)	Weight
March 31, 2017	18.56%	3
March 31, 2016	19.21%	2
March 31, 2015	21.99%	1
Weighted Average	**19.35%**	

** For the three months ended June 30, 2017, the RoNW (not annualised) was 5.48 %.*

Notes:

Return on net worth (%) is net profit attributable to equity shareholders divided by average net worth excluding preference share capital (average for two years). Net worth has been computed as sum of share capital, credit/ (debit) fair value change account and reserves and surplus.

IV. Minimum Return on Increased Net Worth required for maintaining pre-issue EPS as at March 31, 2017 is:

There will be no change in the Net Worth post-Offer, as the Offer is by way of Offer by the Promoter Selling Shareholders.

V. Net Asset Value per Equity Share (Face value of ₹ 10 each)

1. Net asset value per Equity Share as on June 30, 2017 is ₹ 58.79.
2. Net asset value per Equity Share as on March 31, 2017 is ₹ 55.52.
3. Net asset value per Equity Share as on March 31, 2016 is ₹ 47.33.
4. Net asset value per Equity Share as on March 31, 2015 is ₹ 40.56.

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

Offer Price: ₹ 700

Note: Net asset value per Equity Share represents net worth as at the end of the Fiscal, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.

VI. Comparison with Listed Industry Peers

Following is the comparison with our peer group that has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business:

Name of company	Unconsolidated /Consolidated	Face value (₹ per share)	EPS (₹ per share) (2)		NAV (₹ per share) (4)	P/E (5)	RoNW(6)
			Basic	Diluted			
ICICI Prudential Insurance Company Limited (1)	Consolidated	10	11.72	11.72	44.63	38.05	28.67%

Name of company	Unconsolidated /Consolidated	Face value (₹ per share)	EPS (₹ per share) [(2)]		NAV (₹ per share) [(4)]	P/E [(5)]	RoNW[(6)]
			Basic	Diluted			
Industry			11.72	11.72	44.63	38.05	28.67%

Note:

(1) *Financials for ICICI Prudential Insurance Company Limited are sourced from its audited consolidated financial statements as on March 31, 2017 filed with the Stock Exchanges.*

(2) *Net worth for the companies has been computed as sum of share capital credit/ (debit) fair value change account and reserves and surplus. Share Application Money pending allotment not included as part of Net Worth.*

(3) *Basic and Diluted EPS refer to basic and diluted EPS sourced from the audited consolidated financial statements as on March 31, 2017 of ICICI Prudential Life Insurance Company Limited filed with the Stock Exchanges.*

(4) *NAV is computed as the closing net worth of the companies, computed as per Note 2, divided by the closing outstanding number of fully paid up equity shares as sourced from the shareholding pattern as on March 31, 2017 filed with the Stock Exchanges.*

(5) *P/E Ratio has been computed as the closing market price of ICICI Prudential Life Insurance Company Limited on BSE sourced from BSE website as of September 5, 2017 divided by the basic EPS as described in Note 3.*

(6) *RoNW for ICICI Prudential Life Insurance Company has been computed as net profit after tax divided by the average net worth of preceding two Fiscals of these companies as per Note 2.*

VII. The Offer price is 70 times of the face value of the Equity Shares.

The Offer Price of ₹ 700 has been determined by our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 20, 121, 322, and 218, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

The Board of Directors

SBI Life Insurance Company Limited
'NATRAJ', M. V. Road and Western Express Highway Junction
Andheri (East), Mumbai 400 069

September 7, 2017

Dear Sirs

Subject: Proposed initial public offering of equity shares of ₹ 10 each (the "Offer") by SBI Life Insurance Company Limited (the "Company")

1. We hereby report that the enclosed Statement of possible tax benefits available to the company and its shareholders under the applicable tax laws in India (the "Statement") is in connection with (i) the possible special tax benefits available to the Company under the Income-tax Act, 1961, presently in force in India, and, (ii) to the shareholders of the Company under the Income tax Act, 1961 (the "Act"), and presently in force in India.

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

3. The benefits discussed in the enclosed Statement are not exhaustive. Further, the preparation of the Statement and its contents is the responsibility of management of the Company. We are 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 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 Offer. Neither are we suggesting nor are we advising the investor to invest money based on this Statement.

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

    (i) Company or its shareholders will continue to obtain these benefits in the future; or

    (ii) Conditions prescribed for availing of 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.

5. 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 the tax laws 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.

6. The enclosed Statement is intended solely for your information and for inclusion in the Red Herring Prospectus and Prospectus in connection with the Offer and is not to be used, referred to or distributed for any other purpose without our prior written consent.

7. We hereby consent to the extracts of this certificate being used in the Red Herring Prospectus and Prospectus of the Company in connection with the Offer.

Ashish Nalwaya (Partner)
For L. S. Nalwaya & Co., Chartered Accountants
Firm registration number: 115645W
Membership number: 110922

Ashok Rajagiri (Partner)
For P. Parikh & Associates, Chartered Accountants
Firm registration number: 107564W
Membership number: 046070

Date: September 7, 2017
Place: Mumbai

ANNEXURE TO 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 2017-18 relevant to the assessment year 2018-19). 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 AND RULES THEREOF ("THE ACT")

A. 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 44 read 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 "Profits 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 "Profits and Gains of Business or Profession" (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 banks and certain financial institutions and Schedule I of the Act contains specific provisions for the Insurance business*". Based on this clarification it can be concluded that at present the provisions of ICDS is not applicable to a life insurance company.

Further, as the company is 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 fulfillment 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.

- As per the provisions of Section 72A of the Act, pursuant to business re-organizations such as demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/unabsorbed depreciation of the predecessor company, subject to fulfillment of prescribed conditions.

B. BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT

(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, etc.

- 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 disallowed 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 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).

  With a view to prevent the misuse of this provision by certain taxpayer income as exempt long-term capital gains the Finance Act, 2017 amends Section 10(38) to provide that exemption under this section for income arising on transfer of equity shares is available only if the shares are subject to STT at the time of acquisition of such shares. However, to protect the exemption for genuine cases where the STT could not have been paid it has been notified in case of certain transfers for which the condition of chargeability to STT on acquisition shall not be applicable.

- 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 securities, 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 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.

- LTCG arising from the transfer of a listed equity share in a Company as specified under Section 10(38) of the Act, wherein the transaction is not chargeable to STT, it is subject to tax at the rate of 20 percent (plus applicable surcharge and cess) after indexation, as provided in the Second Proviso to Section 48 of the Act or at the rate of 10 percent (plus applicable surcharge and cess) without indexation, at the option of the shareholder.

- 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.

- When the company is liable to pay tax on book profits under Section 115JB of the Act, the income exempt in terms of Section 10(38) of the Act will form part of book profits while computing the book profit under Section 115JB of the Act.

- 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.

- 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".

(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.

  However, in order to widen the scope of the section for sectors which may raise fund by issue of bonds eligible for exemption under the existing provisions, Finance Act, 2017 has amended Section 54EC so as to provide that investment in any bond redeemable after three years which has been notified by the Central Government in this behalf shall also be eligible for exemption.

  Where a part of the capital gain is reinvested, the exemption shall be available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed ₹ 50 lakhs per assessee during any financial year.

  Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempt shall be taxable as capital gains in the year of transfer/conversion

- 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.

(c) 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.

(d) 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 cess). Income by way of LTCG in respect of a specified asset (as defined in Section 115C (f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable 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 share of a company in which public is not substantially interested shall be chargeable in India at a concessional tax rate of 10 percent where capital gains arises to non-residents from off market transaction.

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

In the Income Tax Rules, 1962 (the "Rules") 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.

C. <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 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 disallowed 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 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 20.358 percent of the amount of dividends declared, distributed or paid by the Company.

(b) Capital gains

- In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.

- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and cess) on long-term capital gains (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.

  With a view to prevent the misuse of this provision by certain taxpayer income as exempt long-term capital gains the Finance Act, 2017 amends Section 10(38) to provide that exemption under this section for income arising on transfer of equity shares is available only if the shares are subject to STT at the time of acquisition of such shares. However, to protect the exemption for genuine cases where the STT could not have been paid it has been notified in case of certain transfers for which the condition of chargeability to STT on acquisition shall not be applicable.

- 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 the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and cess), as applicable.

- 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).

(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 other 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 situate 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, in a Foreign Institutional Investor and registered as Category-I or Category-II Foreign Portfolio Investor under the Securities and Exchange Board of India Act, 1992 (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 provisions of Section 115JB 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.

D. <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/fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an “investment fund” of the previous year relevant to the assessment year beginning on or afte[r] 1st April 2016.

“Investment fund” has been defined under in clause (a) of Explanation 1 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 the Securities and Exchange Board of India Act, 1992.

E. 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 Funds referred to 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.

F. 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 Securities and Exchange Board of India Act/Regulations there under or Mutual Funds authorised 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.

G. General Anti-Avoidance Rule (“GAAR”):

In terms of Chapter XA of the Act, General Anti-Avoidance Rule 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.

H. UNDER THE GIFT TAX ACT, 1958

Gift made after 1 October 1998 is not liable for any gift tax, and hence, gift of shares of the company would not be liable for any gift tax. 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 Rs. 50,000 shall be chargeable to tax in the hands of the recipient under the head “Income from other sources”. Therefore, in the hands of the donee 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.

Notes:

(a) All the above benefits are as per the current direct tax laws relevant for the Assessment Year 2018-19 (considering the amendments made by Finance Act, 2017).

(b) The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

(c) 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.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from the CRISIL Report prepared and issued by CRISIL Limited on our request. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that 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 publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, 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 advice 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.

Indian Economy

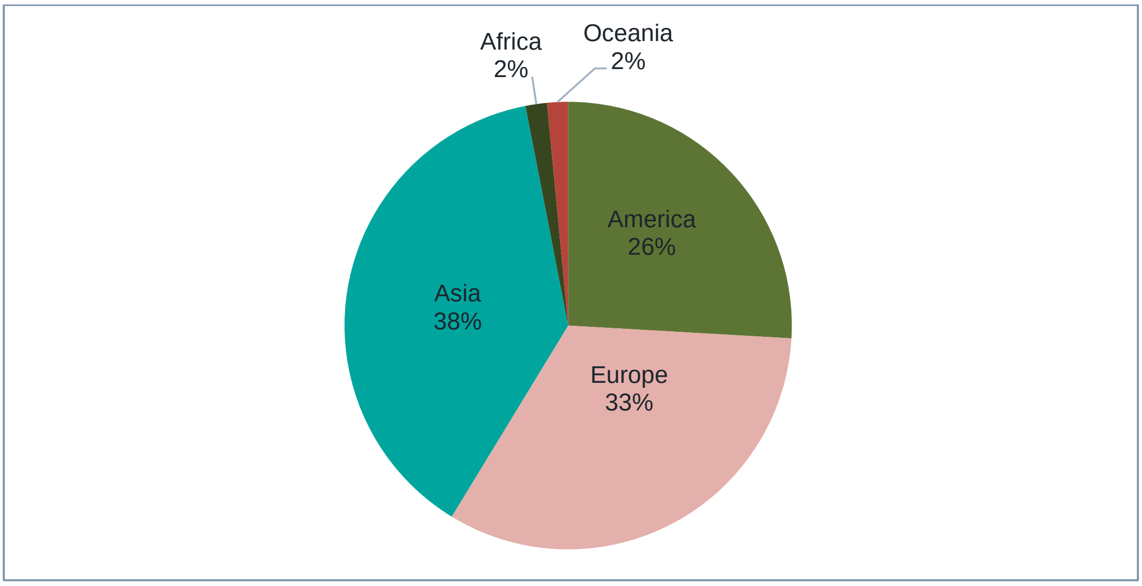
The Indian economy with a gross domestic product ("GDP") at current prices in the year fiscal year 2017 is estimated at ₹ 151.84 trillion, showing a growth rate of 11.0 percent over the estimates of GDP for fiscal 2016 of ₹ 136.82 trillion (*Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, available at http://mospi.nic.in/sites/default/files/press_release/PRESS_NOTE_PE_2016-17.pdf as of May 31, 2017*). It is one of the fastest growing major economies in the world with private final consumption contributing to over half of the overall GDP growth of 7.9% in 2015 – 2016 (*Source: RBI Annual Report 2015 – 2016*).

Global Life Insurance Industry

Growth in the global life insurance industry has been almost stagnant after the financial crisis in 2008. Before the crisis, the total premium of the industry grew at 4% CAGR (in nominal dollar terms) during 2003 to 2007. However, there was a revival in growth from 2014 onwards, as the global life insurance industry recorded 3.5% CAGR growth during 2013-2016 on real premium basis. Growth was primarily driven by China, where premium grew over 15% CAGR during the period. *(Source: CRISIL Report)*

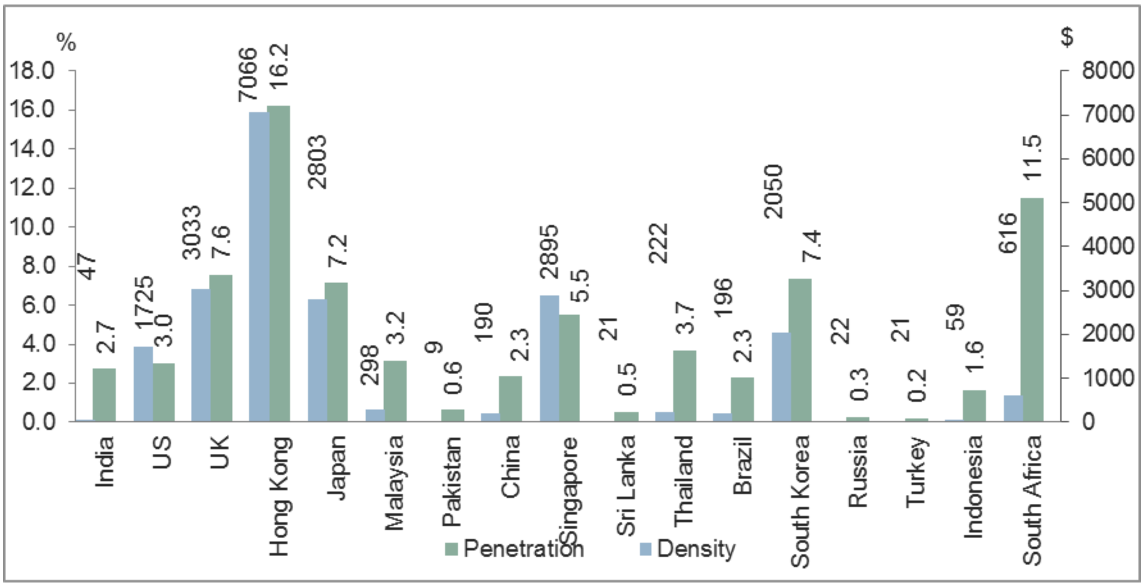
Growth in the post-crisis era has been primarily driven by emerging markets, where premiums grew 6.6% CAGR during 2009 to 2016. Growth in the Indian life insurance industry has been in-line with the emerging market average during the period. *(Source: CRISIL Report)*

Asia is the largest market for life insurance, accounting for 38% of the premium collected. India's share in the global market was 2%. *(Source: CRISIL Report)*



(Source: Swiss Re, sigma No 3/2017, CRISIL Report)

When it comes to the global insurance industry, 55% of the premium comes from life insurance (and the rest from non-life), compared with 78% for India and 50% for other emerging markets. At 3.5%, the global life insurance industry's penetration is 80 basis points more than that of India's. *(Source: CRISIL Report)*



(Source: Swiss Re, sigma No 3/2017, CRISIL Report)

China's life insurance penetration was low and stagnant at 1.7% from 2006 to 2014. However, the industry's growth has been stupendous over the past decade, with insurance density quadrupling from US$ 34.1 in 2006 to US$ 127 in 2014. China was in a high economic growth phase during this period, with its nominal GDP growing at 18% CAGR, according to the International Monetary Fund (IMF). *(Source: CRISIL Report)*

In purchasing-power parity (PPP) terms, China's per-capita GDP increased from US$ 5,800 in 2006 to US$ 13,130 by 2014. China's scorching growth subsequently led to soaring insurance density. Therefore, the life insurance industry grew 4x during 2006 to 2014 on a total-premium basis. *(Source: CRISIL Report)*

Indian Life Insurance Industry

The size of the Indian life insurance industry is ₹ 4.2 trillion on a total-premium basis as of fiscal 2017. In terms of total premium, the Indian life insurance industry is the 10th largest market in the world and the fifth largest in Asia based on Swiss Re, sigma No 3/2017 report. New premium constituted 42% of the total premium as of fiscal 2017. The industry's assets under management (AUM) grew at a compound annual rate (CAGR) of 19% during fiscal 2001 to fiscal 2017 to ₹ 30 trillion. Total premium has grown at a stupendous 17% CAGR during fiscal 2001 to fiscal 2017, after the privatisation in 2000. *(Source: CRISIL Report)*

Within the premium bucket, new business premium (NBP) grew at 9% CAGR during fiscals 2007 to 2017 to ~ ₹ 1.8 trillion, with fiscal 2017 seeing a sharp 26% year-on-year rise. Group business premium grew at ~22% CAGR during the period over a relatively low base, whereas individual premium rose at a tepid ~2% CAGR. *(Source: CRISIL Report)*

The industry provides individual and group policies, and premium payments can be made at the outset in one go, (called single premium) or on a regular basis. Individual policies accounted for 44% of the new premium collected in fiscal 2017. *(Source: CRISIL Report)*

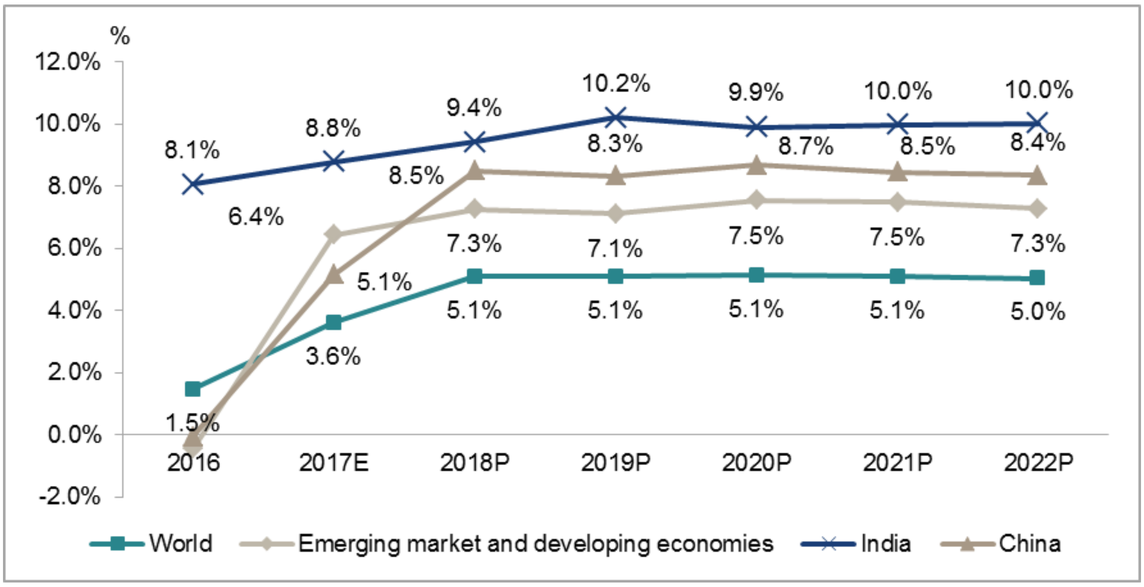
Penetration of Insurance in India

At current prices, India's GDP was ₹151.9 trillion as of fiscal 2017. India's life insurance penetration stood at 2.7% in 2016, compared with 4.4% in 2010. Among Asian countries, life insurance penetration in Thailand, Singapore and South Korea were at 3.7%, 5.5%, and 7.4%, respectively, in 2016. Hence this suggests the untapped potential of the Indian life insurance market. The protection gap for India stood at US$ 8.5 trillion as of 2014, which was much higher compared with its Asian counterparts. The protection margin for India was highest among all the countries at 92% in Asia Pacific. *(Source: CRISIL Report)*

With India expected to be the fastest-growing Asian economy – GDP increasing at 10% CAGR in the next five years (in dollars, current prices), according to IMF forecasts (published in April 2016) – the Indian life insurance industry seems poised for strong growth in the years to come. *(Source: CRISIL Report)*

As per IMF data, India is expected to grow at a significantly faster rate as compared with China and the rest of the world. Therefore, increasing per-capita GDP will fuel growth in the life insurance industry, evidenced in China's scenario. The per-capita GDP for India over the next five years (2017 – 2022) is expected to grow at 8.5% CAGR as compared with 4.7% in the previous five years. Further, the prevailing low insurance density and penetration in the country will also support strong growth in the life insurance sector on account of the low base. *(Source: CRISIL Report)*

Growth Projection for Different Countries



(Source: IMF, CRISIL Report)

The industry, which is regulated by the Insurance Regulatory and Development Authority of India (IRDAI), an autonomous body set up in in 1999 (received statutory status in April 2000), has gained considerable traction with the entry of private players in 2000. The number of life insurance companies increased from a mere five in fiscal 2001 to 24 in fiscal 2017. Life Insurance Corporation (LIC) is the sole public player. *(Source: CRISIL Report)*

Private sector players have made substantial investments, in terms of capital, which is reflected in the industry's net worth leaping from ₹ 47 billion in fiscal 2005 to ₹ 486 billion in fiscal 2016. With the passage of the Insurance Laws (Amendment) Act in 2015, which increased the foreign direct investment (FDI) limit in the insurance sector from 26% to 49%, FDI in the sector has grown exponentially - during April – December 2016, FDI increased 764% on-year to US$ 2.8 billion. *(Source: CRISIL Report)*

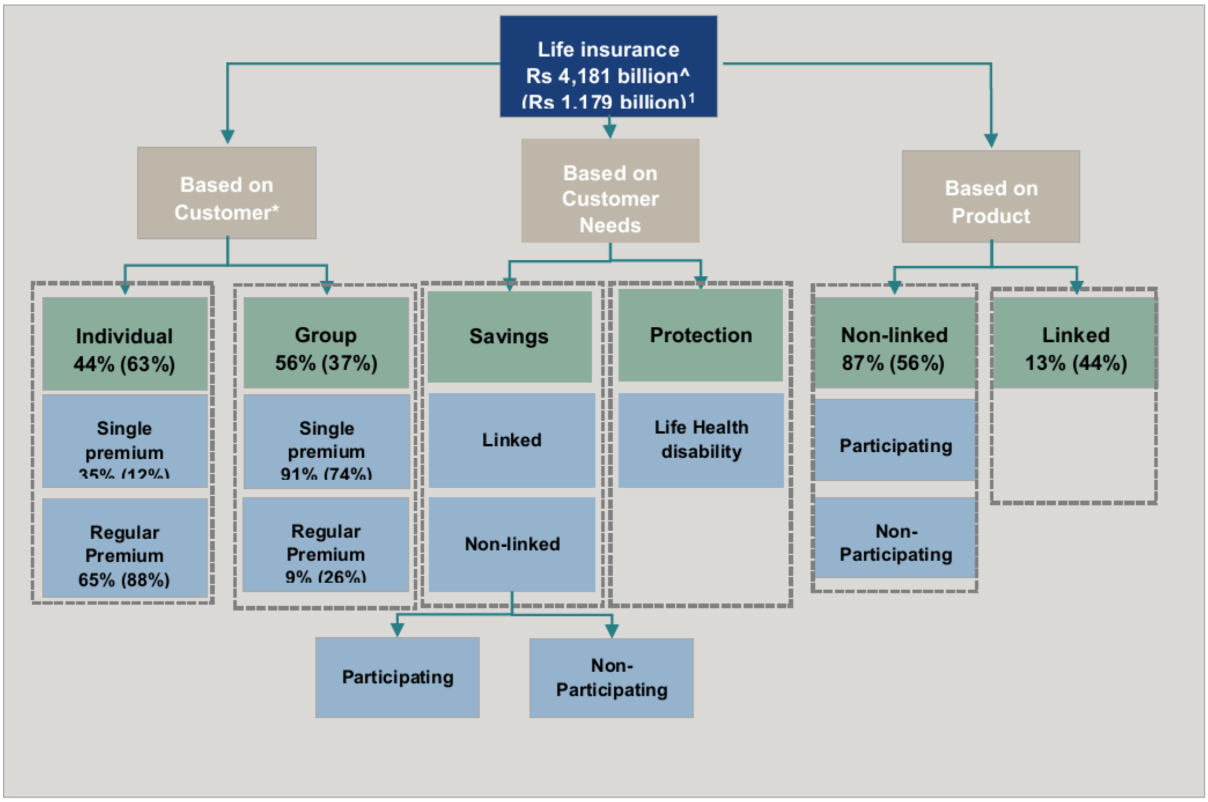
**The term 'private sector' is used to refer to all companies other than LIC, even if they are majority owned by public-sector companies*

Life Insurance Products

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

Non-linked products are traditional products with a protection and savings element built in or only pure-protection products. Non-linked savings products can be further divided into participating products and non-participating products. Participating products have variable returns, as it is linked to the performance of the insurance company. Linked products' returns, on the other hand, are tied to the performance of debt and equity markets. Linked products started gaining traction from fiscal 2007. *(Source: CRISIL Report)*

As of fiscal 2017, non-linked products, though, were more popular, accounting for 87% of the total premium collected. However, the share was much lower for private players, constituting 56% of the total premium. *(Source: CRISIL Report)*



^ *Classification based on total premium as of fiscal 2017*

1 *Numbers in brackets are for private players*

* *Classification based on new business premium as of fiscal 2017*

(Source: IRDAI, CRISIL Report)

IRDAI too, through its regulations, has clearly defined the insurance products as follows:

Non-participating products

Term insurance products are protection products which are the most simple where the insured gets a fixed amount on death only. 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 share in the profits of the underlying business and, therefore, the products is also known as 'without profit' policy. Therefore, the customer is exposed to very low risk and enjoys low but secured returns. *(Source: CRISIL Report)*

Participating products

The company invests the amount pooled under participating products and pays a part of the surplus/profit on the invested funds to the policyholder in the form of a bonus. However, future bonuses are not guaranteed by the insurance company as they depend on future profits; past bonuses once allocated are however guaranteed. Therefore, policies under participating products provide a minimum guaranteed return that is payable on death or maturity plus a variable amount, depending on the returns on the invested amount. Therefore, these policies have higher premium requirement versus non-participating products for a specific amount of sum assured. These policies do not offer customers the facility to choose their asset allocation as the underlying investments are pooled, and the customers are not exposed to the volatility of the underlying assets. Therefore, customers are exposed to lower risk compared with unit-linked insurance products (ULIPs). *(Source: CRISIL Report)*

Unit-linked insurance products

ULIP acts as a long-term investment tool as well as an insurance policy. The returns are directly linked to changes in the underlying investments, and the investment risk is entirely borne by the policyholder. Therefore, unlike participating or non-participating products, a ULIP holder has to continuously monitor the performance of the policy through net asset value (NAV) released by the 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 can also be made (permissible switches differ across policies), based on the customers 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 returns are based on the underlying investment but not directly as in the linked products. *(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 member's nominee upon the death of the member. The products can also be offered as coverage against loans, such as car loans, home loans, education loan. The policies are offered to employer-employee groups, non-employer-employee groups, banks, professional groups and microfinance institutions. The creditor's protection products are typically long term aligned to the tenure of the loan and the death cover 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. The insurance companies also offer products under government schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana. *(Source: CRISIL Report)*

Other group products

These products are offered in unit-linked, participating and variable-insurance plan variants. 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 the corporate clients. *(Source: CRISIL Report)*

History of Life Insurance Development in India

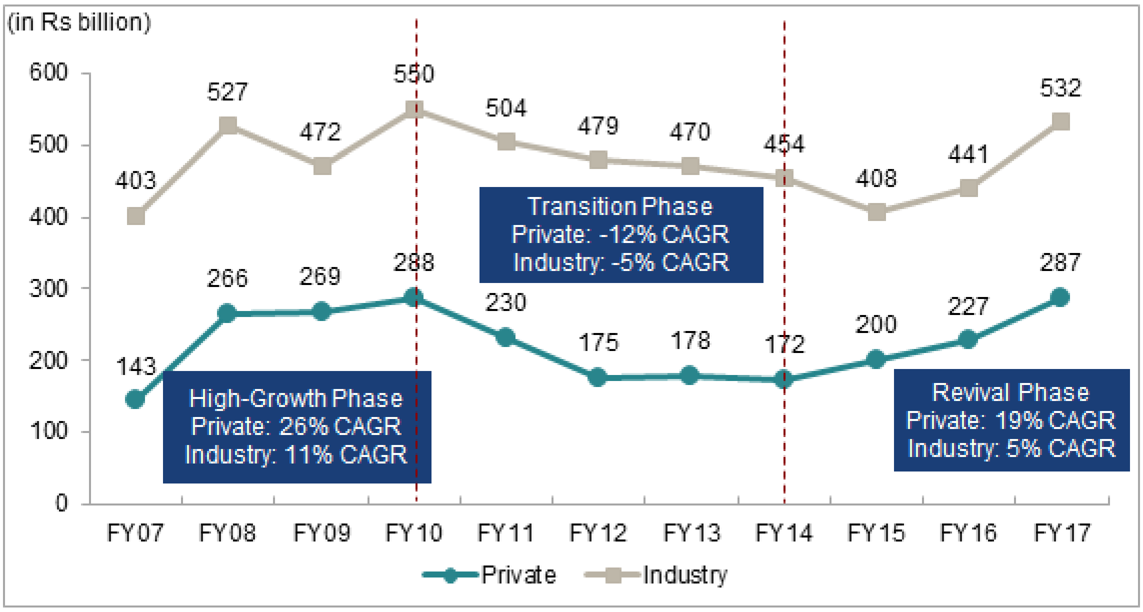
The Indian life insurance industry consisted of only one player –LIC–during 1956 to 2000. Post privatisation in 2000, 10 private players entered the life insurance industry during 2000 to 2001. Among the current top five players in the industry, HDFC Standard Life was the first private company to register in 2000, followed by ICICI Prudential Life and MaxLife Insurance in the same year. SBI Life and Bajaj Allianz entered the industry in 2001. Only four new private players entered between 2002 to 2005, post which there was a surge again, with eight players setting up businesses till 2009. Edelweiss Tokio Life Insurance was the last entrant in the industry in 2011. Out of the 23 private players registered with the IRDAI, 20 players have joint ventures (JVs) with foreign partners. *(Source: CRISIL Report)*

Total premium rose a sharp 17% CAGR between fiscals 2007 and 2011, owing to aggressive foray by private players. Growth for private players was driven by ULIP sales amid capital-market performance. Also, a favourable commission structure because of high upfront commission to intermediaries led to higher sales of linked products. Therefore, the total premium on linked products grew 18% CAGR during the period. Hence, the share of private players in total premium increased from 18% in fiscal 2007 to 30% in fiscal 2011. The share of banking corporate agents in the individual new business premium increased from 6% to 13% over the period, as private players looked at alternative channels to market their products and increase reach. As of fiscal 2011, private players comprised 64% market share in the linked products segment. *(Source: CRISIL Report)*

After the sharp growth during fiscals 2007 to 2011, the industry saw a sudden slowdown over the subsequent three years. Regulatory changes by the IRDAI with respect to linked products, decline in financial savings rate coupled with weak performance of the equity markets led to the slowdown. The IRDAI's new regulation capping products charges resulted, in decline in the commission for linked products, thereby making sales of these products less lucrative for intermediaries. The move had a more adverse impact on private players because of their high exposure to linked products. *(Source: CRISIL Report)*

Private players relooked at their product offerings, distribution channel mix, and operational efficiency. The focus on traditional products increased, as reflected in the share of linked products in the product mix declining from 71% in fiscal 2011 to 45% in fiscal 2014. The use of the banking channel was enhanced and the industry went slow on branch rollouts, given the significant branch expansion before 2010; these moves reduced upfront infrastructure costs and selling expenses. Additionally, the focus on technology increased. All these moves resulted in the industry's return on equity (RoE) rising from -3% in fiscal 2011 to 17% in fiscal 2014. *(Source: CRISIL Report)*

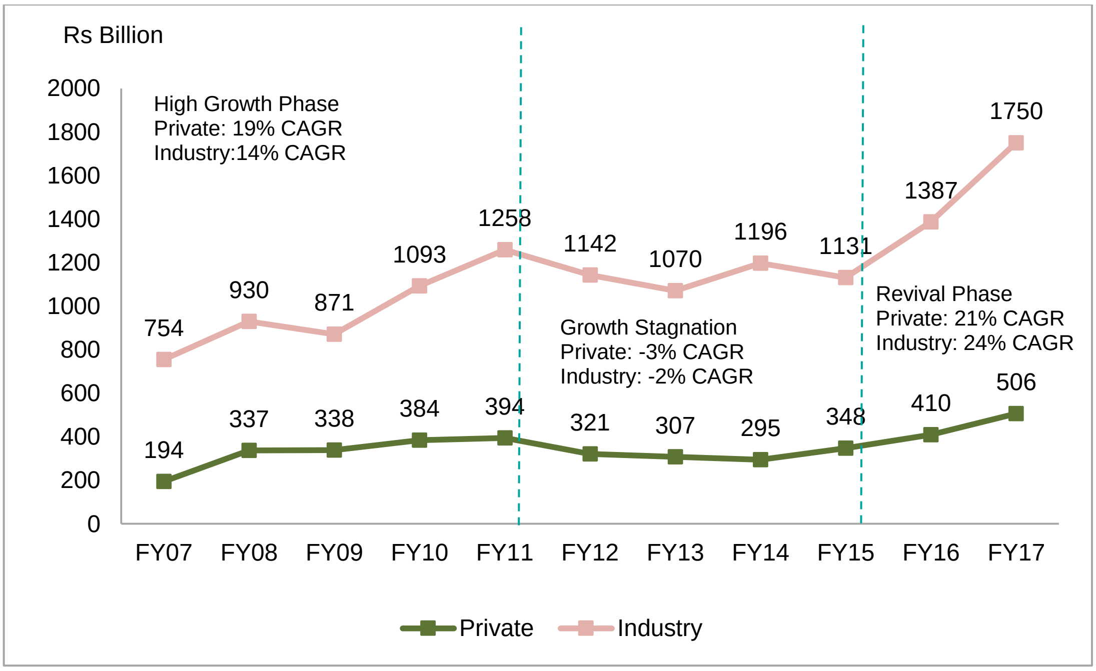
Trend in IRP for Private Players and Industry



(Source: IRDAI, CRISIL Report)

The overall industry saw revival on NBP basis in fiscal 2016, which is a lag of a year as compared to total premium, as growth in renewal premium had primarily driven growth in fiscal 2015. However, revival for private players was visible even in fiscal 2015, as both NBP and renewal premium grew ~18% and ~12% on-year, respectively. During fiscals 2015 to 2017, NBP for LIC and private players posted CAGRs of ~26% and ~21%, respectively. During fiscals2011 to 2014, the NBP of private players declined 9% CAGR, which was a significant underperformance as compared to industry, which fell 2% CAGR. *(Source: CRISIL Report)*

Private Players and Industry NBP Performance

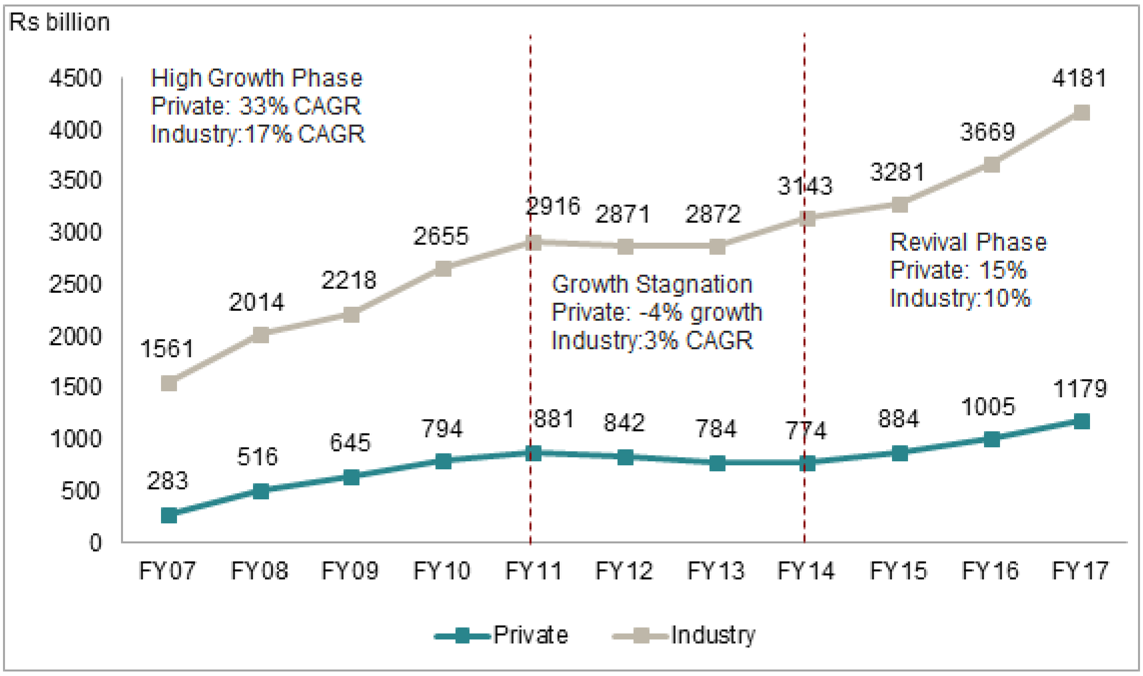


(Source: IRDAI, CRISIL Report)

After the slowdown between fiscals 2011 and 2014, the total premium of private players grew 15% CAGR during fiscals 2014 to 2017, outpacing the industry growth of 10% CAGR. This was on account of subdued growth for the overall industry even in fiscal 2015, with merely 4% growth on-year, before recording a strong 12% growth in fiscal 2016. Furthermore, for private players, growth was driven by linked as well as non-linked products, with both products recording double-digit growth in both fiscals. Growth was driven by expectations of an improvement in economic growth, cooling inflation, an increase in financial savings, and healthy returns provided by equity and debt markets during this period. *(Source: CRISIL*

Report)

Trend in Total Premium Generated for Private Players as well as Industry

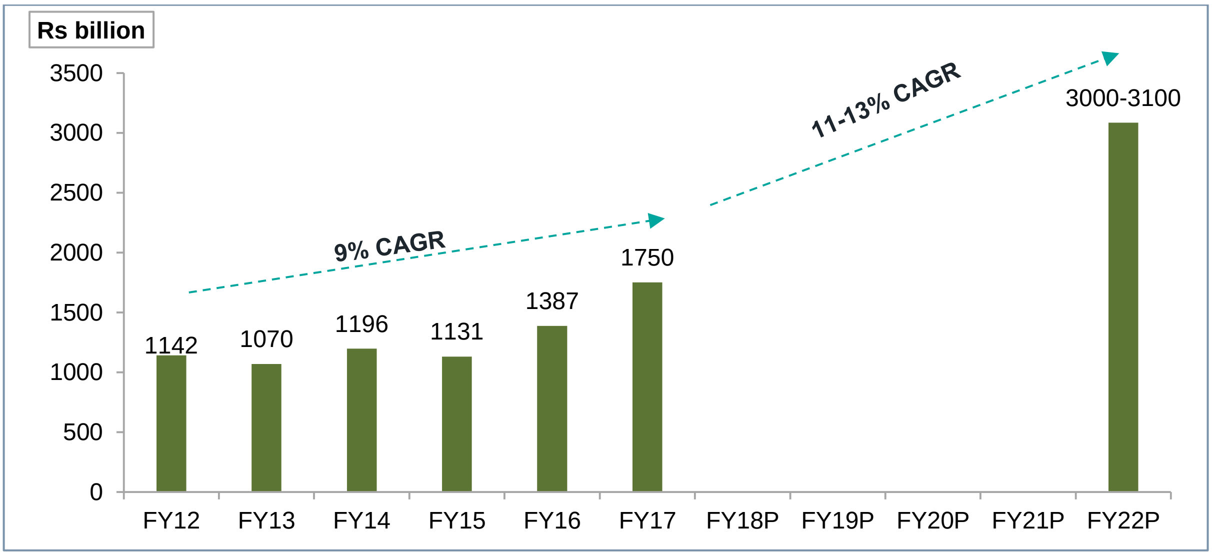


(Source: CRISIL Report)

Outlook

CRISIL Research forecasts new business premium for life insurers to grow at 11-13% CAGR from fiscals 2017 to 2022, compared with 9% CAGR between fiscals 2012 and 2017. CRISIL Research expects total premium to grow at 13-15% CAGR over the next five years, from ₹ 4,181 billion in fiscal 2017 to ₹ 7,900 - ₹ 8,100 billion by fiscal 2022. Improving economic growth, low inflation, and increase in financial savings, along with rising awareness of insurance, would be the key catalysts. *(Source: CRISIL Report)*

Expected Growth in New Business Premium over the Next Five Years



(Source: IRDAI, CRISIL Report)

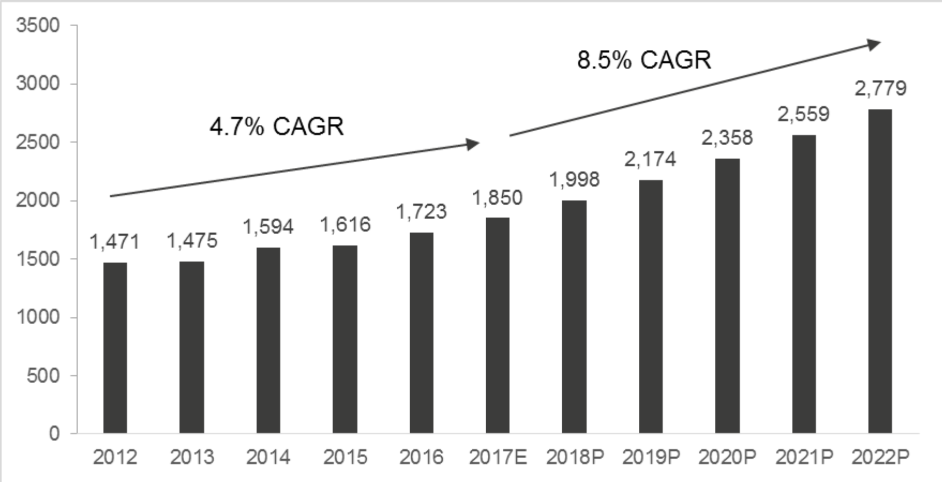
With economic growth gradually picking up and structural drivers in place (rising life expectancy, healthcare spending, pension needs), we expect the growth trajectory of life insurance products to be markedly stronger in the next five years. Furthermore, the higher FDI limit of 49% will help private players unlock value in their insurance subsidiaries and strengthen their financial position. *(Source: CRISIL Report)*

Factors Contributing to Growth of Indian Life Insurance Industry

Strong GDP growth

CRISIL Research forecasts India's economy to grow at 7.4% (in real terms) in fiscal 2018, up from 7.1% in the previous fiscal, assuming normal monsoon and supported by improved consumption demand. Softer interest rates and inflation will also likely aid consumption. In the next five years, growth should be ~8% annually. Faster growth in GDP should translate into rising income, which, in turn, is favourable for growth in life insurance. *(Source: CRISIL Report)*

Trend in Per Capita GDP growth for India



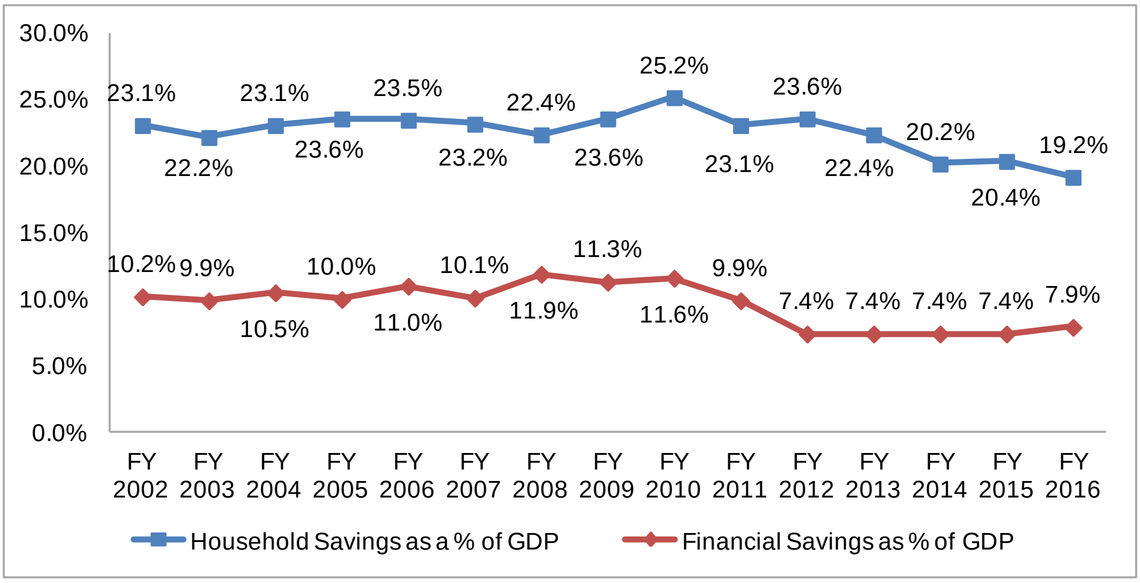
(Source: IMF, CRISIL Report)

Increase in Savings

While GDP growth in India is projected to improve compared with the preceding five-year period, control over inflation is another key structural positive. When the country witnessed 23% deficient monsoon in fiscal 2010, the consumer price index-linked (CPI) inflation had climbed to 12.4%. However, despite two successive deficient monsoons in 2014 and 2015, CPI inflation averaged 6% in fiscal 2015 and dropped to 5% in fiscals 2016 and 2017. We expect CPI inflation to remain stable at around these levels in fiscal 2018 as well. Over the long term too, the Reserve Bank of India (RBI) is committed to keep inflation low and range-bound. Lower inflation gives an impetus to overall savings, as people can save more. *(Source: CRISIL Report)*

Therefore, the 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)*

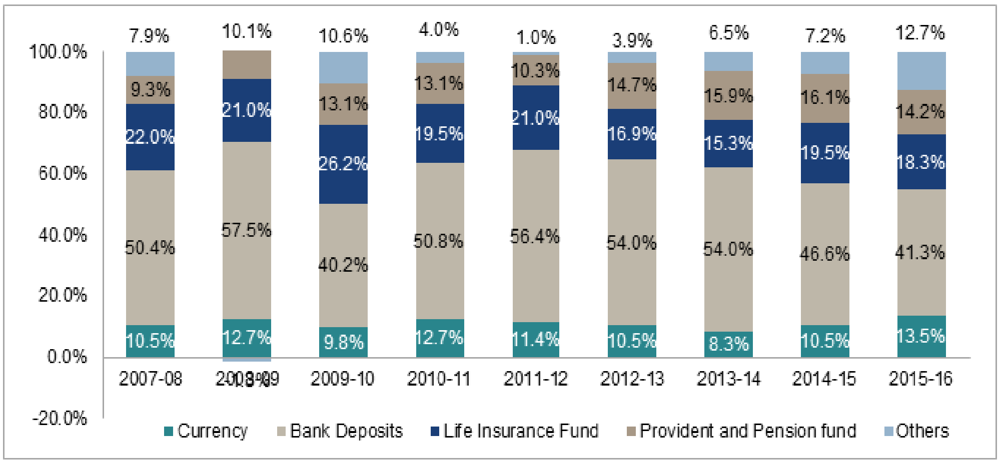
Share of financial savings to rise:



(Source: RBI, CRISIL Report)

The share of investment in life insurance as a proportion of financial savings reached its peak at 26% in fiscal 2010, with growth driven by both linked and non-linked segments. However, with the downturn in the capital market, increasing inflation and regulatory changes, this share declined considerably between fiscals 2010 and 2014. There was a considerable revival post fiscal 2014, due to improving fundamentals and pick-up in the sale of linked products. Retail credit grew at a CAGR of 17% between fiscals 2014 and 2017, compared to ~13% CAGR in the previous three years, reiterating positive fundamentals. Further, the savings in insurance products increased by ~10% on-year in fiscal 2016, as compared to a mere ~4% increase in bank deposits during the year. *(Source: CRISIL Report)*

Share of Life Insurance in Total Household Financial Savings

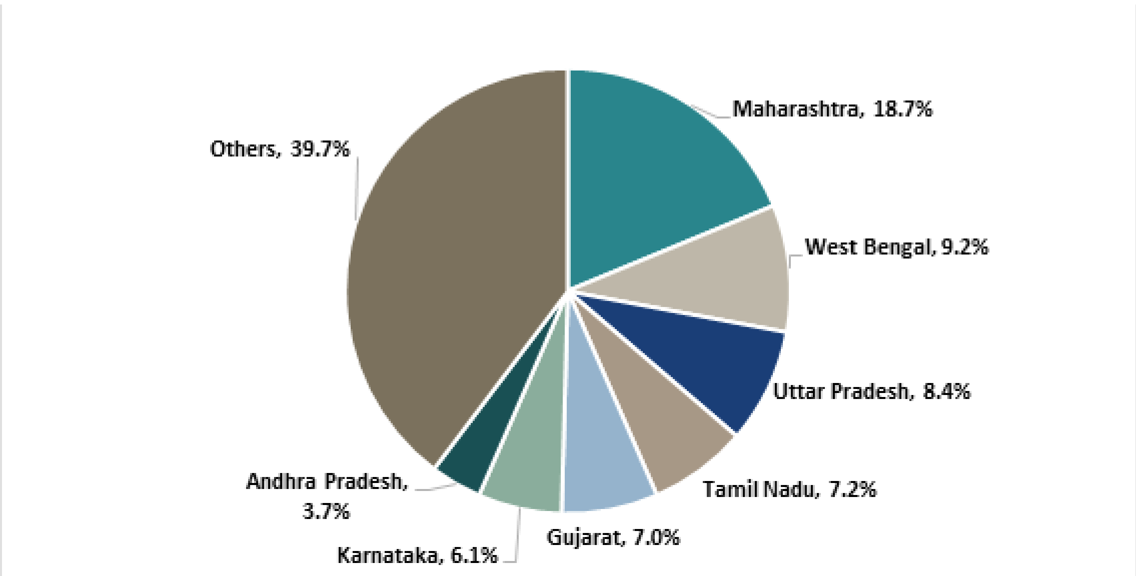


(Source: RBI, CRISIL Research)

Increasing awareness among rural population to increase geographical reach and penetration

The share of new business premium from Maharashtra increased from 15% in fiscal 2011 to 18.7% in fiscal 2017. The share of Uttar Pradesh and Tamil Nadu in individual premium decreased 80 bps and 70 bps, respectively during the period, whereas the share of West Bengal was stagnant at 9.2%. We expect the geographical reach of players to expand with the increase in bank branches in the hinterland, the government's focus on financial inclusion, and increasing awareness of insurance with schemes such as the Pradhan Mantri Jeevan Jyoti Bima Yojana.

State-Wise Distribution of Individual New Business Premium



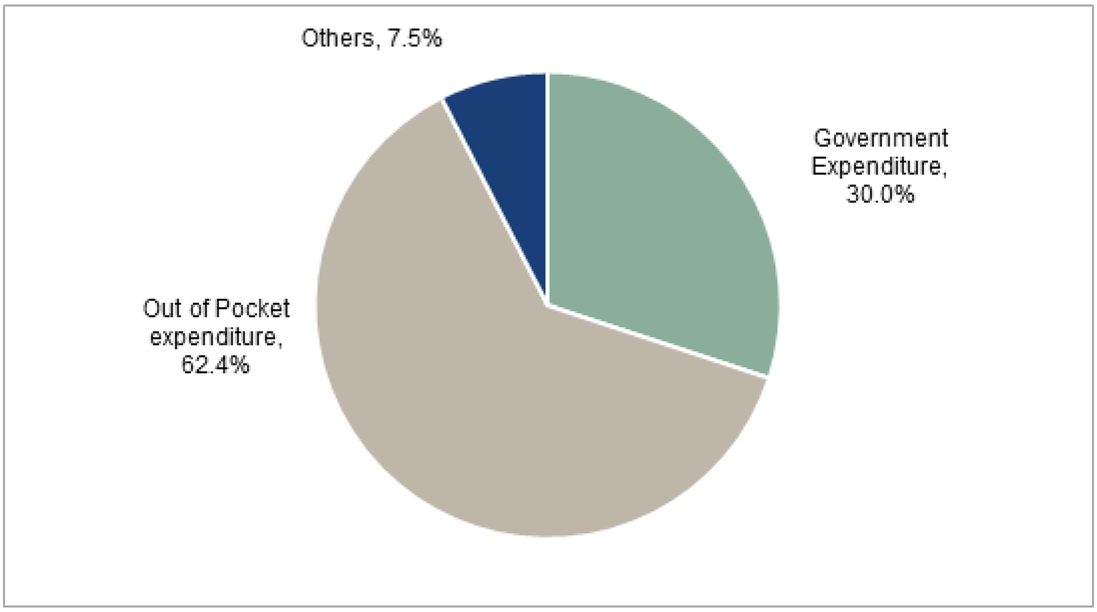
(Source: IRDAI, CRISIL Research)

Rise in Healthcare Spending

As per IRDAI data, only 359 million people (or 27% of the total population) have health insurance coverage as of fiscal 2016. Only ~20% of this health insurance coverage is provided by commercial insurance providers (life and non-life included), with the remaining covered under Central or state government-sponsored schemes such as Central Government Health Scheme and Employee State Insurance Scheme. Several factors underscore the massive opportunity in health insurance for commercial insurance providers. These are (i) low penetration, (ii) rising cost of healthcare, (iii) constraints for government spending, (iv) limited coverage (currently provided only for hospitalisation), and (v) increasing demand for quality healthcare with rising incomes. *(Source: CRISIL Report)*

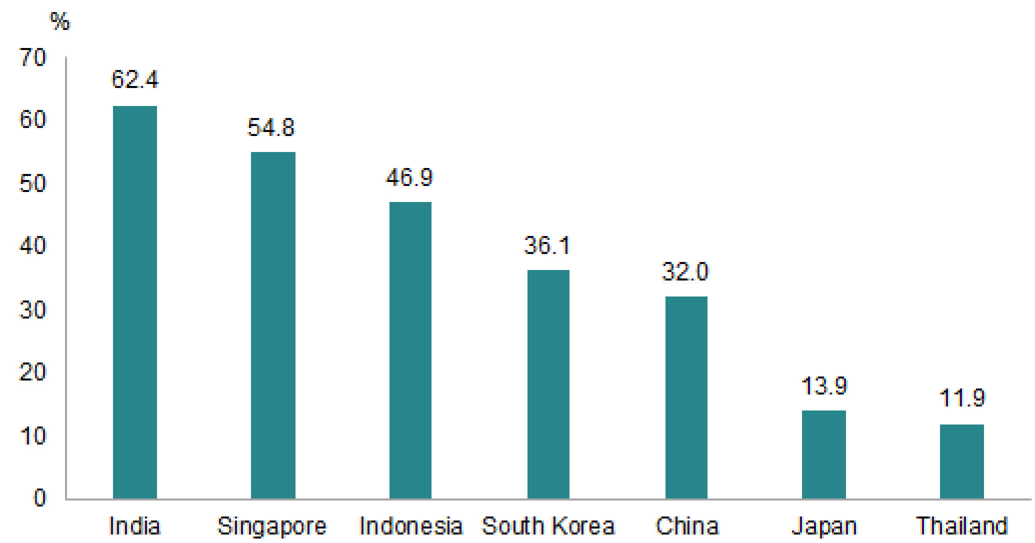
India's total expenditure on health was 4.7% of GDP in 2014. As per the World Health Organization (WHO), the per-capita health spending increased from $20 in 2000 to $75 in 2014, with public expenditure constituting 30%, and private expenses constituting the remaining. Among its Asian peers, India has one of the highest share of out-of-pocket expenses in its overall healthcare spending mix. Therefore, this poses a significant opportunity for insurance players to tap this segment. *(Source: CRISIL Report)*

Spending Mix – Private Expenditure (2014)



(Source: WHO, CRISIL Report)

Share of Out-Of-Pocket Mix (As % of Total Health Expenditure) for Other Countries



(Source: WHO, CRISIL Report)

Pension Funds

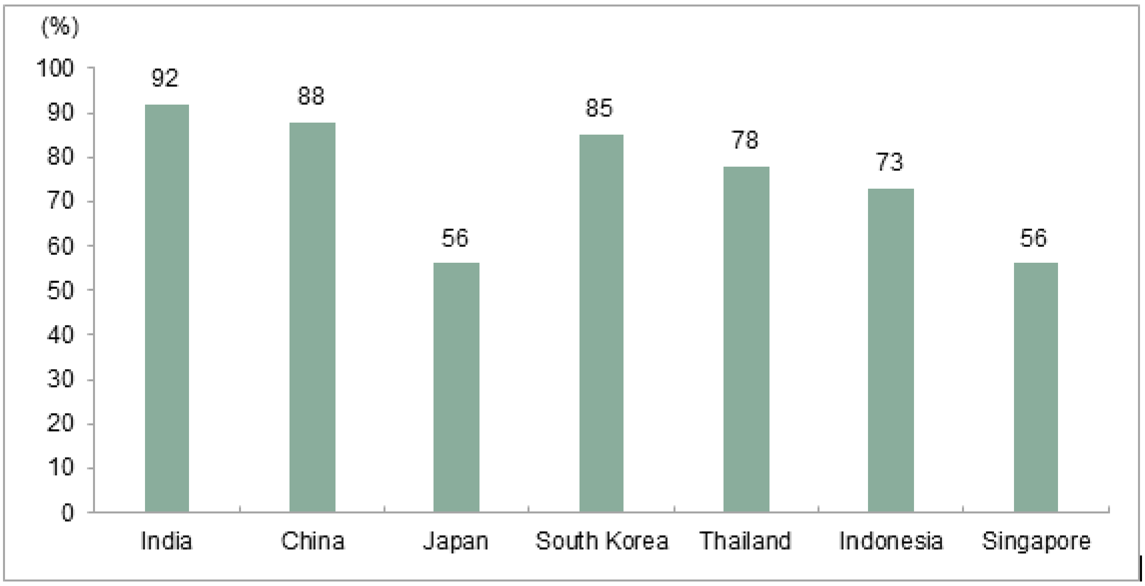
As of 2014, only ~8% of retirees within the private sector receive a pension; therefore, a multi-fold increase in pension coverage to the private sector workforce is an imperative. If 70% of private sector retirees are adequately covered by 2030, their retirement assets will rise to ~26% of GDP in 2030. If the entire private sector workforce, which will be over 60 in 2030, has an adequate retirement cover, the size of the retirement corpus will rise to nearly ₹ 276 trillion (or 38% of GDP) by 2030 and ₹ 3,626 trillion (or 74% of GDP) by 2050. The provision of additional tax benefits to the extent of employers' contribution in the New Pension Scheme is expected to provide an opportunity for the growth of pension premium. *(Source:*

CRISIL Report)

Protection Gap

The protection gap for India stood at US$ 8.5 trillion as of 2014, which was much higher compared to its Asian counterparts. The protection margin for India was the highest amongst all the countries at 92% in Asia Pacific, as per a Swiss Re report. This means that for 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. Further, with the penetration of retail products being low in India; financiers are aggressively focusing on retail credit, the growth of which will support insurance off take. *(Source: CRISIL Report)*

Protection Gap for Different Countries (as of 2014)

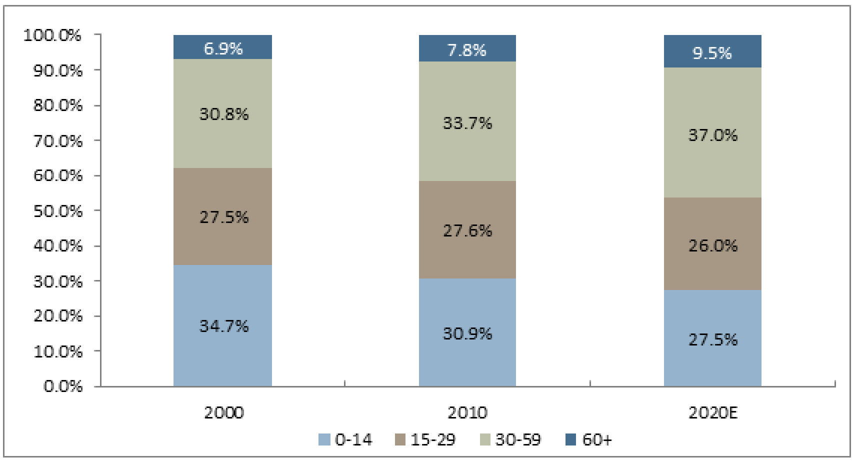


(Source: Swiss Re, Economic Research & Consulting "Mortality Protection Gap Asia-Pacific 2015", CRISIL Report)

Increasing Insurable Population

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

India's Demographic Dividend:



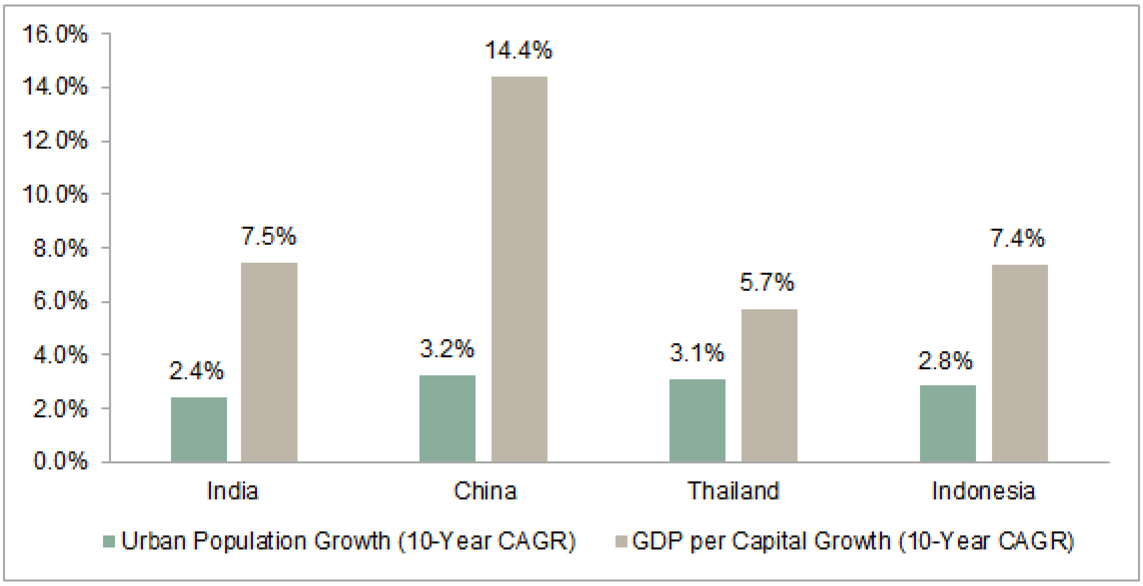
(Source: United Nations Department of Economic and Social affairs, CRISIL Report)

Rise in urbanization

India has a very low urbanisation rate as compared to its Asian peers like China, Japan and Thailand. The share of the urban population rose steadily from 28.8% in 2004 to an estimated 33.5% in 2017. CRISIL Research expects urbanisation to accelerate, translating into 2.0-2.5% CAGR in the urban population between 2017 and 2022, compared with overall population growth of 1.2% during the same period. Further, the increase in urbanisation will also aid the increase in GDP per capita as also suggested during the previous five years. Also, increasing urbanisation will enhance financial literacy among consumers, thereby supporting the growth of the life insurance industry. *(Source: CRISIL Report)*

Comparing the increase in urban population to rise in GDP per capita for India and its other Asian peers also highlights the strong positive correlation between urbanisation % and GDP per capita. *(Source: CRISIL Report)*

Growth in Urbanisation Rate and GDP Per Capita



(Source: United Nations Department of Economic and Social affairs, IMF, CRISIL Report)

Focus on Financial Inclusion

With a focus on financial inclusion, the Union Government launched the Pradhan Mantri Jan-Dhan Yojana. As much as 286 million accounts were opened under this scheme as of May 30, 2017, with total deposits of ₹ 643 billion. The inclusion of so many people in the financial system opens avenues for investments in insurance and other savings products. *(Source: CRISIL Report)*

Concurrently, the government launched Pradhan Mantri Jeevan Jyoti Bima Yojana in March 2015 with the aim of providing life cover at a nominal cost to anyone in the age group of 18-50 having a bank account. Under the scheme, a life insurance cover of ₹ 200,000 is provided on payment of premium of ₹ 330 per annum. As the adoption of insurance cover under this scheme gains traction, so will the awareness about insurance as a product and its associated benefits. *(Source: CRISIL Report)*

Competition from Other Avenues

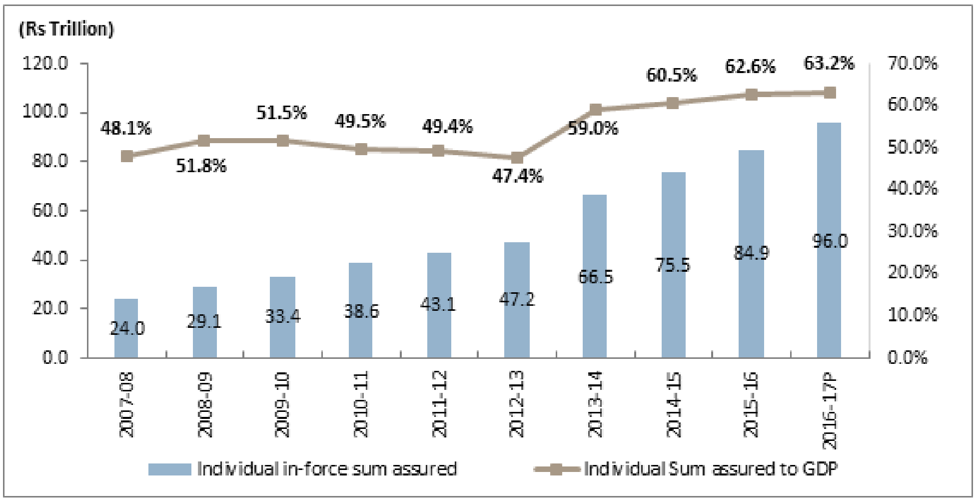
Insurance faces competition from other modes of financial savings, such as mutual funds, bank deposits, and small-savings instruments, besides physical savings. Similar to the trend of the life insurance industry, the AUM of the mutual fund industry grew at 35% CAGR from fiscals 2006 to 2010, and then saw a sudden slowdown at 10% CAGR from fiscals 2010 to 2016. However, growth revived in fiscals 2015 and 2016, as the AUM increased 31% and 14%, respectively. In fiscal 2017 as well, the mutual fund industry witnessed a strong 42% jump in AUM and surge in inflows. Insurance companies will have to focus on increasing customer awareness, improving the value proposition, increasing transparency, and keeping costs competitive to make their products a vital part of the customers' financial plans. *(Source: CRISIL Report)*

Life Insurance Industry Parameters

Sum Assured and Number of Policies

The total sum assured under the individual life insurance business was ₹ 96 trillion as of fiscal 2017 in India. The sum assured for the individual insurance is estimated to have increased at a CAGR of 16% from fiscals 2011 to 2017. The total number of individual policies in force was 322 million as of fiscal 2017. *(Source: CRISIL Report)*

Trend in Individual In-Force Sum Assured



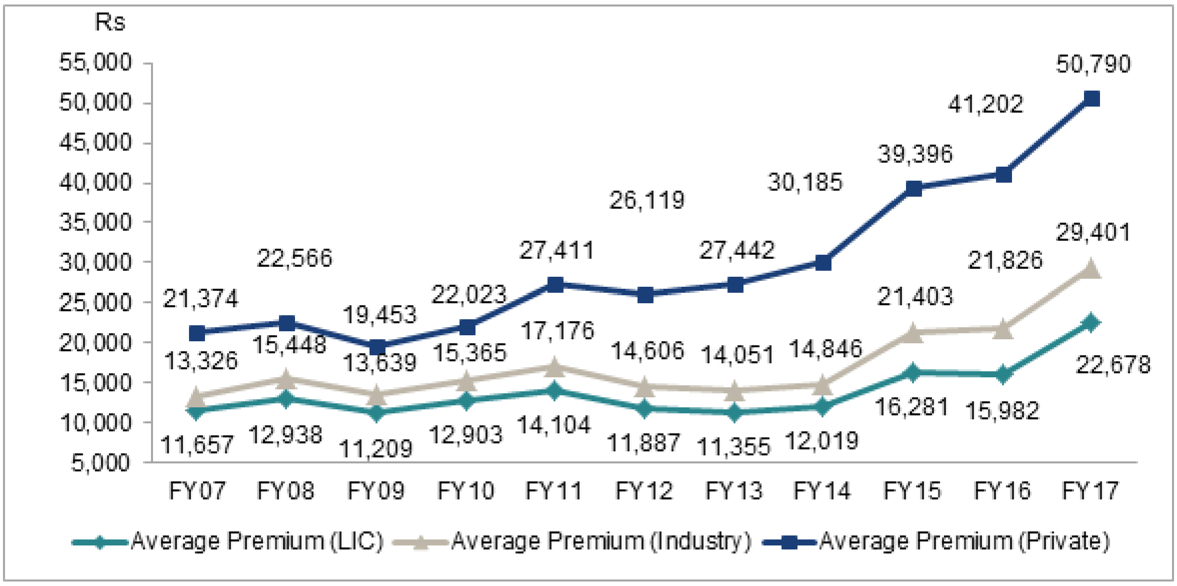
(Source: IRDA, Life Insurance Council, CRISIL Research Estimates)

Premium

The average premium (new business premium / total policies) for the industry increased at a CAGR of 8% from fiscal 2007 to fiscal 2017. Growth of private players was slightly higher at 9% CAGR during the period, despite the higher base. The average premium of ULIPs is higher than the average ticket size of traditional policies. The increase in tax exemption from investment in life insurance policies (and other investment products as mentioned in Section 80C of Income Tax Act, 1961) from ₹ 100,000 to ₹ 150,000 in fiscal 2015 led to increase in the ticket size even on traditional investment policies, as insurance is viewed more as a savings-cum-protection product than a pure protection product in India. The higher ticket size from linked insurance products was due to buoyant capital market performance. *(Source: CRISIL Report)*

As of fiscal 2017, SBI Life was ranked second on Individual Rated Premium and enjoyed a market share of 20.69% among private life insurers and 11.16% in overall industry. Between fiscal 2014 to fiscal 2017, SBI Life grew at a CAGR of 28.31%, which was the fastest among the top five private players. Only SBI Life and ICICI Prudential, gained market share in the private life insurance industry during this three-year period. SBI Life's market share increased from 15.61% in fiscal 2015, to 18.83% in fiscal 2016 and 20.69% in fiscal 2017. *(Source: CRISIL Report)*

Average Premium for Private Players and Industry (Individual Business)



(Source: IRDAI, CRISIL Research)

New Business Premium (NBP)

The overall industry saw revival on NBP basis in fiscal 2016, which is a lag of a year as compared to total premium, as growth in renewal premium had primarily driven growth in fiscal 2015. However, revival for private players was visible even in fiscal 2015, as both NBP and renewal premium grew ~18% and ~12% on-year, respectively. During fiscals 2015 to 2017, NBP for LIC and private players posted CAGRs of ~26% and ~21%, respectively. During fiscals 2011 to 2014, the NBP of private players declined 9% CAGR, which was a significant underperformance as compared to industry, which fell 2% CAGR. *(Source: CRISIL Report)*

Distribution Channels

With IRDAI permitting bank agents to sell insurance products, private insurance players leveraged banking channels to market their products. This gradually led to an increase in the share of banking corporate agents and a decline in the share of individual agents in the distribution of individual life insurance products. The share of corporate agents (banks) increased from 6% in fiscal 2007 to 24% in fiscal 2017 in the individual business, driven by private players. For private players, new business from banking corporate agents increased from 16.6% to 53.9% during the period. The share of new business premium from individual agents for the industry decreased from 90.5% to 68.9%. The NBP for private life insurers grew at a CAGR of 9.39% between fiscal 2015 to fiscal 2017. In fiscal 2017, SBI Life's individual agent network generated 22.88% of the individual NBP generated by the private life insurance industry, enjoying the largest market share in the channel. *(Source: CRISIL Report)*

The share of corporate-banking agents has significantly increased for the top-five players, as life insurance companies have been leveraging banking channels to sell their products. The share of premium (based on individual NBP) through banking corporate agents was the highest for SBI Life at 64.71%, followed by Max Life at 61.79% in fiscal 2017. Therefore, SBI Life had the largest market share of NBP (Individual and total) generated by all private life insurers through bancassurance channel in the year. Between fiscal 2014 and fiscal 2017, SBI Life recorded the highest growth rate of 40.04% CAGR for the individual NBP generated through its bancassurance channel, as compared to 27.04% growth for the private life insurance industry. Also, individual NBP contributed by SBI Life's bancassurance channel increased at a CAGR of 46.72% from ₹ 19,442.74 million in fiscal 2015 to ₹ 41,853.08 million in fiscal 2017, compared to CAGR of 27.20% for private life insurers in India during such period. *(Source: CRISIL Report)*

New Business Premium by Various Distribution Channels for the Industry (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	90.5	83.7	79.6	79.6	78.9	78.7	77.5	78.4	71.4	68.5	68.9
Corporate agents-Banks	5.6	8.0	9.7	10.6	13.3	15.0	16.2	15.6	20.8	24.0	23.6
Corporate agents-Others	3.0	4.4	4.9	4.3	3.6	2.7	2.1	1.3	1.4	1.4	1.3
Brokers	0.6	0.6	1.1	1.4	1.8	1.8	1.7	1.6	1.8	1.3	1.2
Direct selling	0.4	3.3	4.8	4.1	2.4	1.9	2.6	3.1	4.4	4.8	5.0

(Source: IRDAI, CRISIL Research)

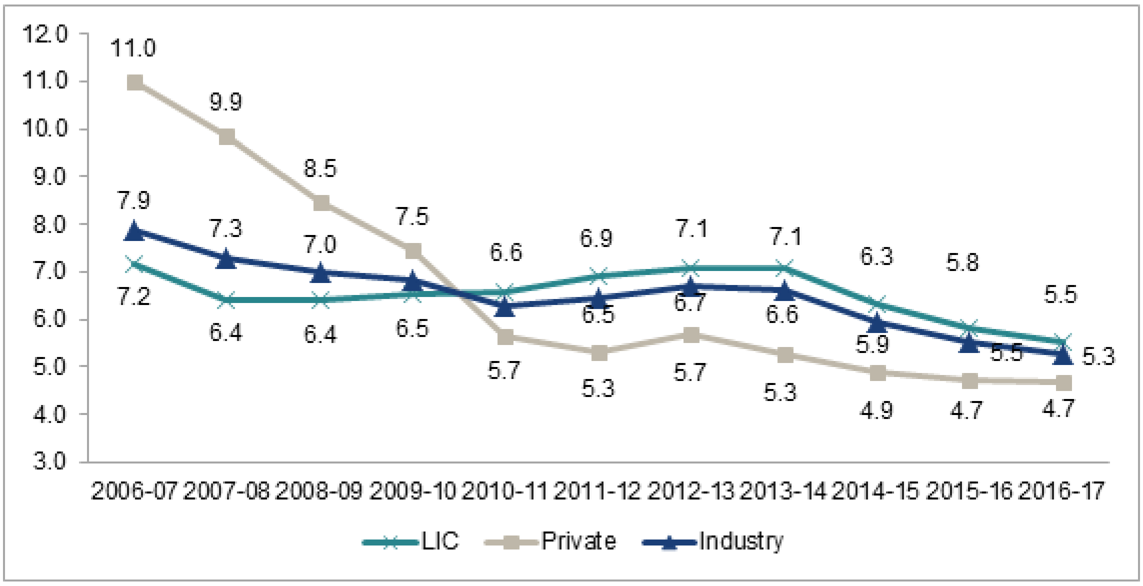
New Insurance Products

705 products were in-force in the life industry as of March 2017, with 536 products in the individual segment and 169 products in the group business segment. In fiscal 2017, 74 new products were introduced, with 13 in the group business segment and 61 in the individual business segment. HDFC Standard Life provides the highest numbers of products in the individual segment, followed by SBI Life and Tata AIA Life. In the group business, Kotak Mahindra Old Mutual Life provides the maximum number of products in the industry, followed by LIC. *(Source: CRISIL Report)*

Commission-Expense Ratio

The commission-expense ratio on a total premium basis has declined considerably, due to the drop in commission on linked products post fiscal 2010. Before fiscal 2010, the commission was very high with significant upfront costs. However, due to the IRDAI regulations in 2010, which capped the commission on linked products, there was a substantial decline in commission. But, with LIC sourcing a significant amount of individual business through individual agents (96% in fiscal 2017), its commission ratio is high compared with private players. *(Source: CRISIL Report)*

Commission Expense Ratio (as % of total premium)



(Source: IRDAI, CRISIL Research)

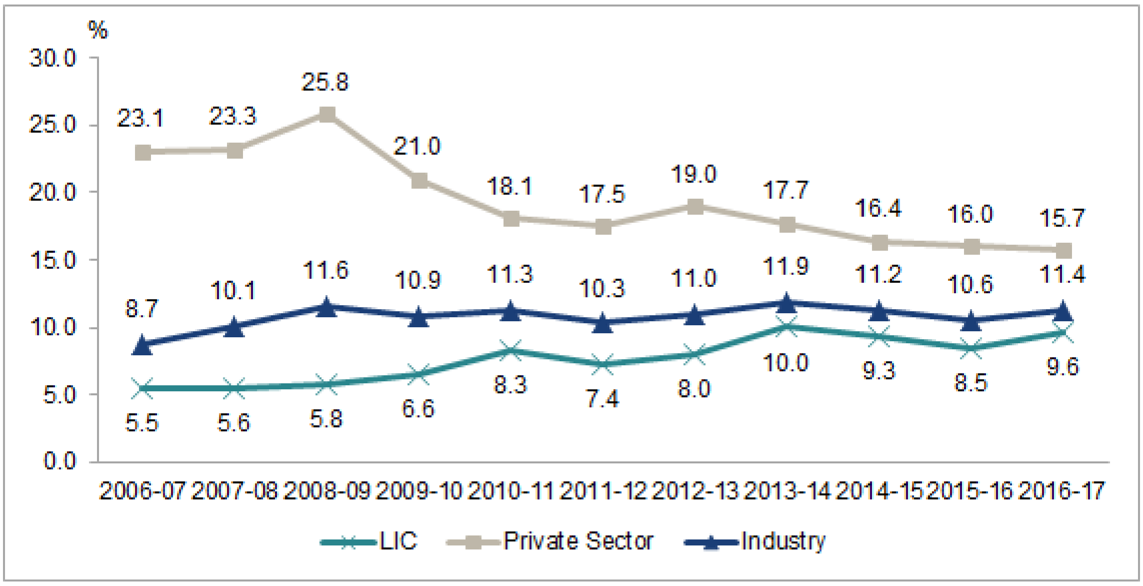
Operating Expense Ratio

Before 2010, private players had a higher operating expense ratio due to the high infrastructure costs incurred on increasing their geographic reach. Therefore, despite the increase in total premium during fiscals 2007 to 2010, the ratio remained high. After 2010, private players went into a consolidation phase and began focussing on cost efficiencies. However, the ratio improved only marginally due to the slowdown in premium growth during fiscals 2010 to 2014. Operating expense during the period declined at 5% CAGR for private players. The total premium also declined by 1% CAGR. After fiscal 2014, the ratio improved as operating expense increased, at a much slower rate of ~8% CAGR, compared with ~14% CAGR of total premium. *(Source: CRISIL Report)*

The operating expense ratio was low for LIC before 2010, as, being in the matured phase, it did not incur any upfront cost like private players. However, the government approved a 17.5% increase in salary in October 2010, effective August 2007, which impacted its costs in fiscal 2011. However, LIC's expense ratio is considerably lower than private players. *(Source: CRISIL Report)*

Operating-expense ratio for the top-five private players in the past five years improved substantially, as players reassessed the productivity of various distribution channels and their operating efficiency post fiscal 2010. SBI Life had the lowest operating expense ratio (as of fiscal 2017) followed by ICICI Prudential Life. The operating expense ratio for SBI Life declined substantially from 9.1% in fiscal 2015 to 7.83% in fiscal 2017. *(Source: CRISIL Report)*

Operating Expense Ratio (Based on Total Premium)

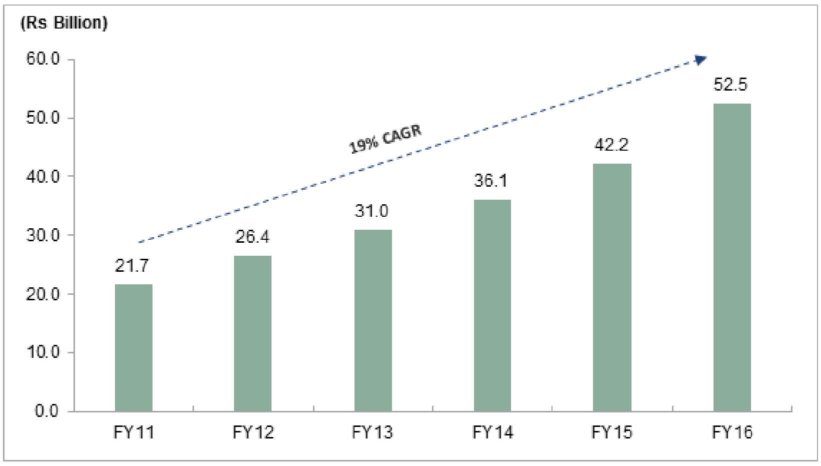


(Source: IRDAI, CRISIL Report)*

Claims

Claims settled by private players increased at 19% CAGR during fiscals 2011 to 2016, whereas the total premium increased at 3% CAGR. On the other hand, the claims for LIC increased at ~10%CAGR, compared with ~6% CAGR in total premium. Despite increase in claims, the individual claim settlement ratio (claims settled/claims received) consistently improved – from 95.6% to 97.4%. *(Source: CRISIL Report)*

Total Claims Settled by Private Players



(Source: IRDAI, CRISIL Report)

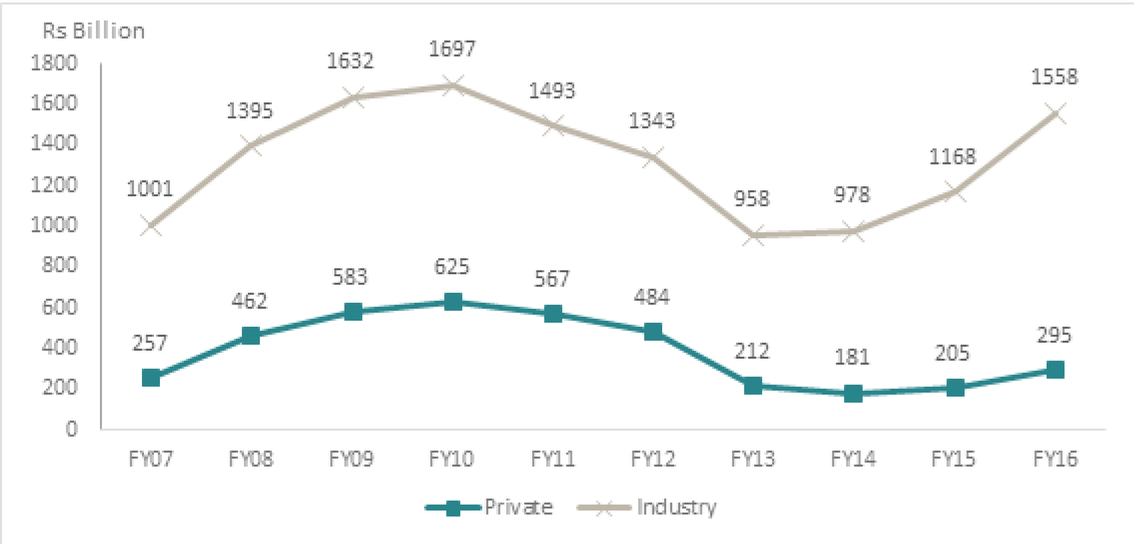
Net New Cash*

Net new cash additions for the industry saw a decline post fiscal 2010 due to a slowdown in premium growth. However, the benefits paid to policyholders saw a surge during fiscals 2010 to 2014. The benefits paid increased at ~22% CAGR, compared with mere ~4% CAGR in premium. For private players, the gap was much wider, as premium was flat during the period; however, the benefits paid increased at a staggering pace of ~37% CAGR. *(Source: CRISIL Report)*

However, there was significant improvement in the net new cash additions for the private players as well as industry post fiscal 2014, as there was revival in the premium growth during the period. *(Source: CRISIL Report)*

**Net new cash = Net premium minus net benefits*

Net New Cash Additions for Private Players and Industry



(Source: IRDAI, CRISIL Research)

Investments

The share of equity declined gradually from 36% in fiscal 2010 to 25.9% in fiscal 2017. The high share in debt is because of LIC, which had 75-80% of its investments in debt, whereas private players had 55-60%. Insurance companies invest high amounts in infrastructure bonds, due to the long-term nature of their liabilities. The total investment of the life insurance sector in infrastructure was ₹ 3.4 trillion as of fiscal 2017. *(Source: CRISIL Report)*

Comparison of Top-Five Private Players

The table below sets forth for periods indicated, a comparison of the five largest private sector life insurers – SBI Life, HDFC Standard Life, ICICI Prudential Life, Max Life and Bajaj Allianz (based on total premium in fiscal 2017).

	Unit	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Premium (fiscal 2017)						
New business premium	₹ billion	101.46	86.96	78.63	36.77	32.90
Total premium	₹ billion	210.15	194.55	223.54	107.80	61.80
Individual Rated Premium	₹ billion	59.38	36.36	64.08	26.39	10.10
Market share (within private players)(fiscal 2017)						
New Business Premium	%	20.04	17.18	15.53	7.24	6.50
New Business Premium (Individual business)	%	20.16	13.09	21.75	10.31	3.32
New Business Premium (Group business)	%	19.83	24.25	4.77	1.93	12.00
Total premium	%	17.82	16.49	18.96	9.14	5.24
Individual Rated Premium	%	20.69	12.67	22.33	9.20	3.52
Product Mix – New Business Premium (fiscal 2017)						
Linked	%	50.50	35.24	79.13	24.42	41.72
Non-linked						
Participating	%	10.77	14.34	7.87	58.14	7.52
Non-Participating	%	38.73	50.42	13.00	17.44	50.76
By customer segment – New Business Premium (fiscal 2017)						
Individual	%	63.77	48.31	88.74	90.23	32.39
Group	%	36.23	51.69	11.26	9.77	67.61
Average Premium (fiscal 2017)						
Individual single premium	₹	225,290.44	26,094.85	195,830.25	10,310,562.00	227,527.42
Individual regular premium	₹	47,108.48	42,457.09	94,759.22	51,056.43	37,062.10
Individual new-business premium	₹	50,777.87	38,817.10	99,418.10	65,781.04	38,953.71
Individual New Business Policies						
2016-17 growth	%	0.09	-5.91	20.96	9.34	4.93
3-year CAGR	%	6.97	7.00	-3.40	-1.48	-15.58
5-year CAGR	%	7.65	5.84	-7.36	-2.52	-23.62
10-year CAGR	%	8.46	7.54	-9.76	-0.93	-18.36
Premium Growth						
New business premium						
2016-17 growth	%	42.76	34.04	16.22	27.25	14.06
3-year CAGR	%	26.04	29.15	27.87	17.49	8.27
5-year CAGR	%	9.22	17.81	9.14	13.96	3.93
10-year CAGR	%	14.74	18.27	4.11	14.83	-2.57
Renewal premium						
2016-17 growth	%	24.69	9.40	16.87	12.31	-3.99
3-year CAGR	%	24.21	10.24	18.68	12.35	-3.84
5-year CAGR	%	10.49	11.04	8.63	9.65	-9.54

	Unit	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
10-year CAGR	%	40.42	24.44	18.08	28.31	10.73
Individual Rated Premium						
2016-17 growth	%	38.87	9.08	28.99	25.49	40.80
3-year CAGR	%	28.31	15.27	25.36	14.27	0.27
5-year CAGR	%	23.01	6.02	17.86	11.88	-5.06
10-year CAGR	%	16.81	11.41	4.90	13.12	-10.74
Channel Premium – Individual New Business Premium (fiscal 2017)						
Individual agents	₹ billion	22.04	6.51	16.34	8.26	9.03
Corporate agents - Banks	₹ billion	41.85	25.66	39.82	20.44	0.41
Others	₹ billion	0.78	9.84	13.57	4.38	1.22
Channel mix growth – Individual New Business Premium Growth (fiscal 2014 –fiscal 2017)						
Individual agents	%	11.24	15.99	15.25	8.37	-3.02
Corporate agents - Banks	%	40.04	15.47	29.83	24.70	-23.34
Others	%	-5.01	27.93	35.70	6.66	7.57
Channel mix – Individual New Business Premium (fiscal 2017)						
Individual agents	%	34.08	15.49	23.50	24.97	84.71
Corporate agents - Banks	%	64.71	61.09	57.06	61.79	3.85
Others	%	1.21	23.42	19.44	13.24	11.44
Persistency ratio (fiscal 2017) - By premium						
13	%	81.07	80.88	85.70	80.40	68.20
25	%	73.86	73.34	73.90	70.40	51.10
37	%	67.36	63.90	66.80	59.70	43.90
49	%	62.46	58.31	59.30	54.90	38.20
61	%	67.18	56.79	56.20	53.00	31.60
Net cash added (fiscal 2017)	₹ million	113,263.11	94,326.94	71,908.39	69,034.28	-479.61
AUM (March 2017)	₹ billion	977.40	917.37	1,229.19	443.70	492.70
Surrender ratio-linked products (Surrender/ average AUM for fiscal 2017) #	%	8.81	11.39	14.20	12.68	14.12
Surrender ratio (fiscal 2017) (Surrender/Total premium) #	%	22.79	31.33	52.76	20.50	54.76
Operating performance (fiscal 2017)						
Commission ratio	%	3.73	4.10	3.40	9.00	2.40
NBP commission ratio	%	5.09	7.52	5.96	16.97	2.42
Operating Expense ratio	%	7.83	12.27	10.54	14.76	17.10
Operating Expense by Average AUM	%	1.85	2.87	2.08	3.95	2.26
Total cost ratio	%	11.56	16.37	13.94	23.76	19.50
Agent productivity	₹	234,500.52	95,072.65	127,530.82	165,933.43	108,097.11
Number of individual agents (As of March 31, 2017)	Nos	95,355	54,516	1,36,114	54,283	77,097
Number of new policies issued	Thousands	1,275.50	1,083.20	702.70	503.40	273.80
Channel mix – New Business Premium (fiscal 2017)						
Individual agents	%	22.31	7.49	20.88	22.56	27.54
Corporate agents - Banks	%	53.03	30.01	50.82	62.93	1.31

	Unit	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Others	%	24.66	62.49	28.30	14.51	71.16
RoE [3-year average] (fiscal 2017)	%	20.14	29.45	31.23	23.65	12.20
ROIC [3-year average] (fiscal 2017)	%	87.86	38.39	34.34	25.15	71.35
Solvency ratio (March 2017)	Times	2.04	1.92	2.81	3.09	5.80
Death Claim Settlement ratio (fiscal 2017)	%	97.98	99.16	97.20	98.27	99.16
Death Claim repudiation ratio (fiscal 2017)	%	1.59%	0.70%	2.37%	1.52%	0.81%
Grievances (fiscal 2017)						
Total received	Number	7,806	8,794	6,664	8,792	4,127
Grievance ratio	%	0.61	0.81	0.95	1.75	1.50
Grievance - unfair trade practices – mis-selling ratio	%	0.20	0.60	0.76	1.21	1.28
Geographic distribution - Individual (Based on New Business Premium of (fiscal 2017)						
Top three states	%	24.67	44.71	41.90	33.62	36.21
Top five states	%	38.34	58.53	55.82	50.09	50.56
Top 10 states	%	67.24	80.81	80.26	77.39	73.45
Geographic distribution - Group (Based on New Business Premium of (fiscal 2017)						
Top three states	%	48.07	69.85	90.19	94.13	61.12
Top five states	%	65.37	79.11	98.06	98.88	78.92
Top 10 states	%	90.67	95.71	99.94	99.44	95.01

 # Surrenders and withdrawals for linked products considered for calculation.

(Source: IRDAI, Life Insurance Council, company reports, CRISIL Report)

Ranking of Top Five Private Players on the Basis of New Business Premium#

	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Fiscal 2010	1	4	2	5	3
Fiscal 2011	1	3	2	5	4
Fiscal 2012	1	3	2	5	4
Fiscal 2013	1	3	2	5	4
Fiscal 2014	1	2	3	5	4
Fiscal 2015	1	2	3	5	4
Fiscal 2016	1	3	2	5	4
Fiscal 2017	1	2	3	4	5

 # The re-instated numbers of ICICI Prudential in its fiscal 2012 annual report has been considered to calculate the rankings of players for fiscal 2011

(Source: IRDAI, CRISIL Report)

2-year CAGR Growth for Top-Five Private Players

	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
New Business Premium	35.47%	25.82%	21.42%	19.36%	10.35%
Individual Rated Premium	37.95%	10.69%	18.09%	16.35%	14.13%

(Source: IRDAI, CRISIL Report)

3-year CAGR Growth for Private Life Insurance Players and Industry on the basis of New Business Premium

	Individual	Group	Overall
SBI Life	26.21%	25.74%	26.04%
HDFC Standard Life	18.06%	44.68%	29.15%
ICICI Prudential Life	26.67%	39.27%	27.87%
Max Life	17.03%	22.19%	17.49%
Bajaj Allianz	-3.29%	16.30%	8.27%
Private Life Insurance Industry	18.70%	21.51%	19.70%

(Source: IRDAI, CRISIL Report)

Market Share of Private Life Insurers on the Basis of New Business Premium

Particular	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017
Bajaj Allianz Life	8.29%	9.73%	8.78%	7.76%	7.04%	6.50%
Exide Life	0.00%	0.00%	1.92%	1.85%	1.54%	1.71%
Reliance Nippon Life	5.53%	4.47%	6.55%	5.94%	3.80%	2.08%
SBI Life	19.95%	16.85%	17.17%	15.87%	17.34%	20.04%
Tata AIA Life	2.87%	1.82%	1.47%	0.90%	1.81%	2.24%
HDFC Standard Life	11.71%	14.42%	13.68%	15.77%	15.83%	17.18%
ICICI Prudential Life	15.52%	15.63%	12.74%	15.31%	16.51%	15.53%
Birla Sun Life	5.89%	5.97%	5.75%	5.57%	5.42%	5.01%
Aviva Life	2.44%	2.23%	2.01%	1.60%	0.78%	0.48%
Kotak Mahindra Old Mutual Life	3.56%	3.86%	4.31%	4.42%	5.39%	5.63%
Max Life	5.83%	6.17%	7.66%	7.39%	7.03%	7.24%
PNB Met Life	3.29%	2.73%	2.28%	2.37%	2.45%	2.27%
Sahara Life	0.22%	0.20%	0.22%	0.11%	0.11%	0.09%
Shriram Life	1.21%	1.38%	1.34%	1.47%	1.72%	1.46%
Bharti Axa Life	0.69%	0.81%	1.27%	1.36%	1.32%	1.20%
Future Generali Life	1.05%	0.79%	0.76%	0.72%	0.62%	0.79%
IDBI Federal Life	0.95%	1.12%	1.07%	1.39%	1.44%	1.57%
Canara HSBC OBC Life	2.12%	1.99%	2.05%	1.37%	2.10%	1.94%
Aegon Life	0.63%	0.44%	0.50%	0.60%	0.33%	0.18%
DHFL Pramerica Life	0.31%	0.45%	0.59%	1.66%	1.77%	1.73%
Star Union Dai-Ichi Life	2.95%	2.42%	1.91%	1.81%	1.60%	1.38%
IndiaFirst Life	3.00%	4.28%	5.70%	4.42%	3.61%	3.30%
Edelweiss Tokio Life	0.03%	0.15%	0.27%	0.35%	0.45%	0.45%
ING Vysya	1.95%	2.08%	0.00%	0.00%	0.00%	0.00%

(Source: IRDAI, CRISIL Report)

Private Life Insurance and Overall Industry Growth

		Private Life Insurance Industry	Overall Industry
New Business Premium	1-Year CAGR	23.53%	26.23%
	3-Year CAGR	19.70%	13.52%
	5-Year CAGR	9.12%	8.91%
	10-Year CAGR	10.03%	8.78%
Total Premium	1-Year CAGR	17.32%	14.03%
	3-Year CAGR	15.08%	9.98%
	5-Year CAGR	6.97%	7.81%
	10-Year CAGR	15.36%	10.36%
Individual Rated Premium	1-Year CAGR	26.40%	20.74%
	3-Year CAGR	18.51%	5.42%
	5-Year CAGR	10.37%	2.11%
	10-Year CAGR	7.20%	2.83%

(Source: IRDAI, CRISIL Report)

Number of Policies Issued by Top Five Private Players

	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Fiscal 2012	881,928	815,155	1,029,068	572,371	1,053,351

	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Fiscal 2013	888,887	1,026,199	960,178	505,180	731,237
Fiscal 2014	1,041,349	884,141	778,911	526,806	455,457
Fiscal 2015	1,126,211	876,781	639,137	490,498	295,917
Fiscal 2016	1,273,515	1,150,924	580,685	460,495	260,941
Fiscal 2017	1,275,550	1,083,156	702,734	503,450	273,800

(Source: IRDAI, CRISIL Report)

Operating Expense Ratio

	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Fiscal 2015	9.15%	10.04%	10.79%	15.20%	18.64%
Fiscal 2016	9.21%	11.47%	9.85%	13.56%	18.80%

(Source: Company policy disclosures, CRISIL Report)

Agent Productivity for Top-Five Players

₹ per Agent	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Fiscal 2015	177,082.31	91,110.37	80,493.89	155,587.81	66,685.94
Fiscal 2016	213,416.54	66,668.93	104,387.35	163,550.35	76,129.26

(Source: Company policy disclosures, CRISIL Report)

AUM for Top-Five Players

(₹ billion)

	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Fiscal 2015	713.39	670.47	1,001.83	312.20	435.54
Fiscal 2016	798.28	742.47	1,039.39	358.24	441.07

(Source: Company policy disclosures, CRISIL Report)

Key Banking Partners of Top-Five Players

ICICI Prudential Life	HDFC Standard Life	SBI Life	Max Life
ICICI Bank (4,850)	HDFC Bank (4,715)	State Bank (24,017)	Axis Bank (3,304)
Standard Chartered Bank (101)	Saraswat Co-operative Bank	Punjab & Sind Bank (1,500)	Yes Bank (1,000)
	The Ratnakar Bank (239)	South Indian Bank (850)	Lakshmi Vilas Bank (481)

Note: Figures in brackets indicate number of branches

(Source: Company websites, CRISIL Report)

Geographic Distribution of Top-Five Players for Individual New Business in Fiscal 2017

State	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Uttar Pradesh	6,115.10	2,300.20	4,565.00	2,500.00	1,310.00
Maharashtra	5,218.10	12,536.60	16,408.00	5,180.00	1,500.00
Telangana	4,623.40	1,493.70	2,737.00	390.00	220.00
Tamil Nadu	4,516.70	3,070.50	6,123.00	2,110.00	240.00
Gujarat	4,327.10	2,942.70	5,143.00	2,820.00	630.00
Karnataka	3,988.40	2,862.10	4,310.00	1,730.00	310.00
Kerala	3,939.70	1,889.80	3,159.00	910.00	570.00
Andhra Pradesh	3,918.80	681.50	1,190.00	1,550.00	140.00
West Bengal	3,901.50	2,057.10	4,007.00	3,120.00	1,050.00
Rajasthan	2,944.40	936.60	2,847.00	1,080.00	210.00
Madhya Pradesh	2,700.60	981.10	1,441.00	910.00	440.00
Bihar	2,662.70	480.30	1,241.00	550.00	820.00
Orissa	2,578.40	819.70	1,505.00	930.00	710.00
Punjab	1,805.60	1,525.70	1,831.00	1,140.00	250.00
Assam	1,645.30	384.30	741.00	460.00	350.00
Haryana	1,537.90	1,588.40	2,116.00	2,700.00	200.00
Jharkhand	1,537.90	382.40	812.00	400.00	410.00
Chhattisgarh	1,444.40	335.20	558.00	360.00	210.00

State	SBI Life	HDFC Standard Life	ICICI Prudential Life	Max Life	Bajaj Allianz
Delhi	1,424.00	3,176.10	6,711.00	2,750.00	390.00
Uttarakhand	1,083.60	209.60	500.00	420.00	240.00
Himachal Pradesh	939.00	124.40	322.00	120.00	90.00
Jammu and Kashmir	320.80	209.70	223.00	120.00	140.00
Goa	315.00	235.30	217.00	270.00	70.00
Meghalaya	227.80	43.90	53.00	40.00	10.00
Chandigarh	180.70	550.50	623.00	170.00	20.00
Arunachal Pradesh	153.90	0.00	21.00	20.00	20.00
Tripura	114.80	18.30	87.00	40.00	50.00
Manipur	111.30	57.00	96.00	60.00	10.00
Nagaland	111.10	13.60	36.00	80.00	0.00
Puducherry	103.70	39.50	125.00	20.00	0.00
Sikkim	80.70	45.80	28.00	60.00	10.00
Andaman and Nicobar Islands	63.20	0.00	0.00	20.00	0.00
Mizoram	35.90	19.80	7.00	0.00	10.00
Dadra and Nagar Haveli	7.30	0.00	0.00	10.00	0.00
Daman and Diu	3.00	0.00	0.00	10.00	0.00
Lakshadweep	0.20	0.00	0.00	0.00	0.00

(Source: Company policy disclosures, CRISIL Report)

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant factors affecting our results of operations" on pages 20 and 322 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.

We have, in this Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have not been subjected to an audit or review by our Joint Statutory Auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other insurance companies in India and other jurisdictions. In addition, we have in this Prospectus included the Embedded Value Report issued by the Independent Actuary which includes certain information relating to our Embedded Value as of March 31, 2017 calculated in accordance with the Indian Embedded Value Methodology, which may vary from that used by other life insurance companies in India and other jurisdictions. The Embedded Value as of March 31, 2017 and the operational and financial performance indicators included in this Prospectus may also vary from similar information we have calculated historically and presented publicly in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision 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 Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Fiscal 2013, Fiscal 2014, Fiscal 2015, Fiscal 2016, Fiscal 2017 and for the three months ended June 30, 2017, included in this Prospectus. For further information, see "Financial Information" on page 218. Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the CRISIL Report prepared and issued by CRISIL Limited on our request. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report (extracts of which have been appropriately incorporated as part of the section titled "Industry Overview" on page 99) and included herein with respect to any particular year refers to such information for the relevant fiscal year.

Overview

We are India's largest private life insurer, in terms of New Business Premium generated in each fiscal year, since Fiscal 2010 (*Source: CRISIL Report*). We have also increased our market share of New Business Premium generated among private life insurers in India, from 15.87% in Fiscal 2015 to 20.04% in Fiscal 2017 (*Source: CRISIL Report*). Between Fiscal 2015 and Fiscal 2017, our New Business Premium generated increased at a CAGR of 35.45%, which is the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*).

In Fiscal 2017, we enjoyed a market share of Individual Rated Premium of 20.69% among private life insurers in India and 11.16% of the entire life insurance industry in India (*Source: CRISIL Report*). Between Fiscal 2015 and Fiscal 2017, our Individual Rated Premium increased at a CAGR of 37.90 %, the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). We have also issued the highest number of individual life policies annually among the top five private life insurers (in terms of total premium in Fiscal 2017) in India since Fiscal 2014 (*Source: CRISIL Report*).

Based on the Embedded Value Report issued by the Independent Actuary, our Embedded Value was ₹ 165,379 million as of March 31, 2017. Our Value of New Business was ₹ 10,368 million in Fiscal 2017 while our Value of New Business Margin was 15.4% and our Present Value of New Business Premium Margin was 3.8% for Fiscal 2017.

We were established as a joint venture between the State Bank and BNPPC in 2001. As of March 31, 2017, State Bank was India's largest commercial bank in terms of deposits, advances and number of branches *(Source: RBI data)*. Following its recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches and 195 international offices in 36 countries and more than 420 million customers. BNPPC, an insurance subsidiary of BNP Paribas, with operations across 36 jurisdictions internationally, is among the leading credit life insurance businesses globally. BNP Paribas was a top 10 global financial institution in terms of revenues in 2016 (*Source: Fortune Global 500*). We believe our relationship with State Bank and BNPPC has enabled us to enhance our brand, access specialist industry expertise, grow our business and consolidate our market position.

As of July 31, 2017, we had a comprehensive product portfolio of 37 individual and group products (of which eight products are group products), including a range of protection and savings products to address the insurance needs of diverse customer segments. Our individual products include participating products, non-participating protection products, other non-participating products and unit-linked products, which contributed 10.77%, 0.95%, 1.69% and 50.36%, respectively, of our New Business Premium in Fiscal 2017 and 15.43%, 0.72%, 1.85% and 49.61%, respectively, of our New Business Premium for the three months ended June 30, 2017; while our group products include credit life group protection products, other group protection products, group fund management ("Group FM") products and other group products, which contributed 2.72%, 1.14%, 31.73% and 0.65%, respectively, of our New Business Premium in Fiscal 2017 and 2.91%, 2.04%, 26.84% and 0.60%, respectively, of our New Business Premium for the three months ended June 30, 2017.

We have developed a multi-channel distribution network comprising an expansive bancassurance channel, including State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 95,177 agents as of July 31, 2017, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries. In Fiscal 2017, we collected the highest amount of New Business Premium generated by private life insurers in India both through the bancassurance channel as well as through an individual agent network (*Source: CRISIL Report*). We have also developed long standing institutional relationships with large corporates with respect to our group life insurance products.

Our brand, business reputation and customer satisfaction are critical factors in developing new business and maintaining our leadership position. We were recognized as among the Most Trusted Brands by The Economic Times Brand Equity – Nielsen survey in Fiscal 2017 for the sixth consecutive year. We were awarded the "Private Sector Life Insurance Company of the Year" and "Bancassurance Leader Life Insurance (Large Category)" at the Indian Insurance Awards organized by Fintelekt in two consecutive years and were awarded the "Legal Era Risk Award" under the category Most innovative risk management strategy by Legal Era Risk Awards, 2017, the Economic Times Best Corporate Brand, 2016 and the LIMRA and LOMA Social Media Silver Bowl Awards, 2016 at the Social Business Conference for Financial Services in Boston, Massachusetts. According to the Kantar – IMRB survey 2017, in a survey conducted across more than 15 cities in India, we were jointly top-ranked for customer loyalty in the life insurance category.

In Fiscal 2017, we had 13^{th} month and 61^{st} month Persistency Ratios of 81.07% and 67.18%, respectively, with our 61^{st} month Persistency Ratio being the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). For the three months ended June 30, 2017, our 13^{th} month Persistency Ratio was 81.97% and our 61^{st} month Persistency Ratio was 64.62%. In Fiscal 2017, our Mis-Selling Ratio of 0.20% was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*. For the three months ended June 30, 2017, our Mis-Selling Ratio was 0.20%. Our Grievance Disposal Rate was 99.96% in Fiscal 2017, and 95.10% for the three months ended June 30, 2017. For further information in relation to policyholder and intermediaries complaints during the past five years and for the three months ended June 30, 2017, see "Outstanding Litigation and Material Developments – Policyholder and intermediaries complaints during the past five years and for the three months ended June 30, 2017" on pages 393 to 397. Our Death Claims Settlement Ratio improved from 92.33% in Fiscal 2015 to 97.98% in Fiscal 2017, and was 89.61% for the three months ended June 30, 2017. We have consistently maintained our Solvency Ratio at over 2.00 in each of the last five fiscal years, and at 2.11 as of June 30, 2017, compared to the IRDAI mandated minimum Solvency Ratio of at least 1.50.

Our New Business Premium, Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 35.45%, 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017, while our Individual Rated Premium increased at a CAGR of 37.90% in the same period. Our assets under management ("AUM") increased from ₹ 713,389.30 million as of March 31, 2015 to ₹ 977,366.03 million as of March 31, 2017, and was ₹ 1,012,260.34 million as of June 30, 2017. Our AUM was the second highest among top five private life insurers (in terms of total premium in Fiscal 2017) in India as of March 31, 2017 *(Source: CRISIL Report)*. Our profit after tax increased at a CAGR of 8.24% from ₹ 8,148.67 million in Fiscal 2015 to ₹ 9,546.53 million in Fiscal 2017 and was ₹ 3,134.48 million for the three months ended June 30, 2017. We turned profitable within the first five years of our operations, and have declared dividends every year since Fiscal 2012.

Our Competitive Strengths

One of the largest private life insurer with a consistent track record of rapid growth

We are India's largest private life insurer, in terms of New Business Premium generated in each fiscal year, since Fiscal 2010 (*Source: CRISIL Report*). We increased our market share of New Business Premium generated among private life insurers in India, from 15.87% in Fiscal 2015 to 20.04% in Fiscal 2017, and market share of New Business Premium in the entire life insurance industry, from 4.89% in Fiscal 2015 to 5.80% in Fiscal 2017 (*Source: CRISIL Report*). Between Fiscal 2007 and Fiscal 2017, our New Business Premium generated increased at a CAGR of 14.74%, faster than the growth rate of the private life insurance industry in India during such period, and between Fiscal 2015 and Fiscal 2017, our New Business Premium generated increased at a CAGR of 35.45%, which is the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). We are able to leverage our diversified product portfolio to capitalize on favourable industry opportunities, as a result of which our Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017. We have also issued the highest number of individual life policies annually among private life insurers in India since

Fiscal 2014 (*Source: CRISIL Report*). The number of policies issued by us increased at a CAGR of 6.42% from 1,126,211 in Fiscal 2015 to 1,275,550 in Fiscal 2017 and 231,274 policies for the three months ended June 30, 2017.

We have consistently increased our market share of Individual Rated Premium among private life insurers in India from 15.61% in Fiscal 2015, to 18.83% in Fiscal 2016 and to 20.69% in Fiscal 2017 *(Source: CRISIL Report).* Between Fiscal 2015 and Fiscal 2017, our Individual Rated Premium increased at a CAGR of 37.90%, the fastest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). In Fiscal 2017, we enjoyed a market share of Individual Rated Premium of 11.16% within the entire life insurance industry in India (*Source: CRISIL Report*). Our Return on Infused Capital increased from 81.49% in Fiscal 2015 to 95.47% in Fiscal 2017 and was 125.38% for the three months ended June 30, 2017. Our Return on Infused Capital is the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report).*

Our Embedded Value, based on the Embedded Value Report issued by the Independent Actuary, was ₹ 165,379 million as of March 31, 2017. Our AUM increased from ₹ 713,389.30 million as of March 31, 2015 to ₹ 977,366.03 million as of March 31, 2017 and was ₹ 1,012,260.34 million as of June 30, 2017, and was also the second highest as of March 31, 2017 among top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report).*

Significant brand equity and pre-eminent Promoters

We were established as a joint venture between State Bank and BNPPC in 2001. We were recognized as among the Most Trusted Brands by The Economic Times Brand Equity – Nielsen survey in Fiscal 2017 for the sixth consecutive year. According to the Kantar – IMRB survey 2017, we were jointly top-ranked for customer loyalty in the life insurance category across more than 15 cities in India. In addition, we believe that the established brand, market leading position and stability of operations of our shareholders, State Bank and BNPPC has enabled us to significantly enhance our brand and market reputation. We believe that our relationship with State Bank and BNPPC has also enabled us to access specialist industry expertise, grow our business and consolidate our market position. We believe that our significant brand equity enables us to effectively target new customers and customer segments and address new business opportunities. As life insurance products are typically long term in nature, our customers are able to better identify with our long and stable operating history, financial strength and high financial credit ratings, established business reputation and market leadership position. We believe these attributes result in superior conversion of potential customer opportunities and higher productivity of our individual agent network, bancassurance partners and other distribution channels. We have received iAAA rating for our claims paying ability from ICRA and AAA/Stable rating for our financial strength from CRISIL.

We believe that we benefit significantly from the established brand equity of State Bank and its affiliates. As of March 31, 2017, State Bank was India's largest commercial bank in terms of deposits, advances and number of branches. Following its recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches, 195 international offices in 36 countries and more than 420 million customers. We also have a bancassurance arrangement with State Bank, the largest bancassurance partner in India, and benefit from its expansive pan-India operations, diverse customer base and deep understanding of the Indian financial system.

We believe that we similarly benefit from the brand and market reputation of BNPPC, the insurance subsidiary of BNP Paribas with operations across 36 jurisdictions, BNPPC is among the global leaders in credit life insurance business and BNP Paribas was a top 10 global financial institution in terms of revenues in 2016 (*Source: Fortune Global 500*). We believe that our association with BNPPC provides us access to specialist expertise, strategic guidance and global best practices on key operational aspects relating to our business including on finance, actuarial, risk management and corporate governance matters.

We believe that our Promoters with established reputations and significant customer goodwill in India and globally, together with our diversified and innovative product portfolio, multi-channel distribution network, extensive geographic coverage and trained agents and other intermediaries, have enabled us to strengthen our business reputation and enhance our brand equity.

Expansive multi-channel distribution with pan-India bancassurance channel and high agent productivity

We have over the years developed one of the largest multi-channel distribution networks among private life insurers in India, with the largest bancassurance channel, including with State Bank, the largest bancassurance partner in India. We had the largest market share of Individual New Business Premium generated by private life insurers through bancassurance channels in Fiscal 2017 (*Source: CRISIL Report*). We also have a large and productive individual agent network comprising 95,177 agents as of July 31, 2017 and our individual agent network generated 22.88% of the Individual New Business Premium generated by private life insurers in Fiscal 2017 (*Source: CRISIL Report*). Our other distribution channels include direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries. We believe that our diversified distribution network enables us to reduce the risk of dependence on any particular channel, leverage economies of scale, and allows us access to a wide range of customer segments.

Bancassurance represents our largest distribution network and in Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, contributed 47.82%, 54.43%, 53.03% and 63.54%, respectively, of our total New Business Premium in such periods. We also reported a growth of 38.42% in Individual New Business Premium generated through our bancassurance channel from Fiscal 2016 to Fiscal 2017. Individual New Business Premium contributed by our bancassurance channel was ₹ 7,990.18 million for the three months ended June 30, 2017 and increased at a CAGR of 46.72% from ₹ 19,442.74 million in Fiscal 2015 to ₹ 41,853.08 million in Fiscal 2017, compared to a CAGR of 27.20% for private life insurers in India during the same period (*Source: CRISIL Report*). Bancassurance distribution benefits from cost efficiencies and the well-regulated nature of our bancassurance partners. Following State Bank's recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches and more than 420 million customers. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, New Business Premium generated through State Bank represented 38.26%, 42.66%, 41.48% and 61.74%, respectively, of our New Business Premium in such periods. As of July 31, 2017, we have bancassurance partnerships with 17 Regional Rural Banks, and with the Punjab and Sind Bank and South Indian Bank. Our bancassurance network provides us with a strong presence across rural and urban areas, including metropolitan cities, tier I, tier II and tier III cities and towns across India. As of July 31, 2017, we engaged with more than 42,000 CIFs at our bancassurance partner branches to sell our products, and continue to provide effective technology support and training on product features, customer requirements and sales techniques.

Our exclusive individual agent network contributed 32.85%, 27.47% 22.31% and 24.89%, respectively, of our total New Business Premium in Fiscal 2015, 2016 and 2017 and three months ended June 30, 2017. As of July 31, 2017, we had 95,177 individual agents. Our Individual New Business Premium contributed by our individual agents was ₹ 3,966.18 million for the three months ended June 30, 2017 and increased at a CAGR of 13.24% from ₹ 17,192.10 million in Fiscal 2015 to ₹ 22,044.05 million in Fiscal 2017, compared to CAGR of 9.39% for private life insurers in India in such period (*Source: CRISIL Report*). In Fiscal 2017, our individual agent network generated New Business Premium of ₹ 234,501 from individual products per agent, reflecting the highest productivity among all private life insurers in India (*Source: CRISIL Report*). We believe various factors contribute to the relatively higher productivity of our sales agents, including our established brand, strong sales management practices, our attractive rewards and recognition program, our technology driven sales platforms, effective sales support and training that we provide to our agents.

We also make significant direct sales, primarily comprising sale of group products, as well as standardized individual products sold through our online offerings. We have developed strong institutional relationships with large corporate groups, in particular with respect to our group life insurance products. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, our other distribution channels, including direct sales, sales by non-bancassurance corporate agents, brokers, micro-agents, common service centres and insurance marketing firms, contributed 19.32%, 18.10%, 24.66% and 11.57%, respectively, of our total New Business Premium in such periods.

We have supported our various distribution channels by investing in additional branches, from 750 offices as of March 31, 2015 to 801 offices as of March 31, 2017, and increasing the number of sales and customer support employees to support our sales channels. As of July 31, 2017, we had 803 offices, located across 29 States and seven Union Territories, and 12,647 employees.

Sustainable business model driven by robust financial position, superior investment performance, diversified product portfolio and effective risk management

- ***Robust financial position supported by high operating efficiencies***

  We believe we have developed a strong capital base, and are adequately capitalized. We have not required additional capital infusion since 2008. We turned profitable within the first five years of our operations, have demonstrated consistent profitability since Fiscal 2010 and have declared dividends every year since Fiscal 2012. We have maintained our Solvency Ratio at over 2.00 during the last five fiscal years, and our Solvency Ratio was 2.11 as of June 30, 2017, compared to the IRDAI mandated Solvency Ratio of 1.50. Our New Business Premium, Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 35.45%, 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017, while our Individual Rated Premium increased at a CAGR of 37.90% in the same period.

  Based on the Embedded Value Report issued by the Independent Actuary, our Embedded Value was ₹ 165,379 million as of March 31, 2017. Our Value of New Business was ₹ 10,368 million in Fiscal 2017. Further, our Value of New Business Margin was 15.4% and our Present Value of New Business Premium Margin was 3.8%, for Fiscal 2017. In addition, our Embedded Value Operating Profit was ₹ 28,875 million in Fiscal 2017, while our Operating Return on Embedded Value was 23.0% for Fiscal 2017. In addition, our profit after tax increased at a CAGR of 8.24% from ₹ 8,148.67 million in Fiscal 2015 to ₹ 9,546.53 million in Fiscal 2017, and was ₹ 3,134.48 million for the three months June 30, 2017. While we have made significant investments to support our growth, we have ensured high levels of operating efficiencies reflected in low Operating Expense Ratios. In Fiscal 2015, 2016 and 2017 and three months ended June 30, 2017, our Operating Expense Ratio was 9.07%, 9.36% 7.83% and 9.82%, respectively. Our Operating Expense Ratio was the lowest among top five private life insurers (in terms of total premium in Fiscal 2017) in India for Fiscal 2017 (*Source: CRISIL Report*). We believe that relatively low Operating Expense Ratio reflects the effective utilization of our distribution channels, increased focus on bancassurance, improved productivity of our individual agent network supported by effective sales and training and leveraging our integrated IT infrastructure. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, our Total Cost Ratio was 13.77%, 13.87%, 11.56% and 14.18%, respectively. Net New Cash, defined as Net Premium minus net benefits, reflecting the inflow of funds into the business, has been growing consistently and has increased from ₹ 77,068.99 million in Fiscal 2016 to ₹ 113,263.11 million in Fiscal 2017, or an increase of 46.96% from Fiscal 2016, the highest among top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). Our Net New Cash was ₹ 11,400.88 million for the three months ended June 30, 2017.

- ***Superior investment performance***

We manage the second largest AUM among top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*. As of March 31, 2015, 2016 and 2017, and June 30, 2017, our AUM was ₹ 713,389.30 million, ₹ 798,275.78 million, ₹ 977,366.03 million and ₹ 1,012,260.34 million, respectively. As of June 30, 2017, most of our unit-linked funds that are benchmarked to independent indices have out-performed the benchmark over the last 5 year, 3 year and 1 year horizons. The average realized returns for our traditional portfolio in Fiscal 2017 was 9.00%.

- ***Diversified product portfolio***

We believe that our diversified product portfolio is an important contributing factor to the growth of our business. In Fiscal 2017, participating products, non-participating protection products, other non-participating products and unit-linked products contributed ₹ 10,923.74 million, ₹ 960.44 million, ₹ 1,717.89 million and ₹ 51,079.61 million, respectively, representing 16.89%, 1.48%, 2.66% and 78.97%, respectively, of our Individual New Business Premium in such period. For the three months ended June 30, 2017, participating products, non-participating protection products, other non-participating products and unit-linked products contributed ₹ 2,777.94 million, ₹ 130.03 million, ₹ 332.21 million and ₹ 8,929.48 million, respectively, representing 22.83%, 1.07%, 2.73% and 73.37%, respectively, of our Individual New Business Premium in such period. In our group products business, group protection (credit life) has been a key focus area and New Business Premium from these products has increased by 15.06% from ₹ 2,396.22 million in Fiscal 2016 to ₹ 2,757.09 million in Fiscal 2017 and was ₹ 524.21 million for the three months ended June 30, 2017. Our liability profile also reflects our diversified individual product portfolio with participating products, non-participating protection products, other non-participating products and unit-linked products accounting for 23.42%, 2.25%, 9.60% and 64.73%, respectively, of our individual policyholders' reserves as of March 31, 2017, and 23.53%, 2.24%, 9.45% and 64.78%, respectively, of our individual policyholders' reserves as of June 30, 2017. Our focus on maintaining a diversified product mix has resulted in our Value of New Business Margin of 15.4% in Fiscal 2017. In Fiscal 2017, our Gross Written Premium was ₹ 210,151.35 million, which comprised ₹ 58,770.06 million of Individual New Business Regular Premium, ₹ 5,911.62 million of individual Single Premium, ₹ 99,204.64 million of Renewal Premium from individual products and ₹ 46,265.02 million of premium from our group products. For the three months ended June 30, 2017, our Gross Written Premium was ₹ 37,880.74 million, which comprised ₹ 10,977.06 million of Individual New Business Regular Premium, ₹ 1,192.60 million of individual Single Premium, ₹ 16,855.40 million of Renewal Premium from individual products and ₹ 8,855.69 million of premium from our group products. Our renewals which are ₹ 73,379.51 million, ₹ 87,187.89 million, ₹ 108,712.72 million and ₹ 19,880.37 million for Fiscal 2015, 2016 and 2017 and three months ended June 30, 2017, respectively, form a key component of our Gross Written Premium and contributed over 50.00% of our Gross Written Premium in each such periods, despite our strong growth in New Business Premium. Our Renewal Premium grew at 24.69% from Fiscal 2016 to Fiscal 2017 which was the highest growth among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report).* Our high renewal composition brings stability to our Gross Written Premium growth, which has increased at CAGR of 27.80% from Fiscal 2015 to Fiscal 2017.

- ***Effective risk management***

We believe that our robust risk management practices have been an important contributing factor to our sustainable growth. Our comprehensive risk management policy specifies the process for identification, measurement and analysis of risk exposures, monitors risk management strategies, and is coordinated with our operational policies, including those relating to compliance, outsourcing, fraud management risks and business continuity management. We were the first insurance company in India to have complied with the recommendations of ISO 31000 2009 for enterprise risk management practices and systems and all our processing centres are ISO 9001:2008 certified. We were awarded the Legal Era Risk Award under the category Most innovative risk management strategy at the Legal Era Risk Awards, 2017 and the Golden Peacock Award for Risk Management for Fiscal 2015. We have also established effective sales quality management, as well as strategic asset liability management processes and effective capital budgeting activities. We undertake an economic capital assessment process periodically, quantify various risks, and allocate capital for each risk to assess capital adequacy on an economic basis and monitor concentration of risk in specific areas. Our widespread operations across metropolitan cities, tier I, tier II and tier III cities, as well as semi urban and rural parts of India reduce any geographic concentration risk as well as dependence on any particular customer segment.

Strong focus on customer service standards

Our strong focus on customer service is a key factor for our sustained growth and we believe that our customer-centric approach to growing our business and developing our product portfolio and distribution channels is a key competitive strength. We offer a diverse and comprehensive range of products that cover various customer segments. Our widespread operations enable us to address customer needs effectively and efficiently. As of July 31, 2017, we had 803 offices located across 29 States and seven Union Territories to serve our customers. In addition, as of July 31, 2017 we provide customer support services through over 42,000 of our CIFs at the branches of our various bancassurance partners. We also provide customer support through our call centres, website and mobile application, *SBI Life –Easy Access*. We have experienced an increase in customer usage of our online presence and the *SBI Life –Easy Access* mobile application. Number of policies issued through digital mode has increased from 13,008 customers in Fiscal 2015 to 90,390 in Fiscal 2017 and customers paying their Renewal Premium through *SBI Life –Easy Access* has increased from 3,231 in Fiscal 2015 to 35,771 in Fiscal 2017. Number of policies issued through digital mode and customers paying their Renewal Premium through *SBI Life –Easy Access* for the four months ended July 31, 2017 were 16,552 and 14,270, respectively. We have leveraged our strong IT infrastructure to introduce superior customer service initiatives, including business generation through tablets, payment collection through mobile devices and provision of alternate payment gateways. We believe that our stringent customer on-boarding process, consistent customer service through call centres, and regular customer engagement through our agents, calls, email communication and text messages have enabled us to maintain customer satisfaction levels.

Our Death Claims Settlement Ratio improved from 92.33% in Fiscal 2015 to 97.98% in Fiscal 2017 and was 89.61% for the three months ended June 30, 2017. The Surrender Ratio for individual unit-linked products to average AUM was 8.82% and 8.99% in Fiscal 2017 and for the three months ended June 30, 2017, respectively. Our 13th month and 61st month Persistency Ratios were 81.07% and 67.18%, respectively in Fiscal 2017, and 81.97% and 64.62%, respectively for the three months ended June 30, 2017.

We believe our stringent customer service standards are evidenced by our low Mis-Selling Ratio of 0.20% in Fiscal 2017, which was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report)*. In Fiscal 2017, our Grievance Ratio was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India *(Source: CRISIL Report),* having improved from 11 grievances per 1,000 policies issued in Fiscal 2015 to six grievances per 1,000 policies issued in Fiscal 2017. Grievance Ratio was seven grievances per 1,000 policies issued for the three months ended June 30, 2017. We also reported the lowest Grievance Ratio among top five private life insurers (in terms of total premium in Fiscal 2017) in India for Fiscal 2017, with a ratio of 0.61% (*Source: CRISIL Report*). For further information in relation to policyholder and intermediaries complaints during the past five fiscal years and for the three months ended June 30, 2017, see "Outstanding Litigation and Material Developments – Policyholder and intermediaries complaints during the last five years and for the three months ended June 30, 2017" on pages 393 to 397. Our grievance redressal channels include letters, emails, phone calls, text messages and toll-free customer care numbers. Our customer grievance redressal system is also fully integrated with IRDAI's Integrated Grievance Redressal Management System. Our Grievance Disposal Rate was 99.96% and 95.10% in Fiscal 2017 and for the three months ended June 30, 2017, respectively. Our service quality was recognized by the Golden Peacock National Quality Award, 2016 for Business Excellence and Innovation. We believe that our focus on continuously improving customer satisfaction parameters has enabled us to maintain our leadership position among private life insurers in India.

Professional and Highly Experienced Board of Directors and Senior Management Team

We have a distinguished Board comprising of industry professionals with extensive executive leadership experience across various industries and business domains. Our Board includes senior members of State Bank and BNPPC who are able to provide effective guidance on our operations and risk management measures. The experience of our Board and senior management allows us to make strategic decisions to address changing market conditions and evolving customer needs and implement global best practices in our operations.

Our senior management team includes qualified and experienced personnel with significant experience in all operational aspects of the insurance business including actuary, investment, underwriting, claims management and information technology. Our senior management team has strong operational and management expertise and an understanding of the key opportunities and risks associated with the insurance industry in general and life insurance in particular. A large number of our senior management personnel have worked with us for a significant period of time, resulting in effective operational coordination and continuity of business strategies. We believe that the significant experience of our management team has enabled us to effectively innovate, grow our business and consistently deliver strong financial performance.

Business Strategies

Capitalize on insurance industry growth opportunities

Indicators such as life insurance penetration (premium as a percentage of GDP), insurance density (premium per capita) and protection gap (sum assured to GDP) indicate that India is still underinsured and there is significant scope for growth. India's life insurance penetration was 2.7% lower than its comparable Asian counterparts such as Thailand, Singapore and South Korea where the life insurance penetration was 3.7%, 5.5% and 7.4% as of 2015. As of 2014, the protection gap for India was the highest among all the countries in Asia Pacific at 92%, suggesting that for every US$100 of insurance protection requirement, only US$8 was actually insured. This indicates the absence, or inadequacy, of pure protection coverage (term insurance) for a large part of the Indian population. With a gradual growth of the economy, and structural drivers in place (rising life expectancy, increase in share of working population, healthcare spending, pension needs), the growth trajectory of life insurance products is expected to be markedly stronger over the next five years. The household savings rate (household savings as a percentage of GDP) is also expected to increase gradually over the same period. In addition, gold and real estate, which represent physical savings of households, are gradually losing their appeal as investment alternatives. Recent regulatory measures to curtail black money are also expected to boost financial savings, which is likely to further benefit the life insurance industry. The large working population in India, coupled with rapid urbanisation and rising affluence, is expected to propel the Indian life insurance sector growth. *(Source: CRISIL Report)* A rise in financial savings, coupled with an expected increase in share of insurance as a percentage of financial savings, due to significant improvements in product proposition and delivery mechanisms, are expected to drive growth for the life insurance sector. Insurance is likely to remain an attractive product within the financial savings pool due to the ability to customize the product to meet different end-goals (ranging from long-term investment to pure protection), and the flexibility to determine the asset mix (in case of linked plans) depending on the risk profile of the customer.In addition, improving economic growth, along with rising awareness of insurance as investment and savings products, are expected to be key contributors to growth of life insurance products *(Source: CRISIL Report)*.

Private life insurers have been gradually gaining market share over the past two years, and it is expected that they will continue to grow at a faster rate than the industry average in the coming years. New Business Premium for life insurers is expected to grow at a CAGR of 11% - 13% from Fiscal 2017 and Fiscal 2022, compared to a CAGR of 9% between Fiscal 2012 and Fiscal 2017. Total premium is expected to grow at a CAGR of 13% to 15% over the next five years from ₹ 4,181 billion in Fiscal 2017 to ₹ 7,900 – 8,100 billion by Fiscal 2022 *(Source: CRISIL Report)*.

We believe we are well positioned to capitalize on opportunities arising out of the growing life insurance market in India. We are focused on maintaining our leadership position in the private sector life insurance market by increasing penetration and proliferation of our life insurance products in untapped/ relatively under-penetrated markets. We propose to expand our branch network based on a particular region's business potential and implement customized regional strategies to address the requirements of local customers. We also plan to develop and introduce additional individual products to add to our product portfolio of 29 individual products as of July 31, 2017. Further, we intend to diversify into other strategic business segments such as health by launching products that cater to this underpenetrated segment. We will continue to focus on further growing our credit life protection business offering coverage for loans by working more closely with our bancassurance partners and entering into strategic distribution arrangements with other financial services institutions.

Ensure profitable growth through balanced product portfolio and expansive distribution network

We will continue to focus on ensuring profitability of our business by maintaining a diversified product portfolio. We continue to undertake market assessment studies to strategically evaluate additional product offerings. As part of our efforts to enhance our Value of New Business, Embedded Value and improve margins, our strategy is to further optimize our product portfolio by maintaining a balance between unit-linked, participating and non-participating products. We also intend to expand our protection product portfolio, with a particular emphasis on credit life protection products. We also intend to gradually reduce our focus on group products due to the inherently competitive nature of this business and the high guarantee obligations related to such products. We will also continue to periodically revaluate pricing considerations based on customer feedback with a focus on profitable growth while maintaining market share.

We intend to continue to leverage our strong multi-channel distribution network to ensure profitable growth. Our large bancassurance channel provides significant cross-selling opportunities with minimal distribution costs. In particular, we will continue to focus on leveraging State Bank's large branch network and customer base to identify and penetrate new markets. We also intend to focus on improving productivity levels of our bancasssurance channels. In Fiscal 2017, 28,923 CIFs in State Bank generated New Business Premium of ₹ 42,074.51 million, compared to ₹ 21,152.93 million in Fiscal 2015 by 19,666 CIFs. For the three months ended June 30, 2017, 39,879 CIFs in State Bank generated New Business Premium of ₹ 11,113.56 million. We also intend to work closely with our newer bancassurance partners Punjab and Sind Bank with 1,500 branches as of March 31, 2017, primarily in north India, and with South Indian Bank with 850 branches as of March 31, 2017, primarily in south India. We continue to actively identify additional bancassurance partners, and also intend to enter into strategic distribution arrangements with small finance banks, payment banks and various non-banking financial service companies. We continue to implement various sales force automation tools, to integrate our operating processes with our bancassurance partners to improve productivity and ensure operating efficiencies.

We intend to continue to strategically grow a highly productive individual agent network, by recruiting additional agents and sales managers to support them, focusing on regions and customer segments with significant business potential. We will also continue to improve our agent training support, to offer automated sales force activity management tools, to provide them with leads and strategies and to redefine our rewards and recognition programs to ensure high productivity rates and lower turnover in our agent workforce.

We continue to increase our focus on direct sales through our website and our customized mobile applications supported by dedicated customer service and call centres. We have developed certain low-cost products aimed at online sales. We intend to market and sell additional products online by customizing products to meet requirements of specific customer segments through our website. We intend to continue to explore opportunities to expand our operations in South Asia including in Nepal and Bangladesh and have obtained all regulatory approvals for starting operations in Bahrain.

As part of our strategy to focus on customer service, we have introduced an e-payment gateway and redeveloped our customer self-service portal. We shall increase our focus on targeting customers through social media and digital platforms such as mobile applications and undertake digital marketing campaigns and data analytics to improve our brand equity and our sales.

Enhance brand equity and continue to focus on customer satisfaction

The insurance business is substantially dependent on reputation. In order to maintain our leadership position across various geographies and different customer segments, we continue to focus on further strengthening our brand by augmenting customer relationships, maintaining stakeholder expectations and improving our claims management processes. We continue to build on our existing corporate culture and strengthen our image as a socially responsible insurance company through various corporate social responsibility and insurance awareness initiatives with the intent to pursue sustainable, value-enhancing long-term growth and profitability. Our strategy is to maintain and enhance our brand value by ensuring best in class risk management practices and implementing global best practices.

We continue to focus on developing tailored products targeted at specific customer segments, and improve customer engagement and ease of transaction. We intend to deploy specialised teams within our various distribution channels to identify, engage with and manage specific customer segments. We believe specialised teams focused on specific customer segments will enable us to increase the productivity of our distribution channels, meet specific customer segments and increase quality of customer experience. Our Mis-Selling Ratio was 0.48%, 0.29%, 0.20% and 0.20% in Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, respectively, and was the lowest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*) in Fiscal 2017 and we intend to further improve our Mis-Selling Ratio through various initiatives, including, among other measures, more stringent customer on-boarding welcome calls, emphasising a focus on quality in our sales training programmes for our frontline sales force, use of analytics and a risk-score approach. A critical aspect of our reduced Mis-Selling Ratio, improved Persistency Ratio and Surrender Ratio has been our dedication to providing superior customer service. Our focus is to ensure delivery of superior customer value through our product and service offerings to sustain our growth. We have a dedicated customer engagement team involved in creating various customized initiatives to target different customer segments through ongoing awareness and wellness campaigns. We are currently working on customer engagement initiatives which we believe will help us engage more interactively with our existing and potential customers. We also provide specific training for our individual agents and sales support teams as well as to the CIFs stationed at branches operated by our bancassurance partners to improve customer engagement and consultation skills. We have developed mobile applications focused on training and intend to continue to leverage our technology platform to provide better service to our customers.

We continue to cultivate a strong customer service ethos across all our customer interfaces, across our distribution channels and customer support services including our call centres. Our call centres provide customers with an efficient means to gain access to information about their insurance policies. We regularly review our sales processes and policy documentation to simplify and ensure transparency of operations. We continue to engage with customers and revise operational policies and processes to ensure superior customer satisfaction, including prompt grievance redressal. We will continue to further streamline and automate our customer interfaces through our website and digital platforms to make them user-friendly and allow for improved ease of access.

Leverage technology to improve operating efficiencies and support growth

We will continue to leverage our robust IT infrastructure to further our strategic objective of delivering strong customer service and help ensure business growth. We continue to improve our sales processes and operational efficiencies through automation and digitization efforts to ensure increased customer retention. We continuously upgrade our IT infrastructure to reduce operating costs across our business processes including sourcing, claims management and claims settlement. We have also initiated measures to upgrade our core policy management systems, and to introduce automated claims processing and settlement mechanisms.

We have made significant investments in our IT systems and infrastructure, including innovative additions such as the *SBI Life – Easy Access* mobile application that provides product and policy related information to customers, and *Connect Life*, which allows sales personnel to select products, complete the application, pay the requisite premium and upload relevant documents from a tablet. We believe this allows for better interaction with customers through more user-friendly and improved interface and reduces turnaround time.

We have integrated our operating systems with those of State Bank branches to further improve the efficiency of our bancassurance channel. We have introduced digital sales support tools that highlight requisite customer demographic and individual customer information to our frontline staff to ensure increased productivity, superior customer service and improved customer retention. These digital sales support tools also assist our supervisory staff to focus on ensuring effective supervision of our sales teams. We are further optimising these digital sales support tools to improve productivity of our individual agents and our other distribution channels.

We will continue to leverage technology for training programs for our employees and our frontline sales force. We will increasingly use data analytics based on our large customer database to generate effective sales leads to our front line sales team, improve persistency, cross-sell our products with a specific focus on existing customers of State Bank and also for the renewal and payment of premium. We are also focusing our efforts on geographically mapping areas to identify, and increase our operations in areas with significant potential for sales of our products. As a part of our operations, we have recently introduced robotics driven self-service portals to facilitate various customer services more efficiently.

Our Insurance Products

We offer individual, or retail, life insurance products as well as group life insurance products. While certain of our life insurance products involve a single one-time premium payment at commencement of the policy, most of our products are designed to require periodic premium payments by policyholders.

The following table sets forth our New Business Premium, Gross Written Premium, New Business Annualized Premium Equivalent and Individual Rated Premium in the periods indicated:

Particulars	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Amount (₹ million)	Percentage of Total (%)	Amount (₹ million)	Percentage of Total (%)	Amount (₹ million)	Percentage of Total (%)	Amount (₹ million)	Percentage of Total (%)
New Business Premium								
Individual Products	37,572.17	67.95%	49,783.49	70.05%	64,681.68	63.76%	12,169.66	67.61%
Group Products	17,719.42	32.05%	21,282.27	29.95%	36,756.94	36.24%	5,830.71	32.39%
Total New Business Premium	**55,291.59**	**100.00%**	**71,065.76**	**100.00%**	**101,438.62**	**100.00%**	**18,000.37**	**100.00%**
Gross Written Premium								
Individual Products	104,772.19	81.43%	129,577.55	81.88%	163,886.33	77.98%	29,025.05	76.62%
Group Products	23,898.91	18.57%	28,676.09	18.12%	46,265.02	22.02%	8,855.69	23.38%
Total Gross Written Premium	**128,671.10**	**100.00%**	**158,253.65**	**100.00%**	**210,151.35**	**100.00%**	**37,880.74**	**100.00%**
New Business Annualized Premium Equivalent								
Individual Products	31,696.06	87.90%	44,199.90	87.60%	60,192.21	89.47%	11,258.29	87.76%
Group Products	4,361.30	12.10%	6,255.59	12.40%	7,080.98	10.53%	1,570.04	12.24%
Total New Business Annualized Premium Equivalent	**36,057.36**	**100.00%**	**50,455.49**	**100.00%**	**67,273.18**	**100.00%**	**12,828.33**	**100.00%**
Individual Rated Premium								
Individual Products	**31,213.97**	**100.00%**	**42,759.93**	**100.00%**	**59,361.23**	**100.00%**	**11,096.32**	**100.00%**

Individual Products

Our individual, or retail, life insurance products can broadly be classified into two categories: (i) non-linked life insurance products, which can further be classified into participating products, non-participating protection products and other non-participating products; and (ii) linked life insurance products that are non-participating in nature. In Fiscal 2017, Individual New Business Premium from our participating products, non-participating protection products, non-participating other products and unit-linked products represented 16.89%, 1.48%, 2.66% and 78.97%, respectively, of our New Business Premium from individual products in such period. For the three months ended June 30, 2017, Individual New Business Premium from our participating products, non-participating protection products, non-participating other products and unit-linked products represented 22.83%, 1.07%, 2.73%, and 73.37%, respectively, of our New Business Premium from individual products in such period.

As of July 31, 2017, we had a comprehensive product portfolio offering 29 individual life insurance products. Our plans include child plans, retirement/ pension plans, protection plans and savings plans, with flexible and variable features addressing specific life insurance needs focused on specific customer segments. In addition, we also offer various riders providing additional benefits for disability, illnesses and death due to accident. Our most popular individual products are *SBI Life – Smart Wealth Builder*, *SBI Life – Smart Elite* and *SBI Life – Smart Privilege* which generated New Business Premium of ₹ 25,398.69 million, ₹ 8,774.09 million and ₹ 6,246.68 million, respectively, in Fiscal 2017, and ₹ 4,165.28 million, ₹ 1,559.55 million and ₹ 1,028.47 million, respectively for the three months ended June 30, 2017.

Certain specific customer segments that we cater to include women, married couples and high net worth individuals. Our woman-oriented plan, *SBI Life – Smart Women Advantage* not only offers protection against critical illnesses covered in the plan (including female specific illnesses) but also addresses savings needs. Another niche product that we offer is the *SBI Life – Smart Humsafar*, a joint life endowment plan which factors protection as well savings needs of a family as a unit by offering insurance coverage to both spouses under a single policy and not just the earning member unlike conventional insurance plans. In Fiscal 2017 we introduced two new products: *SBI Life – Smart Privilege*, a low cost unit-linked product for our high net worth individual customers and *SBI Life – Smart Bachat*, a limited pay endowment product targeted at the mass affluent segment inclined towards shorter premium payment periods. With the recent market success of these products, we believe these products may become some of our most successful products in the near future. In addition, we propose to introduce certain niche products. We have recently received regulatory approval for the health insurance segment, which allows us to offer products extending certain benefits on diagnosis of cancer and have introduced *SBI Life – Sampoorna Cancer Suraksha* in August 2017.

- ***Participating Products***

  Participating life insurance products are products where the insured participates in the profits of the underlying investment pool during the term of the policy. These products cater to customers that have specific savings requirements. These are savings cum protection products that provide a guaranteed sum assured and long term returns through participation in surplus, if any, generated from these policies. We offer participating insurance products that are designed to provide benefits over the entire life of the policyholders (whole life insurance), as well as products that provide benefits over defined periods (endowment life insurance). As of July 31, 2017, we offered 10 participating products. Examples of our participating products include *SBI Life – Smart Bachat* and *SBI Life – Shubh Nivesh*.

  These products entitle the insured to receive bonuses in the event our products have a distributable surplus in any fiscal year during the policy period. Any surplus in the underlying investment pool is distributed to policyholders of participating products in the form of bonuses. When declared, bonuses accrue to the policy and are guaranteed for the insured. The regular simple reversionary bonus (which is a percentage of the basic sum assured) is distributed based on actuarial valuations completed at the end of each fiscal year and vests once declared. In addition to vested bonus, interim bonus may also be declared and will apply on the policies exiting during the financial year. Terminal bonus (as a percentage of cumulative vested bonuses declared) is also payable, i.e., an additional bonus to participating policyholders on maturity, upon death or surrender of the policy, provided such terminal bonus has been declared by our Company and that the policies have completed the minimum duration at time of death / surrender. Distributable bonuses on participating products are generated from various sources including favourable actual mortality rates or investment yields compared to the assumptions used in pricing such product. The annual bonuses and the terminal bonuses are based on our internal policies that ensure policyholders of participating products are not exposed to high volatility of underlying asset returns.

- ***Non-Participating Protection Products***

  As of July 31, 2017, we have seven non-participating protection products. Non-participating protection products are products that offer benefits that are guaranteed in absolute terms on occurrence of a particular event at the beginning of the policy. These products do not entail any investment risk for customers. These are protection oriented products, and generally expire without value if the designated event does not occur. The risk covered in most cases covers death of the insured but may also include permanent disability or diagnosis of critical illness. Our non-participating protection products include *SBI Life – eShield* and *SBI Life – Smart Shield*.

- ***Other Non-Participating Products***

As of July 31, 2017, we offered three products in this segment: a non-participating endowment product, a non-participating variable insurance plan and an immediate annuity product.

The first two products cover the insured for a specific period and do not participate in profits of the underlying investment pool. The investment risk is borne by us and benefits and interest rates are stated in advance. On the death of the insured (during the term of the policy), the nominee receives the sum assured plus the interest specified for the duration of the policy. On the insured life surviving the policy term i.e., upon maturity, in case of the endowment plan, the insured is entitled to receive the sum assured plus the interest for the term of the policy while in case of the variable insurance product, the policy account value becomes payable.

Our immediate annuity product, *SBI Life – Annuity Plus*, guarantees a defined income, commonly known as pension, for the life time of the policyholder thereby covering their longevity risk. This product also provides for an annuity pay out for two lives (e.g., self and spouse) and is available on vesting to our existing pension policyholders as well as the subscribers of the National Pension System and for new customers.

- ***Unit-Linked Products***

Unit-linked products are linked non-participating insurance contracts that provide the benefit of investment as well as protection. They provide returns directly linked to the performance of the underlying funds and have a transparent charge structure which is explicitly stated at the outset. The investment risk on these products is borne by the customer. Bulk of the premium collected for unit-linked products is invested in a range of equity and debt instruments in accordance with the investment preference of the policyholder. Any return generated on unit-linked products is transparent. Policyholders of unit-linked products determine investment allocation based on their respective risk appetite and market outlook and have an option of revising their asset allocation at any point in time. In the event of death of the insured during the term of the policy, the nominee receives the benefit as defined in the product which is (i) the higher of sum assured or fund value or (ii) sum assured plus fund value. Upon surviving the term of the policy, the insured receives the fund value. Some of our products in this category are *SBI Life – Smart Wealth Builder* and *SBI Life – Smart Privilege*.

In accordance with IRDAI regulations, all unit-linked products have a minimum lock in period of five years and do not offer liquidity during this initial five-year period. During this period, the policyholders cannot withdraw the investment amounts and in case they surrender within this period, the surrender proceeds would be payable after the completion of the lock in period. In September 2010, IRDAI introduced several significant changes in the regulatory framework applicable to unit-linked products, including a limit on charges (whether surrender or discontinuance charges), and minimum levels of sum assured. The limit on discontinuance charges ensures that policyholders are protected in the event of policy lapses / surrender. For details, see “Regulations and Policies” on page 157.

For the benefit of our customers, we classify our individual products as below:

Individual Products	Name of Product	Primary Customer Need Addressed
Participating Products	*SBI Life - Saral Pension*	Retirement Pension
	SBI Life - Flexi Smart Plus	Savings
	SBI Life - Smart Women Advantage	Savings
	SBI Life - ShubhNivesh	Savings
	SBI Life - Smart Income Protect	Periodic Money Back /Income
	SBI Life - Smart Money Back Gold	Periodic Money Back /Income
	SBI Life - Smart Champ Insurance	Child Education/Marriage
	SBI Life - Smart Money Planner	Periodic Money Back /Income
	SBI Life - Smart Humsafar	Savings
	SBI Life - Smart Bachat	Savings
Non-Participating Protection Products	*SBI Life - Saral Shield*	Protection
	SBI Life - GrameenBima	Protection
	SBI Life - eShield	Protection
	SBI Life - eIncome Shield	Protection
	SBI Life - Smart Shield	Protection
	SBI Life - SaralSwadhan Plus	Protection

Individual Products	Name of Product	Primary Customer Need Addressed
	SBI Life - Smart Swadhan Plus	Protection
Other Non-Participating Products	*SBI Life - Smart Guaranteed Savings Plan*	Savings
	SBI Life - CSC Saral Sanchay	Savings
	SBI Life - Annuity Plus	Retirement Pension
Unit-Linked Products	*SBI Life - SaralMaha Anand*	Wealth Creation
	SBI Life - Smart Elite	Wealth Creation
	SBI Life - Smart Wealth Builder	Wealth Creation
	SBI Life - Smart Scholar	Child Education/Marriage
	SBI Life - Retire Smart	Retirement Pension
	SBI Life - Smart Power Insurance	Wealth Creation
	SBI Life - Smart Wealth Assure	Wealth Creation
	SBI Life - eWealth Insurance	Wealth Creation
	SBI Life - Smart Privilege	Wealth Creation

Individual Products' Premium

The table below sets forth information relating to the New Business Premium, Gross Written Premium, New Business Annualized Premium Equivalent, Individual Rated Premium and number of policies relating to our individual products in the periods indicated:

Individual Products	Particulars	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Amount/ Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)
		(₹ million, except count and percentages)							
Participating Products	New Business Premium	14,542.41	38.71%	14,677.51	29.48%	10,923.74	16.89%	2,777.94	22.83%
	Gross Written Premium	34,562.56	32.99%	43,901.56	33.88%	48,105.88	29.35%	9,059.29	31.21%
	New Business Annualized Premium Equivalent	15,155.34	47.81%	15,538.67	35.16%	11,200.77	18.61%	2,837.18	25.20%
	Individual Rated Premium	14,313.33	45.86%	14,512.25	33.94%	10,879.39	18.33%	2,766.29	24.93%
	Number of policies	593,423	52.71%	620,060	48.71%	463,966	36.41%	101,928	44.11%
Non-Participating Protection Products	New Business Premium	1,510.80	4.02%	1,510.21	3.03%	960.44	1.48%	130.03	1.07%
	Gross Written Premium	2,832.15	2.70%	3,405.67	2.63%	3,245.14	1.98%	509.40	1.76%
	New Business Annualized Premium Equivalent	1,207.05	3.81%	1,130.49	2.56%	834.08	1.39%	113.81	1.01%
	Individual Rated Premium	1,209.60	3.88%	1,136.28	2.66%	831.58	1.40%	114.50	1.03%

Individual Products	Particulars	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Amount/ Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)
		(₹ million, except count and percentages)							
	Number of policies	2,52,281	22.41%	209,575	16.46%	145,657	11.43%	15,917	6.89%
Other Non-Participating Products	New Business Premium	2,775.52	7.39%	1,679.59	3.37%	1,717.89	2.66%	332.21	2.73%
	Gross Written Premium	15,116.25	14.43%	13,740.09	10.60%	12,308.76	7.51%	1,700.53	5.86%
	New Business Annualized Premium Equivalent	779.88	2.46%	599.69	1.36%	486.65	0.81%	96.78	0.86%
	Individual Rated Premium	1,398.16	4.48%	567.86	1.33%	478.80	0.81%	93.68	0.84%
	Number of policies	28,222	2.51%	25,951	2.04%	18,844	1.48%	3,248	1.41%
Unit-Linked Products	New Business Premium	18,743.43	49.89%	31,916.18	64.11%	51,079.61	78.97%	8,929.48	73.37%
	Gross Written Premium	52,261.22	49.88%	68,530.24	52.89%	100,226.55	61.16%	17,755.83	61.17%
	New Business Annualized Premium Equivalent	14,553.78	45.92%	26,931.05	60.93%	47,670.70	79.20%	8,210.51	72.93%
	Individual Rated Premium	14,292.87	45.79%	26,543.54	62.08%	47,171.45	79.47%	8,121.85	73.19%
	Number of policies	251,968	22.38%	417,424	32.79%	645,724	50.68%	109,962	47.59%

Term and Size of Individual Products

The following table sets forth certain information relating to our individual products in terms of the average term of the policy, average size of the policy and average customer age in the periods indicated:

Product Segment	Parameter	As of March 31,			As of June 30, 2017
		2015	2016	2017	
		(₹except term of policies in years and age in years)			
Participating Products	Average term of policies	12.61	12.71	12.81	12.54
	Average size of policies	24,505.98	23,671.11	23,544.28	27,253.93
	Average customer age	37.36	37.27	36.62	35.93
Non-Participating Protection Products	Average term of policies	13.29	12.88	12.58	13.97
	Average size of policies	5,988.57	7,206.06	6,593.82	8,169.02
	Average customer age	36.67	36.62	36.89	36.17
Other Non-Participating	Average term of policies	17.78	17.36	17.60	18.80

Product Segment	Parameter	As of March 31,			As of June 30, 2017
		2015	2016	2017	
		(₹except term of policies in years and age in years)			
Products	Average size of policies	98,346.05	64,721.73	91,163.94	102,282.17
	Average customer age	39.46	38.23	37.90	37.75
Unit-Linked Products	Average term of policies	11.60	11.38	11.10	10.99
	Average size of policies	74,388.13	76,459.85	79,104.40	81,205.12
	Average customer age	41.89	41.85	41.37	41.39

Group Products

Our group life products are broadly classified into four categories: (i) group protection products (credit life); (ii) group protection products (others); (iii) Group FM products; and (iv) other group products. Our clients include employers across a range of industries, including banks and financial services companies as well as professional, consulting and other firms, and informal groups. Our group portfolio consists of eight products covering the entire range of group insurance products. The four categories are explained as below:

Group Protection (Credit Life) Products

We offer group protection (credit life) products in the form of master policies to banks, financial institutions or other groups or associations in relation to repayment of outstanding loan amount in event of death or disability of the insured members of the group. Our credit life product, *SBI Life – RinnRaksha* offers a flexible and comprehensive range of features covering loan borrowers of banks, financial institutions as well as groups and associations.

Group Protection (Others) Products

Group protection products provide life insurance coverage to a group of individuals, where, upon the death of a member, the sum assured is paid to the member's nominee. These products provide benefits to both formal (employer-employee) and affinity (non-employer-employee) groups. These products offer a comprehensive benefit package that can be customized to provide for cover against death, disabilities and illnesses. The benefit can be defined as a multiple of salary or cost-to-company, or amount of the outstanding loans or as a flat / graded cover as required by the employer. Group term products typically have a one year term and need to be renewed upon expiry.

As of July 31, 2017, we offered three products in this segment. Some of our group protection (others) products includes, *SBI Life - Sampoorn Suraksha* and *SBI Life – Grameen Shakti* which is a micro insurance product. Our portfolio also includes insurance cover under the Pradhan Mantri Jeevan Jyoti Bima Yojana, which is a non-linked one year renewable group term insurance product.

Group FM Products

These are fund based group insurance plans which cater to the needs of employers looking at financial solutions to fund their employees' benefit schemes including gratuity, superannuation and leave encashment. In this segment, we offer a non-participating variable insurance product, *SBI Life – CapAssure Gold* and a unit-linked plan, *SBI Life – KalyanULIP Plus*.

Other Group Products

In this segment, our portfolio currently consists of two group immediate annuity plans which are primarily for corporate clients (employer-employee groups) and other informal groups, who wish to purchase an annuity to provide for their annuity liability (existing or emerging or both) totally or partially. Buyout of pension liabilities is a method by which an insured transfers liability of a defined pension scheme completely to the insurance company. The defined benefits of group members are protected and the insured also gets rid of the risk of the pension scheme running into deficits due to adverse changes in demographic/ macroeconomic scenarios in the future.

In February 2013, IRDAI introduced several significant changes in the regulatory framework applicable to group insurance products making the product structure well defined. For further information relating to such regulatory development, see "Regulations and Policies" on page 157.

Group Products' Premium

The following table sets forth information relating to the New Business Premium, Gross Written Premium, New Business Annualized Premium Equivalent and number of lives relating to our group products in the periods indicated:

Group Products	Particulars	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)
		(₹ million, except count and percentages)							
Group Protection (Credit Life)	New Business Premium	2,026.62	11.44%	2,396.22	11.26%	2,757.09	7.50%	524.21	8.99%
	Gross Written Premium	5,246.65	21.95%	6,485.29	22.62%	7,278.80	15.73%	1,419.97	16.03%
	New business annualized premium equivalent	1,294.50	29.68%	1,529.15	24.44%	1,867.64	26.38%	382.68	24.37%
	Number of lives	268,402	32.41%	320,408	4.16%	324,535	9.34%	57,436	12.76%
Group Protection (Others)	New Business Premium	759.19	4.28%	2,393.94	11.25%	1,155.89	3.14%	367.60	6.30%
	Gross Written Premium	2,151.99	9.00%	3,859.90	13.46%	4,318.52	9.33%	2,199.31	24.83%
	New business annualized premium equivalent	847.31	19.43%	2,614.94	41.80%	1,560.11	22.03%	687.31	43.78%
	Number of lives	531,587	64.19%	73,73,239	95.81%	3,148,501	90.62%	392,437	87.20%
Group FM	New Business Premium	13,144.41	74.18%	15,387.04	72.30%	32,182.23	87.55%	4,831.39	82.86%
	Gross Written Premium	13,672.81	57.21%	15,940.04	55.59%	32,741.97	70.77%	4,833.49	54.58%
	New business annualized premium equivalent	1,778.19	40.77%	1,952.42	31.21%	3,587.04	50.66%	489.34	31.17%
Other Group Products	New Business Premium	1,789.20	10.10%	1,105.07	5.19%	661.74	1.80%	107.52	1.84%
	Gross Written Premium	2,827.47	11.83%	2,390.87	8.34%	1,925.75	4.16%	402.91	4.55%
	New business annualized premium equivalent	441.31	10.12%	159.07	2.54%	66.19	0.93%	10.71	0.68%
	Number of lives	28,221	3.41%	1,783	0.02%	1,318	0.04%	165	0.04%

For the benefit of our customers, we classify our Group Products as below:

Group Products	Name of Product
Group Protection (Credit Life)	*SBI Life - RinnRaksha*
Group Protection (Others)	*SBI Life - Pradhan Mantri Jeevan Jyoti Bima Yojana*
	SBI Life - Sampoorn Suraksha
	SBI Life - Grameen Shakti
Group FM	*SBI Life - KalyanULIP Plus*
	SBI Life - CapAssure Gold
Other Group Products	*SBI Life - Swarna Jeevan*
	SBI Life - Gaurav Jeevan

Distribution Network

We have an extensive multi-channel distribution network including a large network of branches across India, effective bancassurance partnerships, and a network of individual agents and other intermediaries. We have also developed strong institutional relationships with large corporate groups, in particular with respect to our group life insurance products. We also make direct sales through our online offerings. We broadly divide our distribution network into three primary channels: bancassurance, individual agent network, and other distribution channels, which include direct sales and sales through corporate agents, brokers and other intermediaries.

We believe that our diversified distribution channels enable us to reduce our dependence on any single channel which could be significantly affected as a result of unanticipated regulatory developments, customer trends or other market factors. Our multi-channel distribution network also allows us to leverage economies of scale and enables us to access various customer segments thereby reducing concentration risk relating to any particular customer segment.

The following table sets forth information relating to New Business Premium, Gross Written Premium, New Business Annualized Premium Equivalent, Individual Rated Premium and aggregate number of policies for our individual products generated through our various distribution channels:

Distribution Channel	Contribution	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)
		(₹ million, except count and percentages)							
Bancassurance	New Business Premium	19,442.74	51.75%	30,236.61	60.74%	41,853.08	64.71%	7,990.18	65.66%
	Gross Written Premium	46,643.66	44.52%	64,947.32	50.12%	89,447.02	54.58%	15,591.49	53.72%
	New Business Annualized Premium Equivalent	16,618.27	52.43%	25,466.12	57.62%	38,492.01	63.95%	7,424.82	65.95%
	Individual Rated Premium	16,701.77	53.51%	26,034.52	60.89%	38,674.40	65.15%	7,385.52	66.56%
	Number of policies	629,931	55.95%	788,207	61.92%	810,977	63.65%	140,499	60.81%
Individual Agent Network	New Business Premium	17,192.10	45.76%	18,806.96	37.78%	22,044.05	34.08%	3,966.18	32.59%
	Gross Written Premium	54,385.58	51.91%	61,404.05	47.39%	71,598.37	43.69%	12,819.56	44.17%
	New	14,442.82	45.57%	17,608.67	39.84%	20,866.29	34.67%	3,727.74	33.11%

Distribution Channel	Contribution	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)	Amount / Count	Percentage of Total (%)
		(₹ million, except count and percentages)							
	Business Annualized Premium Equivalent								
	Individual Rated Premium	14,024.16	44.93%	16,317.02	38.16%	20,269.01	34.15%	3,611.01	32.54%
	Number of policies	464,758	41.28%	462,278	36.31%	445,323	34.95%	86,430	37.41%
Other Distribution Channels[1]	New Business Premium	937.33	2.49%	739.93	1.49%	784.56	1.21%	213.30	1.75%
	Gross Written Premium	3,742.95	3.57%	3,226.18	2.49%	2,840.94	1.73%	614.00	2.12%
	New Business Annualized Premium Equivalent	634.97	2.00%	1,125.11	2.55%	833.91	1.39%	105.72	0.94%
	Individual Rated Premium	488.04	1.56%	408.39	0.96%	417.82	0.70%	99.80	0.90%
	Number of policies	31,205	2.77%	22,525	1.77%	17,891	1.40%	4,126	1.79%

1. *Includes direct sales, sales through corporate agents, brokers and other intermediaries.*

The following table sets forth information relating to Individual Rated Premium of our individual participating products, non-participating protection products, other non-participating products and our unit-linked products, generated through our various distribution channels:

Distribution Channel	Individual Product	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)
		(₹ million, except percentages)							
Bancassurance	Participating Products	7,319.82	23.45%	8,199.90	19.18%	5,258.84	8.86%	1,544.64	13.92%
	Non-participating Protection Products	943.42	3.02%	904.62	2.12%	645.50	1.09%	72.73	0.66%
	Other Non-participating Products	583.17	1.87%	486.80	1.14%	373.17	0.63%	71.54	0.64%
	Unit-linked Products	7,855.37	25.17%	16,443.21	38.45%	32,396.89	54.58%	5,696.61	51.34%
Individual Agent Network	Participating Products	6,742.33	21.60%	6,129.73	14.34%	5,461.50	9.20%	1,181.34	10.65%
	Non-	104.30	0.33%	123.21	0.29%	116.14	0.20%	25.54	0.23%

Distribution Channel	Individual Product	Fiscal 2015 Amount	Fiscal 2015 Percentage of Total (%)	Fiscal 2016 Amount	Fiscal 2016 Percentage of Total (%)	Fiscal 2017 Amount	Fiscal 2017 Percentage of Total (%)	Three months ended June 30, 2017 Amount	Three months ended June 30, 2017 Percentage of Total (%)
		(₹ million, except percentages)							
	participating Protection Products								
	Other Non-participating Products	765.01	2.45%	48.43	0.11%	62.94	0.11%	9.26	0.08%
	Unit-linked Products	6,412.52	20.54%	10,015.65	23.42%	14,628.44	24.64%	2,394.87	21.58%
Other Distribution Channels[1]	Participating Products	251.18	0.80%	182.62	0.43%	159.05	0.27%	40.31	0.36%
	Non-participating Protection Products	161.89	0.52%	108.45	0.25%	69.94	0.12%	16.23	0.15%
	Other Non-participating Products	49.98	0.16%	32.63	0.08%	42.70	0.07%	12.88	0.12%
	Unit-linked Products	24.99	0.08%	84.68	0.20%	146.12	0.25%	30.37	0.27%

1. *Includes direct sales, sales through corporate agents, brokers and other intermediaries.*

Our bancassurance partnerships and individual agent network have been and continue to be the largest contributors of our New Business Premium for our individual life insurance products.

Bancassurance

Bancassurance represents our largest distribution network. In Fiscal 2015, 2016 2017 and for the three months ended June 30, 2017, it contributed 51.75%, 60.74%, 64.71% and 65.66%, respectively, of our New Business Premium from individual products. In Fiscal 2017, we had the largest market share of New Business Premium generated by private life insurers through bancassurance channels (*Source: CRISIL Report*). Individual New Business Premium contributed by our bancassurance channel was ₹ 7,990.18 million for the three months ended June 30, 2017 and increased at a CAGR of 46.72% from ₹ 19,442.74 million in Fiscal 2015 to ₹ 41,853.08 million in Fiscal 2017, compared to CAGR of 27.20% for private life insurers in India in the same period (*Source: CRISIL Report*). In this channel, our products are marketed through CIFs by our bancassurance channel partners in consideration of a sales commission. CIFs are employees of our bancassurance partners who are trained by us to provide insurance advice to customers. Bancassurance arrangements are non-exclusive arrangements, however, we currently are the only life insurance partner of State Bank. We closely engage with our bancassurance partners at all levels from chairman of the bank, senior management, to branch staff (CIFs). Our engagement with senior management is to determine common business goals and strategies. We regularly engage with the CIFs and have introduced various measures to strengthen our relationship with them, including training our product features, customer requirements and sales techniques. We work closely with our bancassurance partners to target strategic customer segments, such as defence personnel or high net worth individuals. We also provide technology support by enabling electronic submission of policy applications by the bancassurance partner CIFs.

We continue to leverage our strong relationship with State Bank and its affiliate financial institutions to increase our sales. As of March 31, 2017, State Bank was India’s largest commercial bank in terms of deposits, advances and number of branches. Following its recent merger with certain of its subsidiary banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches, 195 international offices in 36 countries and more than 420 million customers. We entered into a bancassurance agreement with State Bank in Fiscal 2005, which was most recently renewed in December 2016. We have also entered into bancassurance partnerships with 17 Regional Rural Banks, and more recently with the Punjab and Sind Bank, with 1,500 branches as of March 31, 2017, primarily focused on northern parts of India and South Indian Bank, with 850 branches as of March 31, 2017 primarily focused on southern parts of India. We believe our bancassurance channel provides us with a strong presence across rural and urban areas, including metropolitan cities, tier I, tier II and tier III cities and towns across India. Our bancassurance arrangements are not exclusive as bancassurance partners, including State Bank, are permitted under law to enter into similar arrangements with up to three life insurance companies. Sales commissions are paid to bancassurance partners as per the rates filed for each product with IRDAI. In the past, we used to pay reward to partners for meeting certain performance benchmarks. However, following the recent amendment to guidelines issued by IRDAI, no incentive can be paid to our bancassurance partners from April 1, 2017.

We believe that more business can be generated through our bancassurance partners that have a large customer base that is relatively untapped. We intend to actively engage additional branches of our bancassurance partners to access more number of customers.

Individual Agent Network

Our individual agent network represents our second largest distribution network, and in Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017 contributed 45.76%, 37.78%, 34.08% and 32.59%, respectively, of our New Business Premium from individual products. In Fiscal 2017, our individual agent network generated 22.88% of the Individual New Business Premium generated by private life insurers in Fiscal 2017, representing the largest market share of Individual New Business Premium generated through an individual agent network among private life insurers (*Source: CRISIL Report*). Our Individual New Business Premium contributed by our individual agents increased at a CAGR of 13.24% from ₹ 17,192.10 million in Fiscal 2015 to ₹ 22,044.05 million in Fiscal 2017, compared to a CAGR of 9.39% for private life insurers in India in the same period (*Source: CRISIL Report*). In Fiscal 2017, our individual agent network generated ₹ 234,501 New Business Premium from individual products per agent, the highest among the top five private life insurers (in terms of total premium in Fiscal 2017) in India (*Source: CRISIL Report*). As of July 31, 2017, we had 95,177 individual agents. We enter into exclusive contracts with our individual agents, typically for three year terms, renewable at our option for three additional years. Under such contracts, our individual agents are prohibited from participating in multilevel marketing schemes, interfering with other agents' business, or hold Board positions in other insurance companies. We are also entitled to impose penalties on such agents, or terminate the agency contract, in the event of any breach of any applicable terms by the agent.

As of July 31, 2017, we had 803 branch offices in 29 States and seven Union Territories across India set up primarily for our agency network. We believe our large branch network enables us to effectively support our widespread individual agent network and reduce dependence on any specific region or customer segment. Following an initial assessment of market potential in a certain geographic region, we engage with potential customers, by establishing a branch office and appointing agents.

Our individual agent network is managed by our sales team, which includes branch sales managers and employee unit managers managing a team of agents. We focus on managing and training our individual agents, providing appropriate competitive sales commissions and other rewards and recognition programs, and regularly upgrading the management and technology support for our agents. We offer on-site and remote support for our agents, through technical support applications, call centres and internet portals. Our sales agents are required to attend regular training sessions including for technical and marketing skills. Individual agents are assessed regularly to ensure compliance with applicable regulations and operating standards. Agents generating higher business while maintaining adequate quality determined on the basis parameters such as Persistency Ratios, and lower claims and grievances, are appropriately rewarded under our rewards and recognition programs.

Other Distribution Channels

Our other distribution channels primarily include direct sales, including online sales, sales by non-bancassurance corporate agents, brokers, micro-agents, common service centres and insurance marketing firms.

We make significant direct sales, primarily comprising sales of group products, as well as individual products sold through our online offerings. In Fiscal 2015, 2016 and 2017 and for the three months ended June 30, 2017, direct sales contributed 18.13%, 17.57%, 23.96% and 11.57%, respectively, of our New Business Premium in such periods.

We have developed longstanding relationships with key corporate clients for direct sales of group products, particularly for Group Protection (others) and Group FM products. We have developed an internal sales team to focus on marketing and distribution of our group products. Key account managers, our relationship managers for corporates, are located across larger cities, focus on marketing and sales of group products. As of July 31, 2017, we had 42 key account managers who provide life insurance and retirement fund planning advice and sell life insurance and pension benefits to institutional customers. These sales representatives receive performance based bonuses in addition to a base salary.

We have increasingly focused on digital and online sales channels, including through the internet and mobile applications supported by dedicated call centres. We have developed certain low-cost products aimed at online sales. These products include *SBI Life – eIncome Shield*, an online term life insurance / income protection product; *SBI Life – eWealth Insurance*, a non-participating online unit-linked product; *SBI Life – eShield*, an online pure term, insurance plan and *SBI Life – Annuity Plus Traditional*, an immediate annuity plan.

We had tie-ups with 53 corporate agents and 121 insurance brokers as of July 31, 2017. These partners are supported by dedicated sales team comprising of business development managers and area managers. The role of our sales team is to enhance the ability of our partners to market our life insurance products and includes training on our product features, customer requirements and sales techniques.

We are in the process of developing new sales partners through the appointment of micro-agents and common service centres. These partners have wide geographical presence especially in rural parts of India.

Geographic Distribution of New Business Premium

The following table sets forth the geographical distribution of our New Business Premium relating to our individual products in the periods indicated:

States and Union Territories	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)
	(₹ million, except percentages)							
Andhra Pradesh	3,085.77	8.21%	3,031.78	6.09%	3,918.76	6.06%	646.14	5.31%
Arunachal Pradesh	97.62	0.26%	136.93	0.28%	153.94	0.24%	36.91	0.30%
Assam	912.36	2.43%	1,259.50	2.53%	1,645.30	2.54%	305.69	2.51%
Bihar	1,432.89	3.81%	1,996.59	4.01%	2,662.71	4.12%	570.77	4.69%
Chhattisgarh	1,028.16	2.74%	1,237.20	2.49%	1,444.41	2.23%	259.57	2.13%
Goa	160.70	0.43%	217.01	0.44%	314.97	0.49%	54.07	0.44%
Gujarat	1,847.87	4.92%	2,774.38	5.57%	4,327.12	6.69%	952.11	7.82%
Haryana	1,031.34	2.74%	1,268.17	2.55%	1,537.90	2.38%	317.69	2.61%
Himachal Pradesh	514.89	1.37%	715.70	1.44%	938.96	1.45%	176.35	1.45%
Jammu & Kashmir	175.78	0.47%	230.11	0.46%	320.77	0.50%	92.66	0.76%
Jharkhand	858.53	2.29%	1,227.50	2.47%	1,537.87	2.38%	269.49	2.21%
Karnataka	2,456.13	6.54%	3,240.17	6.51%	3,988.35	6.17%	659.19	5.42%
Kerala	2,123.48	5.65%	2,573.78	5.17%	3,939.71	6.09%	571.31	4.69%
Madhya Pradesh	1,702.73	4.53%	2,096.03	4.21%	2,700.60	4.18%	453.55	3.73%
Maharashtra	3,448.23	9.18%	4,352.99	8.74%	5,218.13	8.07%	979.13	8.05%
Manipur	55.53	0.15%	87.88	0.18%	111.30	0.17%	18.71	0.15%
Meghalaya	124.85	0.33%	145.56	0.29%	227.82	0.35%	34.70	0.29%
Mizoram	34.76	0.09%	40.40	0.08%	35.87	0.06%	7.58	0.06%
Nagaland	73.04	0.19%	85.84	0.17%	111.10	0.17%	37.32	0.31%
Orissa	1,653.52	4.40%	2,184.80	4.39%	2,578.41	3.99%	461.74	3.79%
Punjab	1,087.22	2.89%	1,334.33	2.68%	1,805.58	2.79%	386.26	3.17%
Rajasthan	1,624.04	4.32%	2,219.08	4.46%	2,944.38	4.55%	459.41	3.78%
Sikkim	29.03	0.08%	60.35	0.12%	80.66	0.12%	11.29	0.09%
Tamil Nadu	2,809.01	7.48%	3,482.01	6.99%	4,516.69	6.98%	1,032.64	8.49%
Tripura	83.75	0.22%	115.55	0.23%	114.80	0.18%	17.30	0.14%
Uttar Pradesh	3,171.28	8.44%	4,465.44	8.97%	6,115.10	9.45%	1,330.01	10.93%
Uttarakhand	626.70	1.67%	910.19	1.83%	1,083.58	1.68%	219.73	1.81%
West Bengal	2,142.71	5.70%	3,121.64	6.27%	3,901.45	6.03%	818.76	6.73%
Andaman & Nicobar Islands	36.83	0.10%	59.19	0.12%	63.21	0.10%	9.08	0.07%
Chandigarh	83.60	0.22%	129.27	0.26%	180.68	0.28%	36.30	0.30%
Dadra & Nagar Haveli	1.88	0.01%	2.16	0.00%	7.30	0.01%	0.91	0.01%
Daman & Diu	3.46	0.01%	2.62	0.01%	2.95	0.00%	1.13	0.01%
Delhi	999.88	2.66%	1,181.75	2.37%	1,424.00	2.20%	247.56	2.03%
Lakshadweep	0.22	0.00%	0.13	0.00%	0.17	0.00%	0.00	0.00%
Puducherry	57.23	0.15%	63.97	0.13%	103.72	0.16%	19.70	0.16%
Telangana	1,997.15	5.32%	3,733.49	7.50%	4,623.41	7.15%	674.90	5.55%
Total	**37,572.17**	**100.00%**	**49,783.49**	**100.00%**	**64,681.68**	**100.00%**	**12,169.66**	**100.00%**

Individual New Business Premium generated from the top three states constituted 24.67% of our total Individual New Business Premium for Fiscal 2017, representing our well distributed network across geographies. We maintain a well distributed geographic spread across our top three, five and ten states, among the top five private life insurers (in terms of total premium in Fiscal 2017) in India, indicating our reduced dependency on any particular region when compared to our competitors (*Source: CRISIL Report*).

Customers

As of July 31, 2017, we had 5,856,534 individual product policies in force. Our group products (other than Group FM) policies outstanding as of July 31, 2017, covered over 13,087,339 lives. The following table sets forth certain information relating to the number of policies issued for our individual products and number of lives covered under group products in the periods indicated:

Products	Particulars	Fiscal						Three months ended June 30, 2017	
		2015		2016		2017			
		Count	Percentage of Total (%)	Count	Percentage of Total (%)	Count	Percentage of Total (%)	Count	Percentage of Total (%)
Individual Products	Number of policies / lives	1,125,894	57.62%	1,273,010	14.19%	1,274,191	26.83%	231,055	33.92%
Group Products[1]	Number of lives	828,210	42.38 %	7,695,430	85.81%	3,474,354	73.17%	450,038	66.08%

1. *Group Products do not include Group FM*

The following table sets forth certain information relating to the number of individual policies issued in rural and urban regions in the periods indicated:

Individual Product Policies	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Count	Percentage of Total (%)	Count	Percentage of Total (%)	Count	Percentage of Total (%)	Count	Percentage of Total (%)
Rural	251,171	22.31%	305,032	23.96%	308,985	24.25%	55,158	23.87%
Urban	874,723	77.69%	967,978	76.04%	965,206	75.75%	175,897	76.13%
Total	**1,125,894**	**100.00%**	**1,273,010**	**100.00%**	**1,274,191**	**100.00%**	**231,055**	**100.00%**

Persistency Ratios

As most of our products require periodic premium contributions from policyholders, we believe that customer retention is essential for our continued profitable growth. Customer retention is also directly linked to our Persistency Ratios, which we believe is a crucial indicator of business viability. Persistency Ratio is the proportion of business that is retained from the business underwritten and is measured in terms of the number of policies and premiums underwritten.

For purposes of this Prospectus, we have calculated Persistency Ratios with respect to policies issued in a fixed period prior to the period of measurement. The manner in which we have calculated Persistency Ratios may vary from that followed by us in the past for purposes of regulatory reports filed with the IRDAI, and that calculated by other life insurance companies in India.

The following table sets forth our Persistency Ratios (by premium) for our individual products in the periods indicated:

Particulars	Fiscal			Three months ended June 30, 2017
	2015	2016	2017	
13th month	78.37%	79.99%	80.58%	81.54%
25th month	73.13%	72.13%	72.98%	74.05%
37th month	79.32%	68.38%	66.19%	66.01%
49th month	62.12%	77.20%	64.97%	62.55%
61st month	36.52%	50.61%	68.09%	64.94%

The following table sets forth our Persistency Ratios (by premium) by product categories for our individual products in the periods indicated:

Product		Fiscal			Three months ended June 30, 2017
		2015	2016	2017	
Participating Products	13th month	75.48%	75.65%	73.28%	74.09%
	25th month	66.03%	68.69%	67.62%	67.33%
	37th month	63.20%	60.69%	62.17%	62.54%
	49th month	59.60%	59.41%	56.81%	56.75%
	61st month	44.83%	50.77%	51.78%	50.79%
Non-Participating Protection Products	13th month	82.64%	72.99%	72.48%	73.82%

Product		Fiscal			Three months ended June 30, 2017
		2015	2016	2017	
	25th month	65.64%	76.72%	61.62%	62.34%
	37th month	74.19%	64.97%	72.61%	66.46%
	49th month	81.38%	71.01%	60.62%	65.98%
	61st month	84.90%	81.75%	70.06%	66.46%
Other Non-Participating Products	13th month	74.42%	66.55%	64.08%	64.87%
	25th month	66.89%	66.68%	58.29%	57.76%
	37th month	60.43%	58.44%	58.33%	59.09%
	49th month	55.08%	53.79%	52.41%	52.12%
	61st month	NA	37.46%	40.28%	40.89%
Unit-Linked Products	13th month	82.97%	84.85%	84.96%	85.47%
	25th month	79.34%	78.14%	79.16%	80.76%
	37th month	85.96%	76.28%	74.19%	72.78%
	49th month	62.26%	84.93%	74.29%	71.59%
	61st month	36.01%	50.56%	74.99%	73.45%

The following table set forth our Persistency Ratios (by premium) according to distribution channels for our individual products in the periods indicated:

Distribution Channel		Fiscal			Three months ended June 30, 2017
		2015	2016	2017	
Bancassurance	13th month	75.62%	77.55%	78.91%	80.03%
	25th month	68.32%	68.53%	69.98%	71.02%
	37th month	80.17%	63.73%	63.10%	63.34%
	49th month	65.32%	78.63%	60.86%	58.52%
	61st month	44.12%	53.57%	70.03%	66.37%
Individual Agent Network	13th month	81.53%	83.23%	83.80%	84.38%
	25th month	77.03%	76.26%	78.12%	78.98%
	37th month	79.29%	72.41%	70.36%	70.01%
	49th month	59.50%	76.65%	68.62%	66.63%
	61st month	31.48%	48.40%	66.86%	64.19%
Other Distribution Channels	13th month	69.73%	75.07%	72.75%	75.54%
	25th month	70.50%	60.81%	57.15%	58.39%
	37th month	71.49%	62.62%	50.59%	49.95%
	49th month	63.60%	69.21%	58.77%	52.14%
	61st month	32.62%	49.37%	58.19%	56.56%

Our business performance and profitability is dependent on ensuring a high proportion of renewals of policies till the end of their terms and our Persistency Ratios reflect our ability to retain customers in this competitive market. We have introduced a number of initiatives to improve persistency of our existing policies, including data analytics. Within our operational framework, our dedicated renewal business vertical continues to focus on collection of Renewal Premiums and servicing policyholders.

In an effort to increase customer loyalty and retention, we have introduced various service quality initiatives including introduction of return call customer care services enabling the customer to receive information relating to the customer's policy as well as renew such policy; implementation of the "surrender prevention" initiative that involves certain monitoring tools focused on prevention of policy surrenders; upgrade of the online customer self-service portal; and introduction of special policy revival campaigns. We have also introduced a number of measures to support superior customer service including premium payment facilities, advance instructions on debit of premium amount, single mandate for all payment modes, introduction of new payment gateways such as SBI e-Pay and through electronic wallets and cash cards, and enabling efficient online standing instructions and real time payment settlement.

Customer Service

We have introduced various measures to ensure efficient customer on-boarding, reduced turnaround time, efficient service delivery and robust claims management systems. Our branch network across India helps us ensure that we provide strong customer service support. We have customer service personnel at all our offices in order to support their service requirements and to resolve their queries or grievances. As of July 31, 2017, we have also set up 29 processing centres across India and a central processing centre at Navi Mumbai that supports all customer requirements through the life cycle of a policy, from customer on-boarding to claims management. Our customer service channels include a nationwide call centre, services provided through our internet portal and our sales offices and team of sales agents, supported by a robust information technology platform.

We have introduced standardized service counter processing procedures to make customer service more efficient. Our sales agents are encouraged to maintain regular contact with their customers to ensure service quality and strengthen customer relationships. We have also tied up with call centre service providers based in Thane and Chennai, which support our diverse customer base. We have set up an interactive voice response facility where customers are provided with all basic information related to their policies.

As part of our continuing efforts to provide superior customer service, we are also in the process of implementing a new customer relations management system called 'CRM Next'. The implementation of CRM Next is expected to provide us with a comprehensive overview of customer interaction across our business processes and enable us to provide seamless and efficient services.

We have developed a user-friendly, multilingual website covering nine regional languages that provide relevant information regarding our products, as well as the location and contact information of our branches. We also provide our customers the option to purchase certain of our products online through our website. We also provide a number of service options on our website, including the ability to pay renewal premium, update bank account information, opt for e-statements and initiate claims. We have undertaken various customer-centric initiatives to maintain transparency and provide superior customer support at various stages of operations. At the customer on-boarding stage, prior to policy issuance, we ensure adequate explanation of the terms of our products through our call centre. We have implemented certain claims assistance initiatives that assist customers with the procurement of documents required for processing claims. Under this initiative, our employees and individual agents assist the customer with completion of relevant claim formalities at the customer's preferred location, and also assist in procurement of necessary documentation from relevant government offices.

We continue to leverage our strong information technology infrastructure. All our offices are connected through leased lines or multi-protocol label switching. We have deployed robust IT systems accessible over intranet and internet to process customer requests and provide our agents and other intermediaries access to relevant product information and process support. In our continuing customer service efforts, we established a "customer engagement" department to engage on a regular basis with customers, understand their changing insurance requirements, expectations, and address these issues to improve customer service experience at all touch points. We have also set up a specific high net worth customer division that enables specialised service to our high net worth customers.

Claims Settlement and Grievance Redressal

Claims management is an important aspect of our insurance business. We develop customer relationships at the claims stage by providing efficient services, striving to exceed customer expectations and creating avenues for widening self-service facilities, including setting up of programmes for effective resolution of customer grievances. In order to ensure that claims do not exceed their relevant policy limits, we have implemented a centralized claims settlement information technology system that does not accept a claim for settlement if the amount of the claim exceeds the limit for that policy. We have also established a claims review committee that is headed by a retired judge of a High Court, to independently assess repudiated cases.

In Fiscal 2017, our Grievance Ratio has been one of the lowest among private life insurers, having improved from 11 grievances per 1,000 policies in Fiscal 2015 to 6 grievances per 1,000 policies issued in Fiscal 2017. Our Death Claims Settlement Ratio improved from 92.33% in Fiscal 2015 to 97.98% in Fiscal 2017 and was 89.61% for the three months ended June 30, 2017. The average time taken to settle mortality claims was 4.43 days from the date of submission of claim related documentation in Fiscal 2017 and 5.16 days for the three months ended June 30, 2017. We also settled 93.49% of the individual living benefit claims within IRDAI timelines in Fiscal 2017 and 95.77% for the three months ended June 30, 2017, as compared to 85.76% in Fiscal 2015. We also reported the lowest Grievance Ratio among top five private life insurers (in terms of total premium in Fiscal 2017) in India for Fiscal 2017, with a ratio of 0.61% (*Source: CRISIL Report*). Grievance Ratio for the three months ended June 30, 2017 was 0.69%.

We have set up a Grievance Redressal Policy ("GRP") which is reviewed annually by our senior management. The GRP sets out various provisions, systems and procedures to ensure prompt redressal of customer grievances through an established and standardized structure. Pursuant to IRDAI's Corporate Governance Guidelines, we have also formed a committee called the Policyholders' Protection Committee to address various compliance issues relating to protection of the interests of policyholders. In addition, the committee is responsible for putting in place proper procedures and effective mechanisms to address complaints and grievances of policyholders.

We have set up an effective grievance redressal mechanism that registers and provides prompt resolution of grievances within specified timelines. We have also adopted a comprehensive grievance redressal policy that is approved by our Board. Customers may call us on our toll free number, write to us at specified customer service email addresses, and use our website or the easy access mobile application option for lodging their complaints and queries. We also actively engage with our customers through social media, and ensure resolution of complaints and queries. Our grievance redressal system is fully integrated with the Integrated Grievance Management System ("IGMS") of the IRDAI where the grievances logged in our system are reflected in the Integrated Grievance Redressal Management System of the IRDAI and vice versa. We have access to the Governments consumer grievance redressal portal, where all grievances registered at the portal are resolved and the resolution details are updated. IGMS also facilitates escalation of complaints, where necessary. Our grievance redressal channels include letters, emails, phone calls, text messages and toll-free customer care numbers.

The table below sets forth our Grievance Ratio and Death Claims Settlement Ratio for the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
Number of Death Claims reported	24,899	35,476	40,593	12,042
Grievance Ratio (per 1000 policies issued)	10.90	7.47	6.12	6.87
Death Claims Settlement Ratio	92.33%	95.77%	97.98%	89.61%

The following table sets forth information relating to grievance disposal in the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
Opening balance at the beginning of the year	7	13	7	3
Add: Additions during the year	12,273	9,510	7,806	1,590
Less: Complaints resolved during the year	12,267	9,516	7,810	1,515
Complaints pending at the end of the year	13	7	3	78

The following table sets forth our key ratios for the periods indicated:

Particulars	As of March 31,			As of June 30, 2017
	2015	2016	2017	
Mis-selling Ratio	0.48%	0.29%	0.20%	0.20%
Death Claims Repudiation Ratio	5.10%	2.56%	1.59%	0.72%
Surrender Ratio#	7.56%	4.70%	5.65%	5.18%
Number of Complaints	12,273	9,510	7,806	1,590
Conservation Ratio	84.19%	81.72%	81.44%	86.96%

 # Calculated on the basis of total surrender divided by the average AUM of policyholders during the year

Underwriting

Our life insurance underwriting process involves an evaluation of policy proposals and risks associated with such proposal. This enables us to determine if the risks related to the particular proposal are within our acceptable risk limits. The risks we evaluate include mortality risk as well as the risk of insurance fraud. During the underwriting process, we consider the risk characteristics of the individual to be insured, including medical condition, occupation and financial profile, thus enabling us to control the risk to an extent. Depending on the amount of risk to be assumed under a particular insurance policy and the level of control we can exercise over it, underwriting decisions are made either by underwriters located at regional underwriting units across India or by underwriters based in our central underwriting department.

We establish underwriting limits for each of our underwriters based on their experience and qualification. We follow internal procedures on review of proposals depending on the type and amount of the policy that the customer is applying for. For example, in the case of policies that provide benefits to customers above a certain amount, the insured must undergo a medical examination performed by one of our empanelled physicians. The result of the medical examination may result in a proposal being declined or additional premium being charged to the customer for life insurance.

We have also introduced rule-based automated underwriting processes for certain products up to a certain sum assured amount, thereby reducing the processing time for a large number of new applications without materially increasing our underwriting risk. We have also introduced efficient proposal processing that scans the application at the branch for underwriting process at our regional underwriting units or central processing centre. These automated processes are supported by an audit to check for manual and systemic errors and maintain quality of input data that forms the basis of such auto-underwriting processes.

We have developed and implemented stringent underwriting policies and procedures over the years to assess and manage the risks involved. We conduct periodic reviews of our underwriting procedures and policies to ascertain mortality risk exposures, and to align underwriting norms to market conditions, customer preferences and the pricing basis of the relevant product.

While implementing efficient policy issuance measures, we also need to avoid adverse life selection. We have developed a risk score model that uses predictive analytics, which has been integrated into the underwriting module to identify and highlight high risk cases for enhanced scrutiny. These cases are screened carefully by the underwriter and additional requirements depending on the perceived risks are requested, including moral hazard reports from relevant officials and repeat medical examination.

Under applicable regulations in India, claims under life insurance policies may be repudiated only within three years from date of acceptance of risk in the event of adverse or fraudulent concealment. Based on applicable risk score models, old policies are identified and certain post-issuance profile verifications are undertaken to confirm the profiles of such cases to enable us to implement appropriate measures for fraudulent cases well within the regulator mandated three year window.

Pricing

We price our life insurance products primarily on the basis of assumptions with respect to mortality and morbidity rates. These assumptions include a margin for adverse deviation and are based on our own experience, the Indian Assured Lives Mortality 2006-08 table, the LIC(a) 96-98 table for annuities, the CIBT93 table and risk rates provided by reinsurers. We also base our assessment on expected future investment earnings, expected acquisition and administrative expenses, commissions, persistency and required profit margins for a particular product.

We review the basis of pricing of products periodically based on experience and modify the premium rates to align the pricing to actual experience.

We have an in-house actuarial team and as of July 31, 2017, we have 33 actuarial staff, including fellows qualified from local or international actuarial institutions. Our actuarial team finalizes our pricing decisions in compliance with applicable regulations.

Reserves

We establish and maintain reserves to adequately meet future policyholder pay-outs under all insurance policies that we underwrite. Reserves are estimated based on IRDAI prescribed regulations and actuarial practice standards issued by the Institute of Actuaries of India. They include specific provisions 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.

The actuarial valuation of liabilities for life insurance policies in force is certified by the Appointed Actuary who undertakes and reports these valuations in accordance with relevant regulations.

Reinsurance

In the course of our business, we seek to reduce risk exposure, stabilize our earnings and protect our capital resources by reinsuring certain levels of risk in various areas of exposure with reinsurers. Reinsurance involves transferring, or ceding, a portion of our risk to another insurer, the reinsurer. We cede to reinsurers a portion of these risks in exchange for a portion of the premiums we receive with respect to these policies. The ceding of risk to a reinsurer does not legally discharge us as the primary insurer from our liability for the full amount of the policies on which we obtain reinsurance. We remain liable for the entire loss and are exposed to credit risk if the reinsurer fails to meet its obligations under the reinsurance agreement. The amount of reinsurance we purchase may vary over time.

In the ordinary course of our business, we purchase reinsurance from highly rated reinsurers. We also strategically diversify our reinsurance book to minimize third party credit risk.

The table below sets forth certain information on our reinsurers as of March 31, 2017:

Reinsurer	Rating Agency	Rating		
		Fiscal 2015	Fiscal 2016	Fiscal 2017
Swiss Re	Standard & Poor’s	AA-(Stable)	AA-(Stable)	AA-(Stable)
RGA	Standard & Poor’s	AA-(Very Strong)	AA-(Very Strong)	AA-(Very Strong)
GIC	A.M. Best	A-(Excellent)	A-(Excellent)	A-(Excellent)
Korean Re	Standard & Poor’s	A	A	A

Reinsurer	Rating Agency	Rating		
		Fiscal 2015	Fiscal 2016	Fiscal 2017
Gen Re	Standard & Poor's	AA+	AA+	AA+
Munich Re	A.M. Best	A+ (Superior)	A+ (Superior)	A+(Superior)
HCC	Standard & Poor's	AA	AA-	AA-

The following table sets out the nature of reinsurance arrangements with the reinsurers as well reinsurance premium ceded for Fiscal 2017 and for the three months ended June 30, 2017.

Reinsurer	Type of reinsurance arrangement (surplus / quota share/ catastrophe)	Type of reinsurance arrangement (obligatory / facultative)	Reinsurance premium ceded for Fiscal 2017 (₹ million)	Reinsurance premium ceded for three months ended June 30, 2017 (₹ million)
Swiss Re	Surplus	Obligatory/Facultative	199.08	99.46
RGA	Quota Share/ Surplus	Obligatory/Facultative	621.79	107.18
GIC	Quota Share/ Surplus	Obligatory/Facultative	378.56	20.66
Korean Re	Quota Share	Obligatory	291.93	2.32
Gen Re	Surplus	Obligatory/Facultative	125.55	23.58
Munich Re	Surplus	Obligatory	7.71	1.33
HCC	Surplus/ Catastrophe	Obligatory	2.20	0.36

We determine the nature and extent of risk to be ceded based on our risk profile, prior experience and expected quality of the portfolio being reinsured, product type and pricing, solvency requirements and regulation. The choice of reinsurer is primarily based on the relevant regulations and reinsurer's rating, financial stability, history of responding to claims, overall reputation, administrative and operational efficiency, access to expertise and global best practices, pricing and other terms, as well as limits for underwriting and claims. We review our reinsurance arrangements periodically to factor in the changing operating environment as well as our actual experience. Our reinsurance strategy is aimed at managing new and emerging risks in a prudent manner and supporting business objectives.

Investments

We have the second largest AUM among private life insurers in India in Fiscal 2017 *(Source: CRISIL Report)*. As of March 31, 2015, 2016 and 2017, our AUM was ₹ 713,389.30 million, ₹ 798,275.78 million and ₹ 977,366.03 million, respectively, and as of June 30, 2017 our AUM was ₹ 1,012,260.34 million. Our investments are divided into two categories: policyholders' funds and shareholders' funds. Policyholders' funds are further divided into three sub-categories: (i) linked funds, (ii) participating funds and (iii) non-participating funds. Linked funds are assets underlying our unit-linked products, for which the asset allocation is largely determined by customers. Participating funds and non-participating funds are assets underlying our participating and non-participating life insurance products, respectively.

The following table sets forth the breakdown of our AUM by fund type as of the dates indicated:

Funds	As of March 31,						As of June 30, 2017	
	2015		2016		2017			
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	(₹ million, except percentages)							
Policyholders' Funds								
Linked Funds	348,100.72	48.80%	360,218.86	45.12%	445,730.33	45.61%	461,853.23	45.63%
Non-Participating Funds	248,291.73	34.80%	282,951.13	35.45%	326,725.79	33.43%	326,349.51	32.24%
Participating Funds	85,544.37	11.99%	119,156.76	14.93%	161,654.87	16.54%	170,999.99	16.89%
Shareholders' Funds	31,452.48	4.41%	35,949.02	4.50%	43,255.05	4.43%	53,057.61	5.24%
Total	**713,389.30**	**100.00%**	**798,275.78**	**100.00%**	**977,366.03**	**100.00%**	**1,012,260.34**	**100.00%**

Investment Strategy

In accordance with the provisions of the Insurance Act and IRDAI Investment Regulations we are required to make our investments only in instruments/securities issued in India.

We manage our investments with the objective of ensuring attractive returns consistent with the safety and liquidity profile of each fund. Our investment strategy is also guided by our risk management policies and applicable regulatory guidelines. We follow an investment strategy to acquire and maintain quality assets that can meet the liabilities accepted by us. Our investment activities aim to meet the reasonable expectations of the policyholders taking into account the safety of their funds, while optimizing risk adjusted returns. Our investment strategy operates within the framework decided by the Asset Liability Management Committee, which defines the performance benchmarks, level of acceptable credit risk, interest rate risk and lays down the boundaries for asset allocation. While our strategic asset allocation differs among product groups, the following general objectives apply to all product groups: (i) maintenance of earnings that exceed liability costs (at assumed yields); (ii) determination of a reasonable bonus for participating funds; (iii) maintenance of appropriate liquidity; and (iv) maintenance of adequate solvency.

The investment objectives for each category of funds are as follows:

- Linked funds: Outperform the benchmark for the fund over the long term while meeting the specific objectives of each individual fund.

- Participating funds: the twin objectives are to meet the guarantees and endeavour to earn investment returns that exceed the reasonable expectations of the policyholders regarding policy bonuses and discretionary benefits.

- Non-participating funds: meet the guaranteed return while maintaining a suitable balance between long-term safety, stability and return.

- Shareholders' funds: To ensure safety of assets supporting the Solvency Ratio requirements and to maximize risk adjusted returns.

Investment Composition

We have a diversified investment portfolio including investments in government securities, bonds and debentures, equity shares, money market instruments, mutual funds, and fixed deposits, in accordance with the investment guidelines prescribed by the IRDAI from time to time. As of March 31, 2017, our AUM was ₹ 977,366.03 million, of which equities constituted 23.19%, government securities constituted 46.28%, and corporate bonds constituted 21.89%. As of June 30, 2017, our AUM was ₹ 1,012,260.34 million, of which equities constituted 23.02%, government securities constituted 46.44%, and corporate bonds constituted 21.92%.

The following table sets forth the composition of our funds by asset class on the basis of carrying value as of June 30, 2017:

Asset Class	As of June 30, 2017									
	Policyholders' Funds						Shareholders' Funds		Total	
	Linked Funds		Non-Participating Funds		Participating Funds					
	Carrying Value (₹ million)	% of Total	Carrying Value (₹ million)	% of Total	Carrying Value (₹ million)	% of Total	Carrying Value (₹ million)	% of Total	Carrying Value (₹ million)	% of Total
Equity (1)	178,016.25	38.54%	15,771.91	4.83%	30,766.50	17.99%	8,435.14	15.90%	232,989.79	23.02%
Government securities	179,275.40	38.82%	174,902.77	53.59%	98,010.39	57.32%	17,913.11	33.76%	470,101.67	46.44%
Debentures and bonds	55,700.04	12.06%	114,773.94	35.17%	31,074.16	18.17%	20,337.42	38.33%	221,885.56	21.92%
Mutual funds (2)	14,589.90	3.16%	2,081.02	0.64%	4,902.68	2.87%	2,000.00	3.77%	23,573.60	2.33%
Fixed deposits	12,320.12	2.67%	12,403.90	3.80%	2,992.30	1.75%	650.00	1.23%	28,366.32	2.80%
Loan	-	0.00%	-	0.00%	1,774.82	1.04%	-	0.00%	1,774.82	0.18%
Money market instruments	15,753.69	3.41%	6,415.97	1.97%	1,479.15	0.87%	3,721.93	7.01%	27,370.75	2.70%
Investment Net Current Assets	6,197.83	1.34%	-	0.00%	-	0.00%	-	0.00%	6,197.83	0.61%
Total	**461,853.23**	**100.00%**	**326,349.51**	**100.00%**	**170,999.99**	**100.00%**	**53,057.61**	**100.00%**	**1,012,260.34**	**100.00%**

1. *Equity investment includes ₹ 362.56 million of investment in Preference Shares, ₹ 1,272.85 million of investment in unlisted Equity Shares and ₹ 5,331.97 million of investment in Perpetual AT1 bonds*

2. *Mutual Fund investment includes ₹ 8,589.90 million of investments in Exchanged Traded Funds and ₹ 983.70 million of investment in Alternate Investment Funds*

The following table sets forth certain information relating to our investments by asset class as of the dates indicated:

Asset Class	As of March 31,						As of June 30, 2017	
	2015		2016		2017			
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Equity[(1)]	222,908.93	31.25%	179,872.77	22.53%	226,651.07	23.19%	232,989.79	23.02%
Government securities	263,754.17	36.97%	371,167.87	46.50%	452,326.47	46.28%	470,101.67	46.44%
Debentures and bonds	138,098.47	19.36%	159,562.85	19.99%	213,908.95	21.89%	221,885.56	21.92%
Mutual funds[(2)]	7,704.87	1.08%	19,497.05	2.44%	20,917.96	2.14%	23,573.60	2.33%
Fixed deposits	25,882.90	3.63%	24,747.00	3.10%	22,655.80	2.32%	28,366.32	2.80%
Loan	17.74	0.00%	1,235.62	0.15%	1,781.99	0.18%	1,774.82	0.18%
Money market instruments	48,064.31	6.74%	30,171.12	3.78%	23,997.06	2.46%	27,370.75	2.70%
Investment Net Current Assets	6,957.91	0.98%	12,021.48	1.51%	15,126.72	1.55%	6,197.83	0.61%
Total	**713,389.30**	**100.00%**	**798,275.78**	**100.00%**	**977,366.03**	**100.00%**	**1,012,260.34**	**100.00%**

1. *Equity investment includes ₹ 362.56 million of investment in Preference Shares, ₹ 1,272.85 million of investment in unlisted Equity Shares and ₹ 5,331.97 million of investment in Perpetual AT1 bonds as on June 30, 2017*

2. *Mutual Fund investment includes ₹ 8,589.90 million of investments in Exchanged Traded Funds and ₹ 983.70 million of investment in Alternate Investment Funds as on June 30, 2017*

For details in relation to average yield of different asset classes see, "Our Business - Investment Performance" on page 149.

As required by IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, all investments in debt securities and redeemable preference shares made from policyholders' non-linked funds and shareholders' funds are considered as 'held to maturity' and accordingly measured at historical cost, subject to amortisation of premium or accretion of discount.

The following table sets forth the book value and the market value of these investments by fund type as of the dates indicated:

Funds	As of March 31,						As of June 30, 2017	
	2015		2016		2017			
	Carrying Value	Market value	Carrying Value	Market value	Carrying Value	Market value	Carrying Value	Market value
	(₹ million)							
Policyholders' Funds								
Non-Participating Funds	235,196.38	241,385.99	266,271.55	271,531.82	307,829.72	320,961.37	308,496.58	324,446.12
Participating Funds	76,628.23	80,395.65	100,903.91	104,172.81	129,285.61	136,354.73	135,337.42	145,785.50
Shareholders' Funds	29,406.26	30,054.07	32,781.83	33,399.30	37,242.61	38,600.73	42,622.47	44,106.71
Total	**341,230.87**	**351,835.71**	**399,957.28**	**409,103.93**	**474,357.94**	**495,916.83**	**486,456.46**	**514,338.33**

Equity (including exchange traded funds)

We invest in equity and exchange traded funds with the objective of long-term returns with a focus on value stocks. We own equity in companies in a wide range of industries, including banking and finance, information technology, manufacture, telecommunications and others. As of March 31, 2017, 81.22% of our equity investments were in companies forming part of the Nifty 50 Index and 97.27% of our equity investments were in companies forming part of Nifty 500 Index. As of June 30, 2017, 81.99% of our equity investments were in companies forming part of the Nifty 50 Index and 96.44% of our equity investments were in companies forming part of Nifty 500 Index.

The following table sets forth the breakdown of equity investments by the sectors that contribute more than 5% of our total equity investments as of June 30, 2017:

Industry	As of June 30, 2017	
	Equity Investments	
	Carrying Value	% of Total
	(₹ million, except percentages)	
Banking and finance	76,201.83	32.71%
Computer programming, consultancy and related activities	22,482.18	9.65%

Industry	As of June 30, 2017	
	Equity Investments	
	Carrying Value	% of Total
	(₹ million, except percentages)	
Manufacture of coke and refined petroleum products	17,755.77	7.62%
Manufacture of motor vehicles, trailers and semi-trailers	20,495.40	8.80%
Manufacture of tobacco products	17,207.52	7.39%
Others (below 5.00%)	78,847.09	33.84%
Total	**232,989.79**	**100.00%**

Fixed Income Portfolio

Our fixed income portfolio majorly consists of government securities, debentures and bonds, and money market instruments. We aim to maintain a fixed income portfolio of high asset quality. As of March 31, 2017, 91.03% of our total fixed income portfolio comprised domestic AAA-rated instruments, including sovereign instruments, and as of June 30, 2017, 90.24% of our total fixed income portfolio comprised domestic AAA-rated instruments. All our money market instruments had sovereign/A1+ or equivalent rating as of March 31, 2017 and June 30, 2017. We have not had any defaults or delayed payments in our fixed income portfolio in the last five years.

The following table sets forth the domestic rating mix of our fixed income portfolio as of the dates indicated:

Rating	As of March 31,			As of June 30, 2017
	2015	2016	2017	
Sovereign	64.39%	67.56%	64.55%	63.95%
AAA and equivalent	28.19%	25.11%	26.48%	26.29%
AA and equivalent	6.42%	5.60%	7.27%	8.94%
Others	0.99%	1.72%	1.71%	0.82%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

The following table sets forth the breakdown of corporate bonds by the sectors that contribute more than 5% of our total corporate bond portfolio as of June 30, 2017:

Particulars	As of June 30, 2017		
	Corporate Bonds		
	Carrying Value	% of Total	% of Total AUM
	(₹ million, except percentages)		
Banking and finance	114,055.71	51.40%	11.27%
Electricity, gas, steam and air conditioning supply	24,171.68	10.89%	2.39%
Housing finance	39,620.07	17.86%	3.91%
Others (Below 5%)	44,038.11	19.85%	4.35%
Total	**221,885.56**	**100.00%**	**21.92%**

Investment Performance

The following table sets forth the net investment income and yield of our AUM by category in the periods indicated:

Funds	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Investment Income	Yield	Investment Income	Yield	Investment Income	Yield	Investment Income	Yield
	(₹ million, except percentages)							
A. With Interest, Amortisation, Dividends and Realized gains / losses								
Shareholders' Funds	2,761.14	9.78%	3,177.86	9.24%	4,015.59	9.70%	1,069.53	10.04%
Participating Funds	6,405.59	9.84%	8,017.55	8.40%	11, 512.47	8.65%	3,573.37	8.92%
Non-Participating Funds	19,893.80	9.89%	22,378.15	9.42%	26,170.68	9.16%	7,697.33	9.52%
Linked Funds	58,269.18	24.09%	32,943.53	10.80%	40,066.10	11.04%	10,031.78	9.97%
B. With Interest, Amortisation, Dividends and Realized and Unrealized gains / losses								
Shareholders' Funds	4,503.55	16.20%	2,914.27	8.17%	5,208.99	12.28%	1,328.35	11.85%
Participating Funds	13,345.21	20.91%	6,899.26	6.82%	18,391.09	13.36%	7,425.37	17.30%
Non-Participating Funds	33,989.92	16.88%	20,373.42	8.30%	35,421.70	12.02%	10,353.33	12.18%

Funds	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Investment Income	Yield	Investment Income	Yield	Investment Income	Yield	Investment Income	Yield
	(₹ million, except percentages)							
Linked Funds	76,129.74	27.59%	3,013.45	0.57%	55,266.70	14.39%	14,799.05	13.45%

Note: Yield is computed using Time Weighted Rate of Return as per Modified Dietz Method

Of the net investment income set forth above, the following table sets forth net investment income for equities and debt (including government securities and excluding linked funds) in the periods indicated:

Asset Class	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Investment Income	Yield	Investment Income	Yield	Investment Income	Yield	Investment Income	Yield
	(₹ million, except percentages)							
A. With Interest, Amortisation, Dividends and Realized gains / losses								
Equity	2,319.31	17.46%	1,159.12	5.76 %	2,695.95	8.04%	1,837.66	17.95%
Debt	26,741.22	8.50%	32,414.43	8.60 %	39,002.79	8.76 %	10,502.58	8.58%
B. With Interest, Amortisation, Dividends and Realized and Unrealized gains / losses								
Equity	5,124.20	29.23%	(774.93)	(3.12%)	7,537.48	19.00%	2,069.00	16.69%
Debt	46,714.48	14.82%	30,961.88	8.01%	51,484.31	11.18%	17,038.05	13.24%

Note: Yield is computed as interest income divided by average investments.

Of the debt investment income (including government securities and excluding linked funds) set forth above, the following table sets forth net investment income from debentures, bonds and other debt securities in the periods indicated:

Asset Class	Fiscal						Three months ended June 30, 2017	
	2015		2016		2017			
	Investment Income	Yield	Investment Income	Yield	Investmen t Income	Yield	Investment Income	Yield
A. With Interest, Amortisation, Dividend and Realized gains/losses								
Debentures and Bonds	9,972.70	9.99%	10,960.28	9.71%	13,224.62	9.62%	3,782.27	9.36%
Other Debts	16,768.52	7.81%	21,454.15	8.13%	25,778.17	8.38%	6,720.31	8.19%
B. With Interest, Amortisation, Dividend and Realized and Unrealized gains/losses								
Debentures and Bonds	14,846.29	14.71%	9,947.50	8.58%	17,149.04	12.08%	4,494.36	10.67%
Other Debt	31,868.20	14.88%	21,014.38	7.76%	34,335.27	10.78%	12,543.69	14.50%

Note: Yield is computed as interest income divided by average investments.

Performance of Linked Funds

The performance of our unit-linked funds is reviewed against a benchmark index that each unit-linked fund is linked to, based on the broad investment objective of the fund. The unit-linked portfolio primarily comprises of equity funds and NAV guaranteed funds.

The following table sets forth, as of June 30, 2017, the performance of linked funds versus benchmarks, which have a size over ₹ 1,000 million, for one, three and five year durations, respectively:

Funds	Benchmark	AUM as of June 30, 2017 (₹ million)	Return for 1 Year		Return for 3 Years (CAGR)		Return for 5 Years (CAGR)	
			Fund	Bench mark	Fund	Bench mark	Fund	Bench mark
Equity Funds								
Equity	Nifty	61,470.41	17.16%	14.88%	10.56%	7.75%	16.15%	12.52%
Equity Pension	Nifty	6,859.04	19.09%	14.88%	10.81%	7.75%	16.25%	12.52%
Equity Pension II	Nifty	4,458.65	17.02%	14.88%	10.61%	7.75%	NA	NA
Growth	Nifty (70%) CompBex (30%)	6,793.63	15.99%	14.00%	10.91%	8.91%	13.62%	11.87%
Growth Pension	Nifty (70%) CompBex (30%)	2,761.48	16.02%	14.00%	11.38%	8.91%	13.82%	11.87%

Funds	Benchmark	AUM as of June 30, 2017 (₹ million)	Return for 1 Year		Return for 3 Years (CAGR)		Return for 5 Years (CAGR)	
			Fund	Bench mark	Fund	Bench mark	Fund	Bench mark
Equity Optimiser	Nifty (80%) LiquiFEX (20%)	15,462.46	16.08%	13.34%	10.14%	7.94%	13.75%	11.84%
Equity Optimiser Pension Fund	Nifty (80%) LiquiFEX (20%)	2,247.64	16.51%	13.34%	10.22%	7.94%	13.61%	11.84%
Equity Elite Fund II	Nifty (80%) LiquiFEX (20%)	9,572.58	15.75%	13.34%	10.67%	7.94%	14.54%	11.84%
Index	NIFTY	15,069.76	13.47%	14.88%	7.43%	7.75%	12.37%	12.52%
Top 300 Fund	Nifty (80%) LiquiFex (20%)	5,912.59	15.72%	13.34%	9.37%	7.94%	12.96%	11.84%
Top 300 Pension Fund	Nifty (80%) LiquiFex (20%)	2,995.65	15.78%	13.34%	9.46%	7.94%	13.04%	11.84%
Midcap Fund	NIFTY Free Float Midcap 10	2,126.40	25.61%	28.32%	NA	NA	NA	NA
Debt Funds								
Bond Fund	CRISILCompBex	96,656.38	11.41%	11.47%	10.90%	10.92%	9.98%	9.58%
Bond Pension Fund	CRISILCompBex	4,424.72	11.63%	11.47%	11.17%	10.92%	10.30%	9.58%
Bond Pension Fund II	CRISILCompBex	10,925.93	11.67%	11.47%	11.12%	10.92%	NA	NA
Balanced Funds								
Balanced	Nifty (50%) CompBex (50%)	22,019.39	14.88%	13.35%	10.19%	9.59%	11.81%	11.32%
Balanced Pension	Nifty (50%) CompBex (50%)	1,296.64	15.99%	13.35%	10.79%	9.59%	12.14%	11.32%
Liquid Funds								
Money Market	LiquiFEX	1,122.89	7.53%	6.86%	8.21%	7.84%	8.20%	8.26%

Note: NA in fund performance indicates that the fund has not completed the relevant period under consideration.

The following table sets forth, as of June 30, 2017, the performance of linked funds with highest NAV guarantee and similar funds that do not have a performance benchmark, which have a size over ₹ 1,000 million, for one, three and five year durations, respectively:

Funds	AUM as on June 30, 2017 (₹ million)	Return for 1 Year	Return for 3 Years (CAGR)	Return for 5 Years (CAGR)
		Fund	Fund	Fund
RGF070311	1,821.18	9.23%	9.78%	8.77%
Flexi Protect	32,397.17	7.93%	7.36%	10.75%
Flexi Protect (Series II) Fund	24,934.65	10.87%	9.01%	12.59%
Daily Protect Fund I	24,028.96	10.49%	8.54%	11.80%
Daily Protect Fund II	13,760.31	10.58%	8.31%	12.73%
Daily Protect Fund III	60,551.13	11.34%	8.95%	13.59%
P/E Managed Fund	4,505.12	12.66%	9.24%	13.21%
Discontinued Policy Fund	21,552.17	7.24%	8.57%	7.16%

Risk Management

We are in the business of providing risk cover and security to our customers. Risk management is therefore, an integral part of our business and effective management of risk is essential to achieve our strategic and business objectives.

Risk Management Framework

We have developed a comprehensive risk management policy that specifies the process for identification, measurement and analysis of our risk exposures and monitors our risk management strategies. Our risk management policy is harmonized with our other operational policies relating to compliance, outsourcing, fraud management risks and business continuity management.

The apex level risk appetite statement, which integrates risk management with our strategic and business objectives, forms the core of our risk management framework. The risk appetite framework dictates acceptable risk levels in pursuance of business objectives. We also have a functional risk appetite statement to monitor risk tolerance at the departmental level.

Our risk management framework allows us to identify, assess and mitigate our key business risks. Our risk management activities consider all business risks including strategic risk, operational risk, actuarial risk, investment / market risk, fraud risk, information security risk, compliance risk and business continuity management. The key focus areas of our risk management framework include (i) strategic risk assessment and capital planning; (ii) governance; (iii) risk universe; and (iv) risk awareness.

- *Strategic Risk Assessment and Capital Planning*

  We conduct strategic risk assessment for identification, assessment, monitoring, mitigation and controlling top risks on an annual basis. We have established an asset liability management process along with strategic asset allocation based on matching of liabilities with different asset classes and duration. As a part of capital budgeting activity, we have in place a five year capital rolling plan through which we regularly monitor for regulatory capital adequacy. Through a periodic economic capital assessment process, we are able to quantify various risks and allocate capital for each risk to assess capital adequacy on an economic basis and monitor concentration of risk, if any, in certain areas.

- *Governance*

  We have established a risk reporting process to manage risk governance requirements. On identification of risks, detailed mitigation plans are devised and such risks are monitored carefully. Risk management executives from various departments convene on a quarterly basis to discuss ongoing risk management issues. In accordance with applicable corporate governance guidelines promulgated by the IRDAI, we have also set up a Risk Management Committee from among our Board of Directors.

- *Risk Universe*

  We face a number of risks that are integral to our operations, including:

  Market Risk. Market risks result from fluctuations in asset values, including equity prices, property prices and interest rates, and affect our ability to fund our promises to customers and other creditors, as well as pay a return to our shareholders.

  Liquidity Risk. Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form. The relatively illiquid nature of insurance liabilities acts as a potential source of additional investment return by allowing us to invest in higher yielding, but less liquid assets.

  Mortality and Morbidity Risk. Mortality risk means the fluctuations in the timing, frequency and severity of death of the insured, relative to that expected at the time of underwriting (at the inception of the contract) while morbidity risk refers to fluctuations in the timing, frequency and severity of health claims, relative to that expected at the time of underwriting (at the inception of the contract).

  Persistency Risk. Persistency risk is the risk that poor Persistency Ratios may lead to fewer policies remaining on the books to defray future fixed expenses and reduce the future positive cash flows from the business written, potentially impacting our ability to recover acquisition expenses and maintain profitability.

  Expense Risk. Expense risk is the risk that expenses incurred in acquiring new business are higher than expected at the time of pricing the product or expenses incurred in maintaining policies are higher relative to that expected at the time of underwriting the policy.

  Operational Risk. Operational risk is the risk of direct or indirect loss, arising from inadequate or failed internal processes, people and systems, or external events including changes in the regulatory environment.

- *Risk Awareness*

  We conduct regular training sessions, workshops and conferences, and engage effectively with our employees to develop awareness and sensitize them to risk management issues across our business and operations.

Risk Exposure and Mitigation

Our Risk Management Committee is responsible for overseeing our risk management program and for ensuring that significant risks are monitored and reported to the Board of Directors in a timely manner.

We have adopted the following measures to mitigate our major risks:

Market Risk. In order to manage interest risk, we monitor the duration of assets and liabilities for different portfolios on a quarterly basis. In addition, expected cash-flows of assets and liabilities are monitored closely to identify any potential reinvestment risk and asset liability mismatches. Market risk is further mitigated by matching assets and liabilities by type and duration and matching cash flows. The applicable investment strategy for each line of business is set out clearly to ensure that liabilities are appropriately matched by the nature and duration of assets. A range is provided for each asset class and the investment team undertakes appropriate investment decisions within this range.

Credit Risk. We manage credit risk of our investments through various methods including by setting exposure limits for companies, groups and industries in accordance with IRDAI regulations, constantly monitoring investment portfolio for credit ratings, limiting credit exposure by setting a range for investments in corporate bonds and mitigating counter-party risk by placing reinsurance only with reputed and highly rated reinsurers.

Liquidity Risk. We face limited liquidity risk due to the nature of our liabilities and business structure. The cash investment along with expected future premium from existing business is usually sufficient to cover expected payouts.

Morbidity and Mortality Risk. Mortality and morbidity risk is primarily managed through: (i) reinsurance: we utilize a combination of surplus, quota share and catastrophe reinsurance treaties; (ii) experience analysis: we monitor the expected versus actual mortality experience on a quarterly basis and take appropriate action; (iii) re-pricing: we reserve the right to review premium and risk charges where permissible by law; and (iv) underwriting and claims controls: we conduct periodic reviews of both underwriting and claims procedures and policies to ascertain the mortality risk experience. The underwriting norms are generally aligned to the basis of pricing.

Persistency Risk. Persistency risks are primarily managed through: (i) experience analysis: experience analysis is conducted on a quarterly basis to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing and Embedded Value are in line with experience; (ii) product features: product features such as bonuses, guaranteed additions and additional allocation of units are used to encourage policyholders to continue with the policy; (iii) service initiatives: various proactive and reactive service initiatives are used to manage persistency, including customer education and extensive customer engagement through various media and personal visits; and (iv) alignment of key performance areas: key performance areas are identified for different levels among sales and operations to ensure adequate focus on persistency. We have dedicated employees that allow us to focus on requirements of customers and ensure renewal business.

Expense Risk. We actively monitor expense levels, which are then factored into new product pricing, calculation of reserves and management reporting. In case of any adverse deviations between actual unit costs and planned unit costs, mitigation measures are undertaken. Regular monitoring ensures that actual expenses do not vary significantly from budgeted expense levels. We also carry out stress testing for expense risk with deterministic shocks in accordance with historical experience for the entire portfolio.

Operational Risk. Our operational risks are primarily managed through the following

- *Risk Registers*. Risk registers document high level risks for all our offices based on probability and impact rating. In order to manage such risks, controls in place are captured and rated to establish the residual risk;

- *Risk Control Self-Assessment*. This requires each business unit to identify and assess inherent risks and controls relevant to the risk. The risk events are then mapped to the existing control framework to determine the residual risk. The controls are periodically assessed for its effectiveness;

- *Incident Reporting*. We have set up a web-based incident reporting tool to collect loss incidents to track the extent of operational risk. The incident reporting tool enables us to develop a system based module for operational efficiency and to prevent recurrence. Loss data records may be used to estimate the capital required for operational risk;

- *Risk Control Unit*. Risk control units undertake proactive measures to detect process gaps and weaknesses to mitigate frauds and leakages;

- *Fraud Monitoring*. We have developed a comprehensive methodology to identify, measure, monitor and control fraud; and

- *Information Security and Business Continuity*. We have developed a proactive approach to control and mitigate information security risk and threats to business continuity. Our business continuity management system and information security management systems are ISO certified.

The British Standard Institute has stated that our enterprise risk management system, which covers all departments and functions at our corporate offices, our central processing centre, as well as our regional and branch offices, meet the recommendations of ISO 31000:2009 standards.

Information Technology

We believe that the development and use of information technology is critical to the efficient operations of our business and is a key contributor to our success. We rely on our information technology systems for a range of operations including our back office operations such as actuary, underwriting, and claims settlement and grievance handling, sales and finance management, management information systems, customer service support, and management of our website and internet portal.

Our unified IT platform facilitates the sharing of information between different operating functions as well as our distribution network. In addition, our customer service personnel in call centres and our branch offices are able to access the updated customer information and coordinate remotely to serve our customers. We constantly seek to improve our information technology systems and believe this makes us more responsive to the evolving conditions in the insurance market.

The information technology team consists of own employees as well as resources from IT services companies. These professionals are involved in the development of new applications and information technology infrastructure. A dedicated team carries out maintenance operation of our existing applications and information technology infrastructure to ensure uninterrupted availability of services. Appropriate segregation of duties between IT and information security combined with adoption of standard industry practices such as ISO 27001 enables us to ensure security for our critical infrastructure.

We have carried out significant investments in our information technology systems over the years, and further continue to upgrade our IT infrastructure. Our pan-India presence, expansive operational network and sophisticated asset management tools have enabled us to achieve an optimized operating model for our IT services.

We also continue to focus on strengthening operating processes and have recently introduced various digital initiatives that enable business origination capabilities on tablets, payment collection through mobile devices and through additional multiple payment gateways. Our 'Connect Life', a tablet based Android application to assist sales representatives to sell our products digitally in a customer friendly manner. 'Connect Life' was awarded by FINNOVITI for its innovation in digitalization. We also use predictive analytics in the area of risk management and renewal collection that has helped in improved persistency.

In 2016, we initiated a project to replace our core policy management system, whereby our existing system is proposed to be replaced by a new policy management system, which will significantly reduce the risk of technology obsolesce and improve the stability of our IT infrastructure platform.

Compliance

Given the nature of our business, and the complexity involved in our operations, compliance issues are critical for the success of our Company. We have formulated a compliance risk management framework that assists us in addressing and managing compliance risk across our operations. We continue to emphasise a culture of compliance with applicable regulations and internal best practices across various departments and reporting levels within our organisation, making each employee individually responsible for ensuring compliance.

The Board of Directors, through the Audit Committee, oversees our compliance framework. We have formulated various internal compliance policies and procedures, including policies relating to prevention of sexual harassment of women at workplace, whistle-blower and employee dealing, corporate social responsibility, anti-money laundering, grievance redressal and risk management. These policies ensure compliance with relevant laws and applicable regulatory guidelines issued by the relevant regulatory, statutory and enforcement authorities from time to time. For instance, our framework on anti-money laundering and financing of terrorism comprises creating awareness, detection and reporting of suspicious transactions along with other IRDAI mandated requirements. For further details, see "Regulations and Policies" on page 157. The Audit Committee is updated on a quarterly basis on key regulatory developments, regulatory observations/actions, if any, and additional steps taken to ensure compliance.

We have also set up a dedicated compliance department that is responsible for identifying and communicating relevant compliance standards, clarifications and regulatory requirements to the other departments, along with providing advice on key compliance issues. We ensure that information relating to applicable regulatory requirements relating to our industry, products, sales and other operational processes is regularly disseminated to our various departments and among our employees, agents and other intermediaries, as applicable. We have implemented a robust compliance certification process, which requires the respective department heads to certify, on a quarterly basis, compliance with applicable regulations and internal compliance guidelines and processes.

Knowledge Management and Training

Our learning and development team is focused on improving the performance and productivity of our work force by ensuring continuous training and development initiatives for our employees, individual agents and other distributors. As of July 31, 2017, our learning and development team included 228 members to focus on training needs, analyse and plan initiatives in consultation with stakeholders, develop content for standardized modules including online content while managing external service providers to provide customized training programs covering both our sales and other employees.

In addition to our standard employee training programs, we have developed training programs for the CIFs engaged by our bancassurance partners and certain other State Bank staff as well as for our top performing individual agents which help to enhance their skills to explore newer markets and address specific financial planning and insurance needs. We were awarded the TISSLeapvault CLO Award 2015 for the best program for sales enablement. Our training modules are designed around segmentation of distributors based on their business, demography of clients, product affinities and experience, using data analytics, to ensure a well-defined learning path for new and existing distributors as well as employees.

We also leverage technology for training and have online training modules in our e-learning platform "E-Shiksha" and mobile app based training programmes to ensure a blend of internal classroom training, digital platforms and external training programmes to provide a mix of standardized and customized learning programmes for our distributors and employees.

Competition

We compete with a number of other companies in the life insurance business, and face intense competition from public and private sector insurance companies in India. We compete for business on the basis of a number of factors, including product features, price, coverage offered, quality of customer service, distribution networks, relationships with brokers and agents, brand recognition, size of operations and financial strength ratings. We compete principally with Life Insurance Corporation of India in the public sector, with ICICI Prudential Life Insurance Company Limited, HDFC Life Insurance Company Limited, Max Life Insurance Company Limited and Bajaj Allianz Life Insurance Limited in the private sector. Life Insurance Corporation ("LIC") of India is the sole public sector life insurance company in India, and enjoys competitive advantages in the Indian insurance market due to its large customer base, extensive nationwide agent network and strong brand recognition. We also face competition from smaller insurance companies which have been seeking to expand their market shares in recent years and may develop strong positions in certain customer segments.

In 2015, the IRDAI introduced corporate agency guidelines that allow banks to collaborate with up to three life insurance companies with respect to bancassurance distribution. This resulted in increasing competition for bancassurance partners among private sector life insurance companies. We compete with other established private sector life insurance companies as well as relatively newer entrants in the industry to attract new bancassurance partners and maximize our share of business from existing bancassurance partners which have option to promote life insurance products from more than one insurance company. Our individual agent network continues to be a significant distribution channel for private sector life insurance companies, and we compete with our peers to attract talent for new individual agents and maintaining a strong relationship with our existing agents.

In addition, products offered by the life insurance sector also compete with other financial services products. In the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes.

The following table sets forth our market share (among private life insurers in India) for the periods indicated in terms of total New Business Premium, Individual Rated Premium and number of new policies issued for individual products:

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
New Business Premium	15.87%	17.34%	20.04%	18.22%
Individual Rated Premium	15.61%	18.83%	20.69%	18.97%
Number of policies	19.62%	20.56%	20.17%	19.00%

The following table sets forth our market share among all life insurers (including LIC) in India for the periods indicated in terms of total New Business Premium, Individual Rated Premium and number of new policies issued for individual products:

	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
New Business Premium	4.89%	5.13%	5.80%	5.42%
Individual Rated Premium	7.65%	9.70%	11.16%	10.34%
Number of policies	4.35%	4.76%	4.82%	4.74%

Employees

As of July 31, 2017, we had 12,647 full time employees. Individual agents forming part of our individual agent network are not our employees. Our full time employee base has grown by 24.79% from 9,657 employees as of March 31, 2015 to 12,051 employees as of March 31, 2017, reflecting the overall growth in scale of our operations.

We have a well-designed human resource processes for attracting and retaining talent. A review process conducted annually covers performance evaluation of all employees. Our employee promotion and career development program seeks to develop and reward potential of each employee. We have introduced a number of welfare benefit schemes for our employees, including but not limited to group term life insurance, group mediclaim policy covering employees and family members. We have also extended other schemes which cover our employees against accidental death or permanent disablement and ex-gratia relief scheme for any illness or hospitalization expenses which are not normally covered under these policies. We have a large number of women in our employee base and we strive to provide appropriate opportunities for their personal and career development.

Our focus is to promote innovation among our employees. To this end, we have introduced *Innoviti*, an innovation management program that provides a platform to support and promote culture of innovation within our Company. *Innoviti* is aimed at identifying, recognizing, promoting and celebrating innovative ideas across business verticals. We have implemented initiatives to encourage innovative business ideas generated by employees under our "All Ideas Matter" initiative where employees can submit creative solutions to improve business processes and efficiencies and our "GEMS" initiative where we felicitate high performing employees that have made notable contributions to our business.

The following table sets forth certain information with respect to our employees and their productivity during the periods indicated:

	Fiscal		
	2015	**2016**	**2017**
	(₹, other than number of employees)		
Individual New Business Premium per employee	4,003,214	4,852,192	5,645,604
Agent productivity[1]	177,082	213,417	234,501
Branch productivity[2]	22,738,095	24,685,039	27,987,302

1. *Calculated on basis of Individual New Business Premium from agency channel divided by the average number of agents during the year. (Source: CRISIL Report)*

2. *Calculated on basis of Individual New Business Premium from agency channel divided by the average number of office during the year. (Source: CRISIL Report)*

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in the life insurance business, including fire, burglary and risks to our property, a third party public liability policy, a money insurance policy in respect of cash-in-safe and in-transit. In addition, our directors are insured under a directors' and officers' liability insurance policy. We also maintain group term life insurance and a group health insurance policy which covers employees and family members.

Intellectual Property

We do not own any significant intellectual property. We also do not own the "SBI" trademark and currently use the "SBI Life" logo pursuant to the SBI Trademark License Agreement. We are required to pay State Bank a royalty fee of 0.20% of our total income or 2.00% of profits after tax of our Company, whichever is higher, subject to a maximum amount of ₹ 300 million per year, for the use of the "SBI" name and logo.

The SBI Trademark License Agreement by its terms may be terminated if State Bank's direct or indirect shareholding becomes less than 26% of our Company's equity share capital on a fully diluted basis. The SBI Trademark License Agreement may also be terminated by State Bank at any time by providing notice in accordance with its terms.

Property

Our registered office is located at "NATRAJ", M.V. Road and Western Express Highway Junction, Andheri (East), Mumbai - 400 069, India. As of July 31, 2017, we had 14 regional offices, three corporate offices, two training centres, 30 processing centres including one central processing centre and 754 branches aggregating to 803 offices in India. Our registered office and central processing centre located at Seawoods Grand Central, Tower 2, Plot No R-1, Sector - 40, Seawoods, Nerul Node, Navi Mumbai – 400 706, are owned by us. However, all of our other offices are located at premises leased or licensed to us.

REGULATIONS AND POLICIES

The following description is an indicative summary of certain sector specific key laws and regulations in India, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations, as amended, set out below may not be exhaustive, and are only intended to provide general information and are neither designed as nor intended to be a substitute for professional legal advice.

The Insurance Act and the IRDA Act

The Insurance Act along with the various regulations, guidelines and circulars issued by IRDAI, govern, amongst other matters, registration of insurers, opening of new places of business, accounts and balance sheet, audit of financial statements, actuarial report and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins, restriction on dividends, limits on expenses of management. The IRDA Act has established the IRDAI to regulate, promote and ensure orderly growth of the insurance sector in India and to protect the interests of policyholders.

Insurers are required to be registered with the IRDAI under the Insurance Act in order to carry out any class of insurance business, including life insurance in India. The Insurance Act stipulates, *inter alia*, certain requirements in relation to the capital structure for insurers including in relation to minimum paid-up equity capital and equal voting rights. Insurers are required to maintain records of policies, including the details of policyholder, nominations of claims, including the details of discharge or rejection of claim and a register of insurance agents. Pursuant to the definition of an Indian Insurance company under the Insurance Act, an insurer is required to be "Indian owned and controlled". Additionally, in terms of the Indian Insurance Companies (Foreign Investment) Rules, 2015, as amended, the term 'Indian control' has been defined to mean control of such Indian insurance company by resident Indian citizens or Indian companies, which are owned and controlled by resident Indian citizens. The term 'control' has been defined in the Insurance Act to include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements. The term 'Indian Ownership of an Indian Insurance Company' has been defined as more than 50% of the equity capital in a company which is beneficially owned by resident Indian citizens or Indian companies which are owned and controlled by resident Indian citizens. Further, a life insurance company is required to have a capital consisting of equity shares each having a single face value and such other forms of capital in accordance with the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015. The voting rights of the shareholders are required to be restricted to such equity shares and to be proportionate to the paid-up amount of the equity shares held by them. The paid-up amount is required to be the same for all equity shares (except during any period not exceeding one year allowed by the company for payment of calls on shares.).

With regards to, an investment of assets, the Insurance Act mandates insurers to keep invested assets in a prescribed manner in Government securities and other approved investments. All assets forming part of the controlled fund (not being the Government securities or other approved securities in which assets are to be invested or held invested) are required to be held by the insurers free of any encumbrance, charge, hypothecation or lien. Certain restrictions on investments of assets and controlled fund have also been prescribed, including investment in shares or debentures of a private limited company. IRDAI has issued the IRDAI Investment Regulations. For further details, see "Regulations and Policies- Insurance Regulatory and Development Authority (Investment) Regulations, 2016 and the Master Circular on Investments, 2017" on page 159.

Any appointment, re-appointment or termination of appointment or amendment of the terms of remuneration, of a managing or whole-time directors, manager or chief executive officer of an insurance company requires the prior approval of the IRDAI.

IRDAI has specified the Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies Transacting Life Insurance Business) Regulations, 2015 for issuance of capital according to which insurers are required to obtain prior approval of the IRDAI for issuance of capital by way of public issue or any subsequent issue of equity shares. The aforementioned regulations, *inter alia,* prescribe the manner and procedure for the issuance of capital, timelines for IRDAI approval and the conditions which may be attached to the approval from the IRDAI. Pursuant to IRDAI Transfer of Equity Shares Regulations, insurers are required to obtain prior approval of the IRDAI in the event (i) the total paid up capital held by the transferee is likely to exceed 5% of the paid up capital after the transfer, or (ii) 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 the paid up capital of the insurance company. The IRDAI Transfer of Equity Shares Regulations define 'Transfer of Shares' to include (i) a transfer of shares from an existing shareholder of an insurance company to another person, (ii) transmission of shares of an insurance company, and (iii) fresh issuance of equity shares which leads to a change in the shareholding pattern of an insurance company as set out in the preceding sentence. In the event there are one or more investors (excluding foreign investors) in an insurance company, an investor can hold shares not exceeding 10% of the paid up equity share capital of such an insurance company. Further, all such investors excluding foreign investors jointly are permitted to hold a maximum of 25% of the paid up equity share capital of such an insurance company in aggregate. The IRDAI has prescribed relevant regulations in this regard. Additionally, 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. Accordingly, as regards such insurance companies the transfer of equity shares shall be in the manner prescribed under the aforementioned guidelines. For further details, see "Regulations and Policies - Certain guidelines and circulars prescribed by the IRDAI" on page 162.

The Insurance Laws (Amendment) Act, 2015 (the "Amendment")

The Amendment 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.

With regards to foreign investors, the cap on aggregate holding of equity shares by foreign investors, including portfolio investors, has been raised to 49% of 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 Amendment has permitted insurers to raise capital through instruments other than equity. In this regard, IRDAI has issued the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, which permit insurers to raise capital by way of preference shares and subordinated debt instruments after obtaining prior approval from the IRDAI. The Amendment empowers the insurance companies to appoint agents subject to fulfilment of the criteria stipulated by IRDAI. The Amendment has further given powers to IRDAI to regulate the commission payable to the agents and intermediaries through regulations.

The Amendment has extended the powers of the IRDAI for regulating various day to day operations and activities of insurance companies by issuing regulations for the same. Further, the IRDAI has issued circulars, regulations and guidelines on registration and licensing of insurance companies, investments, pricing of put or call options in joint venture agreements governing rights of partners, solvency margin requirements, insurance agents and intermediaries, corporate governance requirements, transfer of shares, opening, closure and relocation of branches, expenses of management, advertising, accounting procedure and reporting formats, granting of loans and advances, limit on expenses, maintenance of records.

The Amendment has fixed the period during which a policy can be called into question on any ground, including misstatement of facts etc., to the expiry of three years from the later of the date of commencement of risk, the date of the policy, the date of revival of policy or the date of the rider to the policy; and no policy can be challenged after the stipulated time. Further, the Amendment has simplified the process for payment to nominee of policyholder. The Amendment has vested the policyholder with a power to assign an insurance policy, wholly or in part, provided that such assignment is bonafide, not contrary to public interest and not for the purpose of trading of the insurance policy.

The Amendment has removed various redundant clauses in the Insurance Act including the sections relating to acceptance of deposits by insurance companies, appointment of chief agent and principal agent, divesting excess shareholding above 26% by promoters etc. The Amendment has specified 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, to ₹ 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 additionally be punishable with imprisonment extending to 10 years.

Certain regulations prescribed by the IRDAI

Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2016 ("Registration Regulations")

On March 21, 2016 the IRDAI notified the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) (Seventh Amendment) Regulations, 2016 which overhauled substantial provisions of the Registration Regulations. The Registration Regulations prescribe the procedure for obtaining registration of prospective insurers, renewal, suspension and cancellation of registrations. The Registration Regulations provide the manner of calculation of equity capital held by foreign investors, and require compliance with the "Indian owned and controlled" requirements. Further, the insurer is required to pay an annual fee to the IRDAI as prescribed under the regulations.

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. An insurer is required to maintain its available solvency margin at a level which is not less than higher of (i) 50% of the amount of minimum capital as prescribed under the Insurance Act; and (ii) 100% of the required solvency margin. An insurer is required to maintain a control level of solvency margin as stipulated by the IRDAI, which currently is a solvency ratio of 150 %. In this regard, the Insurance Act prescribes that if at any time the insurer is not able to maintain the required control level of solvency margin, the IRDAI may require such insurer to submit a financial plan indicating a plan of action to correct the deficiency within a specified period not exceeding six months. Further, where the insurer transacts life insurance business in a country outside India and the insurer submits statements or returns or any such particulars to the host regulator, the insurer shall enclose the same along with the forms specified in accordance with these regulations and the Insurance Regulatory and Development Authority (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016.

Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 ("Protection of Policyholders' Interest Regulations")

On June 30, 2017 the IRDAI notified the Protection of Policyholders' Interest Regulations which superseded the Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations, 2002. The Protection of Policyholders' Interest Regulations prescribes specifications with respect to various aspects including insurance product solicitation, grievance redressal, and claim settlement, which are required to be complied by all insurers in order to protect the interests of policyholders. It mandates insurers to have in place a policy approved by its board of directors, which is required to provide the steps that an insurer proposes to take for matters such as insurance awareness, expeditious resolution of complaint, 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.

Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017 ("Appointed Actuary Regulations"), Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 (the "Actuarial Report and Abstract Regulations") and Insurance Regulatory and Development Authority of India (Transitory Provisions under Regulation 6 of IRDAI (Appointed Actuary) Regulations, 2017) Guidelines, 2017 ("Appointed Actuary Guidelines")

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 a life 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. Pursuant to the notification of the Appointed Actuary Guidelines, life insurers are now permitted to appoint any person not satisfying the eligibility criteria prescribed under Regulation 3(B) (iii) (b) and Regulation 3(B) (iii) (c) of the Appointed Actuary Regulations as their appointed actuary, provided that such appointed actuary is supported by a mentor (an actuary satisfying the conditions stated in Annexure 1 of the Appointed Actuary Guidelines). The appointed actuary will be supported by such a mentor until the appointed actuary becomes eligible under Regulation 3(B) (iii) (b) and Regulation 3(B) (iii) (c) of the Appointed Actuary Regulations. As per the Appointed Actuary Guidelines a mentor should be appointed only after obtaining the approval of the IRDAI. Once appointed, a mentor shall be jointly responsible with the appointed actuary for all actuarial activities and shall be required to comply with all duties, standards and responsibilities prescribed under the Appointed Actuary Regulations. Further, life insurers have been permitted by the IRDAI to carry on their business without an appointed actuary for a period not exceeding one year, provided they comply with the requirements prescribed in paragraph 6 of the Appointed Actuary Guidelines.

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 shall ensure solvency of the insurer and comply with requirements in regard to the certification of the valuation of assets and liabilities and maintenance of solvency margin in the manner prescribed and shall 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, ensure compliance with the provisions with respect to bases of premium and ensure that the premium rates of the insurance products are fair, ensure compliance with respect to recommendation of bonus or interim bonus payable by life insurers to policyholders whose policies mature for payment by reason of death or otherwise during the inter-valuation period and ensure that the policyholders' reasonable expectations have been considered.

The Actuarial Report and Abstract Regulations stipulate procedures for preparation of actuarial reports and abstracts. The Actuarial Report Regulations also provide for details of valuation methods and parameters to be included in the actuarial reports and abstracts.

Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and the Master Circular on Investments, 2017

These regulations have segregated a life insurer's total investment assets into three categories: (i) shareholders' funds representing solvency margin, non-unit reserves of unit-linked life 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 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 these regulations. The manner and limits up to which amounts can be invested out of these funds has also been defined under these regulations. The regulations have listed out the 'approved investments' (and 'deemed approved investments') in which the insurer shall invest or keep invested any part of its controlled fund. Maximum exposure limits for a single 'investee' company, group of the investee companies and for the industry sector to which the investee company belongs to have been defined. Additionally, limits at various asset classes and exposure to credit instruments including limits based on credit ratings have also been prescribed. The regulations however, prohibit replacement of appropriate risk analysis and management on the part of the insurer, *in lieu* of credit ratings as applicable. Insurers are also required to implement investment risk management systems and processes which are certified by a chartered accountant's firm and which shall be subject to audit at least once at the beginning of every two financial years. The Investment Regulations also stipulates certain investment management mechanism, including constitution of an investment committee, formulating an investment policy, risk management and audit and reporting to the board/board committees. Further, the net asset value as declared by the insurer 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.

Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015

These regulations require insurers, including life insurers, to provide a prescribed percentage of insurance policies and cover certain number of lives during respective financial years as stipulated under the regulations, to the rural and social sector.

Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000 and Master Circular on Insurance Advertisements, 2015

These regulations prescribes certain compliances and controls in relation to insurance advertisements issued by insurers, intermediaries or insurance agents, which 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. Such advertisements are required to be filed with the IRDAI within seven days after its release. Insurers are required to ensure that advertisements are not unfair or misleading in as much as, it should clearly identify the product of insurance, describe benefits as detailed in the provisions of the policy and indicate the risks involved in the policy. Additionally, 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. Further, every insurer, intermediary or insurance agent is required to maintain an advertising register and specimens of all advertisements for a minimum period of three years.

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 the Insurance Act, insurers are required to reinsure with Indian reinsurers such percentage of sum assured on each policy, as notified by IRDAI from time to time, however, such percentage should not exceed 30% of the sum assured on such policy. Every life insurer is required to prepare a programme of reinsurance in respect of lives covered, and a profile of such programme, certified by the appointed actuary and approved by the board of directors, which is required to be filed annually with the IRDAI. Every life insurer is required to build the retention capacity within the company and formulate suitable retention policy for each type of product/risk on an ongoing basis. Life insurers are required to ensure that reinsurance arrangements in respect of catastrophe risks are adequate and approved by the board of directors, using various realistic disaster scenario testing, before filing the reinsurance arrangements along with the reinsurance programme, while explaining the measures taken to mitigate the credit and concentration risk of the reinsurance arrangements, if any, with the IRDAI. The Insurance Regulatory and Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 specify the eligibility criteria for registration including obtaining approval from their 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 IRDAI.

Additionally, a life insurer is not permitted to make any treaty arrangements with its promoter company or the associate or group company, except on terms, which are commercially competitive in the market and with the prior approval of the IRDAI. The life insurers shall before placing the business with the reinsurers, consider past claims performance of the reinsurers, as available, while accepting their participation in the reinsurance program.

Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016 (the "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. Life insurers are permitted to offer long term individual health insurance products i.e., for a term of five years or more. However, the premium for such products shall ordinarily remain unchanged for at least a period of every block of three years. Life insurers are prohibited from offering 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.

Insurers are required to ensure that the premium for a health insurance policy is based on age. 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 service agreements. The IRDAI may further issue circulars/guidelines/instructions on matters like filing, withdrawal, pricing etc.

In addition, on July 29, 2016, the IRDAI has issued "Guidelines on Standardization in Health Insurance" pursuant to the Health Insurance Regulations, which contain standard definitions for health insurance policies, standard nomenclature and procedures for critical illnesses etc. to enable the prospective policyholders and insured to understand these policies without ambiguity.

Further, on July 29, 2016, the IRDAI has also issued "Guidelines on Product Filing in Health Insurance Business" pursuant to the Health Insurance Regulations, which require the insurers to file their underwriting policy for health insurance business, approved by the board of directors, with the IRDAI. The Guidelines require that every "proposal form" used for health insurance products includes the standard declarations specified and is filed and approved under these guidelines. In addition to the disclosure requirements, a prospectus for health insurance policies shall mandatorily contain the stipulated information on terms and conditions, coverage, premium including other disclosures as provided in the guidelines and such a prospectus shall be filed with IRDAI. Additionally, these guidelines stipulate the filing procedure applicable to new individual health insurance products, add-ons, riders or any modifications thereto and additional guidelines for group health insurance products. As per these guidelines, no insurer is permitted to modify or revise a product within one year from the date of its clearance, without obtaining prior approval of the IRDAI.

Insurance Regulatory and Development Authority (Scheme of Amalgamation and Transfer of Life Insurance Business) Regulations, 2013

These regulations prescribe procedure for implementation of a scheme of amalgamation and transfer by life insurers, which includes filing an application with the IRDAI and obtaining approval of the IRDAI. The IRDAI prior to granting final approval of amalgamation and transfer may cause an independent actuarial valuation of insurance business of the transacting parties to be conducted.

Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002

These regulations prescribe accounting principles and other financial disclosures to be adhered to while preparing financial statements. Additionally, these should also be prepared in conformity with the accounting standards issued by the ICAI, to the extent applicable, except for accounting standard 3 for cash flow statements which shall be prepared only under the direct method of accounting and accounting standard 17 for segment reporting which shall be applicable to all insurers irrespective of the requirements regarding listing and turnover specified in such accounting standard. Preparation of financial statements, management report and auditor's report are required to be prepared in accordance with the formats as prescribed under these regulations, which includes balance sheet, revenue account, profit and loss account and receipts and payments account of an insurer.

Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers Transacting Life Insurance Business) Regulations, 2016

These regulations prescribe that the expenses of management for life insurance companies should not exceed commission or other remuneration paid to insurance agents and intermediaries, charged commission and expenses reimbursed on reinsurance inward and operating expenses. An annual return of expenses of management in the format provided in the regulations is required to be furnished to the IRDAI, to ensure compliance. The IRDAI has prescribed certain actions which may be taken against the insurer 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.

Insurance Regulatory and Development Authority of India (Outsourcing of Activities by Indian Insurers) Regulations, 2017

IRDAI has notified these regulations effective May 5, 2017 which define the areas of work that should be done in-house and those which can be handed out to third-parties. The aforementioned regulations are applicable to outsourcing arrangements entered into by an insurer with an outsourcing service provider located in India or outside India. The insurer is prohibited from outsourcing certain activities (such as investment and related functions, fund management including NAV calculations, compliance with "*anti-money laundering*" and "*know your company*", product designing, all actuarial functions and enterprise-wide risk management, decision making in underwriting and claims functions, decision to appoint insurance agents and intermediaries, approving advertisements, etc.) in any manner whatsoever. In relation to policy servicing, activities that support policyholder servicing may be outsourced at the discretion of the insurer.

The board of directors of the insurer are required to put in place an outsourcing policy covering framework for assessment of risks, parameters for determining materiality, cost benefit analysis, conflict management etc. The board of directors of the insurer are required to constitute an outsourcing committee comprising of key management persons of the insurer as provided in these regulations.

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. The 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.

Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015

These regulations require every insurer who seeks to open a place of business within or outside India to take the prior approval of the IRDAI. Every insurer is required to include the total number of new places of business proposed to be opened within India in its annual business plan. These regulations lay down the norms for opening, closure or relocation of places of business within India, opening a liaison office or a representative office of a business outside India and activities allowed by such liaison office or a representative office, opening a foreign branch office. The regulations also lay down the eligibility criteria of insurers willing to open a foreign branch office and the terms and conditions governing the approval of the foreign branch office. There are various reporting requirements and returns required to be furnished to the IRDAI which have been prescribed under these regulations. An insurer can open a foreign branch office or a representative or a liaison office outside India subject to prior approval granted by IRDAI. Such representative or liaison office is permitted to carry out such activities as are mentioned in these regulations. In this regard, the insurer shall have to comply with the Foreign Exchange Management Act, 1999 and any other law in force governing the operation of such offices. These regulations set out the norms for opening a foreign branch office and the eligibility criteria of Insurers for opening a foreign branch office. Insurers are required to maintain appropriate arrangements to ensure that the policyholder's liabilities that arise out of foreign operations are adequately ring-fenced in order to protect the India policyholder

Certain regulations prescribed by the IRDAI for agents and intermediaries

In order to regulate agents and intermediaries, the IRDAI has notified certain regulations in relation to individual agents, corporate agents, brokers, web aggregators, insurance marketing firms, point of sale persons, etc. Individual agents are appointed by insurers as per the Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations 2016. Under these regulations, an agent is permitted to act as an agent for one life, general, health and mono-line insurer each. Corporate agents are granted a certificate of registration by IRDAI in accordance with the Insurance Regulatory and Development Authority (Registration of Corporate Agents) Regulations, 2015. A corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and three health insurers and is required to have a Board Policy on the same. They have to adhere to a code of conduct on soliciting and servicing of insurance policies as prescribed by the regulations. Insurance brokers are granted a certificate of registration by IRDAI in accordance with the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 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. There are such similar regulations for other insurance intermediaries. The Insurance Regulatory and Development Authority (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations 2016, which came into effect on April 1, 2017 provides the payment structure for insurance agents and insurance intermediaries. The maximum commission or remuneration payable by life insurers on insurance products including health insurance products is laid out in these regulations. Further, the regulations provide that reward to be given by life insurers, shall be calculated on an overall basis for insurance agents and insurance intermediaries respectively and not linked to each and every policy solicited by an insurance agent or an insurance intermediary and such reward shall not be more than 20% of first year commission or remuneration paid to them.

Certain guidelines and circulars prescribed by the IRDAI

The IRDAI periodically issues guidelines pertaining to insurers, including life insurers. IRDAI has issued Corporate Governance Guidelines on May 18, 2016 which encompass the corporate governance requirements stipulated under the Companies Act. These guidelines stipulate the governance structure in insurance companies, including board of directors, key management personnel, constitution of various committees such as investment committee, policyholder protection committee, role of appointed actuaries, appointment of auditors, relationship with stakeholders, whistle blower policy and certain disclosure requirements in relation to financial statements, including quantitative and qualitative information on financial and operating ratios, actual solvency margins *vis* required margin, description of risk management architecture, payments made to group entities from the policyholders funds and pecuniary relationships with the non-executive directors.

On September 28, 2015, the IRDAI issued revised guidelines pertaining to anti-money laundering and counter- financing of terrorism (the "**Anti Money Laundering Guidelines**") in relation to the life insurance sector. Life insurers are mandated to comply with "*Know Your Customer*" norms by obtaining requisite documents from the customers to establish the customer identity and also formulating effective procedures for proper identification of new customers in all retail business contracts and on juridical persons. The guidelines require insurers to adopt enhanced due diligence processes including adopting simplified measures in case of low risk customers and enhanced measures in case of high risk customers. In order to comply with the requirements specified by the Unlawful Activities (Prevention) Act, 1967, the insurers are required to screen their existing as well as prospective customers against the sanctions/negative lists published by the Ministry of Home Affairs and United Nations Security Council, in order to ensure that the insurers do not enter into a contract with customer whose identity matches with any person in the UN Sanctions List or with banned entities and those reported to have links with terrorists or terrorist organisations The insurers are also required to monitor and report suspicious transactions to Financial Intelligence Unit-India.

In addition, on October 19, 2015, the IRDAI issued guidelines on Indian owned and controlled, which *inter alia* prescribes that majority of directors excluding independent directors should be nominated by Indian promoters or Indian investors. Further key management personnel should be nominated by the board of directors or by the Indian promoters or Indian investors. Further, the guidelines also prescribe quorum requirements, requiring presence of majority of the Indian directors irrespective of presence of nominees of foreign investors.

Additionally, IRDAI has prescribed various norms and regulations regarding insurance products. All insurance products require prior approval from IRDAI before they are launched as per the file and use guidelines. It is mandatory for insurers to adhere to the file and use conditions as prescribed for the respective products.

Insurance products are broadly regulated by the IRDAI Linked Products Regulations and IRDAI Non-Linked Products Regulations. The IRDAI Linked Products Regulations provide that linked insurance products are required to be offered through products that are non-participating in nature. The IRDAI Linked Products Regulations require 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 not be less than 105% of all premiums paid till date of death. The IRDAI Non-Linked Products Regulations provide for non-linked insurance products to be offered through products that are participating and non-participating in nature. The IRDAI Non-Linked Products Regulations provide broad specifications for the benefits payable on death, benefits offered under health cover, general administration of additional benefits, requirements relate to guidelines on policy term, premium and commission. In addition, insurance products offered by an insurer on a group platform are also governed by the IRDAI Linked Products Regulations and the IRDAI Non-Linked Products Regulations. These regulations define groups for the purpose of insurance, segregate them on the basis of relationship between master policyholder and members as formal and informal groups and specify the products that may be offered to such groups. In addition, the IRDAI has also issued guidelines introducing cap on charges levied on customers investing in unit-linked insurance products. The regulations further prescribe the requirements on revival of a policy upon its discontinuance, the revival period and the obligations of an insurer upon revival. Further, the IRDAI issued guidelines on non-linked life insurance products included limits on the commission rates payable by insurance companies, introduction of minimum guaranteed surrender value and minimum death benefits.

As regards usage of trade logos of promoter entities, the IRDAI has issued the 'Guidelines on usage of Trade Logo of Promoting Partners of Insurance Companies' dated May 5, 2014 which require the 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: (i) be 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) be 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. The consideration agreed should be specific, reasonable and according to sound business principles. In the event there is no monetary consideration involved, there shall be a specific mention of the same. Any pay out towards compensation made, on account of alleged damages owing to use of trade logo of the promoting partner shall be remitted from the shareholders' account.

As regards unclaimed funds, IRDAI through its Master Circular (Unclaimed Amounts of Policyholders) dated July 25, 2017 has specified that an insurer shall maintain a single segregated fund to manage unclaimed funds and shall invest all such funds in money market instruments, liquid mutual funds and/or fixed deposits of scheduled banks. The investment income accrued on the unclaimed amount is required to be transferred by the insurers to the respective identified unclaimed account.

All such unclaimed amounts of policyholders are required to be held in custody and invested in accordance with the circular for a period of 10 years from the due date. This circular provides that the funds remaining unclaimed by policyholders for a period of more than 10 years are to be transferred by the insurers to the Senior Citizen Welfare Fund constituted under Senior Citizens' Welfare Fund Rules, 2016.

In addition to providing for the framework for appropriation of unclaimed amounts, the circular also requires insurers to furnish details of the aging analysis and the progress in settlement of unclaimed amounts to the IRDAI on a half yearly basis. Further, insurers are also required by the circular to display information of any unclaimed amount exceeding Rs. 1,000 on their respective websites and to provide facilities on their respective websites which enable policyholders, beneficiaries or dependants to obtain information on the unclaimed amounts lying with the insurer. All life insurers are required to comply with the directions under the circular on or before March 1, 2018.

The IRDAI on August 5, 2016 notified the Insurance Regulatory and Development Authority of India (Listed Indian Insurance Companies) guidelines, 2016 (the "**Listed Indian Insurance Companies Guidelines**"). The Listed Indian Insurance Companies 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. These Guidelines, inter alia, 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 the same shall be considered as deemed approval of IRDAI for the purpose of Section 6A (4) (b) (iii) of the Insurance Act. However, if the person proposing to acquire equity shares is likely to result in 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 5% or more of the total voting rights of the insurer, such acquisition would require prior approval of the IRDAI.

Further, an existing shareholder who has previously obtained IRDAI permission as a major shareholder (holding 5% or more of the paid up equity share capital) of the insurer may acquire up to 10% of equity shares or voting rights of the concerned insurer without prior approval of IRDAI, subject to, inter alia, furnishing details of the source of funds for such incremental acquisition to the insurer. However, if the shareholding of the major shareholder along with persons acting in concert results in the aggregate holding to exceed 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. In addition to the above, the Listed Indian Insurance Companies Guidelines also prescribe continuous monitoring obligations by insurers in case of major shareholders. The Guidelines also prescribe the procedure for making an application before the IRDAI for transfer of the equity shares above the prescribed thresholds.

The Listed Indian Insurance Companies Guidelines prescribe the following shareholding and voting limits for an insurance company:

Category of Shareholders	**Promoter and Promoter Group (minimum)(1)**	**All shareholders in the long run (except promoters)**				
		Natural Person	**Legal person**			
			Non-financial institution /entities	**Financial institution**		
				Non-regulated or non-diversified and non-listed(2)	**Regulated, diversified and listed/supranational institution/public sector undertaking/government**	**Others (3)**
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 cases 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 10% or more in an insurance company will be subject to a minimum lock-in period of five years.*

On July 12, 2016, the IRDAI issued a circular in operationalization of Central KYC Records Registry (the "**CKYCR**") to facilitate banks and financial institutions with the *know your customer* ("**KYC**") related information of customers so as to avoid multiplicity of undertaking KYC each time a customer avails any financial product or services. The Central Registry of Securitization and Asset Reconstruction and Security Interest of India (the "**CERSAI** has been authorized, to perform the functions of CKYCR under the Prevention of Money Laundering (Maintenance of Records) Rules 2005, which includes receiving, storing, safeguarding and retrieving the KYC records of a client in digital form. The CERSAI finalized 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.

Additionally, the IRDAI on August 1, 2016 issued a Circular on "Complaints of Mis-selling/Unfair Business Practices by Banks/NBFCs" based on a series of complaints from policyholders on *mis-selling* of insurance policies by banks/non-banking financial companies registered as corporate agents. Most complaints pertained to instances where an insurance policy was forcibly sold or *missold* by banks and non-banking financial companies when approached for (i) housing or other loans; (ii) availing locker facility; (iii) issued without consent and with incorrect contact details; (iv) in lieu of fixed deposit receipts; and (v) regular premium policies issued instead of single premium and renewal premiums debited without intimation. IRDAI was informed by the insurers in most cases that the banks had taken necessary action against the erring employees and in many cases, the premium amount collected by the Insurer had been refunded to the policyholder or he/she was allowed to change the payment mode/plan type. However, IRDAI has emphasized that such action is not the solution for this issue, and instead, banks and non-banking financial companies should have a system which proactively detects and discourages such kinds of *mis-selling*. Banks, non-banking financial companies and insurers have been advised to follow the (IRDAI Registration of Corporate Agents) Regulations scrupulously and bring them to the notice of the specified persons/concerned officials.

On August 5, 2016, IRDAI issued the "Guidelines on Remuneration of Non-executive Directors and Managing Director /Chief Executive Officer / Whole-time Directors of Insurers" (the "**Remuneration Guidelines**"), which prescribe adoption of a remuneration policy, for non-executive directors and chief executive officers/whole time directors/managing directors. Such policy formulated for non-executive directors may allow for payment of remuneration in the form of profit related commission, subject to the insurer making profits while capping the amount of remuneration for each non-executive director at ₹ 1 million per annum, however, the remuneration for the chairman has been left to the discretion of the board of directors. Additionally, it has been prescribed that the company may pay sitting fees and reimburse expenses to the non-executive directors.

The Remuneration Guidelines provide minimum indicative parameters for implementation of risk adjustment in the remuneration payable to the chief executive officer/whole time director/managing director. The provision of 'guaranteed bonus' is prohibited from being a part of remuneration plan of the chief executive officers/whole time directors/managing directors. For such remuneration, the insurers are required to ensure that the fixed portion of the remuneration is reasonable and a proper balance is maintained between the percentage of fixed and variable pay. The variable pay may be in the form of cash, stock linked instruments or a combination of both, excluding employee stock options. Further, the Remuneration Guidelines require that where variable pay constitutes a substantial portion of the total pay, an appropriate portion of such variable pay shall be deferred over a period of not less than three years, and may be appropriately 'clawed back' in case of any negative trend observed in the risk parameters. For annual remuneration in excess of ₹15.00 million, such excess shall be required to be borne by the shareholders' account. The Remuneration Guidelines also prescribe certain details to be disclosed in the annual report and the financial statements of the insurer.

On March 20, 2017, IRDAI issued guidelines on a stewardship code for insurers in India in relation to their role in the management of companies in which they have invested. The stewardship code, effective from fiscal 2018, requires insurance companies to adopt a policy with respect to their voting and other conduct at general meetings of investee companies within six months from the date of notification and disclose the policy on their website after seeking approval from their board of directors. Further, insurers are required to file an annual status report justifying any non-compliance with the principles enshrined in the stewardship code.

On April 7, 2017, IRDAI issued guidelines on information and cyber security for insurers which 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 any third parties. These include (i) appointing/ designating of a suitably qualified and experienced senior level officer exclusively as 'Chief Information Security Officer' who will be responsible for articulating and enforcing policies to protect the company's information assets and formation of the information security committee of the company; (ii) preparing a gap analysis report; (iii) formulating a cyber crisis management plan; (iv) finalizing the information and cyber security policy, which should be approved by the company's board of directors; (v) formulating an information and cyber security assurance programme which in-line with the board-approved information and cyber security policy; and (vi) by 31 March 2018, completing the first comprehensive information and cyber security assurance audit.

On June 28, 2017, the IRDAI issued a circular, pursuant to which the implementation of Ind-AS in the Insurance sector has been deferred for a period of two years and shall be implemented effective 2020- 2021. However, the requirement of submitting proforma Ind-AS financial statements on a quarterly basis shall continue in terms of the IRDAI circular dated December 30, 2016.

Insurance Ombudsman Rules, 2017 ("Ombudsman Rules")

On April 27, 2017, the Central Government, in supersession of the Redressal of Public Grievances Rules, 1998, (except as respects things done or omitted to be done before such supersession), notified the Ombudsmen Rules. Pursuant to the Ombudsman Rules, there shall be an executive council of insurers ("**Executive Council**") consisting of nine members including the chairman. The Executive Council shall comprise of the chairman, Life Insurance Corporation of India or the chairman, General Insurers (Public Sector) Association of India, and representatives nominated by the Life Insurance Council, General Insurance Council, IRDAI, Ministry of Finance (Department of Financial Services). The term of the chairperson and members of the Executive Council shall be three years from the date of assumption of charge. The Executive Council shall issue such guidelines, inter alia, in relation to the procedure for the day to day administration, secretariat staffing, secretariat administrative infrastructure, and such other related aspects of functioning of insurance ombudsman system.

The number of insurance ombudsman for each territorial jurisdiction shall be specified by the Executive Council. The insurance ombudsman shall receive and consider complaints or disputes relating to, inter alia, delay in settlement of claims, any partial or total repudiation of claims by the insurers, disputes over premium paid or payable in terms of insurance policy, misrepresentation of policy terms and conditions at any time in the policy document or policy contract, legal construction of insurance policies in so far as the dispute relates to claim, policy servicing related grievances against insurers and their agents and intermediaries, issuance of insurance policy which is not in conformity with the proposal form submitted by the proposer, non-issuance of insurance policy after receipt of premium; and any other matter resulting from the violation of provisions of the Insurance Act, 1938 or the regulations, circulars, guidelines or instructions issued by the IRDAI from time to time or the terms and conditions of the policy contract, in so far as they relate to issues mentioned above. The insurance ombudsman shall act as counselor and mediator relating to the aforementioned matters provided there is written consent of the parties to the dispute.

The Ombudsman Rules prescribe the manner in which a complaint can be made against an insurer. No complaints shall be made to the insurance ombudsman unless (i) the complainant had (before making a complaint to the Ombudsman) made a written representation to the concerned insurer and the insurer had rejected the complaint or the complainant had not received any reply within a period of one month after the insurer received the representation or the complainant is not satisfied with the reply provided by the insurer; (ii) the complaint is made not later than one year after the insurer had rejected the representation or after receipt of decision of the insurer which is not to the satisfaction of the complainant; (iii) after expiry of a period of one month from the date of sending the written representation to the insurer if the insurer named fails to furnish reply to the complainant; (iii) the complaint is not on the same subject matter, for which any proceedings before any court, or consumer forum, or arbitrator is pending or were so earlier. 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 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.

Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015 (as amended by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 dated August 10, 2017)

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, and the requirement of procuring an annuity from an empanelled annuity service provider pursuant to exit. The regulations also provide for the criteria and procedure for obtaining empanelment as an annuity service provider under the regulations.

Other Regulations

In addition to the above, our Company is required 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 there under for its day-to-day operation.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated at Mumbai on October 11, 2000 as SBI Life Insurance Company Limited, a public limited company under the Companies Act 1956, and received certificate of commencement of business from the RoC on November 20, 2000. Our Company is registered with the IRDAI (Registration Number: 111) for carrying out business of life insurance pursuant to the registration certificate dated March 29, 2001.

As on the date of this Prospectus, our Company has nine Shareholders, of which five individual shareholders hold six Equity Shares on behalf of and as nominees of State Bank.

Changes in Registered Office

Except as disclosed below, there has been no change in the Registered Office of our Company since the date of its incorporation.

Date of Change	Details of Change in the Address of the Registered Office	Reasons for Change in the Address of the Registered Office
April 25, 2011	Change in the address of the registered office of our Company from State Bank Bhawan, Madam Cama Road, Nariman Point, Mumbai 400 001 to 'NATRAJ', M. V. Road and Western Express Highway Junction, Andheri (East), Mumbai 400 069	Acquisition of our own premises.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"To undertake and carry on the business of Life Insurance and annuity in relation to all or any kinds of assurance whether of a kind now known or hereafter devised including life and annuity assurance linked, non linked term or whole life assurance of both residents and non-residents pension business long term health insurance, family insurance, group insurance, multiple cover insurance, sickness and medical expenses insurance and any kind of assurance or insurance (or any contract of indemnity against loss of human life or dependent on human life occasioned in any manner whatsoever and) against any other kind of risk or liability whether direct or indirect arising from the happening of any event or the fulfilment or non fulfilment of any contingency, obligation or undertaking whatsoever and to carry on and transact any and every kind of life insurance whether in India or outside India which may legally be carried on or transacted including that which is not comprised in any of the above descriptions of business to grant insurance and re-insurance of all kinds payable upon the happening of all following events namely death by disease or ailment, failure of attainment of a given age by any person or persons, the expiration of any fixed or ascertainable period, occurrence of any contingency or event which would or might be taken to affect the interest (whether vested, contingent, expectant, prospective or otherwise) of any person or persons in human life or any contingency dependent on human life or any contract which is subject to payment of premiums (or any other such amounts by whatsoever name called) for a term dependent on human life including the granting of disability indemnity accident benefits, annuities payable out of any fund applicable superannuating allowances and annuities payable out of any fund applicable solely to the relief and maintenance of persons engaged or who have been engaged in any particular profession, trade or employment or the dependants of such persons."

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Date of Shareholder's Resolution	Particulars
February 25, 2005	The authorised share capital of our Company was increased from ₹ 2,500,000,000 comprising 250,000,000 Equity Shares to ₹ 5,000,000,000 comprising of 500,000,000 Equity Shares.
January 13, 2007	The authorised share capital of our Company was increased from ₹ 5,000,000,000 comprising 500,000,000 Equity Shares to ₹ 10,000,000,000 comprising of 1,000,000,000 Equity Shares.
April 26, 2008	The authorised share capital of our Company was increased from ₹ 10,000,000,000 comprising 1,000,000,000 Equity Shares to ₹ 20,000,000,000 comprising of 2,000,000,000

Date of Shareholder's Resolution	Particulars
	Equity Shares.
April 25, 2011	Change in the address of the registered office of our Company from State Bank Bhawan, Madam Cama Road, Nariman Point, Mumbai 400 001 to 'NATRAJ', M. V. Road and Western Express Highway Junction, Andheri (East), Mumbai 400 069.

Major events and milestones of our Company

Fiscal	Particulars
2001	Our Company commenced its operations
2006	Only private sector Indian life insurance company to declare profit within six years of incorporation, whilst registering a profit of approximately ₹ 20 million.
2008	Our Company achieved the breakeven mark.
2010	Our Company crossed gross written premium of ₹ 100 billion.
2011	The number of branches of our Company exceeded 500 branches.
2012	Our Company crossed profit after tax of ₹ 5 billion and declared maiden dividend to our Shareholders.
2013	The number of branches of our Company exceeded 750 branches.
	Our Company exceeded ₹ 500 billion assets under management.
2016	Our Company crossed gross written premium of ₹ 150 billion.
2017	Our Company crossed gross written premium of ₹ 200 billion.
	Our Company crossed renewal premium of ₹ 100 billion.
2018	Our Company's assets under management crossed ₹ 1 trillion.

Awards and Accreditations

Calendar year	Award/Certification/Recognition
2010	Our Company was presented with the award for the 'Best Annual Report of the Year' in the category for insurance sector in the Institute of Chartered Accountants of India awards for excellence in financial reporting.
	Our Company was recognized as the 'No. 1 Private Insurer' by the Million Dollar Round Table(1)
2011	Our Company was part of 'The Economic Times Brand Equity's Most Trusted Brand' survey(2) as 'India's most trusted brands'
	Our Company won the 'Life Insurer Of The Year' Award At The Financial Leadership Awards, 2011.
	Our Company won the 'IMC Ramkrishna Bajaj National Quality Award' in the services category.
2012	Our Company was awarded the 'Claims Service of the Year'(3) and 'Under-served Market Penetration'(3) awards at the Indian Insurance Awards.
2013	Our Company won the 'World Class Award- Large Service Organisation' presented by the Asia Pacific Quality Organization.
	Our Company received ISO 10002: 2004 Certification for its Complaints Management System.
2014	Our Company was adjudged 'The Most Admired Life Insurance Company in the Private Sector' at the ABP News Banking Financial Services and Insurance Awards 2014.
	Our Company was adjudged the 'Best Life Insurance Provider 2014' by the Asia, Banking, Financial Services and Insurance Sector awards.
	Our Company won the 'Financial inclusion and deepening Award' and the 'Platinum Award for Excellence in Life Insurance' by Skoch.
	Our Company won the 'Non-Urban Coverage-Life Insurance' award at the Indian Insurance

Calendar year	Award/Certification/Recognition
	Awards.
	Our Company received the ISO 27001:2013 certification for its information security management system.
	Our Company received the ISO 9001:2008 certification for its quality management systems for planning, designing and developing training programs.
2015	Our Company was adjudged the 'Best Life Insurance Company (Private Sector)' at the Lokmat Banking, Financial Services and Insurance Awards by the World HRD Congress.
	Our Company was one of the winners of the 'Golden Peacock Award' for risk management.
	Our Company received the ISO 22301:2012 certification for our business continuity management system.
2016	Our Company was adjudged the 'Life Insurance Company of the Year' and 'Bancassurance Leader Life Insurance (Large Category)' at the Indian Insurance Awards 2016.
	Our Company was one of the winners of the 'Golden Peacock Award' for national quality.
	Our Company awarded the LIMRA and LOMA 'Social Media Silver Bowl Award' for best use of social by a company outside of the United States.
2017	Our Company was awarded the Skoch award for 'Predictive Analytics and Automation of Renewal Management System' and 'Integrated Death Claims Management System' by the Skoch group.
	Our Company was awarded the Fintelekt insurance award for 'Bancassurance Leader – Large' in the life insurance category and 'Life Insurance Company of the Year-Large (Private Sector)'.
	Our Company was awarded Legal Era risk award for the 'Most Innovative Risk Management Strategy'.

1. *Also received in calendar years 2011, 2012;*
2. *Also included in calendar years 2012, 2013, 2014, 2015 and 2016; and*
3. *Also received in calendar year 2013.*

Corporate Profile

For information of our Company's corporate profile, including details of our business, products, geographical presence, growth, competition, activities, market, technology, managerial competence and standing with reference to prominent competitors and major customers, see "Our Management", "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" beginning on pages 173, 121, 99, 322 and 218, respectively.

Key Shareholders' Agreements

Shareholders' Agreement executed amongst our Company, State Bank and BNPPC

Our Company, State Bank and BNPPC (at the time, known as Cardif S.A.) executed an agreement dated February 27, 2001 (the "**Joint Venture Agreement**"). In terms of the SHA, the business of our Company, unless altered in accordance with the terms thereof, would continue to be life insurance business (as defined in the Insurance Act, and to the extent not included in such definition, pensions, accident, disability, health care insurance, and other life insurance-related business which our Company is permitted to undertake in accordance with regulations notified by IRDAI) as permitted under applicable regulations of IRDAI. Subsequently, our Company State Bank and BNPPC entered into a shareholders' amendment agreement dated August 29, 2016 (the "**Amendment Agreement**") to modify their relationship (including their respective equity capital shareholding in our Company), and their mutual rights and obligations as Shareholders, in accordance with the revised commercial understanding between State Bank and BNPPC, and to ensure our Company's compliance with certain changes in the regulatory framework applicable to Indian insurance companies (including the amendment of the Insurance Act pursuant to enactment of the Insurance Laws Amendment Act). The key provisions of the Joint Venture Agreement, as amended by the Amendment Agreement (the "**Amended Joint Venture Agreement**") are set forth below.

Board of Directors: In terms of the Amended Joint Venture Agreement, each of State Bank and BNPPC shall be entitled to appoint and remove Directors in proportion to their respective percentage interest in the Equity Shares at any time, provided that, subject to applicable laws, the number of Directors nominated by State Bank shall be at least one more than the number of BNPPC's Directors at all times. Further, the Managing Director and Chief Executive Officer of our Company shall be a Director nominated by State Bank. The Chairman of State Bank shall be the Chairman of our Company. Further, BNPPC has the right to nominate from one of its Nominee Directors on our Board, or any other person it deems fit, for our Company as the Deputy Chief Executive Officer of our Company, subject to approval of our Board.

Matters for Approval: Our Board shall not take any action or decision without discussion in a meeting of our Board where at least one Director nominated by each of State Bank and BNPPC are present, *inter alia*, in respect of the development of or change to the business plan, annual budget, human resources policy, products policy, compliance policy and risk management policy of our Company; the introduction and terms of any employee share option scheme; or the listing of the Equity Shares on any stock exchange. Further, no action or decision may be taken or acted upon by our Board or our Company or its officers and representatives unless approved by a majority of our Directors (including approval of at least one Director nominated by each of State Bank and BNPPC), in respect of certain reserved matters as specified under the Amended Joint Venture Agreement, including, but not limited to: (a) changes to the Memorandum of Association and Articles of Association; (b) persons other than State Bank and BNPPC becoming Shareholders, except as contemplated under the Amended Joint Venture Agreement, or where necessary in order to comply with applicable laws; and (c) declaration of dividend.

Termination: Either of State Bank and BNPPC may terminate the Amended Joint Venture Agreement if: (a) the Amended Joint Venture Agreement, or any material part thereof, becomes contrary to applicable laws; (b) the other is in material breach of its obligations under the Amended Joint Venture Agreement, which breach remains un-remedied for a period of 180 days following written notification of such breach; or (c) the other becomes insolvent. Further, State Bank may terminate this agreement if BNP Paribas ceases to be the controller of BNPPC.

In addition to the aforementioned provisions, the Amended Joint Venture Agreement contained certain (a) restrictions on transfer of Equity Shares; (b) nomination of additional personnel to our Company; and (c) quorum for meetings of our Board.

State Bank, BNPPC and the Company have entered into the second amendment agreement dated July 15, 2017 ("**Second Amendment Agreement**"), to further amend the clauses of the Amended Joint Venture Agreement. The key clauses of the Second Amendment Agreement are: (i) the Amended Joint Venture Agreement as further amended by the Second Amendment Agreement shall fall away at the date upon which Equity Shares being first admitted to trading on the Stock Exchanges pursuant to the Offer. Additionally, the Second Amendment Agreement provides for restatement of the Companies' articles of association into Part A and Part B. Part B of the articles of association provides for special rights to the shareholders which would fall away on the date of listing of the Equity Shares of the Company, pursuant to the Offer. If however, listing of the Company is not achieved before December 31, 2017 or such other date as may be mutually agreed by the parties in writing, then Part B of the restated articles of association shall continue to have full force and effect.

Second Amendment Agreement and Inter-se Agreement executed amongst our Company, State Bank and BNPPC

State Bank, BNPPC and the Company have entered into the second amendment agreement dated July 15, 2017 ("**Second Amendment Agreement**"), to further amend the Amended Joint Venture Agreement. The key clauses of the Second Amendment Agreement are as follows: (i) the Amended Joint Venture Agreement, as amended by the Second Amendment Agreement, shall fall away upon Equity Shares being first admitted to trading on the Stock Exchanges pursuant to the Offer; (ii) the Second Amendment Agreement provides for restatement of the Companies' articles of association into Part A and Part B. Part B sets out the articles of association as they are currently in force, and Part B would fall away on the date of listing of the Equity Shares of the Company, pursuant to the Offer; If however, listing of the Company is not achieved before December 31, 2017, or such other date as may be mutually agreed by the parties in writing, then Part B of the restated articles of association shall continue to have full force and effect; (iii) as per the Second Amendment Agreement, in the event listing of the Company is not achieved before December 31, 2017, then the Amended Joint Venture Agreement would continue to remain in force and effect (i.e. as in force immediately prior to the Second Amendment Agreement becoming effective).

State Bank and BNPPC have entered into an inter-se agreement setting out the post-Offer arrangements amongst themselves on July 15, 2017 ("**Inter-se Agreement**"), as promoters of the Company. The Inter-se Agreement shall become effective from the date on which the Equity Shares are first admitted to trading on the Stock Exchanges pursuant to the Offer (being the date on which the Amended Joint Venture Agreement, as amended by the Second Amendment Agreement, will terminate. The Inter-se Agreement provides for the following post Offer arrangements between State Bank and BNPPC: (i) both State Bank and BNPPC shall not carry on any life insurance business in India except through the Company; (ii) State Bank is required to make available to the Company, its offices both inside and outside India, as distribution channels for the insurance products of the Company; (iii) both State Bank and BNPPC shall exercise their voting rights as shareholders to give full effect to the terms of the Inter-se Agreement, its rights and obligations under the Inter-se Agreement, the memorandum of association and the articles of association of the Company, including voting in favour of the appointment or removal of any director that may be nominated by either State Bank or BNPPC; (iv) both State Bank and BNPPC shall procure that the directors nominated by it from time to time shall, subject to their fiduciary duties, exercise their voting rights to give full effect to the terms of the memorandum of association and articles of association of the Company; (v) both State Bank and BNPPC shall ensure that the Company meets the minimum public shareholding requirements prescribed from time to time but at no point of time shall State Bank's shareholding fall below 50.1% and BNPPC's shareholding shall not be required to fall below 18.8%, unless otherwise agreed by BNPPC; (vi) both State Bank and BNPPC shall mutually decide on the manner in which they would be diluted for the purposes of ensuring that minimum public shareholding requirements are met; (vii) till such time that the shareholding of BNPPC does not fall below 10%, BNPPC shall have the right to participate, in all subsequent processes for further capital raising or dilution, post IPO, including having representatives on any Board committee(s) and being involved in the selection of underwriters and preparation of offer documents and receive all information and documentation in connection therewith. Such participation right of BNPPC shall not constitute a right in favour of BNPPC to block or suspend any processes, post IPO. State Bank and BNPPC shall provide all support to the Company in obtaining, all approvals, regulatory and otherwise, if applicable. The Inter-se Agreement shall *inter alia* terminate if either State Bank or BNPPC ceases to be a shareholder of the Company or is in material breach of the obligations under the Inter-se Agreement and the breach remains un-remedied for a period of 180 days following notice of breach by the non-breaching party. The Inter-se Agreement automatically terminates if the Equity Shares of the Company are not admitted to trading on the stock exchanges before December 31, 2017 or such other date as may be mutually agreed by and amongst State Bank and BNPPC.

Investment Agreement between our Company, State Bank, Value Line Pte. Ltd., an affiliate of KKR Asian Fund L.P. ("VLPL") and MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited ("MIPL", and together with VLPL, the "Financial Investors")

Our Company, State Bank and the Financial Investors entered into an investment agreement dated December 9, 2016 (the "**Investment Agreement**"), pursuant to which, State Bank, subject to receipt of necessary approvals from the IRDAI, agreed to sell 19,500,00 Equity Shares to each of the Financial Investors. For details of transfer of the Equity Shares by State Bank to the Financial Investors, see "Capital Structure – Build up of Promoters' Shareholding" on page 78. The Financial Investors have agreed under the Investment Agreement that they shall not have the right to participate in the management or operations of our Company in any manner. Key terms of the Investment Agreement are set forth below.

Restrictions on Transfer of Equity Shares: Neither Financial Investor may, directly or indirectly, transfer (whether by sale, assignment or other disposition) any Equity Shares held thereby or any legal or beneficial interest therein to any person, except in accordance with the Investment Agreement. Specifically, the Financial Investors may transfer any or all Equity Shares held thereby only if: (i) such transferee is not BNPPC or any of its affiliates, provided that post-IPO, no such restriction shall apply on disposal of all or part of the Equity Shares held by the Financial Investors on the floor of the stock exchange (other than pursuant to a block trade); (ii) such transferee signs a deed of adherence to be executed with the transferring Financial Investor, State Bank and our Company, undertaking to be bound by the Investment Agreement and any related agreement as if it had been an original party thereto; and (iii) the cumulative rights of such transferee (along with its successors) shall not exceed the rights available to the transferring Financial Investor under the Investment Agreement, unless otherwise agreed to by our Company and State Bank.

Initial Public Offering: The Investment Agreement provides that in the event our Company does not undertake an initial public offering by December 31, 2019, each Financial Investor shall be entitled to transfer its respectively held Equity Shares to a third party subject to the restrictions on transfer of Equity Shares provided under the Investment Agreement.

Termination: The Investment Agreement may be terminated by our Company, State Bank or the Financial Investors only to the extent of the rights and obligations of the respective Financial Investors under the Investment Agreement, and to the extent of the rights and obligations of our Company and State Bank towards the respective Financial Investors under the Investment Agreement, if any of our Company, State Bank or the Financial Investors commit a material breach of any obligations under the Investment Agreement, which breach remains un-remedied for a period of 45 days following written notification of such breach. The Investment Agreement may further be terminated with respect to each Financial Investor by mutual written agreement with the respective Financial Investor. The Investment Agreement shall automatically terminate in the event of an initial public offering being undertaken, and listing of the Equity Shares on a stock exchange or if either Financial Investor ceases to, together with its respective affiliates, at least such number of Equity Shares as is equal to 0.5% of the issued and paid up capital as on December 9, 2016, and all rights, obligations and liabilities under the Investment Agreement shall cease immediately upon termination.

Capital-raising Activities through Equity or Debt

For details regarding our capital raising activities through equity or debt, see "Capital Structure" and "Financial Statements" beginning on pages 77 and 218, respectively.

Injunctions or Restraining Order against our Company

As of the date of this Prospectus, there are no injunctions or restraining orders against our Company.

Guarantees provided by our Promoters

Except guarantees issued by State Bank and BNPPC as part of their ordinary course of business, our Promoters have not given any guarantees to third parties that are outstanding as of the date of this Prospectus.

Financial and Strategic Partners

As on the date of this Prospectus, our Company does not have any financial or strategic partners.

Our Holding Company

As on the date of this Prospectus, State Bank holds 70.10% of the issued, subscribed and paid-up Share capital of our Company of which 80,000,000 Equity Shares constituting 8.00% of the issued, subscribed and paid-up Share capital of our Company has been transferred to an escrow demat account created by the Share Escrow Agent. For details of State Bank, see "Our Promoters and Promoter Group" beginning on page 192.

OUR MANAGEMENT

In terms of our Articles of Association, our Company is required to have not less than three and not more than 15 directors. Our Board currently comprises 12 Directors.

The following table sets forth details of our Board:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Arundhati Bhattacharya *Designation*: Chairman (Nominee Director of State Bank) *Address*: Dunedin, number 5, J. Mehta Road, Malabar Hills, Mumbai 400 006 *Occupation*: Service *Nationality*: Indian *Term*: Not liable to retire by rotation *DIN*: 02011213	61	• State Bank; • SBI Capital Markets Limited; • SBI Cards and Payment Services Private Limited; • SBI DFHI Limited; • SBI Foundation; • SBI Funds Management Private Limited; • SBI General Insurance Company Limited; • SBI Global Factors Limited; • SBI Pension Funds Private Limited; and • Export-Import Bank of India.
Rajnish Kumar *Designation*: Nominee Director of State Bank *Address*: D -10, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai, 400 006 *Occupation*: Service *Nationality*: Indian *Term*: Not liable to retire by rotation *DIN*: 05328267	59	• State Bank; • SBI Foundation; and • SBI General Insurance Company Limited.
Dinesh Kumar Khara *Designation*: Nominee Director of State Bank *Address*: D -11, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai 400 006 *Occupation*: Service *Nationality*: Indian *Term*: Not liable to retire by rotation *DIN*: 06737041	56	• State Bank; • SBI Capital Markets Limited; • SBI Cards and Payment Services Private Limited; • SBI DFHI Limited; • SBI Foundation; • SBI Funds Management Private Limited; • SBI General Insurance Company Limited; • SBI Global Factors Limited; • SBI Infra Management Solutions Private Limited; • SBI Pension Funds Private Limited; • SBICAP Securities Limited; • SBICAP (Singapore) Limited; • SBICAP (UK) Limited; and • SBICAP Ventures Limited.
Pierre de Portier de Villeneuve *Designation*: Nominee Director of BNPPC *Address*: 5 A Rue Quinault, Saint-Germain-en-Laye, Paris, 78100 *Occupation*: Service *Nationality*: French	69	• BNPPC; • Cardif Assurance Vie; • Cardif-Assurances Risques Divers; • GIE BNP Paribas Cardif; and • CB (UK) Limited.

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
Term: Liable to retire by rotation *DIN*: 06738111		
Gérard Binet(1) *Designation*: Nominee Director of BNPPC *Address*: 19 Route de la passerelle, Le Vesinet, 78110 *Occupation*: Service *Nationality*: French *Term*: Liable to retire by rotation *DIN*: 00066024	64	• Cardif Assurance Vie; • Cardif-Assurances Risques Divers; • BNP Paribas Cardif Hayat; • BNP Paribas Cardif Sigorta; • BNP Paribas Cardif Emeklilik; • Cardif Pinnacle Insurance Holdings plc; • Pinnacle Insurance plc; • Cardif Pinnacle Insurance Management Services plc; • CB (UK); • LLC Insurance Company Cardif; • Vietcombank-Cardif Life; and • Siam Capital Multiservices Co. Ltd.
Arijit Basu *Designation*: Managing Director and Chief Executive Officer (Nominee Director of State Bank) *Address*: D – 6, Kinellan Tower, 100-A, Nepean Sea Road, Mumbai 400 006 *Occupation*: Service *Nationality*: Indian *Term*: With effect from July 9, 2017 until July 9, 2018 *DIN*: 06907779	56	–
Ravi Rambabu *Designation*: Independent Director *Address*: Plot No. 660, Road No. 33, Jubilee Hills, Hyderabad 500 033 *Occupation*: Professional (Chartered Accountant) *Nationality*: Indian *Term*: For a period of three years until September 6, 2020 *DIN*: 01845094	65	• M.R.L. Posnet Private Limited
Nilesh S. Vikamsey *Designation*: Independent Director *Address*: 184, 18th Floor, Kalpataru Habitat, Dr. S. S. Rao Road, Parel, Mumbai 400 012 *Occupation*: Professional (Chartered Accountant) *Nationality*: Indian *Term*: For a period of three years until September 6, 2020 *DIN*: 00031213	53	• BarKat Properties Private Limited; • HLB Offices and Services Private Limited; • Extensible Business Reporting Language (XBRL) India; • ICAI Accounting Research Foundation; • India Infoline Finance Limited; • Indian Institute of Insolvency Professionals ICAI; • IIFL Wealth Management Limited; • IIFL Holdings Limited; • Navneet Education Limited; • NSEIT Limited; • PNB Housing Finance Limited;

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
		• SOTC Travel Limited • Thomas Cook (India) Limited; • The Federal Bank Limited; and • TruNil Properties Private Limited.
Raj Narain Bhardwaj *Designation*: Independent Director *Address*: 402, Moksh Apartments, Upper Govind Nagar, Malad East, Mumbai, 400 097 *Occupation*: Professional (Retired) *Nationality*: Indian *Term*: For a period of three years until September 6, 2020 *DIN*: 01571764	72	• Arihant Superstructures Limited; • IBOF Investment Management Private Limited; • IL&FS Milestone Realty Advisors Pvt. Limited; • Invent Assets Securitisation and Reconstruction Private Limited; • Invesco Trustee Private Limited; • Jaiprakash Associates Limited; • Jaiprakash Power Ventures Limited; • Landmark Capital Advisors Private Limited; • Milestone Capital Advisors Limited; • Reliance Communications Limited; • Reliance Infratel Limited; and • Sastasundar Ventures Limited (formerly. known as Microsec Financial Services Limited).
Joji Sekhon Gill *Designation*: Independent Director *Address*: 201B, Court Greens, Laburnum, Sushant Lok-1, Gurugram 122 002 *Occupation*: Service *Nationality*: American *Term*: For a period of three years until September 7, 2019 *DIN*: 05310881	52	• Fortis Healthcare Limited.
Deepak Amin *Designation*: Independent Director *Address*: 103/104 Neelkanth Tirth, 6th road, Chembur Mumbai, 400 071 *Occupation*: Professional *Nationality*: Indian *Term*: For a period of three years until September 6, 2020 *DIN*: 01289453	51	• Radian Advisors Private Limited.
Somasekhar Sundaresan *Designation*: Independent Director *Address*: 54 B, Twin Towers, Twin Towers Lane, off Veer Savarkar Road, Prabhadevi, Mumbai, 400 025 *Occupation*: Advocate *Nationality*: Indian *Term*: For a period of three years until September 6, 2020	44	• Oxfam India.

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
DIN: 00208087		

(1) Pursuant to a circular resolution of our Board dated October 21, 2016, Julien Hautiere-Rey has been appointed as alternate director for Gérard Binet.

Relationship between our Directors

None of our Directors are related to each other.

Arrangements or understandings with major shareholders, customers, suppliers or others

Pursuant to the terms of the Existing Joint Venture Agreement, Arundhati Bhattacharya, Dinesh Kumar Khara and Rajnish Kumar were appointed on our Board as Nominee Directors of State Bank and Gérard Binet and Pierre de Portier de Villeneuve were appointed to our Board as Nominee Directors of BNPPC. Additionally, pursuant to the terms of the Amended Shareholders Agreement, the Managing Director and Chief Executive Officer and the Deputy Chief Executive Officer of our Company have been deputed by our Promoters. For details, see "History and Other Corporate Matters" on page169.

Except as stated above, none of our Directors have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers.

Brief Biographies of Directors

Arundhati Bhattacharya is a Nominee Director of State Bank and the Chairman of our Company. She was appointed as a Nominee Director with effect from October 7, 2013. She has a post graduate degree in Arts from Jadavpur University. She has also cleared the associate examination conducted by the Indian Institute of Bankers. She joined the central board of directors of State Bank on August 2, 2013 and currently holds the position of chairman of State Bank. Prior to this, she was the managing director and the chief financial officer of State Bank. She has more than 39 years of experience in the field of banking and financial services. She joined State Bank in 1977 and since then has held various assignments spanning credit, foreign exchange, treasury, retail operations, human resources and investment banking. She has also served at the State Banks's New York office where she was in charge of monitoring branch performance, overseeing external audit and correspondent relations. She was the managing director and the chief executive officer of SBI Capital. In her extensive service in State Bank, she has worked in metro, urban and rural areas, across the length and breadth of the country. She has handled large corporate credit as well as initiatives like financial inclusion and financing self-help group. She was involved in setting up several new companies/initiatives of State Bank including SBI General Insurance Company Limited, SBI Macquarie Infrastructure Fund, SBI SG Securities Limited, as well as the launch of new information and technology platforms such as mobile banking and financial planning in State Bank. She is ranked 26th in the fourth edition of Fortune's world 50 greatest leaders list, becoming the only Indian corporate leader to be featured in the list. Recently, she also won CNBC's "Outstanding Business Leader Award of the Year 2016-2017". Additionally, Forbes magazine has ranked her 25th in their list of "Most Powerful Women in the World" and ranked 5th in "The Most Powerful Women in Finance" category in 2016.

Rajnish Kumar is a Nominee Director of State Bank on our Board. He was appointed as a Nominee Director with effect from March 28, 2016. He holds a bachelor's degree in Science from Meerut University and a post graduate degree in physics from Meerut University. He joined the central board of directors of State Bank on May 26, 2015 and is currently the managing director (national banking group) of State Bank. Prior to this, he was the managing director and chief executive officer of SBI Capital, chief general manager, project finance and leasing strategic business unit of State Bank. He has more than 37 years of experience in banking and financial services. He has held several key assignments across various business verticals, including two overseas assignments in Canada and the United Kingdom.

Dinesh Kumar Khara is a Nominee Director of State Bank on our Board. He was appointed as a Nominee Director with effect from October 19, 2016. He holds graduate degree in commerce from Delhi University, a post-graduate degree in business administration from the Faculty of Management Studies, Delhi University and a post-graduate degree in commerce from Delhi University. He has also cleared the associate examination conducted by the Indian Institute of Bankers. He joined the central board of directors of State Bank on August 9, 2016 and is currently the managing director (associates and subsidiaries) of State Bank. Prior to this appointment, he was the managing director and chief executive officer of SBI Funds Management Private Limited. He has vast experience spanning over 32 years in, amongst others, financial services, commercial banking, including retail credit, small and medium enterprises/corporate credit, deposit mobilization, international banking operations, circle management, network management and branch management. Additionally, he was involved in initiating and executing various cross border acquisitions by State Bank. He has recently spearheaded the merger of State Bank with six other Indian banks. He is also a certified associate of Indian Institute of Bankers.

Pierre de Portier de Villeneuve is a Nominee Director of BNPPC on our Board. He was appointed as a Nominee Director with effect from February 6, 2014. He is a qualified actuary and a graduate of the Institut de Science Financière et d'Assurances (ISFA) in Lyon. He has more than 40 years of experience in the insurance sector. He is currently the chairman of BNPPC. He was elected president of the Groupement Français des Bancassureurs, the French association of bancassurance companies in 2015. Additionally, he has been appointed vice-president of the French Federation of Insurance (FFA) in 2016.

Gérard Binet is a Nominee Director of BNPPC on our Board. He was appointed as a Nominee Director with effect from June 14, 2001. He holds a business school diploma from Ecole Des Hautes Etudes De Commerce. He has over 35 years' experience in the insurance sector. He is currently a senior advisor of BNPPC with the title of managing director (délégué général).

Arijit Basu is deputed by State Bank and was appointed as our Managing Director and Chief Executive Officer with effect from August 1, 2014 and was re-appointed as our Managing Director and Chief Executive Officer twice with effect from August 1, 2016 and subsequently with effect from July 9, 2017. He holds post graduate degree in arts from the University of Delhi and is a certified associate of the Indian Institute of Bankers. He has over 34 years of experience in the field of banking. He started his career with State Bank in 1983 as a probationary officer. He has held several key positions in various circles of State Bank including its office in Tokyo. He has also served as general manager at the State Bank's Mumbai circle and the mid-corporate group at Ahmadabad and the financial institutions group, international banking at corporate centre, Mumbai. His last assignment was chief general manager of State Bank's Delhi circle. He has been awarded the title 'India's Most Trusted CEO' by WCRC Leaders Asia in 2017 additionally, he has been awarded the Skoch award for 'CEO of the Year-Life Insurance' by the Skoch Group in 2017.

Ravi Rambabu is an Independent Director on our Board. He was appointed as a Director from July 17, 2012. He is a fellow member of the Institute of the Chartered Accountants of India and has been a practicing chartered accountant for more than 40 years. He has experience in handling income tax cases, audit of various corporate and non-corporate organizations and corporate advisory in the areas finance and accounting. He has also served as a director on our board of directors of the erstwhile State Bank of Patiala for a period of six years.

Nilesh S. Vikamsey is an Independent Director on our Board. He was appointed as a Director from April 12, 2012. He holds a bachelor's degree in commerce from the University of Bombay. He has cleared a diploma course in information systems audit from the Institute of Chartered Accountants of India. He also has completed a course in business consultancy studies from the Bombay Chartered Accountants' Society and Jamnalal Bajaj Institute of Management Studies. He is a fellow of Institute of Chartered Accountants of India since 1990. He has worked with Khimji Kunverji and Co. since 1985 and has 32 years of experience in the fields of auditing, taxation, corporate and personal advisory services, business and management consulting services, due diligence, valuations, inspections, investigations.

Raj Narain Bhardwaj is an Independent Director on our Board. He was appointed as a Director from January 24, 2013. He has a post graduate degree in arts from the Delhi University and has a diploma in personnel management and industrial relations from Punjabi University. He has vast experience in the insurance industry and has served as the managing director and chairman of the Life Insurance Corporation of India.

Joji Sekhon Gill is an Independent Director on our Board. She was appointed as an Independent Director with effect from March 28, 2016. She is a graduate in arts from the Panjab University and a post graduate degree in personnel management and industrial relations from Panjab University. She has experience in human resource management and is currently the regional director for Asia Pacific at DuPont, she has also worked with Microsoft Global Resources and is also currently a director Fortis Healthcare Limited.

Deepak Amin is an Independent Director on our Board. He was appointed as a Director with effect from July 13, 2017. He holds a bachelor's degree in Computer Science and Engineering from the Indian Institute of Technology Bombay and a post graduate degree in computer science from the University of Rhode Island. He has been a member of the Technology Program Committee of the Grameen Foundation. He has also served as a Director on the Board of State Bank and was chairman of the information technology strategy committee and member of the audit committee, risk management committee, special committee for monitoring large value frauds, corporate social responsibility committee, remuneration committee and stakeholders committee of the central board of directors of State Bank.

Somasekhar Sundaresan is an Independent Director on our Board. He was appointed as a Director from July 13, 2017. He holds a degree in law degree and is presently practicing as an advocate, independent legal counsel. Previously, he was partner securities law and financial sector regulatory practice of J. Sagar Associates. He also appears before the Securities Appellate Tribunal frequently.

Confirmations

None of our Directors have been identified as Willful Defaulters.

Terms of appointment of the Executive Director

The appointment of the Executive Director has been approved by the IRDAI. The terms of appointment of the Executive Director are set out below:

1. ***Arijit Basu***:

Arijit Basu is deputed by State Bank and was appointed as the Managing Director and Chief Executive Officer of our Company pursuant to a Board resolution dated June 28, 2014. He was re-appointed as the Managing Director and Chief Executive Officer of our Company pursuant to a Board resolution dated June 15, 2017 for a period of 12 months with effect from July 9, 2017.

Arijit Basu is entitled to an annual remuneration of ₹ 2.85 million. Additionally, Arijit Basu is entitled to certain annual allowances including deputation allowance, cumulatively amounting to ₹ 0.63 million. Further, Arijit Basu is entitled to certain perquisites such as a furnished house, vehicle, travelling and halting allowance, medical benefits and provident fund. Arijit Basu is also entitled to a performance bonus of 30% calculated on his gross salary.

Apart from the aforementioned details, there is no arrangement between our Company and our Managing Director and Chief Executive Officer for providing any benefit (monetary or otherwise) upon completion of his term.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2017 are set out below:

1. ***Remuneration to Executive Directors***

During Fiscal 2017, Arijit Basu, received a cumulative remuneration of ₹3.81 million. This remuneration was inclusive of the allowances, perquisites and performance bonus payable.

2. ***Remuneration to Non-Executive Directors***

Our Board has through its resolution dated September 8, 2015, approved the payment of sitting fees to Independent Directors of ₹45,000 for attending each Board meeting, ₹35,000 for attending each meeting of the Audit and Investment committees of our Board and ₹25,000 for attending each meeting of the other committees of our Board. The following table sets forth details of sitting fees paid to the Non-Executive Directors during Fiscal 2017:

Name of the Director	Sitting Fees (In ₹ million)	Commission (In ₹ million)	Total (In ₹ million)
Nilesh S. Vikamsey	0.75	-	0.75
Ravi Rambabu	1.12	-	1.12
Raj Narain Bhardwaj	1.17	-	1.17
Joji Sekhon Gill(1)	0.54	-	0.54
Deepak Amin(2)	Not applicable	Not applicable	Not applicable
Somasekhar Sundaresan (2)	Not applicable	Not applicable	Not applicable

(1) Appointed as a Director with effect from March 28, 2016.

(2) Appointed as an Independent Director with effect from July 13, 2017 and regularized by the Shareholders on September 6, 2017.

Shareholding of Directors in our Company

For details in relation to the shareholding of our Directors as of the date of filing of this Prospectus, see "Capital Structure – Details of the Equity Shares held by our Directors" on page 83.

Our Articles of Association do not require our Directors to hold any qualification shares.

Appointment of relatives of Directors to any office or place of profit

None of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

All our Non-Executive Directors, excluding our Nominee Directors, may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses payable to them under our Articles of Association as approved by our Board. Our Executive Director may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association and to the extent of remuneration paid for services rendered as an officer of our Company.

None of our Directors are interested in the promotion of our Company. However, our Promoters, State Bank and BNPPC, have nominated four and two Directors, respectively, on our Board.

Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Further, our Directors have no interest in any property acquired within two years from the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company. Except as stated in "Related Party Transactions" on page 216 and as disclosed in this section, our Directors do not have any other interest in our Company or in any transaction by our Company for acquisition of land, construction of buildings or supply of machinery.

No loans have been availed by our Directors or our Key Management Personnel from our Company.

None of the beneficiaries of any loans granted by our Company are related to our Directors. Further, none of the sundry debtors are related to our Directors.

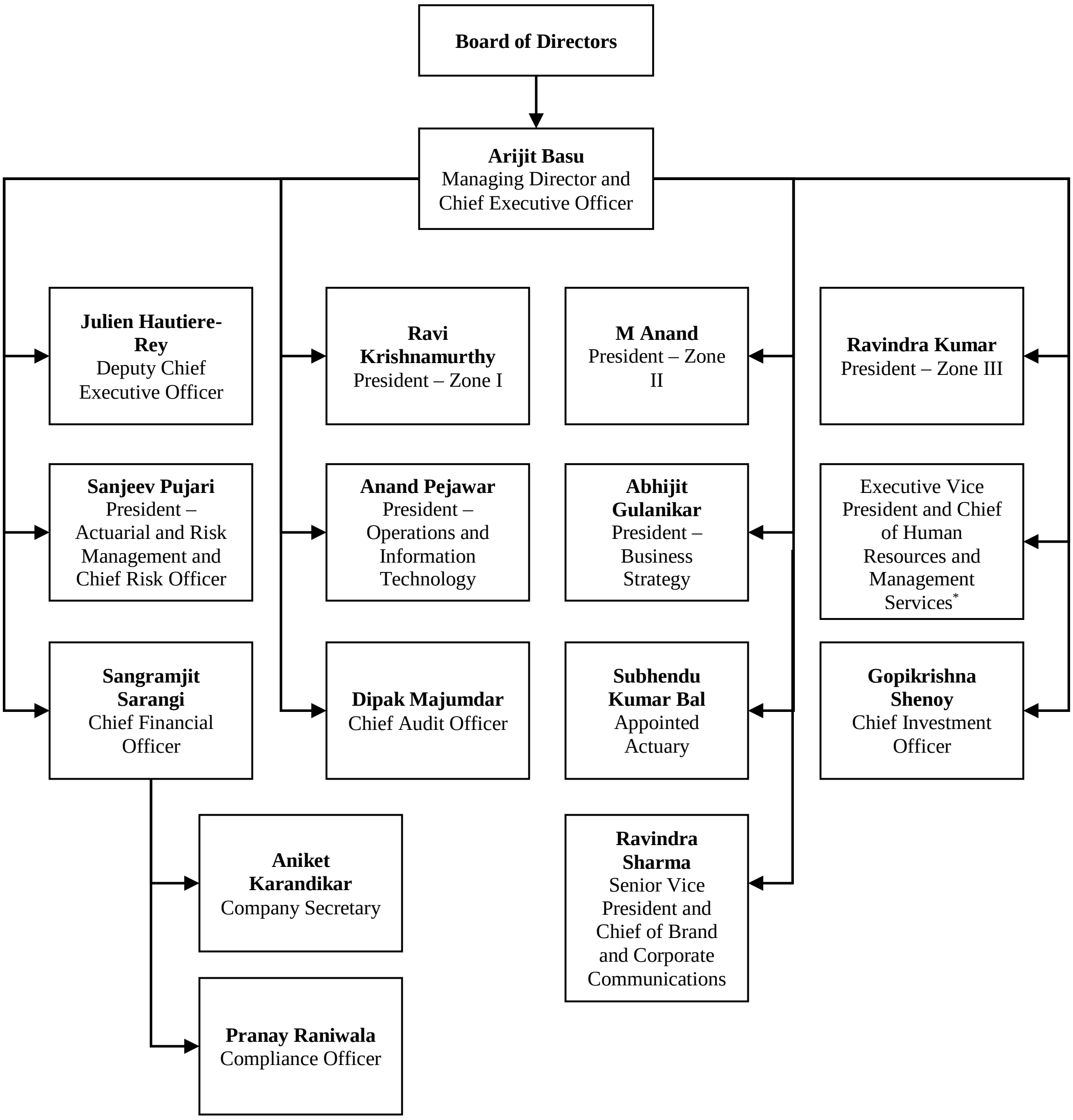
Our Company does not have any performance linked bonus or a profit-sharing plan for our Directors. No consideration, in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Changes in our Board in the immediately preceding three years

Name	Date of appointment/cessation	Reason*
A. Krishna Kumar	November 30, 2014	Ceased to be a Nominee Director
V.G. Kannan	December 4, 2014	Appointed as a Nominee Director
B. Sriram	February 16, 2015	Appointed as a Nominee Director
K.M. Bhattacharya	September 21, 2015	Ceased to be an Independent Director
B. Sriram	March 15, 2016	Ceased to be a Nominee Director
Rajnish Kumar	March 28, 2016	Appointed as a Nominee Director
Joji Sekhon Gill	March 28, 2016	Appointed as an Independent Director
V.G. Kannan	July 30, 2016	Ceased to be a Nominee Director
Dinesh Kumar Khara	October 19, 2016	Appointed as a Nominee Director
Deepak Amin	July 13, 2017	Appointed as an Independent Director
Somasekhar Sundaresan	July 13, 2017	Appointed as an Independent Director

* *The aforementioned changes to our Board in the past three years do not include regularization of Directors, extension in period of appointment of Directors and retirement of Directors by rotation who were reappointed nor the nomination and or resignation of alternate Directors.*

Management Organization Chart



* *Varsha Mondkar was the Executive Vice President and the Chief of Human Resource and Management Services of our Company and was relieved of her duties at our Company with effect from July 25, 2017 and accordingly the office of the Executive Vice President and the Chief of Human Resource and Management Services of our Company is currently vacant.*

Key Management Personnel

For details in relation to biography of Arijit Basu, see "Our Management-Brief Biographies of Directors" on page 177.

Julien Hautiere Rey, aged 47, is the Deputy Chief Executive Officer of our Company and has been deputed by BNPPC. He holds a diploma in commerce from Rouen Business School. He also has an advanced actuarial technician graduate degree from the University of Paris. He has been associated with our Company since September 1, 2016 on deputation from BNPPC. In our Company, he is currently responsible for planning and budgetary, learning and development, channel administration and strategic marketing functions. He was paid a remuneration of ₹ 1.94 million in Fiscal 2017.

Sanjeev Pujari, aged 56, is the President – Actuarial and Risk Management and Chief Risk Officer of our Company. He holds a Bachelor's degree in Science from the University of Delhi and holds a master's degree in physics from the University of Delhi and is a Fellow of the Institute of Actuaries of India and a diploma from the Faculty of Actuaries, Institute of Actuaries. He has been associated with our Company since June 30, 2008. He has vast experience in the field of Life Insurance. Previously, he worked with Future Generali Life Insurance Company, prior to which he served Life Insurance Corporation of India. In our Company, he is responsible for risk and product management functions and overseas functioning of the actuarial department. He was paid a remuneration of ₹ 21.25 million in Fiscal 2017.

Anand Pejawar, aged 52, is the President – operations and information technology of our Company and also looks after our international business and operations. He is a graduate in science from Mumbai University. He also has a diploma in financial management from Kishanchand Chelaram College of Management Studies. He has been associated with our Company since January 11, 2005. He has vast experience in the life insurance sector and has worked with the Life Insurance Corporation of India. Previously, he worked with Max New York Life Insurance Company Limited as its head – corporate agencies and franchising, prior to which he served in various organizations such as Kotak Mahindra Life Insurance Company Limited, Equatorial Trust Bank Limited and Birla Sunlife Distribution Company Limited. In our company, he has held responsibilities across functions such as sales and distribution, bancassurance and is currently responsible for our operations, information technology, and international business. He was paid a remuneration of ₹ 13.68 million in Fiscal 2017.

Ravi Krishanmurthy, aged 53, is the President for zone-I which covers our business operations in five regions. He is a graduate in science from University of Jabalpur and a diploma in human resource management from Narsee Monjee Institute of Management Studies. He has been associated with our Company since November 1, 2004. He has more than 10 years of experience of in the life insurance sector and more than 10 years of experience in the banking sector. In our Company, he has held responsibilities across functions such as operations and sales and distribution and is currently responsible for sales and distribution of all our marketing channels in zone-I. He was paid a remuneration of ₹ 10.66 million in Fiscal 2017.

M Anand, aged 50, is the President for zone-II which covers our business operations in five regions. He holds a bachelor's degree in science from the University of Calcutta and holds a post graduate degree in management studies from Mumbai University. He has been associated with our Company since July 11, 2014. He has vast experience in multiple functions in the field of banking including experience in the life insurance business. Previously, he worked with HDFC Standard Life Insurance Company Limited as its senior vice president–bancassurance and health sales, prior to which he served Tata AIG Life Insurance Company Limited, Standard Chartered Bank, ANZ Grindlays Bank and Larsen & Toubro Limited. In our Company, he is currently responsible for sales and distribution of all our marketing channels in zone-II. He was paid a remuneration of ₹ 13.60 million in Fiscal 2017.

Ravindra Kumar, aged 55, is the President for zone-III which covers our business operations in six regions. He holds a bachelor's degree in science from the University of Allahabad and holds a post graduate degree in chemistry from University of Allahabad. He has been associated with our Company since November 21, 2005. He has vast experience in the field of life insurance. Previously, he worked with Life Insurance Corporation of India. In our Company, he has held responsibilities across functions such as operations, sales and distribution, associate bank relationship and is currently responsible for sales and distribution of all our marketing channels in zone-III. He was paid a remuneration of ₹ 8.29 million in Fiscal 2017.

Abhijit Gulanikar, aged 46, is the President–Business Strategy of our Company. He holds a bachelor's degree in commerce from the University of Poona and holds a post graduate diploma in management from the Indian Institute of Management, Ahmadabad. He is an associate of the Institute of Chartered Accountants of India. He also cleared the final examination of the Institute of Cost and Works Accountants of India. He has been associated with our Company since January 1, 2009. He has more than 18 years of experience of handling multiple functions in the field of life insurance, general insurance, banking and corporate finance. Previously, he worked with Bharti Axa Life Insurance Company Limited as its vice president for investments, prior to which he served Bajaj Allianz General Insurance Company Limited, ICICI Bank Limited and Bajaj Auto Limited. In our Company, he has held responsibilities across functions such as investments, planning and budgetary control and is currently responsible for business strategy of our Company. He was paid a remuneration of ₹ 18.14 million in Fiscal 2017.

Sangramjit Sarangi, aged 44, is the Chief Financial Officer of our Company. He is a graduate in commerce and law from Utkal University. He is a fellow of the Institute of Chartered Accountants of India. He has been associated with our Company since December 30, 2009. He has 17 years of experience in handling multiple functions in the field of life insurance and mutual fund industry. Previously, he worked with ICICI Prudential Life Insurance Company Limited as its vice president–treasury, investment operations and finance, prior to which he served SBI Funds Management Private Limited. In our Company, he is currently responsible for finance and taxation, compliance and secretarial functions. He was paid a remuneration of ₹ 12.02 million in Fiscal 2017.

Subhendu Kumar Bal, aged 47, is the Appointed Actuary of our Company. He holds a post graduate degree in statistics from University of Calcutta and is a fellow of the Institute of Actuaries of India. He has been associated with our Company since June 26, 2008. He has experience of handling multiple functions in the field of life insurance. Previously, he worked with Metlife India Insurance Company Limited as its general manager- actuarial, prior to which he served AMP Sanmar Life Insurance, Sahara India Life Insurance and Life Insurance Corporation of India in various capacities. In our Company, he is responsible for entire actuarial function. He was paid a remuneration of ₹ 14.62 million in Fiscal 2017.

Dipak Majumdar, aged 54, is the Chief Audit Officer of our Company and has been deputed by State Bank. He holds a bachelor's degree in commerce from North-Eastern Hill University and has completed a certificate programme from the Hong Kong Management Association. He has also completed IBS net functional training course conducted by Morgan Laboratories, Inc. Further, he has also cleared the AMFI-Mutual Fund (Advisors) Module. He has been associated with State Bank since 1984. He has over 30 years of experience in banking. He was paid a remuneration of ₹ 2.38 million in Fiscal 2017

Gopikrishna Shenoy, aged 50, is the Chief Investment Officer of our Company. He holds a post graduate diploma in management from T. A. Pai Management Institute. He has been associated with our Company since January 24, 2005. He has experience of handling multiple functions in the field of investments. Previously, he worked with Birla Sunlife Insurance as its head–equities (vice president), prior to which he served IDBI Capital Market Services Limited, Canbank Mutual Fund Company Limited. In our Company, he is currently responsible for investment portfolio management. He was paid a remuneration of ₹ 11.00 million in Fiscal 2017.

Ravindra Sharma, aged 44, is a Senior Vice President and the Chief of Brand and Corporate Communication of our Company. He holds a bachelor's degree in commerce from Mumbai University. He has been associated with our Company since July 1, 2016. He has experience in the field of marketing and life insurance sector. Previously, he worked with HDFC Life Insurance Company Limited as an assistant vice president marketing, prior to which he has served various organisations such as Star Union Diachi Life Insurance Company Limited. In our Company, he is currently responsible for brand management and corporate communication. He was paid a remuneration of ₹ 2.96 million in Fiscal 2017.

Aniket K. Karandikar, aged 44, is the Company Secretary of our Company. He is a qualified company secretary and is a graduate in commerce from Mumbai University. He has been associated with our Company since May 12, 2008. He has 14 years' experience in secretarial matters. Previously, he worked with HDFC Bank Limited. In our Company, he is currently responsible for secretarial function. He was paid a remuneration of ₹ 1.81 million in Fiscal 2017.

Pranay Raniwala, aged 34, is the Compliance Officer of our Company. He is a graduate in commerce from University of Pune. He is a qualified chartered accountant. He has been associated with our Company since October 28, 2014. He has vast experience in insurance sector. Previously, he worked with ICICI Prudential Life Insurance Company Limited. In our Company, he is currently responsible for compliance function. He was paid a remuneration of ₹ 2.18 million in Fiscal 2017.

Confirmations

None of our Key Management Personnel are related to each other.

Apart from our Managing Director and Chief Executive Officer, our Chief Audit Officer and our Deputy Chief Executive Officer who are on deputation from our Promoters, all our Key Management Personnel are permanent employees of our Company.

Arrangements or understandings with major shareholders, customers, suppliers or others

Apart from the Amended Shareholders Agreement, pursuant to which our Managing Director and Chief Executive Officer, was deputed by State Bank and our Deputy Chief Executive Officer of our Company was deputed by BNPPC, there are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were selected as members of our senior management.

For details in relation to the Joint Venture Agreement and the Inter-se Agreement, see "History and Other Corporate Matters" on pages 169 to 171.

Shareholding of Key Management Personnel

Except as disclosed in "Capital Structure – Details of the Equity Shares held by our Directors" on page 83, none of our Key Management Personnel hold any Equity Shares in our Company as of the date of this Prospectus.

Bonus or profit sharing plan of our Key Management Personnel

Except the annual bonus payable by our Company as part of the terms of appointment of each of our Key Management Personnel, we do not have any bonus or profit sharing plan for our Key Management Personnel.

Interests of our Key Management Personnel

Our Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business.

Changes in our Key Management Personnel

The changes in our Key Management Personnel (excluding our Managing Director and Chief Executive Officer) in the last three years are set out below:

Name	Date of change	Reason for change
Sanjay Kumar Singh	April 17, 2015	Ceased to be President Marketing

Name	Date of change	Reason for change
Gopikrishna Shenoy	August 6, 2015	Appointed as Chief Investments Officer
Dipak Majumdar	October 5, 2015	Appointed as Chief Audit Officer
A.J. Bose	February 29, 2016	Ceased to be President Operations and Information Technology
Sanjiva Prasad	February 29, 2016	Appointed as President Operations and Information Technology
Sarang Cheema	March 31, 2016	Ceased to be Compliance Officer
Smita Prabhu	June 1, 2016	Appointed as Compliance Officer
Ravindra Sharma	July 1, 2016	Appointed as Chief of Brand and Corporate Communication
Vivien Berbigier	September 30, 2016	Ceased to be Deputy Chief Executive Officer
Julien Hautiere-Rey	September 30, 2016	Appointed as Deputy Chief Executive Officer
Smita Prabhu	October 1, 2016	Ceased to be Compliance Officer
Pranay Raniwala	March 6, 2017	Appointed as Compliance Officer
Sanjiva Prasad	March 31, 2017	Ceased to be President Operations and Information Technology
Varsha Mondkar	July 25, 2017	Ceased to be Executive Vice President and the Chief of Human Resource and Management Services

Payment or benefit to officers of our Company

Except for the payment of remuneration for services rendered by our officers, no amount or benefit has been paid or given within the two immediately preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.

Corporate Governance

Our Company is in compliance with the corporate governance requirements prescribed under the Listing Regulations with respect to composition of board of directors, constitution of committees and terms of reference. The Listing Regulations will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI Regulations in respect of corporate governance including constitution of our Board and committees thereof. We are currently in compliance with the Corporate Governance Guidelines, which are applicable to us as of the date of this Prospectus.

Our Board has been constituted in compliance with the Companies Act and the Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Committees of our Board

In addition to the committees of our Board detailed below, our Board of Directors may, from time to time, constitute other committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Ravi Rambabu, Chairman, *Independent Director*;
2. Nilesh S. Vikamsey, Member, *Independent Director*;
3. Raj Narain Bhardwaj, Member, *Independent Director*;
4. Deepak Amin, Member, *Independent Director*;
5. Joji Sekhon Gill, Member, *Independent Director*;
6. Rajnish Kumar, Member, *Nominee Director*;
7. Dinesh Kumar Khara, Member, *Nominee Director*; and
8. Gérard Binet, Member, *Nominee Director*.

The Audit Committee was last reconstituted pursuant to a resolution of our Board on July 13, 2017. Our Audit Committee met five times during the preceding Fiscal Year. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act 2013, Regulation 18(3) of the Listing Regulations and Clause 7.1 of the Corporate Governance Guidelines and its terms of reference include, *inter alia*, the following:

A. Accounts and Audit:

1. Oversee the financial statements, financial reporting process, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible;

2. Recommend to the board of directors the appointment, re-appointment, terms of appointment and, if required, the replacement; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/statutory/concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process in accordance with applicable law;

3. Overseeing procedures and processes established to address issues relating to maintenance of books of account, administration procedure, transactions and other matters which would have a bearing on the financial position of the insurer, whether raised by the auditors or by any other person;

4. Evaluation of internal financial controls and risk management systems;

5. 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;

6. Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them;

7. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   (b) Changes, if any, in accounting policies and practices and reasons for the same;

   (c) Major accounting entries involving estimates based on the exercise of judgment by management;

   (d) Significant adjustments made in the financial statements arising out of audit findings;

   (e) Compliance with listing and other legal requirements relating to financial statements to the extent applicable;

   (f) Approval or any subsequent modification and disclosure of any related party transactions of the Company;

   (g) Modified opinion(s) in the draft audit report.

8. Review with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

9. To the extent applicable review with the management, the statement of uses/end use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

10. Scrutiny of inter-corporate loans and investments, if any;

11. Valuation of undertakings or assets of our Company, wherever it is necessary;

12. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines or under any applicable law.

B. Internal audit:

1. 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;

2. 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 changes in processes wherever deficiencies have come to notice;

3. Establishing procedures and processes to address all concerns relating to adequacy of checks and control mechanisms set in place;

4. Discussion with internal auditors of any significant findings and follow up there on; Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

5. Review with the management, performance of internal auditors, and the adequacy of the internal control systems;

6. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

7. Review the functioning of the whistle blower/vigil mechanism for directors and employees.

C. Compliance and ethics:

1. Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches and act as a compliance committee to ascertain and monitor compliance level of the Company and any associated risks;

2. Act as a compliance committee to ascertain and monitor compliance level of the Company and any associated risks in order to report to the board of directors on any significant compliance breaches;

3. Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters;

4. Approval of appointment of chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

In addition to the above, the powers of the Audit Committee, *inter alia*, include investigating any activity within its terms of reference and to seek information from any employee. The reviewing powers of the Audit Committee, *inter alia*, include review of management's discussion and analysis of financial condition and results of operations and statement of significant related party transaction as defined by the Audit Committee and submitted by the management.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Ravi Rambabu, Chairman, *Independent Director*;

2. Nilesh S. Vikamsey, Member, *Independent Director*;

3. Raj Narain Bhardwaj, Member, *Independent Director*;

4. Joji Sekhon Gill, Member, *Independent Director*;

5. Rajnish Kumar, Member, *Nominee Director*;

6. Dinesh Kumar Khara, Member, *Nominee Director*; and

7. Gérard Binet, Member, *Nominee Director*.

The Nomination and Remuneration Committee was last reconstituted pursuant to a resolution of our Board on July 13, 2017. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act 2013, Regulation 19(4) of the Listing Regulations and Clause 7.5 of the Corporate Governance Guidelines. The terms of reference of the Nomination and Remuneration Committee, *inter alia,* include:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

2. To consider and approve employee stock option schemes and to administer and supervise the same;

3. To devise a policy on diversity of the Board;

4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and formulate a criteria for evaluation of every director's performance;

5. To scrutinize the declarations of intending applicants before the appointment/re-appointment/election of directors by the shareholders at the annual general meeting; and to scrutinize the applications and details submitted by the aspirants for appointment as the key managerial personnel;

6. To consider 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; and

7. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

Additionally, the Nomination and Remuneration Committee is empowered to frame suitable policies and systems to ensure that there is no violation by an employee of, *inter alia*, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Raj Narain Bhardwaj, Chairman, *Independent Director;*

2. Ravi Rambabu, Member, *Independent Director;*

3. Rajnish Kumar, Member, *Nominee Director;*

4. Dinesh Kumar Khara, Member, *Nominee Director;*

5. Gérard Binet, Member, *Nominee Director;*

6. Arijit Basu, Member, *Managing Director and Chief Executive Officer*;

7. Sanjeev Kumar Pujari, Member, *President – Actuarial and Risk Management;* and

8. Sangramjit Sarangi, Member, *Chief Financial Officer*.

The Corporate Social Responsibility Committee was last reconstituted pursuant to a circular resolution of our Board on October 19, 2016 which was noted by our Board in its meeting held on November 4, 2016. The purpose of the Corporate Social Responsibility Committee is to formulate and recommend to our Board, the corporate social responsibility policy of our Company and to recommend the amount of expenditure to be incurred on such activities. It also formulates the annual corporate social responsibility plan and monitors these activities and compliance with the corporate social responsibility policy from time to time. The terms of reference of the Corporate Social Responsibility Committee are set out below:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;

2. To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities; and

3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

1. Ravi Rambabu, Chairman, *Independent Director;*

2. Nilesh S. Vikamsey, Member, *Independent Director;*

3. Raj Narain Bhardwaj, Member, *Independent Director;*

4. Rajnish Kumar, Member, *Nominee Director;*

5. Dinesh Kumar Khara, Member, *Nominee Director;*

6. Gérard Binet, Member, *Nominee Director;* and

7. Arijit Basu, Member, *Managing Director and Chief Executive Officer*.

The Risk Management Committee was reconstituted pursuant to a circular resolution of our Board on October 19, 2016 which was noted by our Board in its meeting held on November 4, 2016. The Risk Management Committee is responsible for formulation of the risk management policy of our Company including the asset liability management, to monitor all risks across the various lines of business of our Company and establish appropriate systems to mitigate such risks. The Risk Management Committee also defines the risk appetite and risk profile of our Company and overseas the effective operation of the risk management system and advises our Board on key issues. The scope and function of the Risk Management Committee is in accordance with Clause 7.8.1 and 7.8.2 of the Corporate Governance Guidelines. The terms of reference of the Risk Management Committee, *inter alia*, include:

A. Risk management:

1. Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;

2. Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;

3. Reporting to the Board details of the risk exposures and the actions taken to manage the exposures, set the risk tolerance limits and assess the cost and benefits associated with risk exposure and review, monitor and challenge where necessary, risks undertaken by the Company;

4. Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;

5. Review the Company’s risk-reward performance to align with overall policy objectives;

6. Discuss and consider best practices in risk management in the market and advise the respective functions;

7. 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.;

8. Review the solvency position of the Company on a regular basis;

9. Monitor and review regular updates on business continuity;

10. Formulation of a fraud monitoring policy and framework for approval by the Board;

11. Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;

12. Review compliance with Insurance Fraud Monitoring Framework – prescribed by IRDAI on January 21, 2013; and

13. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

B. Asset liability management:

1. Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives and ensuring they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity;

2. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;

3. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;

4. Placing information pertaining to ALM before the Board at periodic intervals;

5. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;

6. Quantifying the level of risk exposure (market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;

7. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;

8. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;

9. Managing capital requirements at the company level using the regulatory solvency requirements;

10. Reviewing, approving and monitoring capital plans and related decisions over capital transactions; and

11. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

Investment Committee

The members of the Investment Committee are:

1. Raj Narain Bhardwaj, Chairman, *Independent Director;*
2. Nilesh S. Vikamsey, Member, *Independent Director;*
3. Ravi Rambabu, Member, *Independent Director;*
4. Rajnish Kumar, Member, *Nominee Director;*
5. Dinesh Kumar Khara, Member, *Nominee Director;*
6. Gérard Binet, Member, *Nominee Director;*
7. Arijit Basu, Member, *Managing Director and Chief Executive Officer*;
8. Sanjeev Kumar Pujari, *President – Actuarial and Risk Management;*
9. Sangramjit Sarangi, Member, *Chief Financial Officer;*
10. Subhendu Kumar Bal, Member, *Appointed Actuary;* and
11. Gopikrishna Shenoy, Member, *Chief Investments Officer*.

The Investment Committee was last reconstituted pursuant to a circular resolution of our Board on October 19, 2016 which was noted by our Board in its meeting held on November 4, 2016. The Investment Committee assists our Board in fulfilling its oversight responsibility for the investment assets of our Company. The Investment Committee is responsible for formulating the overall investment policy and establishing a framework for its investment operations with adequate control. The scope and function of the Investment Committee is in accordance with Clause 7.2 of the Corporate Governance Guidelines. The Investment Committee also monitors investment performance against the applicable benchmarks and provides guidance for protection of shareholders' and policyholders' funds.

The terms of reference of the Investment Committee of our Company, *inter alia*, include the following:

1. Responsible for the recommendation of the Investment Policy and operational framework for the investment operations of the Company. The Investment Policy and operational framework should, inter alia, focus on a prudential asset liability management supported by robust internal control systems; and encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments in line with policyholders' reasonable expectations and above all protection of policyholders' funds;

2. Put in place an effective reporting system to ensure compliance with the Investment Policy set out by it apart from Internal/Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations;

3. To submit a report to the Board on the performance of investments at least on a quarterly basis and provide an analysis of its investment portfolio (including with regard to the portfolio's safety and soundness) and on the future outlook;

4. The committee should independently review its investment decisions and ensure that support by the internal due diligence process is an input in making appropriate investment decisions; and

5. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

Additionally, the Investment committee is, *inter* alia, responsible for implementing the investment policy approved by the Board.

Policyholders' Protection Committee

The members of the Customer Services and Policyholders' Protection Committee are:

1. Raj Narain Bhardwaj, Chairman, *Independent Director;*

2. Nilesh S. Vikamsey, Member, *Independent Director;*

3. Ravi Rambabu, Member, *Independent Director;*

4. Joji Sekhon Gill, Member, *Independent Director;*

5. Rajnish Kumar, Member, *Nominee Director;*

6. Dinesh Kumar Khara, Member, *Nominee Director;*

7. Gérard Binet, Member, *Nominee Director;* and

8. Arijit Basu, Member, *Managing Director and Chief Executive Officer*.

The Policyholders' Protection Committee was last reconstituted pursuant to a circular resolution of our Board on October 19, 2016 which was noted by our Board in its meeting held on November 4, 2016. The role of the Policyholders' Protection Committee is to assist our Board to protect the interests of the policyholders and improve their experiences in dealing with our Company at all stages and level of their relationship with our Company. The Policyholders' Committee monitors policies and procedures for grievance redressal and resolution of disputes, disclosure of material information to policyholders and compliance with regulatory requirements. The scope and functions of the Policyholders' Protection Committee are in accordance with Clause 7.7 of the Corporate Governance Guidelines. The terms of reference of the Policyholders' Committee of our Company include the following:

1. Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries;

2. Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection;

3. Review the mechanism at periodic intervals;

4. Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements prescribed by the IRDAI both at the point of sale and at periodic intervals;

5. Review the status of complaints of the policyholders and take steps to reduce these complaints at periodic intervals;

6. Provide the details of grievances at periodic intervals in such formats as may be prescribed by the IRDAI;

7. Provide details of insurance ombudsmen to the policyholders;

8. Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry;

9. Oversee the functions of the customer service council;

10. Review measures for enhancing the quality of customer service;

11. Provide guidance to improve in the overall satisfaction level of customers;

12. Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof;

13. Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any;

14. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three months with reasons therefore and report the same to the Board for initiating remedial action, where necessary;

15. Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims;

16. Reviewing Repudiated claims with analysis of reasons;

17. Status of settlement of other customer benefit payouts like Surrenders, Loan, and Partial withdrawal requests etc.; and

18. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the IRDAI.

Additionally, the Policyholder’s Committee¸ *inter alia*, recommends the formulation of policies and establishing systems for customer education and to ensure that policyholders have access to redressal mechanism. It is also responsible for putting in place a dedicated unit to address complaints and grievances of policyholders.

With Profits Committee

The With Profits Committee was reconstituted pursuant to a circular resolution of our Board on October 19, 2016 which was noted by our Board in its meeting held on November 4, 2016. The scope and functions of the With Profit Committee are in accordance with Clause 7.7 of the Corporate Governance Guidelines. The members of the With Profits Committee are:

1. Raj Narain Bhardwaj, Chairman, *Independent Director;*

2. Rajnish Kumar, Member, *Nominee Director;*

3. Dinesh Kumar Khara, Member, *Nominee Director;*

4. Gérard Binet, Member, *Nominee Director;*

5. Arijit Basu, Member, *Managing Director and Chief Executive Officer*;

6. Sanjeev Kumar Pujari, Member, *President–Actuarial and Risk Management;*

7. Subhendu Kumar Bal, Member, *Appointed Actuary;* and

8. Hemamalini Ramakrishnan, Member, *independent actuary appointed in accordance with the Corporate Governance Guidelines*.

The terms of reference of the With Profits Committee include the following:

1. Maintaining the asset shares, at policy level, and ensuring that only the portion of expenses representing this business shall be allocated and interest rate credits to these asset shares represent the underlying assets of these funds;

2. Determining the asset share for each product in accordance with the guidance or practice standards, etc. issued by the Institute of Actuaries of India; and

3. Determining and providing approval for the detailed working of the asset share, the expense allowed for, the investment income earned on the fund of policyholders, etc. which were represented in the asset share.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Raj Narain Bhardwaj, Chairman, *Independent Director*;

2. Dinesh Kumar Khara, Member, *Nominee Director*; and

3. Arijit Basu, Member, *Managing Director and Chief Executive Officer*.

The Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board in its meeting on July 13, 2017. This committee is responsible for the redressal of shareholder grievances. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act 2013 and Regulation 20(4) of the Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

1. Consider and review redressal and resolutions of the grievances of the security holders of the Company, including those of shareholders, debenture holders and other security holders;

2. Approval and rejection of transfer and transmission of shares or securities, including preference shares, bonds, debentures and securities;

3. Approval and rejection of requests for split and consolidation of share certificates;

4. Approval and rejection of issue of duplicate share, issued from time to time;

5. Redemption of securities and the listing of securities on stock exchanges;

6. Allotment of shares and securities; and

7. Any other activities which are incidental or ancillary thereto.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are State Bank and BNPPC. State Bank and BNPPC have been identified as promoters in previous filings with IRDAI. Further, our Company is an "Indian owned and controlled" company under the Insurance Act and applicable regulations thereunder. State Bank currently holds 701,000,000 Equity Shares and BNPPC holds 260,000,000 Equity Shares, constituting 70.10% and 26% of the issued, subscribed and paid-up Share capital of our Company, respectively, of such shareholding State Bank and BNPPC have transferred 80,000,000 Equity Shares and 40,000,000 Equity Shares constituting 8.00% and 4.00% of the issued, subscribed and paid-up Share capital of our Company, respectively to an escrow demat account created by the Share Escrow Agent.

Details of our Promoters

A. **State Bank**

The Bank of Calcutta was established in 1806 and was renamed as the Bank of Bengal in 1809. The Bank of Bombay and the Bank of Madras were opened for business in 1840 and 1843 respectively. In 1921, three banks, i.e. the Bank of Bengal, the Bank of Bombay and the Bank of Madras were merged by an act of the legislature to form the Imperial Bank of India. Thereafter, on July 1, 1955, the Imperial Bank of India was nationalised and State Bank was incorporated as a body corporate under the State Bank Act. In April 2017, certain associate banks of State Bank namely, the State Bank of Bikaner and Jaipur, the State Bank of Hyderabad, the State Bank of Mysore, the State Bank of Patiala and the State Bank of Travancore and one non-associate bank of State Bank being Bhartiya Mahila Bank, were merged with State Bank. The central office of State Bank is located at Corporate Centre, State Bank Bhavan, Madame Cama Road, Mumbai 400 021, Maharashtra, India. State Bank provides a wide range of banking and financial services including commercial banking and treasury operations.

The equity shares of State Bank are currently listed on NSE, BSE and Ahmedabad Stock Exchange (the "**ASE**"). State Bank has made an application dated January 27, 2015 to ASE seeking in-principle approval for voluntary delisting of its Equity Shares on ASE.

There has been no change in control or management of State Bank in the last three years preceding the date of the Draft Red Herring Prospectus. However, in the ordinary course, directors have been appointed to the Central Board of Directors of State Bank. Such directors have ceased to be directors pursuant to their terms of appointment and the State Bank Act.

Central Board of Directors of State Bank

The following table sets forth details of the Central Board of Directors of State Bank as on the date of this Prospectus:

Sr. No.	Name	Designation
1.	Arundhati Bhattacharya*	Chairman
2.	B. Sriram	Managing Director (Corporate Banking Group)
3.	Rajnish Kumar	Managing Director (National Banking Group)
4.	Parveen Kumar Gupta	Managing Director (Compliance and Risk)
5.	Dinesh Kumar Khara	Managing Director (Associates and Subsidiaries)
6.	Sanjiv Malhotra	Director appointed under Section 19(c) of the State Bank Act
7.	Pravin Kutumbe	Director appointed under Section 19(c) of the State Bank Act
8.	Bhaskar Pramanik	Director appointed under Section 19(c) of the State Bank Act
9.	Basant Seth	Director appointed under Section 19(c) of the State Bank Act
10.	Girish Kumar Ahuja	Director appointed under Section 19(d) of the State Bank Act
11.	Dr. Pushpendra Rai	Director appointed under Section 19(d) of the State Bank Act
12.	Chandan Sinha	Director appointed under Section 19(f) of the State Bank Act

* *The tenure of the Chairman of State Bank, Arundhati Bhattacharya will expire on October 6, 2017.*

Shareholding pattern of State Bank

The following table sets forth details of the shareholding pattern of State Bank as on June 30, 2017:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	No. of Equity Shares underlying depository receipts	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of locked in Equity Shares		Number of Equity Shares held in dematerialized form
						No.(a)	As a % of total Equity Shares held(b)	
(A) Promoter and Promoter Group	1	4,926,593,562		4,926,593,562	57.97	4,882,362,052	99.10	4,926,593,562
(B) Public	1,596,484	3,571,839,621		3,571,839,621	42.03		0.00	3,470,077,190
(C1) Shares underlying DRs	1		133,617,210	133,617,210	0.00		0.00	133,617,210
(C2) Shares held by Employee Trust					0.00		0.00	
(C) Non Promoter-Non Public **(C1+C2)**	1		133,617,210	133,617,210	0.00		0.00	133,617,210
Grand Total (A+B+C)	**1,596,486**	**8,498,433,183**	**133,617,210**	**8,632,050,393**	**100.00**	**4,882,362,052**	**56.56**	**8,530,287,962**

Our Company confirms that a copy of the PAN registration and bank account numbers have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with SEBI.

Financial Performance

The following table sets forth details of the brief audited financial results of State Bank on a standalone basis for Fiscal 2017, Fiscal 2016 and Fiscal 2015:

(in ₹ millions, except per share data)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	7,973.50	7,762.78	7,465.73
Reserves (excluding revaluation reserves) and surplus	1,874,887.12	1,434,981.58	1,276,916.53
Sales/turnover (income, including other income)	2,109,791.68	1,918,436.66	1,749,729.67
Profit after tax/loss	104,844.19	99,509.79	131,018.97
Basic Earnings per Share (Face Value ₹ 1 each)	13.43	12.98	17.55
Diluted Earnings per Share (Face Value ₹ 1 each)	13.43	12.98	17.55
Net asset value per share	236.14	185.85	172.04

There are no significant notes of the auditors in relation to the aforementioned financial statements.

The equity capital of State Bank has increased following the completion of issuance of 522,193,211 equity shares aggregating to ₹149,999.99 million to Qualified Institutional Buyers on June 12, 2017.

State Bank has not had negative net worth in the past, as per the last available audited financial statements and has not incurred loss during Fiscal 2017, Fiscal 2016 and Fiscal 2015 as per the audited financial statements for such Fiscals.

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 Prospectus:

(in ₹)

Sr. No.	Month	Monthly High	Monthly Low
1.	March 2017	294.25	264.50
2.	April 2017	298.65	279.35
3.	May 2017	315.00	281.15
4.	June 2017	295.70	269.80
5.	July 2017	313.90	272.05
6.	August 2017	314.90	271.35

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 Prospectus:

(in ₹)

Sr. No.	Month	Monthly high	Monthly Low
1.	March 2017	295.00	264.25
2.	April 2017	298.75	279.25
3.	May 2017	315.30	281.05
4.	June 2017	295.90	269.70
5.	July 2017	313.85	272.05
6.	August 2017	314.80	271.20

Source: www.nseindia.com

The closing equity share price of State Bank as on September 22, 2017 on BSE and NSE was ₹ 261.90 and ₹ 262.10 respectively.

Performance vis-à-vis objects

Amongst others, State Bank on June 12, 2017, issued 522,193,211 equity shares aggregating to ₹149,999.99 million to Qualified Institutional Buyers (the "**Placement**"), wherein, State Bank in compliance with applicable laws and regulations, intended to use the net proceeds of the Placement to augment its capital adequacy ratio and for general corporate purposes. State Bank believes that it has fulfilled its intention to effectively utilise the proceeds of the Placement to augment its capital adequacy ratio. Additionally, in the past three years, State Bank has made three preferential allotments to the President of India.

Interest of State Bank

State Bank is interested in our Company to the extent of being a Promoter of our Company, its shareholding (and the dividends payable, if any). Our Company has executed the SBI Corporate Agency Agreement with State Bank, pursuant to which it has agreed to act as a corporate agent (as defined under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015) of our Company. In this regard, State Bank is interested to the extent of receiving commission in the capacity of a corporate agent. Additionally, our Company has executed the SBI Trademark License Agreement with State Bank for use of its trademarks for the purpose of our business. For details in relation to payments made in relation to the agreement, see, "Related Party Transaction" on page 216. For details regarding the aforementioned agrements, see "Our Business" on page 156. Further, see "History and Certain Corporate Matters – Joint Venture Agreement" and "Main Provisions of Articles of Association" on pages 169 and 487.

State Bank is not interested in transactions related to any property acquired by our Company in the two years immediately preceding the date of the Draft Red Herring Prospectus, or proposed to be acquired by our Company, as a vendor of the property or otherwise.

State Bank is not interested, directly or indirectly, in any transactions by our Company for acquisition of land, construction of building or supply of machinery.

Further, Arundhati Bhattacharya, Dinesh Kumar Khara, and Rajnish Kumar are nominee directors of State Bank on the Board of our Company. Additionally, our Managing Director and Chief Executive Officer, Arijit Basu and Chief Audit Officer, Dipak Majumdar have been deputed by State Bank and their remuneration is paid by State Bank which is reimbursed by our Company, in the manner mutually agreed. For details regarding the appointment and term of our Managing Director and Chief Executive Officer, see "Our Management" on pages 177 and 178.

Except as stated in this Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus or proposes to enter into any such contract in which State Bank is directly or indirectly interested and no payments have been made to State Bank in respect of the contracts, agreements or arrangements which are proposed to be made with it other than in ordinary course of business. For further details of related party transcations, as per Accounting Standard 18, see "Related Party Transactions" on page 216.

Except as disclosed below, State Bank is not involved with any ventures which are in the same line of activity or business as that of our Company, being life insurance business:

Sr. No.	Name of the entity	Area of business	State Bank's Shareholding
1.	SBI General Insurance Company Limited	General insurance business, including health insurance	74.00%

Companies with which State Bank has disassociated in the last three years

State Bank has not disassociated itself from any companies during the preceding three years.

Investor grievance

As at September 22, 2017, there are three investor complaints pending with respect to State Bank.

Mechanism for redressal of investor grievance

The Executive Committee of the Central Board of Directors of State Bank has constituted a stakeholders' relationship committee in accordance with the Listing Regulations to look into the redressal of shareholder/investor complaints. It normally takes two to three days to dispose various types of investor grievances. It received 2,320 investor complaints in the last three years and all investor complaints were disposed off in that period.

Promoter of State Bank

The President of India, acting through the Ministry of Finance, Government of India purchased the RBI's entire shareholding in State Bank on June 29, 2007 and is the State Bank's Promoter with a shareholding of approximately 57.97% as of June 30, 2017. The State Bank Act provides that the Government of India shall hold not less than 51.00% of the State Bank's equity shares. Additionally, as the State Bank's promoter, the Government of India has effective control over the affairs of State Bank.

Payment or Benefits to our Promoters

Except as stated otherwise in "Related Party Transactions" which provides the related party transactions, as per Accounting Standard 18 on page 216 and in "Our Promoter and Promoter Group – Interests of State Bank" on page 195, there has been no payment or benefit to our Promoter, to State Bank, other than pursuant to the SBI Corporate Agency Agreement and the SBI Trademark License Agreement, or its Promoter Group entities during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

B. **BNPPC**

BNPPC was incorporated on September 16, 1991 under the laws of France as a public limited company. From its incorporation until December 4, 1997, BNPPC operated under the name of Klé 29. With effect from December 4, 1997, it changed its name to Cardif SA. On May 14, 2007, it changed its name to BNP Paribas Assurance and on May 9, 2011, it changed its name to BNP Paribas Cardif, as it is known today. The registered office of BNPPC is located at 1, boulevard Haussmann, 75009 Paris, France. The principal activity of BNPPC is to operate as an insurance holding company and hold interest in insurance and reinsurance undertakings.

There has been no change in control or management of BNPPC other than change in the Board of Directors or employees of BNPPC in the ordinary course of business in the last three years preceeding the date of the Draft Red Herring Prospectus. However, the following changes occurred among the executive management of BNPPC: Pierre de Villeneuve was appointed chairman and chief executive officer of BNPPC on October 12, 2013 until January 4, 2016. On January 4, 2016 he ceased to be chief executive officer and was appointed as executive chairman. On 2 February 2, 2017, he resigned from his executive functions but was confirmed in his mandate as chairman of board. Renaud Dumora was appointed deputy chief executive officer of the company on January 12, 2015 until January 4, 2016. On January 4, 2016 he has been appointed chief executive officer which is his actual position within the company to date.

Board of directors of BNPPC

The following table sets forth details of the board of directors of BNPPC as on the date of this Prospectus:

Sr. No.	Name	Designation
1.	Pierre de Portier de Villeneuve	Chairman
2.	Renaud Dumora	Chief Executive Officer and Director
3.	Paul Villemagne	Director
4.	Yves Martrenchar	Director
5.	Marie-Claire Capobianco	Director
6.	Olivier Le Grand	Director
7.	Jacques Mistral	Director
8.	Jean-Hervé Lorenzi	Director
9.	Jacques d'Estais	Director
10.	Jean-François Pfister	Director
11.	Véronique Cotten	Director
12.	Elisabeth Gehringer	Director
13.	Sylvie Jézéquélou	Director
14.	Catherine Olivier	Director
15.	Marie-Hélène Sartorius	Director

Shareholding pattern of BNPPC

The following table sets forth details of the shareholding pattern of BNPPC:

Sr. No.	Name of the holder	Status (Indian/Foreign)	No. of ordinary shares held(1)	Percentage of holding(1)
1.	BNP Paribas	Foreign	62,482,938	100%*

(1) *As of August 31, 2017*

** All ordinary shares except one ordinary share are held by BNP Paribas.*

Our Company confirms that a copy of the PAN registration, bank account numbers, and a copy of the certificate of incorporation, in respect of BNPPC, have been submitted to the Stock Exchanges after filing of the Draft Red Herring Prospectus with SEBI.

Financial Performance

The following table sets forth certain financial information from the audited financial statements of BNPPC on a standalone basis for the financial year ended December 31, 2016, December 31, 2015 and December 31, 2014:

(in Euros million, except per share data)

Particulars	December 31, 2016	December 31, 2015	December 31, 2014
Equity Capital	149.96	149.96	149.96
Reserves (excluding revaluation reserves) and surplus	17.30	16.50	15.75
Sales/turnover (income, including other income)	4.40	0.00	7.52
Profit after tax/loss	961.12	250. 43	231.65
Earning per share (Basic)	15.38	4.01	3.71
Earning per share (Diluted)	NA	NA	NA
Net asset value per share	50.50	50.49	56.11

There are no significant notes of the auditors in relation to the aforementioned financial reports.

Interest of BNPPC

BNPPC is interested in our Company to the extent of being a promoter of our Company, its shareholding (and the dividends payable, if any). For details regarding the shareholding of BNPPC in our Company, see "Capital Structure" on page 78. Further, see "History and Certain Corporate Matters – Joint Venture Agreement" and "Main Provisions of Articles of Association" on pages 167 and 487.

BNPPC is not interested in transactions related to any property acquired by our Company in the two years immediately preceding the date of this Prospectus, or proposed to be acquired by our Company, as a vendor of the property or otherwise.

BNPPC is not interested, directly or indirectly, in any transactions by our Company for acquisition of land, construction of building or supply of machinery.

Further, Gérard Binet and Pierre de Portier de Villeneuve are Nominee Directors of BNPPC on our Board. Pursuant to a circular resolution of our Board dated October 21, 2016, Julien Hautiere-Rey has been appointed as an alternate director for Gérard Binet.

Except as stated in this Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus or proposes to enter into any such contract in which BNPPC is directly or indirectly interested and no payments have been made to BNPPC in respect of the contracts, agreements or arrangements which are proposed to be made with it other than in ordinary course of business. For further details of related party transactions, as per Accounting Standard 18, see "Related Party Transactions" on page 216.

Other than in respect of our Company, BNPPC has no interests in any company or entity that is engaged in undertaking a life insurance business in India. However, BNPPC may have interests in respect of other companies, entities, and ventures that are engaged in undertaking life insurance businesses outside India.

Companies with which BNPPC has disassociated in the last three years

Except as disclosed below, BNPPC has not disassociated itself from any companies during the preceding three years:

Name of company from which disassociated	Reasons for disassociation	Date of disassociation (in terms of shareholding)
Pocztowa Agencja Usług Finansowych Spółka Akcyjna	Strategic review of BNPPCs business portfolio	December 22, 2014
T.C. Insurance Broker Service Co.	Strategic review of BNPPCs business portfolio	April 30, 2015

Name of company from which disassociated	Reasons for disassociation	Date of disassociation (in terms of shareholding)
Thai Cardif Life Assurance Public Company Limited	Strategic review of BNPPCs business portfolio	February 23, 2015
Direct Life & Pension Services Limited	Strategic review of BNPPC's business portfolio	August 16, 2016

Promoter of BNPPC

The promoter of BNPPC is BNP Paribas. Banque Nationale de Paris was incorporated as a French société anonyme (form of limited-liability company) on September 23, 1966 under the laws of France. The name of the company was changed to BNP Paribas SA on May 23, 2000. The registered office of BNP Paribas is located at 16, boulevard des Italiens, 75009 Paris, France. The shares of BNP Paribas are listed on Euronext Paris, since October 18, 1993. It is also traded on various multilateral trading facilities. American Depository Receipts issued by BNP Paribas are traded on the OTCQX International Premier since July 14, 2010; two American Depository Receipts represent one BNP Paribas share. BNP Paribas is engaged in providing banking and related financial services.

The following table sets forth details of the board of directors of BNP Paribas as on the date of this Prospectus:

Sr. No.	Name	Designation
1.	Jean Lemierre	Chairman
2.	Jean-Laurent Bonnafé	Chief Executive Officer and Director
3.	Jacques Aschenbroich	Director
4.	Pierre André de Chalendar	Director
5.	Monique Cohen	Director
6.	Wouter de Ploey	Director
7.	Marion Guillou	Director
8.	Denis Kessler	Director
9.	Nicole Misson	Director representing the employees
10.	Laurence Parisot	Director
11.	Daniela Schwarzer	Director
12.	Michel Tilmant	Director
13.	Sandrine Verrier	Director representing the employees
14.	Jane Fields Wicker-Miurin	Director

Other Confirmations

During the five years preceding the date of the Draft Red Herring Prospectus, BNPPC has not been a defunct company and no application has been made in the last five years to any registrar of companies in India for striking off its name.

Payment or Benefits to our Promoters

Except as stated otherwise in "Related Party Transactions" which provides the related party transactions, as per Accounting Standard 18 on page 216 and in "Our Promoter and Promoter Group – Interests of BNPPC" on page 197, there has been no payment or benefit to our Promoter, BNPPC, or its Promoter Group entities or Promoter Group during the two years preceding the filing of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Prospectus.

Confirmations

Our Promoters and members of the Promoter Group have not been declared as Wilful Defaulters.

Our Promoters,directors of our Promoters and Promoter Group entities have not been debarred or prohibited from accessing capital markets under any order or direction passed by SEBI or any other authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five years preceding the date of this Prospectus, except as disclosed under "Outstanding Litigation and Material Developments" on page 387.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than in their normal course of their respective business, our Promoters are not related to any sundry debtors of our Company.

Promoter Group

In addition to State Bank and BNPPC, the persons constituting the Promoter Group of our Company in terms of Regulation 2(1) (zb) of the SEBI Regulations are set out below.

1. A Little World Private Limited;
2. Andhra Pradesh Grameena Vikas Bank;
3. Arunachal Pradesh Rural Bank;
4. Asset Reconstruction Company (India) Limited;
5. Assu-vie (SA);
6. Bank of Bhutan Limited;
7. Bank SBI Botswana Limited;
8. BNP Paribas Cardif BV;
9. BNP Paribas Cardif Emeklilik A.S;
10. BNP Paribas Cardif Hayat Sigorta A.S;
11. BNP Paribas Cardif Levensverzekeringen NV;
12. BNP Paribas Cardif Pojist'ovna;
13. BNP Paribas Cardif Portugal ACE;
14. BNP Paribas Cardif PSC Limited;
15. BNP Paribas Cardif S.A. Compañia de Seguros y Reaseguros;
16. BNP Paribas Cardif Schadeverzekeringen NV;
17. BNP Paribas Cardif Servicios S.A.C.;
18. BNP Paribas Cardif Servicios y Asistencias;
19. BNP Paribas Cardif Sigorta Anonym Sirketi;
20. BNP Paribas Cardif TCB Life Insurance Company Ltd;
21. BNP Paribas;
22. BNPP Cardif General Insurance Co Ltd;
23. BNPP Cardif Life Insurance Co.;
24. BNPP Cardif Seguros de Vida SA;
25. BNPP Cardif Seguros Generales;
26. BNPP Cardif Vita Compagnia di Assicurazione e Riassicurazione S.p.A;

27. BoB Cardif Life Insurance Company;
28. Broker H@b S.r.l;
29. Cardif Asistencia S.A. DE C.V.;
30. Cardif Assurance Risques Divers SA;
31. Cardif Assurance Vie SA;
32. Cardif Biztosito Zrt;
33. Cardif Capitalização;
34. Cardif Colombia Seguros Generales SA;
35. Cardif Colombia Servicios S.A.;
36. Cardif do Brasil Seguros e Garantias SA;
37. Cardif Do Brasil Vida e Previdencia S.A;
38. Cardif El Djazâïr;
39. Cardif Eletbiztosito Zrt;
40. Cardif Forsakring AB;
41. Cardif I-Services;
42. Cardif Limitada;
43. Cardif LivForsakring AB;
44. Cardif Lux Vie (SA);
45. Cardif Mexico Seguros de Vida SA;
46. Cardif Mexico Seguros Generales SA;
47. Cardif Nordic AB;
48. Cardif Osiguranje d.d.;
49. Cardif Pinnacle Insurance Holdings PLC;
50. Cardif Pinnacle Insurance Management Services;
51. Cardif Polska;
52. Cardif Seguros S.A.;
53. Cardif Services AEIE;
54. Cardif Services S.A.S.;
55. Cardif Services sp. z o.o.;
56. Cardif Servicios S.A DE C.V.;
57. Cardif Servicios S.A.;
58. Cardif Solutions, Unipessoal Lda;
59. Cardimmo;
60. CARGEAS Assicurazioni S.p.A;

61. Carma Grand Horizon SARL;
62. CB (UK) Limited;
63. C-Edge Technologies Limited;
64. Central Warehousing Corporation;
65. Chhattisgarh Rajya Gramin Bank;
66. Commerical Bank of India LLC, Moscow;
67. Corosa;
68. Ellaquai Dehati Bank;
69. Financial Insurance Services Stuttgart GMBH;
70. Financial Telemarketing Services Ltd;
71. GE Capital Business Process Management Services Private Limited;
72. GIE BNP Paribas Cardif;
73. Groupe Capital France Hôtel;
74. Helpucover LTD;
75. Icare Assurance SA;
76. Icare SA;
77. India SME Technology Services Limited;
78. Jio Payments Bank Limited;
79. Kaveri Grameena Bank;
80. Kukuza Project Development Company;
81. Langpi Dehangi Rural Bank;
82. LLC Insurance Company Cardif;
83. Luizaseg;
84. Macquarie SBI Infrastructure Management Pte. Limited;
85. Macquarie SBI Infrastructure Trustee Limited;
86. Madhyanchal Gramin Bank;
87. Malwa Gramin Bank;
88. Meghalaya Rural Bank;
89. Mizoram Rural Bank;
90. Nagaland Rural Bank;
91. Natio Assurance;
92. National E-Governance Services Limited;
93. National Payments Corporation of India;
94. NCVP Participacoes Societarias SA;

95. Nepal SBI Bank Limited;

96. Nepal SBI Merchant Banking Limited;

97. North Eastern Development Finance Corporation;

98. O.F.P.F. Formation;

99. Office Français de Prévoyance Funéraire (O.F.P.F.);

100. Oman India Joint Investment Fund – Management Company Private Limited;

101. Oman India Joint Investment Fund - Trustee Company Private Limited;

102. SCI Pantin Les Moulins;

103. Paris Cours de Vincennes;

104. Paris Management Consultant Company Limited;

105. Petronet India Limited

106. Pinnacle Insurance PLC;

107. Pinnacle Pet Healthcare Limited (PPH);

108. Pocztylion PTE SA;

109. Poistovna Cardif Slovakia;

110. Private Joint Stock Company Insurance Company Cardif;

111. PT Bank SBI Indonesia;

112. Purvanchal Bank;

113. Rajasthan Marudhara Grameen Bank;

114. Reumal Investissements;

115. Rueil Ariane;

116. Saurashtra Gramin Bank;

117. SBI (Mauritius) Limited;

118. SBI Canada Bank;

119. SBI CAP Securities Limited;

120. SBI Capital Markets Limited;

121. SBI Cards and Payment Services Private Limited;

122. SBI DFHI Limited;

123. SBI Foundation;

124. SBI Funds Management (International) Private Limited;

125. SBI Funds Management Private Limited;

126. SBI General Insurance Company Limited;

127. SBI Global Factors Limited;

128. SBI Home Finance Limited (which is currently under liquidation);

129. SBI Infra Management Solutions Private Limited;

130. SBI Macquarie Infrastructure Management Private Limited;

131. SBI Macquarie Infrastructure Trustee Private Limited;

132. SBI Mutual Fund Trustee Company Private Limited;

133. SBI Payment Services Private Limited;

134. SBI Pension Funds Private Limited;

135. State Bank of India Servicos Limitada, Brazil;

136. SBICAP (Singapore) Limited;

137. SBICAP (UK) Limited;

138. SBICAP Trustee Company Limited;

139. SBICAPS Ventures Limited;

140. SBI-SG Global Securities Services Private Limited;

141. SCI « Nantes Carnot »;

142. SCI « Villeurbanne Stalingrad »;

143. SCI 68/70 rue de Lagny-Montreuil;

144. SCI BNP Paribas Pierre I;

145. SCI BNP Paribas Pierre II;

146. SCI Bobigny Jean Rostand;

147. SCI Cardif Logements;

148. SCI Citylight Boulogne;

149. SCI Etoile du Nord;

150. SCI Fontenay Plaisance;

151. SCI Le Mans Gare;

152. SCI Nanterre Guilleraies;

153. SCI Odyssée;

154. SCI Paris Batignolles;

155. SCI Rue Moussorgski;

156. SCI Rueil-Caudron;

157. SCI Saint Denis Jade;

158. SCI Saint Denis Landy;

159. SCI Saint Denis Mitterrand;

160. Small Industries Development Bank of India;

161. SNC Les Résidences;

162. Société Civile Immobilière Défense Etoile;

163. Société Civile Immobilière Défense Vendôme;

164. State Bank of India (California);

165. STCI Finance Limited;

166. Telangana Grameena Bank;

167. The Clearing Corporation of India Limited;

168. Tidel Park Limited;

169. UTI Asset Management Company Private Limited;

170. UTI Trustee Company Private Limited;

171. Utkal Grameen Bank;

172. Uttarakhand Gramin Bank;

173. Valeur Pierre Epargne;

174. Vananchal Gramin Bank;

175. Vietcombank - Cardif Life Insurance Company LTD; and

176. Warranty Direct LTD.

Life Insurance Corporation of India ("**LIC**") which holds more than 10% of the share capital of State Bank has not been considered as a Promoter Group. LIC is a public sector insurance company and a financial institution and LIC has made a financial investment in State Bank among many similar investments made by LIC in various entities. LIC does not exercise direct or indirect control or any significant influence over State Bank.

State Bank is a scheduled commercial bank with a diversified portfolio of investments. There are certain categories of companies in which State Bank holds 10% or more shareholding pursuant to debt restructuring schemes issued by the RBI such as the corporate debt restructuring mechanism, strategic debt restructuring scheme and schemes for sustainable structuring of stressed assets. State Bank has no control or other significant interest in such companies other than such shareholding and accordingly, these companies and have not been considered as Promoter Group entities.

OUR GROUP COMPANIES

In accordance with the SEBI Regulations, our Board has considered the list of related parties appearing in the annexure of 'Related Party Disclosures' included in the audited financial statements of our Company as of and for Fiscal 2017 (the "**Financial Statements**") as Group Companies of the Company which are set out below. Accordingly, the Board considers the companies listed below as 'companies covered under the applicable accounting standards' as provided for by the SEBI Regulations. Additionally, for the purpose of determination of material companies which should be considered as Group Companies of our Company in accordance with the requirements of the SEBI Regulations, our Board has considered whether there are any companies such that a material adverse change in such companies could result in a material adverse effect on the Company, its revenue and profitability. On this basis, our Board has identified material group companies as those which satisfy both these conditions (i) companies with whom transactions entered into exceed 5% or more of the revenue of the Company as per the Financial Statements; and (ii) which have been disclosed as part of the promoter group in the offer documents. The Board has determined that companies covered under the applicable accounting standards as indicated above, there are no other companies which will be considered as Group Companies of the Company. Our Board has not considered State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore, as they have merged with State Bank with effect from April 1, 2017.

We have additionally, set out below the details of our Group Companies which have also been disclosed in this Prospectus in "Financial Statements" on page 218.

In addition to State Bank and BNPPC, the following companies are our Group Companies:

1. Bank SBI Botswana Limited;
2. BNP Paribas;
3. Commerical Indo Bank LLC, Moscow;
4. Nepal SBI Bank Limited;
5. PT Bank SBI Indonesia;
6. SBI (Mauritius) Limited;
7. SBI Canada Bank;
8. SBICAP (Singapore) Limited;
9. SBI CAP (UK) Limited;
10. SBI CAP Trustee Company Limited;
11. SBI Capital Markets Limited;
12. SBI CAPS Ventures Limited;
13. SBI Cards and Payment Services Private Limited;
14. SBI DFHI Limited;
15. SBI Foundation;
16. SBI Funds Management (International Private Limited;
17. SBI Funds Management Private Limited;
18. SBI General Insurance Company Limited;
19. SBI Global Factors Limited;
20. SBI Infra Management Solutions Private Limited;
21. SBI Mutual Fund Trustee Company Private Limited;
22. SBI Payment Services Private Limited;
23. SBI Pension Funds Private Limited;

24. SBICAP Securities Limited;

25. SBI-SG Global Securities Services Private Limited;

26. State Bank of India (California); and

27. State Bank of India Servicos Limitada.

Details of the top five Group Companies:

The top five Group Companies on the basis of total income (for the most recent full audited year) are as follows:

1. ***BNP Paribas***

Corporate Information

Banque Nationale de Paris was incorporated as a French société anonyme (form of limited-liability company) on September 23, 1966 under the laws of France. The name of the company was changed to BNP Paribas SA on May 23, 2000. The registered office of BNP Paribas is located at 16, boulevard des Italiens, 75009 Paris, France. The shares of BNP Paribas are listed on Euronext Paris, since October 18, 1993. It is also traded on various multilateral trading facilities. American Depository Receipts issued by BNP Paribas are traded on the OTCQX International Premier since July 14, 2010; two American Depository Receipts represent one BNP Paribas share. BNP Paribas is engaged in providing banking and related financial services.

Interest in one of our Promoter, BNPPC

BNP Paribas holds 100% (excluding one ordinary share of BNPPC) of the share capital and voting rights of one of our Company's Promoter, BNPPC.

Financial Performance

The brief audited financial results of BNP Paribas for financial year ended December 31, 2016, December 31, 2015 and December 31, 2014 are as follows:

(in Euro million, except per share)

	Financial year ended December 31, 2016	Financial year ended December 31, 2015	Financial year ended December 31, 2014
Equity capital	2,494.00	2,493.00	2,492.00
Reserves and surplus (excluding revaluation)	33,084.00	29,776.00	34,750.00
Total income	10,752.00	5,743.00	(924.00)
Profit/(Loss) after tax	9,266.00	6,232.00	(3,089.00)
Earnings per share (basic)	7.45	5.01	(2.49)
Earnings per share (diluted)	7.44	5.01	(2.48)
Net asset value per share*	54.48	49.40	45.91

* *Weighted average number of shares excluding those owned by BNP Paribas.*

There are no significant notes of the auditors in relation to the aforementioned financial statements. However, for the year ending December 31, 2014, without qualifying their opinion the auditors drew attention to the matter set out below:

"Note: 2.g – Costs associated with the global agreement with the U.S.

On June 30, 2014 Group reached a comprehensive settlement in connection with the investigation into certain dollar transactions involving countries subject to United States economic sanctions. This settlement includes agreements with the U.S. Department of Justice, U.S. Attorney's Office for the Southern District of New York, the New York County District Attorney's Office, the Board of Governors of the U.S. Federal Reserve System, the New York State Department of Financial Services, and the U.S. Department of the Treasury's Office of Foreign Assets Control.

The agreement includes guilty pleas entered into by BNP Paribas SA in relation to violations of certain U.S. laws and regulations regarding economic sanctions against certain countries and related recordkeeping. BNP Paribas SA agreed to pay US$ 5.12 billion (Euro 3.68 billion), representing its share of the total penalty of US$ 8.97 billion paid by the BNP Paribas group. Beyond the Euro 0.8 billion already provisioned at December 31, 2013, this resulted in the recognition of an exceptional charge of Euro 2.88 billion in 2014. BNP Paribas also accepted a temporary suspension of one year starting on January 1, 2015 of the USD direct clearing, mainly involving the Oil and Gas Energy and Commodity trade financing business line in certain locations.

BNP Paribas has worked with the U.S. authorities to resolve these issues and the resolution of these matters was coordinated by its home regulator (Autorité de Contrôle Prudentiel et de Résolution – ACPR) with its lead regulators. BNP Paribas will maintain its licenses as part of the settlements."

Share price information

The following table sets forth details of the highest and lowest price of ordinary shares of BNP Paribas on Euronext (Paris) during the preceding six months:

(in Euro)

Sr. No.	Month	Monthly High	Monthly Low
1.	March 2017	62.43	57.59
2.	April 2017	66.95	57.32
3.	May 2017	67.88	62.82
4.	June 2017	64.51	61.50
5.	July 2017	66.92	63.64
6.	August 2017	68.89	63.16

Source: *Euronext, Paris*

The closing equity share price of BNP Paribas as on September 22, 2017, on the Euronext, was Euro 67.30.

Additionally, under French law, there is no investor grievance mechanism *per se* or specifically put in place at BNP Paribas. However, investors can still take legal action. If deemed material by BNP Paribas, such legal actions are reported in the litigation section of the registration document (and its updates) of BNP Paribas.

2. ***Nepal SBI Bank Limited*** *("**Nepal Bank**")*

Corporate Information

Nepal Bank was incorporated on April 28, 1993 as a public limited company in Nepal under the Companies Act, 1964 in Nepal. Nepal Bank received its certificate of commencement of business on July 6, 1993 from Nepal Rastra Bank under the Commercial Bank Act, 1974 and commenced its banking business on July 7, 1993. Nepal Bank is engaged in the business of providing banking services.

Interest of the Promoters

Our Company's Promoters, State Bank, holds 38,344,890.45 equity shares of Nepali Rupee 100.00 each, aggregating to 55% of the issued and paid-up capital of Nepal Bank.

Financial Performance

The brief standalone audited financial results of Nepal Bank for Fiscal 2017, Fiscal 2016 and Fiscal 2015 on a standalone basis are as follows:

(in Nepali Rupee million, except per share)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity Capital	4,979.86	3,883.74	3,058.06
Reserves and Surplus (excluding revaluation)	3,212.50	2,419.12	2,019.66
Total Income	141,651.05	107,253.52	94,857.16
Profit/(Loss) after Tax	1,577.44	1,274.09	1,067.69
Earnings per share (basic)	31.68	32.81	34.91
Earnings per share (diluted)	31.68	32.81	34.91
Net asset value per share	164.51	162.29	166.04

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 Nepal Stock Exchange during the preceding six months:

(in Nepali Rupee)

Sr. No.	Month	Monthly High	Monthly Low
1.	March 2017	1,475.00	1,010.00
2.	April 2017	1,500.00	1,349.00

Sr. No.	Month	Monthly High	Monthly Low
3.	May 2017	1,510.00	970.00
4.	June 2017	1,021.00	915.00
5.	July 2017	965.00	905.00
6.	August 2017	963.00	865.00

Source: *Nepal Stock Exchange*

The closing equity share price of Nepal Bank as on September 24, 2017 on the Nepal Stock Exchange was Nepali Rupee 841.00.

Under the company law of Nepal, the company secretary handles all the complaints and grievances of the investors. Any complaint received by the company secretary is submitted to the board of directors of Nepal Bank for final redressal. Until date, Nepal Bank has not received any complaint or grievances during the last three years.

3. ***SBI Global Factors Limited*** *(“**SBI-GF**”)*

Corporate Information

SBI-GF was incorporated on April 13, 2001 as a public limited company in Mumbai under the Companies Act 1956. SBI-GF is engaged in the business of carrying out factoring and factoring related activities.

Interest of the Promoters

Our Company’s Promoter, State Bank, holds 137,786,585 equity shares of ₹10 each, aggregating to 86.18% of the issued and paid-up capital of SBI-GF.

Financial Performance

The brief standalone audited financial results of SBI-GF for Fiscal 2017, Fiscal 2016 and Fiscal 2015 on a standalone basis are as follows:

(in ₹ million, except per share)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity Capital	1,598.90	1,598.90	1,598.90
Reserves and Surplus (excluding revaluation)	1,639.34	1,629.34	1,620.83
Total Income	30,470.00	25,320.00	22,260.00
Profit/(Loss) after Tax	10.01	8.60	(4.62)
Earnings per share (basic)	0.06	0.05	(2.89)
Earnings per share (diluted)	0.06	0.05	(2.89)
Net asset value per share	15.19	14.96	14.78

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. ***SBI Cards and Payments Services Private Limited*** *(“**SBI Cards**”)*

Corporate Information

SBI Cards was incorporated on May 15, 1998 as a private limited company under the Companies Act 1956 in New Delhi. SBI Cards is engaged in the credit card business.

Interest of the Promoters

Our Company’s Promoter, State Bank, holds 471,000,002 equity shares of ₹10 each, aggregating to 60% of the issued and paid-up capital of SBI Cards.

Financial Performance

The brief standalone audited financial results of SBI Cards for Fiscal 2017, Fiscal 2016 and Fiscal 2015 on a standalone basis are as follows:

(in ₹ million, except per share)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity Capital	7,850	7,850	7,850
Reserves and Surplus (excluding revaluation)	6,658.90	3,700.39	1,806.27
Total Income	33,634.89	24,917.84	19,044.78

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Profit/(Loss) after Tax	3,904.07	2,839.00	2,666.92
Earnings per share (basic)	4.97	3.62	3.40
Earnings per share (diluted)	4.97	3.62	3.40
Net asset value per share	18.48	14.71	12.30

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. ***SBI General Insurance Company Limited** (“**SBI General**”)*

Corporate Information

SBI General was incorporated on February 24, 2009 as a public limited company under the Companies Act 1956 in Mumbai. SBI General is engaged in the business of general insurance.

Interest of the Promoters

Our Company’s Promoter, State Bank, beneficially holds 159,470,000 equity shares of ₹10 each, beneficially aggregating to 74% of the issued and paid-up capital of SBI General.

Financial Performance

The brief standalone audited financial results of SBI General for Fiscal 2017, Fiscal 2016 and Fiscal 2015 are as follows:

(in ₹ million, except per share)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity Capital	2,155.00	2,030.00	2,030.00
Reserves and Surplus (excluding revaluation)*	8.822.94	5,139.58	6,382.25
Total Income**	18,912.69	17,941.58	13,983.93
Profit/(Loss) after Tax	1,526.56	(1,200.98)	(1,053.28)
Earnings per share (basic)	7.21	(5.92)	(5.39)
Earnings per share (diluted)	7.21	(5.92)	(5.39)
Net asset value per share	50.98	35.32	41.44

**includes fair value change on investment.*
***calculated on the basis of net written premium and income from investments.*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Other Group Companies

Apart from our Promoters, State Bank and BNPPC, the details of the rest of our Group Companies are provided below:

6. ***SBI Funds Management Private Limited** (“**SBI Mutual**”)*

Corporate Information

SBI Mutual is a private limited company incorporated under the Companies Act, 1956 on February 7, 1992 in Mumbai. SBI Mutual has assumed the day to day investment management of SBI mutual fund and in that capacity makes investment decisions and manages the schemes of SBI mutual fund in accordance with the objectives of such scheme, trust deed, provisions of investment management agreement and applicable laws.

In addition to the investment management activity, SBI Mutual has also been granted a certificate of registration as a portfolio manager by SEBI. Apart from this, SBI Mutual has received an ‘In-principle’ approval from SEBI for ‘SBI Resurgent India Opportunities Fund (Offshore Fund)’ and ‘SBI Alternative Debt Fund’. SBI Mutual also acts as an investment manager of ‘SBI Alternative Equity Fund’ registered with SEBI.

Interest of the Promoters

Our Company’s Promoter, State Bank, beneficially holds 3,150,000 equity shares of ₹10 each, beneficially aggregating to 63% of the issued and paid-up capital of SBI Mutual.

7. ***SBI DFHI Limited** (“**SBI DFHI**”)*

Corporate Information

SBI DFHI was originally incorporated on March 8, 1988 as Discount and Finance House of India Limited as a public limited company under the Companies Act 1956 in Mumbai and received its certificate of commencement of business on April 5, 1988, subsequently, the name was changed to SBI DFHI Limited on June 15, 2004. SBI DFHI is engaged in the business of primary dealing in government securities.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 15,064,048 equity shares of ₹100 each, aggregating to 69.05% of the issued and paid-up capital of SBI DFHI. Additionally, State Bank's subsidiary, SBI Capital, holds 681,818 equity shares of ₹100 each, aggregating to 3.12% of the issued and paid-up capital of SBI DFHI.

8. ***SBI Capital Markets Limited ("SBI Capital")***

Corporate Information

SBI Capital was incorporated on July 2, 1986 as a private limited company in Mumbai under the Companies Act 1956. It became a public limited company on May 7, 1999 pursuant to Companies Act 1956. SBI Capital is engaged in the business of merchant banking and providing advisory services.

Interest of the Promoters

Our Company's Promoter, State Bank, beneficially holds 58,033,711 equity shares of ₹ 10 each, beneficially aggregating to 100% of the issued and paid-up capital of SBI Capital.

9. ***SBICAP Securities Limited ("SBICap Securities")***

Corporate Information

SBICap Securities was incorporated on August 19, 2005 as a public limited company in Mumbai under the Companies Act 1956 and received its certificate for commencement of business on August 31, 2005. SBICap Securities is engaged in the business of providing broking, depository services and third party distribution of financial products.

Interest of the Promoters

Our Company's Promoter, State Bank, through its subsidiary SBI Capital, holds 96,875,000 equity shares of ₹10 each, aggregating to 100% of the issued and paid-up capital of SBICap Securities.

10. ***SBICAP Trustee Company Limited ("SBICap Trustee")***

Corporate Information

SBICap Trustee was incorporated on December 28, 2005 as a public limited company in Mumbai under the Companies Act 1956. SBICap Trustee is engaged in the business of providing corporate trusteeship services.

Interest of the Promoters

Our Company's Promoter, State Bank, through its subsidiary SBI Capital, beneficially holds 1,000,000 equity shares of ₹10 each, beneficially aggregating to 100% of the issued and paid-up capital of SBICap Trustee.

11. ***SBICAP Ventures Limited ("SBI Ventures")***

Corporate Information

SBI Ventures was incorporated on November 10, 2005 as a public limited company in Mumbai under the Companies Act 1956. SBI Ventures is currently acting as an investor manager.

Interest of the Promoters

Our Company's Promoter, State Bank, through its subsidiary SBI Capital, holds 39,277,917 equity shares of ₹10 each, aggregating to 100% of the issued and paid-up capital of SBI Ventures.

12. ***SBI Mutual Fund Trustee Company Private Limited ("SBI Mutual Trustee")***

Corporate Information

SBI Mutual Trustee was incorporated on January 2, 2003 as a private limited company in Mumbai under the Companies Act 1956. SBI Mutual Trustee, through its board of directors, discharges its obligations as a trustee of SBI Mutual Fund and is engaged in the business of providing trusteeship services for mutual fund schemes established by SBI Mutual Fund.

Interest of the Promoters

Our Company's Promoter, State Bank, beneficially holds 100,000 equity shares of ₹10 each, beneficially aggregating to 100% of the issued and paid-up capital of SBI Mutual Trustee.

13. ***SBI Pension Funds Private Limited*** *("****SBI Pension****")*

Corporate Information

SBI Pension was incorporated on December 14, 2007 as a private limited company in Mumbai under the Companies Act 1956. SBI Pension is engaged in the business of investment management of National Pension System on behalf of the National Pension Scheme Trust.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 18,000,000 equity shares of ₹10 each and indirectly through its subsidiaries SBI Capital and SBI Mutual (each holding 6,000,000 equity shares of SBI Pension) cumulatively holds 12,000,000 equity shares of ₹10 each cumulatively aggregating to 100% of the issued and paid-up capital of SBI Pension.

14. ***SBI Payment Services Private Limited*** *("****SBI Payment****")*

Corporate Information

SBI Payment was incorporated on February 12, 2010 as a private limited company in Mumbai under the Companies Act 1956. SBI Payment is engaged in the business of providing payment solution, support services to the merchant acquiring business vertical of State Bank.

Interest of the Promoters

Our Company's Promoter, namely State Bank, beneficially holds 2,000,000 equity shares of ₹10 each, beneficially aggregating to 100% of the issued and paid-up capital of SBI Payment.

15. ***SBI-SG Global Securities Services Private Limited*** *("****SBI Global****")*

Corporate Information

SBI Global was incorporated on May 16, 2008 as a private limited company in Mumbai under the Companies Act 1956. SBI Global is engaged in the business of providing custody, depository services and fund accounting services.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 52,000,000 equity shares of ₹10 each, aggregating to 65% of the issued and paid-up capital of SBI Global.

16. ***SBI Infra Management Solutions Private Limited*** *("****SBI Infra****")*

Corporate Information

SBI Infra was incorporated on June 17, 2016 as a private limited company in Mumbai under the Companies Act 2013. SBI Infra is engaged in the business of providing consultancy and infrastructure management services related to real estate to State Bank only.

Interest of the Promoters

Our Company's Promoter, State Bank, beneficially holds 10,000,000 equity shares of ₹10 each, beneficially aggregating to 100% of the issued and paid-up capital of SBI Infra.

17. ***SBI Funds Management (International) Private Limited*** *("****SBI Funds****")*

Corporate Information

SBI Funds was incorporated on January 17, 2006 as a private limited company limited by shares in Mauritius under Companies Act, 2001. SBI Funds is engaged in the business of providing investment management services to offshore funds domiciled in Mauritius.

Interest of the Promoters

Our Company's Promoter, State Bank, through its subsidiary SBI Mutual holds 50,000 equity shares of US$ 1 each, aggregating to 100% of the issued and paid-up capital of SBI Funds.

18. ***SBICAP (Singapore) Limited** ("**SBICAP Singapore**")*

Corporate Information

SBICAP Singapore was incorporated on October 12, 2010 as a public limited company in Singapore under the Companies Act Cap (50). SBICAP Singapore is engaged in the business of dealing in securities.

Interest of the Promoters

Our Company's Promoter, State Bank, through its subsidiary SBI Capital holds 13,000,000 equity shares of Singapore $ 1 each, aggregating to 100% of the issued and paid-up capital of SBICAP Singapore.

19. ***SBICAP (UK) Limited** ("**SBICAP UK**")*

Corporate Information

SBICAP UK was incorporated as Templeco 641 Limited on May 24, 2005 as a private limited company in London under the Companies Act, 1985 of England and Wales, and subsequently renamed as 'SBICAP (UK) Limited' on September 1, 2005. SBICAP UK is engaged in the business of arranging investments and providing corporate finance and investment advisory services.

Interest of the Promoters

Our Company's Promoter, State Bank, through its subsidiary SBI Capital, holds 200,000 equity shares of Pound Sterling 1 each, aggregating to 100% of the issued and paid-up capital of SBICAP UK.

20. ***SBI Foundation***

Corporate Information

SBI Foundation was incorporated as a Section 8 company on June 26, 2015 under the Companies Act 2013. SBI Foundation is engaged in the business of undertaking corporate social responsibility on behalf of State Bank and its subsidiaries.

Interest of the Promoters

Our Company's Promoter, State Bank, beneficially holds 988,995 equity shares of ₹10 each, beneficially aggregating to 98.90% of the issued and paid-up capital of SBI Foundation and through its subsidiaries SBI Capital, SBICAP Trustee, SBI DFHI, SBI Cards and SBI Mutual (each holding 1,001 equity shares of SBI Foundation) SBI Mutual Trustee, SBI-GF, SBI Pension, SBI Global, SBICAP Securities and SBI Ventures, (each holding 1,000 equity shares of SBI Foundation), indirectly holds 11,005 equity shares comprising the remaining 1.10% of the issued and paid up capital of SBI Foundation.

21. ***SBI Canada Bank** ("**SBI Canada**")*

Corporate Information

SBI Canada was incorporated on February 4, 1982 as a Bank under the Bank Act, Canada and received its certificate for commencement of business on February 4, 1982. SBI Canada is engaged in the business of providing banking and financial services.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 470,090 equity shares of Canadian $ 100 each, aggregating to 100% of the issued and paid-up capital of SBI Canada.

22. ***State Bank of India (California)** ("**SBI California**")*

Corporate Information

SBI California was incorporated on April 22, 1982 as a private limited company in Los Angeles under the California Administrative Code and California Financial Code. SBI California is engaged in the business of providing banking services.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 945,000 equity shares of US$ 100 each, aggregating to 100% of the issued and paid-up capital of SBI California.

23. ***SBI (Mauritius) Limited ("SBI Mauritius")***

Corporate Information

SBI Mauritius was incorporated on October 12, 1989 as a public limited company in Mauritius under the Companies Act, 1984. SBI Mauritius is engaged in the business of providing banking services.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 751,612 equity shares of US$ 62.50 each, aggregating to 96.60% of the issued and paid-up capital of SBI Mauritius.

24. ***PT Bank SBI Indonesia ("PT Bank")***

Corporate Information

PT Bank was incorporated on October 24, 1970 as a limited liability company in Jakarta under Law No. 40, Company Law of Indonesia. PT Bank is engaged in the business of providing banking services.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 1,256,519,385 equity shares of Indonesian Rupiah 1000.00 each, aggregating to 99% of the issued and paid-up capital of PT Bank.

25. ***Commercial Indo Bank LLC, Moscow ("Commercial Bank")***

Corporate Information

Commercial Bank was incorporated on December 29, 2003 as a limited liability company in Moscow under the Banking legislation of the Russian Federation. Commercial Bank is engaged in the business of providing banking services.

Interest of the Promoters

Our Company's Promoters, State Bank, holds 60% of the interest in Commercial Bank.

26. ***Bank SBI Botswana Limited ("SBI Botswana")***

Corporate Information

SBI Botswana was incorporated on January 27, 2006 as a private limited company in Gaborone under the Companies Act, 2003. SBI Botswana is engaged in the business of providing banking services.

Interest of the Promoters

Our Company's Promoters, State Bank, holds 124,851,651 equity shares of Botswanaian Pula 1.00 each, aggregating to 100% of the issued and paid-up capital of SBI Botswana.

27. ***State Bank of India Servicos Limitada ("SBI Brazil")***

Corporate Information

SBI Brazil was incorporated on May 9, 1983 as a limited liability company (sociedade limitada) in Brazil, with its articles of association, duly registered at the 3rd civil registry of legal entities under No. 43.799 on May 19,1983, and last amendment registered thereto registered with the commercial registry of the state of Sao Paulo. SBI Brazil is engaged in providing backup infrastructural services to representative office of State Bank in Brazil.

Interest of the Promoters

Our Company's Promoter, State Bank, holds 59,994,000 equity shares of Real 0.01 each and SBI Capital, holds 600 equity shares of Real 0.01 each, cumulatively, aggregating to 100% of the issued and paid-up capital of SBI Brazil.

Nature and Extent of Interest of Group Companies

- ***In the promotion of our Company***

  Except for BNP Paribas, which is the holding company of one of our Promoters, BNPPC, none of our Group Companies have any interest in the promotion of our Company.

- ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus***

  None of our Group Companies is interested in the properties acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus, or proposed to be acquired.

- ***In transactions for acquisition of land, construction of building and supply of machinery***

  None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Interest of our Promoters in the Group Companies

Other than as disclosed in this section, our Promoters enter into certain transactions with the Group Companies in the ordinary course of business which are typically in the nature of *inter alia*, in promotion of the Group Companies, availing services from Group Companies and respective equity shareholding in our Group Companies.

Common Pursuits between our Group Companies and our Company

There are no common pursuits among any of our Group Companies (other than State Bank, BNP Paribas, SBI General, SBI Pension and BNPPC) and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

For details of related party transactions entered into by our Company with our Group Companies, as per Accounting Standard 18, the nature of transactions and the cumulative value of transactions, see "Related Party Transactions" on page 216.

Significant Sale/Purchase between Group Companies

Our Company is not involved in any sales or purchases with any of our Group Companies where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Business Interest of Group Companies

We have entered into certain business contracts (including insurance policies and corporate agency agreements) with some of our Group Companies and may continue to enter into such contracts in the future as well. For details, see "Our Business" from page 118 and "Related Party Transactions" on page 216.

Other than as stated above, none of our Group Companies have any business interest in our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the relevant registrar of companies for striking off the name of any of our Group Companies, during the five years preceding the date of the Draft Red Herring Prospectus.

Loss making Group Companies

Some of our Group Companies have incurred losses in the preceding year, for further details, see "Risk Factors – Certain of our Group Companies have incurred losses in the past, which may have an adverse effect on our reputation and business" on page 36.

Other Confirmations

Apart from BNP Paribas, Nepal Bank and State Bank, none of the equity shares of our Group Companies are listed on any stock exchange. Further, other than Nepal Bank and State Bank, none of our Group Companies have made any capital issue of securities in the preceding three years. For further details see "Other Regulatory and Statutory Disclosures" on page 434.

None of our Group Companies have a negative net worth in the immediate preceding audited Fiscal and none of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

None of our Group Companies have been debarred or prohibited from accessing the capital market for any reason by SEBI or any other authority.

None of our Group Companies have been identified as a Wilful Defaulter.

For further details, see "Outstanding Litigation and Material Developments" and "Other Regulatory and Statutory Disclosures" on pages 387 and 413.

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 – XXIX: Restated Statement of Related Party Transactions" on page 311.

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. The dividend policy of our Company was approved and adopted by our Board in their meeting on July 13, 2017.

Pursuant to the dividend policy, our Company may declare dividend from, *inter alia*, profits for the Fiscal, or from profits for any previous year, or from free reserves available. The declaration of dividend is required to be in compliance with Companies Act, Insurance Act, the 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 amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. For details in relation to our capability to pay a dividend, "Risk Factors – Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements." on page 35. The details of dividend paid by our Company in the last five Fiscals are given set out in the following table:

Fiscal	**Number of Equity Shares of face value of ₹ 10 each**	**Dividend per Equity Share of face value of ₹ 10 each (in ₹)**	**Rate of dividend on Equity Share of face value of ₹ 10 each (%)**	**Total dividend* on Equity Share of face value of ₹ 10 each (in ₹ billion)**
2013	1,000,000,000(1)	0.50	5.00	0.50
2014	1,000,000,000(2)	1.00	10.00	1.00
2015	1,000,000,000(3)	1.20	12.00	1.20
2016	1,000,000,000(4)	1.20	12.00	1.20
2017	1,000,000,000(5)	1.50	15.00	1.50

***** *This does not include dividend distribution tax.*

1. *Our Board of Directors approved an interim dividend of ₹ 0.5 per Equity Share on March 25, 2013 and our Shareholders on August 27, 2013 confirmed the interim dividend as final dividend.*

2. *Our Board of Directors approved an interim dividend of ₹ 1.0 per Equity Share on March 25, 2014 and our Shareholders on September 22, 2014 confirmed the interim dividend as final dividend.*

3. *Our Board of Directors approved an interim dividend of ₹ 1.2 per Equity Share on March 27, 2015 and our Shareholders on September 8, 2015 confirmed the interim dividend as final dividend.*

4. *Our Board of Directors approved an interim dividend of ₹ 1.2 per Equity Share on March 28, 2016 and our Shareholders on September 8, 2016 confirmed the interim dividend as final dividend.*

5. *Our Board of Directors approved an interim dividend of ₹ 1.5 per Equity Share on March 22, 2017.*

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

(This has been left blank intentionally)

L. S. NALWAYA & CO.	**P.PARIKH & ASSOCIATES**
Chartered Accountants	Chartered Accountants
# 405,Timmy Arcade, Makwana Road,	501, Sujata Chambers,
Opp.Andheri Kurla Road, Marol, Andheri (East),	Off. Narsi Natha Street
Mumbai – 400 059.	Mumbai - 400 009.

The Board of Directors
SBI Life Insurance Company Limited
'Natraj' M.V. Road & Western Express Highway Junction,
Andheri (East), Mumbai – 400069
Maharashtra

Dear Sirs,

1. We have examined the attached Restated Financial Information of SBI Life Insurance Company Limited (the ''Company'') which comprise of the Restated Summary Statement of Assets and Liabilities as at June 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, the Restated Summary Statement of Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Restated Summary Statement of Profit and Loss Account (also called the "Shareholders' Account" or the "Non- Technical Account"), the Restated Summary Statement of Receipts and Payments Account, other financial information (as described more in detail in paragraph 8 below, referred as "Other Restated Summary Financial Information") for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the Summary of Significant Accounting Policies, prepared by the management of the Company and approved by the Board of Directors of the Company on September 7, 2017 in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rule 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules");

   b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") and

   c. the Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 as amended from time to time (the ''IRDAI Regulations'').

   The preparation of the Restated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate 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 Rules, IRDAI Regulations and ICDR Regulations.

2. We have examined such Restated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 15, 2017 in connection with the proposed issue of equity shares of the Company; and

b. the Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India (''ICAI'') (Guidance Note).

3. This Restated Financial Information has been compiled by the Company's Management from the audited financial statements as at June 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and for the quarter ended June 30, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which have been approved by the Board of Directors at their meetings held on July 28, 2017, April 28, 2017, April 29, 2016, April 28, 2015, April 21, 2014 and April 30, 2013 respectively. The financial statements for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 were audited jointly by L. S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants. The financial statements for the year ended March 31, 2014 were jointly audited by Karnavat & Co., Chartered Accountants and L. S. Nalwaya & Co., Chartered Accountants; and for the purpose of the Restated Financial Information, P. Parikh & Associates, Chartered Accountants has placed reliance on the financial statements audited by them and the financial report included for this year is based solely on reports submitted by them. The financial statements for year ended March 31, 2013 was audited by previous joint auditors Karnavat & Co., Chartered Accountants and Ummed Jain & Co., Chartered Accountants; and for the purpose of the Restated Financial Information, L. S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants have placed reliance on the financial statements audited by them and the financial report included for this year is based solely on reports submitted by them.

4. In accordance with the requirements of Section 26 of the Act read with the Rules, the ICDR Regulations, the IRDAI regulations, as amended from time to time and the Guidance Note, we further report that:

   a. The Restated Summary Statement of Assets and Liabilities as at June 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, examined by us, as set out in Annexure I to this report read with the Summary of Significant Accounting Policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Summary Financial Information enclosed as Annexure VI to this report. For the year ended March 31, 2014, reliance has been placed by P. Parikh & Associates, Chartered Accountants on the financial statements audited by Karnavat & Co., Chartered Accountants and L. S. Nalwaya & Co., Chartered Accountants and for the year ended March 31, 2013, reliance has been placed by L. S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants on the financial statements audited by Ummed Jain & Co. Chartered Accountants and Karnavat & Co., Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant quarter/financial years.

   b. The Restated Summary Statement of Revenue Account and Restated Summary Statement of Profit and Loss Account for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, as set out in Annexure II and Annexure III to this report, read with the Summary of Significant Accounting Policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Summary Financial Information enclosed as Annexure VI to this report. For the year ended March 31, 2014, reliance has been placed by P. Parikh & Associates, Chartered Accountants on the financial statements audited by Karnavat & Co., Chartered Accountants and L. S. Nalwaya & Co., Chartered Accountants and for the year ended March 31, 2013, reliance has been placed by L. S. Nalwaya &

Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants on the financial statements audited by Ummed Jain & Co. Chartered Accountants and Karnavat & Co., Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant quarter/financial years.

c. The Restated Summary Statement of Receipts and Payments Account for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 as set out in Annexure IV to this report read with the Summary of Significant Accounting Policies in Annexure V are after making such adjustments and regroupings as in our opinion were appropriate and are more fully described in the Notes on Adjustments for Restated Summary Financial Information enclosed as Annexure VI to this report. For the years ended March 31, 2014, reliance has been placed by P. Parikh & Associates, Chartered Accountants on the financial statements audited by Karnavat & Co., Chartered Accountants and L. S. Nalwaya & Co., Chartered Accountants and for the year ended March 31, 2013, reliance has been placed by L. S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants on the financial statements audited by Ummed Jain & Co. Chartered Accountants and Karnavat & Co., Chartered Accountants. As a result of these adjustments, the amounts reported in the above mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant quarter/financial years.

5. We draw attention to the fact that the Joint Auditors' report on the financial statements of the Company for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 have, without qualifying the opinion, drawn attention to the following matter in the report for the respective years:

   The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at the respective quarter/ year ends has been duly certified by the Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists on financial statements of the Company.

6. We draw attention to the fact that the Joint Auditors report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, of the financial statements of the Company for the year ended March 31, 2017 has, without qualifying the opinion, drawn attention to the following matter in the report for that year:

   The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2017 has been certified by the Appointed Actuary as per the regulations, and has been relied upon by us.

7. Based on the above and according to the information and explanations given to us and also based on the reliance placed by P. Parikh & Associates, Chartered Accountants on the financial statements audited by Karnavat & Co., Chartered Accountants and L. S. Nalwaya & Co., Chartered Accountants for the year ended March 31, 2014 and reliance placed by L. S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants on the financial statements audited by Ummed Jain & Co.

Chartered Accountants and Karnavat & Co., Chartered Accountants for the year ended March 31, 2013, we are of the opinion that the Restated Financial Information:

a. has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting periods based on the significant accounting policies adopted by the Company as at June 30, 2017;

b. has been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate to; and

c. do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Financial Information and do not contain any qualifications requiring adjustments.

8. We have also examined the following Other Restated Summary Financial Information, proposed to be included in the Red Herring Prospectus and the Prospectus, as set out in the Annexures prepared by the Management of the Company and approved by the Board of Directors on September 7, 2017, relating to the Company for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

i. Notes on Adjustments for Restated Summary Financial Information, included in Annexure VI;
ii. Restated Statement of Accounting Ratios, included in Annexure VII;
iii. Restated Statement on Segment Disclosure, included in Annexure VIII;
iv. Restated Statement of Premium income, included in Annexure IX;
v. Restated Statement of Commission Expenses, included in Annexure X;
vi. Restated Statement of Operating Expenses related to Insurance business, included in Annexure XI;
vii. Restated Statement of Benefits Paid (net), included in Annexure XII;
viii. Restated Statement of Share Capital, included in Annexure XIII;
ix. Restated Statement of Pattern of Shareholding, included in Annexure XIII A;
x. Restated Statement of Reserves and Surplus , included in Annexure XIV;
xi. Restated Statement of Borrowings, included in Annexure XV;
xii. Restated Statement of Investments - Shareholders, included in Annexure XVI;
xiii. Restated Statement of Investments - Policyholders, included in Annexure XVI A;
xiv. Restated Statement of Assets held to cover linked liabilities, included in Annexure XVI B;
xv. Restated Statement of Loans, included in Annexure XVII;
xvi. Restated Statement of Fixed Assets, included in Annexure XVIII;
xvii. Restated Statement of Cash and Bank Balances, included in Annexure XIX;
xviii. Restated Statement of Advances and other assets, included in Annexure XX;
xix. Restated Statement of Current liabilities, included in Annexure XXI;
xx. Restated Statement of Provisions, included in Annexure XXII;
xxi. Restated Statement of Miscellaneous Expenditure, included in Annexure XXIII;
xxii. Restated Statement of Other Income, included in Annexure XXIV;
xxiii. Restated Statement of Capitalisation, included in Annexure XXV;
xxiv. Restated Statement of Tax Shelter, included in Annexure XXVI.
xxv. Restated Statement of Debtors, included in Annexure XXVII;
xxvi. Restated Statement of Dividend, included in Annexure XXVIII;
xxvii. Restated Statement of Related Party Transactions, included in Annexure XXIX;
xxviii. Restated Statement of Secured and Unsecured Loans, included in Annexure XXX; and

xxix. Restated Statement of Aggregate Book Value and Market Value of Quoted Investments, included in Annexure XXXI.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. In our opinion, the above Restated Financial Information contained in Annexure I to Annexure XXXI accompanying this report read along with the Summary of Significant Accounting Policies in Annexure V and Notes on Adjustments for Restated Summary Financial Information enclosed as Annexure VI to this report are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act read with the Rules , to the extent applicable, ICDR Regulations, IRDAI Regulations and the Guidance Note issued in this regard by the ICAI, as amended from time to time.

12. Our report is intended solely for use of the Management and for inclusion in the Red Herring Prospectus and the Prospectus to be filed with the Securities and Exchange Board of India, the Bombay Stock Exchange Limited, the National Stock Exchange of India Limited (collectively, the "Stock Exchange(s)") and the Registrar of Companies, Mumbai in connection with the proposed offer and sale of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For L. S. Nalwaya & Co.
Chartered Accountants
(F.R. No. 115645W)

Ashish Nalwaya
Partner
Membership No. 110922

For P. Parikh & Associates
Chartered Accountants
(F.R. No. 107564W)

Ashok Rajagiri
Partner
Membership No.046070

Place: Mumbai
Date: September 7, 2017

Annexure - I: Restated Summary Statement of Assets and Liabilities

(₹ in million)

Particulars	As at					
	June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
SOURCES OF FUNDS						
Shareholders' Funds						
Share Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Reserves and Surplus	47,782.30	44,647.82	36,906.65	29,909.91	23,201.17	17,093.59
Credit/(Debit) Fair Value Change Account	1,005.67	872.98	424.36	653.49	362.04	270.60
Sub-total	**58,787.97**	**55,520.80**	**47,331.01**	**40,563.40**	**33,563.21**	**27,364.19**
Borrowings	-	-	-	-	-	-
Deffered Tax Liability	-	-	-	31.51	25.66	40.04
Policyholders' Funds						
Credit/(Debit) Fair Value Change Account	8,086.29	7,763.77	3,354.01	5,008.21	2,618.93	829.01
Policy Liabilities (Refer note no. 6 of Annexure V (C) and note no. 24 (f) & (g) of Annexure V (C) for Funds for discontinued policies)	494,962.53	483,237.57	396,341.70	328,603.57	267,950.40	229,360.93
Insurance Reserves	-	-	-	-	-	-
Provision for Linked Liabilities	396,671.87	388,559.12	320,989.07	278,743.57	242,792.27	247,858.89
Add: Fair value change (Linked)	42,668.89	37,901.61	22,701.01	52,631.09	34,770.53	13,919.89
Add: Funds for Discontinued Policies (Refer note no. 24 (e) of Annexure V (C))						
(i) Discontinued on account of non-payment of premium	22,153.35	18,967.32	16,393.76	16,456.55	8,213.77	3,450.06
(ii) Others	359.12	302.28	132.71	254.88	121.94	31.34
Total Linked Liabilities	**461,853.23**	**445,730.33**	**360,216.55**	**348,086.09**	**285,898.51**	**265,260.18**
Sub-total	**964,902.05**	**936,731.67**	**759,912.26**	**681,729.38**	**556,493.50**	**495,490.16**
Funds for Future Appropriation - Linked	-	-	2.31	14.63	74.26	218.41
Funds for Future Appropriation - Other (Refer note no. 4 (c) of Annexure V (C))	415.01	-	-	58.62	44.95	14.23
TOTAL	**1,024,105.03**	**992,252.47**	**807,245.58**	**722,366.03**	**590,175.92**	**523,086.99**
APPLICATION OF FUNDS						
Investments						
- Shareholders'	52,407.61	42,955.05	35,649.02	30,702.38	23,534.64	18,115.87
- Policyholders'	480,178.48	469,617.46	382,558.97	315,044.67	253,238.79	216,878.56
Assets held to cover Linked Liabilities	461,853.23	445,730.33	360,218.86	348,100.72	285,972.76	265,478.60
Loans	1,774.82	1,781.99	1,235.62	17.74	6.38	1.73
Fixed assets	5,583.62	5,384.75	4,472.49	2,984.33	3,081.58	2,855.45
Current Assets						
Cash and Bank Balances	18,848.08	24,298.42	26,167.63	25,237.78	25,422.91	21,531.86
Advances and Other Assets	29,046.51	32,627.65	23,988.08	19,117.65	15,146.09	12,282.20
Sub-Total (A)	**47,894.59**	**56,926.07**	**50,155.71**	**44,355.43**	**40,569.00**	**33,814.06**
Current Liabilities	23,313.17	27,640.72	25,025.88	16,765.92	14,513.57	13,069.65
Provisions	2,274.15	2,502.46	2,019.21	2,073.32	1,713.66	987.63
Sub-Total (B)	**25,587.32**	**30,143.18**	**27,045.09**	**18,839.24**	**16,227.23**	**14,057.28**
Net Current Assets (C) = (A - B)	**22,307.27**	**26,782.89**	**23,110.62**	**25,516.19**	**24,341.77**	**19,756.78**
Miscellaneous Expenditure (To The Extent Not Written off or Adjusted)	-	-	-	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)	-	-	-	-	-	-
TOTAL	**1,024,105.03**	**992,252.47**	**807,245.58**	**722,366.03**	**590,175.92**	**523,086.99**
Contingent Liabilities (Refer note no.1 of Annexure V (C))						

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

For L. S. Nalwaya & Co.
Chartered Accountants
(F.R. No. 115645W)

For P. Parikh & Associates
Chartered Accountants
(F.R. No. 107564W)

For and on behalf of the Board of Directors

Ashish Nalwaya
Partner
Membership No. 110922

Ashok Rajagiri
Partner
Membership No.046070

Rajnish Kumar
Chairman

Dinesh Khara
Director

Ravi Rambabu
Director

Arijit Basu
MD & CEO

Sangramjit Sarangi
Chief Financial Officer

Subhendu Kumar Bal
Appointed Actuary

Place: Mumbai

Date : September 7, 2017

Aniket Karandikar
Company Secretary

Annexure - II: Restated Summary of Revenue Account (Policyholders' Account/Technical Account)

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Premiums earned - Net						
(a) Premium	37,880.74	210,151.35	158,253.64	128,671.10	107,834.38	104,132.19
(b) (Reinsurance ceded) (Refer note (c) of Annexure V (B))	(254.89)	(1,626.82)	(1,599.14)	(871.10)	(814.98)	(679.19)
(c) Reinsurance accepted	-	-	-	-	-	-
Sub-total	**37,625.85**	**208,524.53**	**156,654.50**	**127,800.00**	**107,019.40**	**103,453.00**
Income from Investments						
(a) Interest, Dividends & Rent - Gross	14,714.53	51,114.67	41,611.04	33,262.02	28,055.53	23,377.90
(b) Profit on sale / redemption of investments	7,987.14	30,467.61	29,625.81	52,199.80	24,536.76	23,580.64
(c) (Loss on sale / redemption of investments)	(1,761.30)	(5,678.74)	(11,423.59)	(3,919.48)	(12,221.73)	(12,292.61)
(d) Transfer /Gain on revaluation /Change in fair value *	4,767.28	15,200.60	(29,930.08)	17,860.56	20,850.63	5,986.95
(e) Accretion of discount/(amortisation of premium) (net)	362.12	1,845.70	3,525.96	3,026.24	2,318.79	3,086.62
Other Income						
(a) Contribution from the Shareholders' A/c (Refer note no. 25 of Annexure V (C))	-	626.83	936.65	1,496.78	3,010.65	2,442.51
(b) Others						
- Miscellaneous income	188.08	673.93	196.95	138.94	124.19	120.24
Sub-total	**26,257.85**	**94,250.60**	**34,542.74**	**104,064.86**	**66,674.82**	**46,302.25**
Total (A)	**63,883.70**	**302,775.13**	**191,197.24**	**231,864.86**	**173,694.22**	**149,755.25**
Commission	1,651.33	7,833.42	7,142.58	6,037.13	5,576.13	5,099.85
Operating expenses related to Insurance Business	3,718.40	16,464.89	14,808.52	11,675.25	10,894.33	10,001.53
Provision for Doubtful Debts	0.88	0.59	0.83	0.87	0.16	10.96
Bad Debts written off	0.38	3.15	4.72	3.78	3.38	0.65
Provision for Tax						
(a) Current Tax (Refer note no. 14 of Annexure V (C))	1,215.36	1,798.34	1,532.81	1,092.25	898.86	596.59
(b) Deffered Tax Charge/ (Credit) (Refer note no. 14 of Annexure V (C))	-	-	(14.06)	5.53	(14.37)	1.94
Provisions (other than taxation)						
(a) For diminution in the value of investments (Net) (Refer note no. 19 of Annexure V (C))	11.38	(48.29)	40.96	(111.25)	(22.18)	143.30
(b) For standard assets (Refer note no. 20 of Annexure V (C))	(0.15)	2.00	4.75	-	-	-
Service Tax on charges	562.97	2,265.77	1,702.02	1,290.14	1,192.95	1,346.63
Total (B)	**7,160.55**	**28,319.87**	**25,223.13**	**19,993.70**	**18,529.26**	**17,201.45**
Benefits paid (Net)	26,224.96	95,261.42	79,585.51	81,976.85	87,802.02	77,787.83
Interim & terminal bonuses paid	55.05	240.57	73.72	26.82	15.14	6.86
Change in valuation of liability in respect of life policies						
(a) Gross **	11,586.20	85,917.39	67,585.20	60,655.45	38,679.53	46,625.44
(b) (Amount ceded in Re-insurance)	(489.16)	(33.77)	(303.65)	(8.52)	(90.05)	(79.99)
(c) Amount accepted in Re-insurance	-	-	-	-	-	-
(d) Fund reserve	12,880.03	82,770.65	12,315.43	53,811.86	15,784.01	(1,901.63)
(e) Funds for discontinued policies	3,870.79	3,755.37	271.62	8,381.97	4,854.29	2,767.55
Total (C)	**54,127.87**	**267,911.63**	**159,527.83**	**204,844.43**	**147,044.94**	**125,206.06**
SURPLUS/ (DEFICIT) (D) = (A) - (B) - (C)	**2,595.28**	**6,543.63**	**6,446.29**	**7,026.73**	**8,120.02**	**7,347.74**
Balance of previous year	-	2.31	73.25	119.21	232.64	295.41
Deficit transferred to Balance Sheet	-	-	-	-	-	-
Balance available for appropriation	2,595.28	6,545.94	6,519.53	7,145.94	8,352.66	7,643.15
APPROPRIATIONS						
Transfer to Shareholders' account	2,180.27	6,545.94	6,517.23	7,072.69	8,233.45	7,410.51
Transfer to other reserves	-	-	-	-	-	-
Balance being funds for future appropriations	415.01	-	2.31	73.25	119.21	232.64
Total (D)	**2,595.28**	**6,543.63**	**6,446.29**	**7,026.73**	**8,120.02**	**7,347.74**
Details of Total Surplus :-						
a) Interim & Terminal Bonuses Paid	55.05	240.57	73.72	26.82	15.14	6.86
b) Allocation of bonus to policyholders	-	7,407.80	6,221.90	4,573.27	3,184.01	2,185.33
c) Surplus shown in the revenue account	2,595.28	6,543.63	6,446.29	7,026.73	8,120.02	7,347.74
Total Surplus: [(a) + (b) + (c)]	**2,650.33**	**14,192.00**	**12,741.91**	**11,626.82**	**11,319.17**	**9,539.93**

* 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 - XXXI) are an integral part of this statement.

For L. S. Nalwaya & Co.
Chartered Accountants
(F.R. No. 115645W)

Ashish Nalwaya
Partner
Membership No. 110922

For P. Parikh & Associates
Chartered Accountants
(F.R. No. 107564W)

Ashok Rajagiri
Partner
Membership No.046070

For and on behalf of the Board of Directors

Rajnish Kumar
Chairman

Dinesh Khara
Director

Ravi Rambabu
Director

Arijit Basu
MD & CEO

Sangramjit Sarangi
Chief Financial Officer

Subhendu Kumar Bal
Appointed Actuary

Aniket Karandikar
Company Secretary

Place: Mumbai

Date : September 7, 2017

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

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Amount transferred from Policyholder Account (Technical Account)	2,180.27	6,545.94	6,517.23	7,072.69	8,233.45	7,410.51
Income from Investments:						
(a) Interest, Dividend & Rent - Gross	814.94	3,143.62	2,756.86	2,316.15	1,739.90	1,333.09
(b) Profit on sale / redemption of investments	277.98	843.60	368.71	343.45	207.97	176.12
(c) (Loss on sale / redemption of investments)	(16.58)	(30.41)	(84.64)	(14.12)	(23.40)	(38.64)
(d) Accretion of discount/(amortisation of premium) (net)	(6.80)	58.78	136.94	115.65	97.34	34.62
Other Income	34.80	82.14	79.30	74.61	73.55	65.51
Total (A)	**3,284.61**	**10,643.67**	**9,774.40**	**9,908.43**	**10,328.81**	**8,981.21**
Expenses other than those directly related to the insurance business						
(a) Rates and Taxes	-	-	-	-	-	-
(b) Directors' sitting fees	0.48	4.38	2.05	2.15	0.88	0.56
(c) Board meeting related expenses	0.75	11.23	8.17	6.73	6.75	2.70
(d) Depreciation	0.75	3.17	2.87	3.02	3.02	2.41
(e) Other Expenses	21.28	128.04	170.06	35.81	40.42	210.95
(f) Corporate Social Responsibility expenses (Refer note no. 31 of Annexure V (C))	39.28	128.45	99.43	81.17	-	-
Bad debts written off	-	-	-	-	-	-
Contribution to the Policyholders' Account (Refer note no. 25 of Annexure V (C))	-	626.83	936.65	1,496.78	3,010.65	2,442.51
Provisions (Other than taxation)						
(a) For diminution in the value of Investment (Net) (Refer note no. 19 of Annexure V (C))	-	(4.12)	4.12	(10.53)	(10.44)	20.96
(b) Provision for doubtful debts	-	-	-	-	-	-
Total (B)	**62.54**	**897.98**	**1,223.35**	**1,615.13**	**3,051.28**	**2,680.09**
Profit / (Loss) Before Tax	3,222.07	9,745.69	8,551.05	8,293.30	7,277.53	6,301.12
Provision for Taxation						
(a) Current Tax (Refer note no. 14 of Annexure V (C))	87.59	199.16	127.47	144.32	-	-
(b) Deffered Tax Charge/ (Credit) (Refer note no. 14 of Annexure V (C))	-	-	(17.45)	0.31	-	-
Profit / (Loss) After Tax	3,134.48	9,546.53	8,441.03	8,148.67	7,277.53	6,301.12
APPROPRIATIONS						
(a) Balance at the beginning of the year	44,647.82	36,906.65	29,909.91	23,201.17	17,093.59	11,373.60
(b) Interim dividend during the year	-	1,500.00	1,200.00	1,200.00	1,000.00	500.00
(c) Proposed final dividend	-	-	-	-	-	-
(d) Dividend distribution tax	-	305.36	244.29	239.93	169.95	81.13
Profit / (Loss) carried to the Balance Sheet	**47,782.30**	**44,647.82**	**36,906.65**	**29,909.91**	**23,201.17**	**17,093.59**
Earnings per equity share:						
Basic per equity share in ₹	3.13	9.55	8.44	8.15	7.28	6.30
Diluted per equity share in ₹	3.13	9.55	8.44	8.15	7.28	6.30
Face value per equity share in ₹	10.00	10.00	10.00	10.00	10.00	10.00

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

For L. S. Nalwaya & Co.
Chartered Accountants
(F.R. No. 115645W)

Ashish Nalwaya
Partner
Membership No. 110922

For P. Parikh & Associates
Chartered Accountants
(F.R. No. 107564W)

Ashok Rajagiri
Partner
Membership No.046070

For and on behalf of the Board of Directors

Rajnish Kumar
Chairman

Dinesh Khara
Director

Ravi Rambabu
Director

Arijit Basu
MD & CEO

Sangramjit Sarangi
Chief Financial Officer

Subhendu Kumar Bal
Appointed Actuary

Aniket Karandikar
Company Secretary

Place: Mumbai

Date : September 7, 2017

Annexure - IV: Restated Summary Statement of Receipts and Payments Account

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
CASH FLOW FROM OPERATING ACTIVITIES						
Premium Collection (including Service Tax collected)	39,456.40	214,972.12	161,050.02	130,556.44	109,369.84	105,201.03
Other Receipts	20.55	86.17	82.42	76.68	75.27	71.06
Cash paid towards reinsurance	(23.31)	245.14	(672.93)	(331.23)	(278.33)	(210.66)
Cash paid to suppliers and employees	(4,650.71)	(14,496.44)	(12,288.16)	(10,326.98)	(9,412.10)	(10,108.12)
Cash paid towards Income Tax	(124.41)	(4,192.81)	(3,452.66)	(2,552.39)	(1,874.42)	(540.93)
Cash paid towards Service Tax	(672.55)	(5,051.18)	(3,997.62)	(3,443.87)	(3,071.38)	(2,831.11)
Commission Paid	(1,878.81)	(7,273.87)	(6,456.74)	(5,321.12)	(5,062.95)	(4,653.92)
Benefits Paid	(24,716.04)	(98,707.86)	(76,325.88)	(81,509.33)	(88,063.24)	(75,739.65)
Security deposit	180.90	(330.12)	(159.07)	(33.33)	(18.31)	111.93
Net cash from / (for) Operating activities (A)	**7,592.02**	**85,251.15**	**57,779.38**	**27,114.87**	**1,664.38**	**11,299.63**
CASH FLOW FROM INVESTING ACTIVITIES						
Cost of purchase of investments	(171,576.50)	(749,287.54)	(679,057.53)	(500,022.56)	(466,850.26)	(496,468.71)
Proceeds from sale of investments	157,525.35	610,555.28	577,913.08	466,396.42	435,627.57	463,892.71
Investments in money market instruments and in liquid mutual funds (Net)	(1,508.06)	2,190.31	(8,110.91)	656.71	(1,565.40)	10,146.21
Interest received	15,980.28	45,738.77	37,412.91	28,172.42	23,141.67	17,267.05
Dividend received	580.71	2,590.16	2,675.81	3,264.45	3,263.38	3,134.86
Purchase of fixed assets	(305.49)	(1,484.67)	(1,812.75)	(248.72)	(515.40)	(150.80)
Proceeds from sale of fixed assets	1.17	2.87	33.43	1.59	1.54	3.36
Expenses related to investments	(17.10)	(72.38)	(69.83)	(61.60)	(52.72)	(70.47)
Security deposit	-	-	200.00	70.00	(130.00)	(20.00)
Loan against Policies	(28.68)	(45.21)	(34.00)	(11.13)	(4.53)	(1.73)
Loans disbursed	-	(700.00)	(1,250.00)	-	-	-
Loan repayment received	37.50	200.00	62.50	-	-	-
Net cash from / (for) Investing activities (B)	**689.18**	**(90,312.41)**	**(72,037.29)**	**(1,782.42)**	**(7,084.15)**	**(2,267.52)**
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of share capital (net)	-	-	-	-	-	-
Proceeds from short term borrowing	-	-	-	-	-	-
Repayment of short term borrowing	-	-	-	-	-	-
Final Dividend paid	-	-	-	-	-	(500.00)
Interim Dividend paid	(1,500.00)	(1,200.00)	(1,200.00)	(1,000.00)	(500.00)	-
Dividend Distribution Tax	(305.36)	(244.29)	(239.93)	(169.95)	(81.11)	(81.11)
Net cash from / (for) Financing activities (C)	**(1,805.36)**	**(1,444.29)**	**(1,439.93)**	**(1,169.95)**	**(581.11)**	**(581.11)**
Effect of foreign exchange rates on cash and cash equivalents (net) (D)	**(0.15)**	**(5.24)**	-	-	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**6,475.69**	**(6,510.79)**	**(15,697.84)**	**24,162.50**	**(6,000.88)**	**8,451.00**
Cash and cash equivalents at beginning of the quarter/ year	**31,569.66**	**38,080.45**	**53,778.29**	**29,615.79**	**35,616.67**	**27,165.67**
Cash and cash equivalents at end of the quarter/ year	**38,045.35**	**31,569.66**	**38,080.45**	**53,778.29**	**29,615.79**	**35,616.67**
Cash (including cheques, drafts and stamps)	540.36	1,357.91	2,419.90	1,766.99	1,440.88	1,209.64
Bank Balances (includes bank balances in unit linked funds)	2,261.52	5,659.31	5,134.43	3,946.99	1,933.83	1,673.02
Fixed Deposits(Less than 3 months)	7,345.52	-	355.00	-	2,370.00	2,310.90
Money Market instruments	27,897.95	24,552.44	30,171.12	48,064.31	23,871.08	30,423.11
Total	**38,045.35**	**31,569.66**	**38,080.45**	**53,778.29**	**29,615.79**	**35,616.67**
Reconciliation of Cash & Cash Equivalents with Cash & Bank Balance						
Add:- Fixed deposit more than 3 months - Shareholder & Policyholder	8,700.69	17,281.20	18,258.30	19,523.80	19,678.20	16,338.30
Add:- Fixed deposit more than 3 months - Unit Linked Policyholder	-	-	-	-	-	-
Less:- Money Market instruments	(27,897.96)	(24,552.44)	(30,171.12)	(48,064.31)	(23,871.08)	(30,423.11)
Cash & Bank Balances	**18,848.08**	**24,298.42**	**26,167.63**	**25,237.78**	**25,422.91**	**21,531.86**

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

For L. S. Nalwaya & Co.
Chartered Accountants
(F.R. No. 115645W)

For P. Parikh & Associates
Chartered Accountants
(F.R. No. 107564W)

For and on behalf of the Board of Directors

Ashish Nalwaya
Partner
Membership No. 110922

Ashok Rajagiri
Partner
Membership No.046070

Rajnish Kumar
Chairman

Dinesh Khara
Director

Ravi Rambabu
Director

Arijit Basu
MD & CEO

Sangramjit Sarangi
Chief Financial Officer

Subhendu Kumar Bal
Appointed Actuary

Place: Mumbai

Aniket Karandikar
Company Secretary

Date : September 7, 2017

Annexure – V: Summary of Significant Accounting Policies and Notes to Accounts

A. Nature of Operations

SBI Life Insurance Company Limited ("the Company") is a joint venture between State Bank of India (SBI) and BNP Paribas Cardif S.A. The Company is registered with the Insurance Regulatory and Development Authority of India ('IRDAI') and is carrying on the business of life insurance and annuity. The Company's life insurance business comprises of individual life and group business, including participating, non-participating, pension, group gratuity, group leave encashment, group superannuation, group immediate annuity, unit-linked insurance products, variable insurance products and micro insurance. Some of these policies have riders such as accident and disability benefit, level term and critical illness.

B. Summary of Significant Accounting Policies

a. Basis of preparation and presentation

The Financial Statements are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India and in compliance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable, the provisions of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (The Accounting Regulations) and various circulars and notifications issued by the Insurance Regulatory and Development Authority of India thereafter.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as of the date of the financial statements. The reliance upon estimates and assumptions used in the accompanying financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Difference between the actual and estimates are recognised in the period in which the actual results materialise or are known. Any revision to accounting estimates is recognised prospectively in current and future periods.

b. Revenue recognition

i. **Premium Income**

Premium of non-linked business is recognised as income (net of service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of variable insurance products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

Top up premiums are considered as single premium.

ii. **Income from Linked funds**

Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognised when recovered.

iii. **Investment Income**

Dividend income for quoted shares is recognised on ex-dividend date, for non quoted shares the dividend is recognised when the right to receive dividend is established.

Interest income is recognised on accrual basis. Accretion of discount and amortisation of premium in respect of debt securities are effected over the remaining term of such instruments on the basis of the related Yield–to-Maturity.

Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sales proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.

Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

iv. **Income from loans**

Interest income on loans is recognised on an accrual basis. Loan processing fee is recognised on receipt basis.

v. **Rental Income**

Rental income is recognised in the income statement on the straight line basis over the lease period.

c. Reinsurance premium ceded

Premium ceded on re-insurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

d. Liability for life policies (Policy liabilities)

The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules & regulations and circulars issued by IRDAI from time to time and the relevant Guidance Notes (GN) and / or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience e.g. interest rates, mortality and expenses.

For participating products, vested bonuses are those which were distributed by the company consequent to the actuarial valuations carried out annually at the end of each financial year dated 31st March, 2002 to 31st March, 2017. For participating pension products, special one-time bonus declared during financial year 2003-04 and 2004-05 have been taken into account. The bonus declared at the end of the last financial year is assumed for the future years as well. In addition to the future reversionary bonus, terminal bonus payable on death and maturity is also assumed.

For Group Pension the reserve is the Accumulated Fund Value.

For Non-Linked – Individual fund-based products and Non-Linked – Group fund-based products, the policy liability in respect of savings portion is equal to the fund value as on the date of valuation.

The unit liability in respect of Individual – Linked and Group – Linked business has been considered as the value of the units standing to the credit of the policy holders, using the net asset value (NAV) as on the valuation date.

The adequacy of charges under individual unit linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under Unit Linked products offered with Guarantee.

Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policyholders plus additional provisions for adequacy of charges to meet expenses.

Appointed Actuary is satisfied that the nature and extent of re-insurance arrangements require no additional reserve to be set aside apart from reinsurance reserves set aside based on UPR methodology.

Considering the prudence of the valuation basis and the margins in the assumptions, our assessment is that, the reserve set aside is sufficient to meet all future policy outgoes under adverse conditions.

e. Funds for future appropriation

For non-linked business, the balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

The fund for future appropriations held in the unit-linked funds, represents surplus that has arisen from lapsed policies unlikely to be revived. This surplus is required to be held within the policyholders' fund till the point at which the policyholders' can no longer revive their policy.

f. Benefits paid

i. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
ii. Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
iii. Claims by maturity are accounted on the policy maturity date.
iv. Survival and annuity benefit claims are accounted when due.
v. Surrenders are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders and lapsation are disclosed at net of charges recoverable.
vi. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
vii. Amount recoverable from re-insurers are accounted for in the same period as the related claim and are reduced from claims.

g. Acquisition costs

Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

h. Fixed assets, intangibles and depreciation

Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Cost includes the purchase price and any other cost which can be directly attributed to bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Intangibles

Expenditure incurred on major application software and their customisation or further development is recognised as an intangible asset. The same is capitalised under fixed assets if such expenditure results in a benefit of enduring nature. Other software expenses are expensed in the period in which they are incurred. Intangible assets are stated at cost less accumulated depreciation/amortisation.

Capital work in progress

Advances paid towards the acquisition of fixed assets and intangibles at the Balance Sheet date are disclosed as capital work-in-progress.

Depreciation

The Company is following straight line method of depreciation provided on pro rata (monthly) basis to period of use for the following type of assets based on useful life as prescribed under Part "C" of Schedule II to the Companies Act, 2013:

Nature of Asset	Useful life
Furniture & fittings	10 Years
Office equipments	5 Years
Vehicles	8 Years
Building	60 Years
Information technology equipment	3 Years
Servers & networks	6 Years
Software	3 Years

Leasehold improvements are amortised equally over the period of lease. Capital expenditure on individual assets up to ₹ 1,000 are not capitalized and expensed out as revenue expenditure. Assets individually costing more than ₹ 1,000 and up to ₹ 20,000 are fully depreciated in the month of acquisition.

Depreciation is charged to Revenue and Profit & Loss Account based on the "put to use" criteria as per IRDAI guidelines.

i. Impairment of fixed assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

j. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date. Exchange differences either on settlement or on translation are recognised in the Revenue Account or Profit and Loss Account.

k. Investments

Investments are made and accounted in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment Policy of the Company and various other circulars/ notifications as issued by IRDAI from time to time.

Investments are recorded on the trade date at cost, which includes brokerage, security transaction tax, education cess and stamp duty, wherever applicable and excludes interest paid, if any, on purchase.

Bonus entitlements are recognised as investments on the 'ex- bonus date'. Rights entitlements are recognised as investments on the 'ex-rights date'.

Classification of Investments

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose off within twelve months from balance sheet date shall be classified as short-term investments.

Investments other than Short-term investments are classified as "Long-term investments".

Valuation – shareholders' investments and non-linked policyholders' investments

Debt securities

Debt securities, including Government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount over a period of holding/ maturity on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

Equity, equity related instruments & preference shares

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. National Stock Exchange of India Limited ('NSE') is considered.

If NSE closing price is not available for any security, then Bombay Stock Exchange of India Limited ('BSE') closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.

In case of Security Lending & Borrowing (‘SLB’), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under “Equity” as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited (‘CRISIL’).

Unrealised gains or losses arising due to change in the fair value of equity shares are recognised in the Balance Sheet under “Fair value change account”.

On each balance sheet date, the Company assess whether impairment of listed equity securities has occurred. Any impairment loss is recognised as an expense in the Revenue or Profit and Loss Account to the extent of the difference between the re-measured fair value of the security or investment and its weighted average cost as reduced by any previous impairment loss recognised as an expense in the Revenue or Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue or Profit and Loss Account, is recognised in the Revenue or Profit and Loss Account.

Mutual funds

Investments in mutual funds are valued at the previous day’s Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Balance Sheet under “Fair value change account”.

Alternative Investment Funds (AIFs)

Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under “Fair value change account”.

Valuation – Linked business

Debt securities

Debt securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL.

Debt securities including government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortized cost using yield to maturity method. In case of securities with options, earliest Call Option / Put Option date will be taken as maturity date for this purpose.

Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

Equity, equity related instruments & preference shares

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, closing price at primary exchange i.e. NSE is considered.

If NSE closing price is not available for any security, then BSE closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.
In case of Security Lending & Borrowing (SLB), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.
Unrealised gains or losses arising due to change in the fair value are recognised in the Revenue Account.

Mutual funds

Investments in mutual funds are valued at the previous day's Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Revenue Account.

Transfer of investments

In the case of deficit in Revenue Account, transfer of securities from shareholders to policyholders is done as below:

(i) Debt securities are transferred at lower of net amortised cost or market value on the date of transfer

(ii) Equity securities are transferred at lower of cost or market value on the date of transfer.

In the case of surplus in Revenue Account, transfer of securities from policyholders' to shareholders' is done as below:

(i) Debt securities are transferred at net amortised cost;

(ii) Equity securities are transferred at market value on the date of transfer.

No transfer of investments is carried out between non-linked policyholders' funds. In case of unit linked fund, inter schemes transfers are affected at prevailing market value at the time of transfer.

l. Loans

Investments in Loans are stated at historical cost, less repayments, subject to provision for impairment losses & non performing asset (NPA) provision, if any.

m. Provision for Standard Assets

In accordance with the IRDAI guidelines on 'Prudential norms for income recognition, asset classification, provisioning and other related matters in respect of debt portfolio' vide the Master circular, adequate provisions are made for estimated loss arising on account from/under recovery of loans and advances (other than loans and advances granted against insurance policies issued by the insurer) outstanding at the balance sheet date in respect of standard assets.

n. Employee benefits

(i) Post-employment benefit

Provident Fund

The Company makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Revenue Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

Gratuity

The Company has incorporated a gratuity trust. The Company makes contribution to a Gratuity Fund administered by trustees of SBI Life Insurance Co. Limited Employees Gratuity Fund. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.

The Company accounts for the liability for future gratuity benefits in accordance with Accounting Standard – 15 (Revised). The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are recognised in the Revenue Account.

(ii) Long-term employee benefits

Compensated Absences and Long Term Service Awards

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

The Company accrues the liability for compensated absences and long term service awards in accordance with Accounting Standard – 15 (Revised). The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

(iii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid for the services rendered by employees is recognised during the period when the employees renders the service. These benefits include salaries and bonuses, short term compensated absences, premium for staff medical insurance (hospitalization), premium for employee group term insurance scheme etc.

o. Accounting for Leases

(i) Operating Lease

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense over the lease period on a straight line basis.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as expense in the Profit and Loss Account.

(ii) Finance Lease

Leases under which the Company assumes substantially all the risk and rewards of ownership of the asset are classified as finance leases. Such leased asset acquired are capitalised at fair value of the asset or present value of the minimum lease rental payments at the inception of the lease, whichever is lower.

p. Taxation

Direct Taxes

Provision for current income tax, if any, is made on an accrual basis after taking credit for all allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred income tax is recognised for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for tax purposes. The effect of deferred tax asset or liability of a change in the tax rates are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets or liabilities are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.

Indirect Taxes

Service tax liability on output service is set-off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward under "Advances and other assets" for future set off and are deferred for recognition to the extent there is reasonable certainty that the assets can be realised in future.

q. Segmental reporting

As per Accounting Standard 17 on "Segmental Reporting" read with IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Company has classified and disclosed segmental information in to par, non par and linked businesses, which are further segmented into Individual life, group, health, pension, variable and annuity.

r. Provisions and contingent liabilities

The Company recognises a provision when there is a 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 a 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from litigation etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are neither recognised nor disclosed.

s. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period in the shareholders' account by the weighted average number of equity shares outstanding during the year/ period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year/ period attributable to shareholders and the weighted average number of shares outstanding during the year/ period are adjusted for the effects of all dilutive potential equity shares.

t. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Receipts and Payments Account comprises of cash and cheques in hand, bank balances, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

C. Notes to Accounts

1. Contingent Liabilities

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Partly paid – up investments	-	-	-	-	-	-
Claims, other than against policies, not acknowledged as debts by the Company	6.36	6.36	6.19	5.61	2.34	1.73
Underwriting commitments outstanding (in respect of shares and securities)	-	-	-	-	-	-
Guarantees given by or on behalf of the Company	-	-	-	-	-	-
Statutory demands or liabilities in dispute, not provided (Refer Note 1)	-	-	-	-	-	-
Reinsurance obligations to the extent not provided for in accounts	-	-	-	-	-	-
Others:						
- Insurance claims disputed by the Company, to the extent not provided or reserved	563.62	492.82	459.95	371.98	322.14	251.69
- Directions issued by IRDAI under section 34(1) of Insurance Act, 1938 (Refer Note 2)	3,596.12	3,596.12	3,596.12	3,596.12	3,596.12	843.17
Total	**4,166.10**	**4,095.30**	**4,062.26**	**3,973.71**	**3,920.60**	**1,096.59**

Notes:

Note 1:

Show cause notices issued by various Government Authorities are not considered as obligation. When demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

Note 2:

(a) IRDAI has issued directions under Section 34 (1) of the Insurance Act, 1938 to distribute the administrative charges paid to master policyholders amounting to ₹ 843.17 million vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012. The Company had filed an appeal against the said order with the Ministry of Finance, Government of India, who remanded the case back to IRDAI on November 4, 2015. IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The Company has filed an appeal against the said directions/ orders with the Securities Appellate Tribunal.

(b) IRDAI has issued directions under section 34 (1) of the Insurance Act, 1938 to refund the excess commission paid to corporate agents to the members or the beneficiaries amounting to ₹ 2,752.95 million vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014. The Company has filed an appeal against the order with the Securities Appellate Tribunal.

2. Encumbrances on assets

The Assets of the company are free from any encumbrances except for:

a. Securities or cash deposited as margin for investment trade obligations of the company:

(₹ in million)

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
1) Clearing Corporation of India Ltd.- Securities Segment						
i) Government Securities	1,973.73	2,085.89	1,972.33	2,073.35	1,536.30	1,554.50
ii) Cash	100.10	100.10	100.10	100.10	100.10	100.10
Sub Total	**2,073.83**	**2,185.99**	**2,072.43**	**2,173.45**	**1,636.40**	**1,654.60**
2) Clearing Corporation of India Ltd.- CBLO Segment						
i) Government Securities	360.81	375.93	361.06	372.58	309.22	311.52
ii) Cash	0.10	0.10	0.10	0.10	0.10	0.10
Sub Total	**360.91**	**376.03**	**361.16**	**372.68**	**309.32**	**311.62**
3) NSCCL / ICCL - Capital Market Segment						
i) National Securities Clearing Corporation Limited (NSCCL) - Fixed Deposit	200.00	200.00	200.00	200.00	200.00	200.00
ii) Indian Clearing Corporation Limited (ICCL) - Fixed Deposit	50.00	50.00	50.00	50.00	50.00	50.00
Sub Total	**250.00**	**250.00**	**250.00**	**250.00**	**250.00**	**250.00**
Grand Total	**2,684.74**	**2,812.02**	**2,683.59**	**2,796.13**	**2,195.72**	**2,216.22**

(₹ in million)

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
1) Clearing Corporation of India Ltd.- Securities Segment						
i) Government Securities	1,029.68	1,026.64	1,340.91	1,225.76	1,272.12	1,272.12
ii) Cash	110.10	110.10	110.10	110.10	100.10	100.10
Sub Total	**1,139.78**	**1,136.74**	**1,451.01**	**1,335.86**	**1,372.22**	**1,372.22**

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
2) Clearing Corporation of India Ltd.- CBLO Segment						
i) Government Securities	-	-	-	-	-	-
ii) Cash	190.10	190.10	140.10	140.10	140.10	140.10
Sub Total	**190.10**	**190.10**	**140.10**	**140.10**	**140.10**	**140.10**
3) NSCCL / ICCL - Capital Market Segment						
i) National Securities Clearing Corporation Limited (NSCCL) - Fixed Deposit	200.00	200.00	200.00	200.00	200.00	200.00
ii) Indian Clearing Corporation Limited (ICCL) - Fixed Deposit	50.10	50.10	50.10	50.10	49.50	49.50
Sub Total	**250.10**	**250.10**	**250.10**	**250.10**	**249.50**	**249.50**
Grand Total	**1,579.98**	**1,576.94**	**1,841.21**	**1,726.06**	**1,761.82**	**1,761.82**

b. Other assets:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Sales Tax Department – Jammu as security deposit for registration						
i) Fixed Deposit	0.25	0.25	0.25	0.25	0.25	0.25
State Bank of India – Bahrain						
i) Cash at Bank	8.30	8.32	-	-	-	-
State Bank of India – As security deposit for guarantees given to Post Office						
i) Fixed Deposit	27.60	-	-	-	-	-
Total	**36.15**	**8.57**	**0.25**	**0.25**	**0.25**	**0.25**

3. Capital commitments

The Commitments made by the company are as below:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Commitments made and outstanding for loans and investment	2,377.87	860.42	1,009.50	65.00	-	-

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances)	217.06	325.68	784.79	428.00	19.72	104.95

4. **Actuarial assumptions**

The actuarial assumptions certified by the Appointed Actuary are as under:

a. In the actuarial valuation all the policies, which were in the books of the Company and where there is a liability have been taken into account. The portfolio consists of Participating, Non-Participating and Unit-Linked segments.

   'Participating' segment is further classified in to the following Lines of Businesses (LoBs): Individual – Life – Participating, Individual – Pension – Participating, Group – Pension – Participating and Individual – VIP – Participating.

   'Non-Participating' segment is further classified in to the following LoBs: Individual – Life – Non-Participating, Individual – Pension – Non-Participating, Group Savings – Non-Participating, Group One Year Renewable Group Term Assurance (OYRGTA) – Non-Participating, Group Other – Non-Participating, Annuity – Non-Participating (Individual and Group), Health – Non-Participating (Individual and Group), and VIP – Non-Participating (Individual and Group).

   'Linked' segment is further classified in to the following LoBs: Individual – Life – Linked, Group – Linked and Individual – Pension – Linked.

b. For policies which are likely to get cancelled during their "free look period", premium less stamp duty and medical expenses as per the policy contract need to be refunded. Adequate provision is kept for such policies.

c. The following parametric values are used to carry out the actuarial valuation:

   For mortality assumption under life business 'Indian Assured Lives (2006-2008) Ultimate Mortality table' and under general annuity business 'Mortality for Annuitants-LIC (1996-98) Ultimate Rates' has been used. For Morbidity assumption, the Morbidity Tables provided by re-insurer has been used with suitable adjustment.

   The interest rate for valuation is shown in the table below. While allocating expenses, the entire policyholders' expenses have been allocated product-wise.

Line of Business	Valuation basis as on June 30, 2017	Valuation basis as on March 31, 2017	Valuation basis as on March 31, 2016	Valuation basis as on March 31, 2015	Valuation basis as on March 31, 2014	Valuation basis as on March 31, 2013
Participating	5.95%	5.95%	6.05%	6.10%	6.10%	6.10%
Non-Participating	5.65%	5.65%	5.65%	5.85%	5.85%	5.85%
Unit Linked	5.65%	5.65%	5.65%	5.85%	5.85%	5.85%
Annuity	6.00%	6.00%	6.00%	6.10%	6.10%	6.10%
Health	5.65%	5.65%	5.65%	5.85%	5.85%	5.85%

As regard for future expenses, on the basis of experience available, fixed expenses are considered separately for single premium products and regular premium products.

Segment / Product	For the quarter ended June 30, 2017		For the year ended March 31, 2017		For the year ended March 31, 2016	
	Fixed Expenses Assumptions (Amounts in INR)		Fixed Expenses Assumptions (Amounts in INR)		Fixed Expenses Assumptions (Amounts in INR)	
	Regular Premium	Single Premium	Regular Premium	Single Premium	Regular Premium	Single Premium
Participating - Individual Life, Individual Pension, Individual VIP **Non-Participating -** Individual Life, Individual Pension, Annuity (Individual and Group), Health (Individual)	Ranging from 90 to 575 based on the nature of product	Ranging from 70 to 480 based on the nature of product	Ranging from 90 to 575 based on the nature of product	Ranging from 70 to 480 based on the nature of product	Ranging from 50 to 640 based on the nature of product	Ranging from 75 to 480 based on the nature of product
Linked - Individual Life, Individual Pension	700	525	700	525	1,000	750
Non-Participating - Group Other, Group Savings - Swarnaganga, Health (Group) **Linked -** Group (Per life basis)	Ranging from 4 to 300 based on the nature of product	Ranging from 10 to 225 based on the nature of product	Ranging from 4 to 300 based on the nature of product	Ranging from 10 to 225 based on the nature of product	Ranging from 50 to 250 based on the nature of product	Ranging from 50 to 190 based on the nature of product

Segment / Product	For the year ended March 31, 2015 Fixed Expenses Assumptions (Amounts in INR)		For the year ended March 31, 2014 Fixed Expenses Assumptions (Amounts in INR)		For the year ended March 31, 2013 Fixed Expenses Assumptions (Amounts in INR)	
	Regular Premium	Single Premium	Regular Premium	Single Premium	Regular Premium	Single Premium
Participating - Individual Life, Individual Pension, Individual VIP **Non-Participating -** Individual Life, Individual Pension, Annuity (Individual and Group), Health (Individual)	125 / 460 based on the nature of product	75 / 100 / 340 based on the nature of product	125/ 400 based on the nature of product	100/250 based on the nature of product	400	150/250 based on the nature of product
Linked - Individual Life, Individual Pension	1,000	750	860	645	Ranging from 550 to 860 based on the nature of product	645
Non-Participating - Group Other, Group Savings - Swarnaganga, Health (Group) **Linked –** Group (Per life basis)	Ranging from 50 to 150 based on the nature of product	Ranging from 50 to 115 based on the nature of product	Ranging from 125 to 175 based on the nature of product	Ranging from 100 to 150 based on the nature of product	150	125 /150 based on the nature of product

For fully paid-up and reduced paid-up policies, fixed expenses are considered same as for single premium policies.

Inflation rate for valuation has been assumed as follows-

Particulars	Valuation basis as on June 30, 2017	Valuation basis as on March 31, 2017	Valuation basis as on March 31, 2016	Valuation basis as on March 31, 2015	Valuation basis as on March 31, 2014	Valuation basis as on March 31, 2013
Inflation Rate	5.50%	5.50%	5.50%	5.75%	5.75%	5.75%

For participating products, the vested bonuses are those which were distributed by the Company consequent to the actuarial valuations carried out annually at the end of each financial year dated

March 31, 2002 to March 31, 2017. Regarding bonus provisions for the current financial year and bonus provision for future years, the bonus rates have been assessed by carrying out Bonus Earning Capacity (BEC)/ asset share investigations and taking into consideration the policyholder's reasonable expectations.

Margin for Adverse Deviation (MAD) has been separately provided, wherever applicable and required.

In addition to this, Incurred but Not Reported (IBNR) claims reserve is also provided wherever required.

The above parameters and the MAD provision have been observed to ensure prudence and are in accordance with the GN / APS issued by the Institute of Actuaries of India and in concurrence with the Regulations and circulars of IRDAI.

The Surplus emerged from Non-participating segment has been transferred to Profit & Loss Account based on the recommendation of the Appointed Actuary.

Funds for Future Appropriation

The details of Funds for Future Appropriation (FFA) are as follows:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Unit Linked FFA	-	-	2.31	14.63	74.26	218.41
Non-Linked FFA	415.01	-	-	58.62	44.95	14.23

Unit Linked FFA pertains to the policies satisfying following conditions, assuming that they may not be revived in future:

i. Policy is lapsed within first Policy Year

ii. Policy has not acquired surrender value

iii. Lapsed Policy under which units are still invested

The amount will be transferred to shareholders only after the revival period for the policy expires.

Non-Linked FFA represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the balance sheet date.

5. Cost of guarantee

The Company has made provisions for cost of guarantee under Individual unit linked policies with guarantee and group unit linked policies as follows:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Individual Unit Linked policies	4,226.66	3,884.94	3,936.26	3,220.68	2,233.27	1,541.43
Group Unit Linked policies	10.46	10.04	8.18	6.77	5.25	4.14

6. Policy liabilities

The non-linked policy liability (after reinsurance) including non-unit reserves held for linked liabilities and linked liabilities are given below:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Non linked policy liability (after reinsurance) including non unit reserves	**494,962.53**	**483,237.57**	**396,341.70**	**328,603.57**	**267,950.40**	**229,360.93**
Non Unit Reserves:						
ULIP – Individual	6,567.89	6,198.64	5,871.11	4,295.79	3,214.18	2,733.43
ULIP – Group	28.90	30.62	23.84	13.11	25.49	28.37
ULIP – Pension	260.97	245.73	117.31	184.84	142.41	110.43
Sub total	**6,857.76**	**6,474.99**	**6,012.26**	**4,493.74**	**3,382.08**	**2,872.23**
Linked Liabilities	**461,853.23**	**445,730.33**	**360,216.55**	**348,086.09**	**285,898.51**	**265,260.18**

7. Reinsurance or Risk retention

In the normal course of its business, the Company seeks to reduce risk exposure by reinsuring certain levels of risk in various areas of exposure with re-insurers. An asset or liability is recorded in the Balance Sheet representing premiums due to or payments due from re-insurers and share of claims recoverable from re- insurers. Extent of risk retained and reinsured is given below:

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016	
	Sum Assured (₹ in million)	%	Sum Assured (₹ in million)	%	Sum Assured (₹ in million)	%
Individual Business						
Risk Retained	1,999,731.88	80.92%	1,925,030.96	80.78%	1,584,555.08	79.79%
Risk Reinsured	471,600.30	19.08%	458,040.57	19.22%	401,382.60	20.21%

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016	
	Sum Assured (₹ in million)	%	Sum Assured (₹ in million)	%	Sum Assured (₹ in million)	%
Group Business						
Risk Retained	3,115,314.18	71.48%	3,206,258.19	70.98%	2,592,635.09	72.05%
Risk Reinsured	1,242,926.56	28.52%	1,311,005.33	29.02%	1,005,943.72	27.95%
Total						
Risk Retained	5,115,046.06	74.90%	5,131,289.15	74.36%	4,177,190.17	74.80%
Risk Reinsured	1,714,526.86	25.10%	1,769,045.90	25.64%	1,407,326.32	25.20%

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Sum Assured (₹ in million)	%	Sum Assured (₹ in million)	%	Sum Assured (₹ in million)	%
Individual Business						
Risk Retained	1,349,290.85	82.07%	1,075,376.99	79.72%	1,016,682.09	82.87%
Risk Reinsured	294,704.48	17.93%	273,563.78	20.28%	210,190.03	17.13%
Group Business						
Risk Retained	1,475,691.55	75.60%	1,144,406.87	69.93%	1,244,682.98	73.88%
Risk Reinsured	476,381.54	24.40%	492,164.24	30.07%	440,124.83	26.12%
Total						
Risk Retained	2,824,982.40	78.56%	2,219,783.86	74.35%	2,261,365.07	77.67%
Risk Reinsured	771,086.02	21.44%	765,728.02	25.65%	650,314.86	22.33%

8. Benefit payable

Total Benefits payable (i.e. claims and annuities outstanding) is given below:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Total benefits payable	2,068.03	1,648.22	1,783.72	1,392.08	1,466.59	1,649.06
Unclaimed Amount	471.38	408.75	164.72	-	1,048.48	1,292.99
Net benefits payable	1,596.65	1,239.47	1,619.00	1,392.08	418.11	356.07

The outstanding balance disclosed under Annexure XXI: Restated Statement of Current Liabilities is net of unclaimed amount

i. The claims settled and remaining unpaid for a period of more than 6 months on the Balance Sheet date

(₹ in million)

Particulars	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016	
	Count	Amt.	Count	Amt.	Count	Amt.
Total Claims	44,909	194.31	45,708	208.88	14,427	308.40

(₹ in million)

Particulars	As at March 31, 2015		As at March 31, 2014		As at March 31, 2013	
	Count	Amt.	Count	Amt.	Count	Amt.
Total Claims	3,954	182.51	3,304	277.32	2,221	183.26

Claims remain unpaid for greater than six months for want of necessary details.

ii. All the claims are paid or payable in India.

9. Investments

i. Investments have been made in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended from time to time.

ii. All investments of the Company are performing investments.

iii. Value of contracts in relation to investments for:

(₹ in million)

Particulars	Shareholder					
	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Purchases where deliveries are pending	2,871.67	32.42	-	-	3.64	-
Sales where receipts are pending*	-	66.39	884.65	-	5.23	11.48

(₹ in million)

Particulars	Non Linked Policyholder					
	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Purchases where deliveries are pending	1,190.74	2,992.58	-	116.64	384.06	524.01
Sales where receipts are pending*	-	128.68	1.96	863.95	241.45	421.38

*No payments are overdue.

(₹ in million)

Particulars	Unit Linked					
	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Purchases where deliveries are pending	2,825.25	3,933.66	1,208.12	3,150.43	4,784.01	1,365.23
Sales where receipts are pending*	474.04	7,445.57	3,460.99	3,202.41	4,408.48	3,068.56

*No payments are overdue.

iv. The aggregate cost and market value of investments, which are valued at fair value is as follows:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Aggregate Cost	437,249.45	422,194.77	329,500.81	253,149.61	242,253.33	219,748.37
Market Value	488,989.79	468,723.84	355,920.48	311,432.52	279,860.60	234,603.60

v. Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risk and rewards of these securities. There are no outstanding equity shares lent by the Company under SLB as on June 30, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

10. Disclosure on Repo / Reverse Repo transactions

(₹ in million)

Particulars	Minimum outstanding during the quarter/ year ended		Maximum outstanding during the quarter/ year ended		Daily average outstanding during the quarter/ year ended		Outstanding as at	
	June 30, 2017	March 31, 2017	June 30, 2017	March 31, 2017	June 30, 2017	March 31, 2017	June 30, 2017	March 31, 2017
Securities Sold under Repo:								
i. Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Particulars	Minimum outstanding during the quarter/ year ended		Maximum outstanding during the quarter/ year ended		Daily average outstanding during the quarter/ year ended		Outstanding as at	
	June 30, 2017	March 31, 2017	June 30, 2017	March 31, 2017	June 30, 2017	March 31, 2017	June 30, 2017	March 31, 2017
Securities Purchased under Reverse Repo:								
i. Government Securities	6,870.00	4,295.29	28,705.17	43,397.78	15,313.53	19,006.11	17,291.57	24,552.45
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(₹ in million)

Particulars	Minimum outstanding during the year ended		Maximum outstanding during the year ended		Daily average outstanding during the year ended		Outstanding as at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Securities Sold under Repo:								
i. Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities Purchased under Reverse Repo:								
i. Government Securities	4,731.24	5,938.16	45,102.16	44,168.89	23,647.24	19,458.49	22,875.82	26,584.51
ii. Corporate Debt Securities	Nil	247.89	Nil	247.89	Nil	247.89	Nil	Nil

(₹ in million)

Particulars	Minimum outstanding during the year ended		Maximum outstanding during the year ended		Daily average outstanding during the year ended		Outstanding as at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Securities Sold under Repo:								
i. Government Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Securities Purchased under Reverse Repo:								
i. Government Securities	3,871.91	6,650.06	29,668.54	34,597.66	15,991.07	20,676.04	16,330.73	22,568.64
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

11. Managerial Remuneration

The Managing Director and CEO has been deputed from State Bank of India and his remuneration is included under "Employees remuneration and welfare benefits" under "Operating expenses related to insurance business." The details of managerial remuneration are as under:

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016
	Mr. Arijit Basu	Mr. Arijit Basu	Mr. Arijit Basu
Salary and other allowances	1.18	3.58	3.15
Provident Fund, Pension fund and Gratuity	0.12	0.50	0.48
Perquisites	1.52	5.96	5.87
Total	**2.82**	**10.04**	**9.50**

(₹ in million)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	Year ended March 31, 2013	
	Mr. Arijit Basu w.e.f. August 01, 2014	Mr. Atanu Sen	Mr. Atanu Sen	Mr. Atanu Sen w.e.f. September 01, 2012	Mr. M. N. Rao
Salary and other allowances	1.61	0.80	2.59	1.27	0.91
Provident Fund, Pension fund and Gratuity	0.28	0.14	0.43	0.25	0.18
Perquisites	0.36	1.05	2.42	1.28	0.54
Total	**2.25**	**1.99**	**5.44**	**2.80**	**1.63**

Notes:

1. The appointment and remuneration of managerial personnel is in accordance with the requirements of section 34A of the Insurance Act, 1938 and has been approved by the IRDAI.
2. The remuneration excludes leave encashment and leave travel allowance which would have been accrued in the books of or funded by State Bank of India.

12. Percentage of business sector wise

Sector	Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Rural	Number of New Policies	55,158	308,985	305,032	251,171	243,119	207,051
	% of total policies	24%	24%	24%	22%	23%	23%
	Premium Underwritten (₹ in million)	1,273.70	10,499.44	8,140.21	5,052.43	5,064.31	4,931.01
Social	Number of New Policies (including group business)	596	3,001	1,106	8	36	50
	Number of New Lives	36,528	589,932	286,124	65,745	79,463	68,714
	Premium Underwritten (₹ in million)	3.91	56.77	46.22	31.02	22.84	10.59
Total	**Number of New Policies**	**231,274**	**1,275,550**	**1,273,515**	**1,126,211**	**1,041,349**	**888,887**
	Number of New Lives	**686,223**	**4,942,991**	**9,189,249**	**2,183,255**	**2,007,988**	**1,941,837**

Note:

IRDAI (Obligations of insurers to rural and social sectors) Regulations, 2015 dated August 24, 2015 which was applicable from FY 2016-17 mandates the Company to cover 5% of the total business procured in the preceding financial year (in terms of lives) under the social sector.

13. Investments of funds and assets pertaining to policyholders' liabilities

a. Allocation of investments between policyholders' funds and shareholders' funds

Investments made out of the shareholders' and policyholders' funds are tracked from inception and income accordingly accounted for on the basis of records maintained. As and when necessary, transfers have been made from shareholders' investments to policyholders' investments. In respect of such transfers, the investment income is allocated from the date of transfer.

b. Policyholders' liabilities adequately backed by assets

(₹ in million)

Particulars	As at June 30, 2017			As at March 31, 2017		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
Policyholders' Liabilities*	**503,463.83**	**461,853.23**	**965,317.06**	**491,001.34**	**445,730.33**	**936,731.67**
Policyholders' Assets						
Investments	480,178.48	448,659.88	928,838.36	469,617.46	430,603.60	900,221.06
Loans	1,774.82	-	1,774.82	1,781.99	-	1,781.99
Net Current Assets	21,510.53	13,193.35	34,703.88	19,601.89	15,126.73	34,728.62
Total Assets	**503,463.83**	**461,853.23**	**965,317.06**	**491,001.34**	**445,730.33**	**936,731.67**

(₹ in million)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
Policyholders' Liabilities*	**399,695.71**	**360,218.86**	**759,914.57**	**333,670.40**	**348,100.72**	**681,771.12**
Policyholders' Assets						
Investments	382,558.97	348,197.38	730,756.35	315,044.67	341,142.80	656,187.47
Loans	1,235.62	-	1,235.62	17.73	-	17.73
Net Current Assets	15,901.12	12,021.48	27,922.60	18,608.00	6,957.92	25,565.92
Total Assets	**399,695.71**	**360,218.86**	**759,914.57**	**333,670.40**	**348,100.72**	**681,771.12**

* including funds for future appropriation and fair value change account

(₹ in million)

Particulars	As at March 31, 2014			As at March 31, 2013		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
Policyholders' Liabilities*	**270,614.28**	**285,972.76**	**556,587.04**	**230,204.17**	**265,478.60**	**495,682.77**
Policyholders' Assets						
Investments	253,238.79	281,046.33	534,285.12	216,878.56	259,789.28	476,667.84
Loans	6.38	-	6.38	1.73	-	1.73
Net Current Assets	17,369.11	4,926.43	22,295.54	13,323.88	5,689.32	19,013.20
Total Assets	**270,614.28**	**285,972.76**	**556,587.04**	**230,204.17**	**265,478.60**	**495,682.77**

* including funds for future appropriation and fair value change account

14. Taxation

The Company carries on life insurance business and hence the provisions of Section 44 and the first schedule of Income Tax Act, 1961, are applicable for computation of profits and gains of its business. Provision for taxation is as follows:

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Provision for taxation	1,302.95	1,997.50	1,660.28	1,236.57	898.86	596.59

Deferred tax asset/ (liability) is recognized for the impact of adjustments made due to restatement of profit/loss. The deferred tax position and movement is summarised as below:

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening Balance	-	-	(31.51)	(25.66)	(40.04)	(38.10)
Change on account of:	-					
-adjustments due to restatement	-	-	31.51	(5.85)	14.38	(1.94)
Closing Balance	**-**	**-**	**-**	**(31.51)**	**(25.66)**	**(40.04)**

15. Operating lease commitments

(a) Assets taken on operating lease:

In accordance with Accounting Standard 19 on 'Leases', the details of leasing arrangements entered into by the Company are as under:

The Company has entered into agreements in the nature of lease or leave and licence with different lessors or licensors for residential premises, office premises and motor vehicles. These are in the nature of operating lease. Some of these lease arrangements contain provisions for renewal and escalation. There are no restrictions imposed by lease arrangements nor are there any options given to the Company to purchase the properties and the rent is not determined based on any contingency.

The operating lease rentals charged to the Revenue Account during the year and future minimum lease payments as at the Balance Sheet date are as follows:

(₹ in million)

Particulars	**Quarter ended June 30, 2017**	**Year ended March 31, 2017**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Total lease rental charged to Revenue Account	125.29	496.97	415.89	382.34	358.58	415.19

(₹ in million)

Particulars	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Lease obligation for:						
- Not later than 1 year	397.73	365.84	303.31	294.06	289.04	257.15
- Later than 1 year and not later than 5 years	1,102.92	971.58	597.67	463.23	473.14	432.04
- Later than 5 years	476.16	449.00	179.92	85.25	85.91	88.03

(b) Assets given on operating lease:

The Company has entered into an agreement in the nature of leave and licence for leased out some portion of office premises. This is in the nature of operating lease and lease arrangement contains provisions for renewal. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency.

The total lease payments received in respect of such lease recognised in Profit and Loss Account is as under:

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Total lease rental recognised in Profit and Loss Account	20.56	82.14	79.30	74.61	73.55	65.51

16. Earnings per share

In accordance with Accounting Standard 20 on 'Earning per share', basic earnings per share are calculated by dividing the net profit or loss in the shareholders' account by the weighted average number of equity shares outstanding during the year/ quarter.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to shareholders and the weighted average number of shares outstanding during the year/ quarter are adjusted for the effects of all dilutive potential equity shares.

The computation is set out below:

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Net Profit after tax as per Profit & Loss Account (₹ in million)	3,134.48	9,546.53	8,441.03	8,148.67	7,277.53	6,301.12
Weighted average number of equity shares (in million)	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Earnings per share (Basic and Diluted) (₹)	3.13	9.55	8.44	8.15	7.28	6.30
Face value per share (₹)	10	10	10	10	10	10

17. Operating expense disclosure

The additional disclosure on operating expenses incurred pursuant to IRDA notification dated March 28, 2008 has been detailed below:

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Outsourcing expenses	272.37	1,751.43	1,537.57	1,241.46	1,210.15	1,462.42
Business development	24.41	2,162.51	1,852.51	1,122.80	1,107.67	1,024.50
Marketing support and advertisement	64.96	575.63	603.37	606.74	519.60	468.62
Total	**361.74**	**4,489.57**	**3,993.45**	**2,971.00**	**2,837.42**	**2,955.54**

18. Provision for staff benefit as per Accounting Standard 15 (Revised)

a. Defined Benefit Plans:

(i) Gratuity

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
I. Change in benefit obligation :						
Liability at the beginning of the year/ quarter	681.22	537.04	423.32	329.89	258.03	183.53
Interest cost	11.36	40.17	33.57	28.87	20.00	15.14
Current service cost	19.28	65.37	56.18	48.76	43.49	38.03
Past service cost (Non vested benefit)	-	-	-	-	-	-
Past service cost (Vested benefit)	-	-	-	-	-	-
Benefit paid	(5.06)	(27.37)	(23.86)	(25.38)	(17.57)	(13.06)
Actuarial (gain) or loss on obligations	57.01	66.01	47.83	41.18	25.94	34.39
Liability at the end of the year/ quarter	763.81	681.22	537.04	423.32	329.89	258.03
II. Change in plan assets:						
Fair value of plan assets at the beginning of the year/ quarter	676.60	535.28	425.12	329.63	258.22	184.20
Expected return on plan assets	11.27	40.04	33.71	28.84	20.01	15.84
Contributions	6.75	97.46	109.50	61.38	64.18	64.89
Benefits paid	(5.06)	(27.37)	(23.86)	(25.38)	(17.57)	(13.06)
Actuarial Gain or (Loss) on plan assets	10.18	31.19	(9.19)	30.65	4.79	6.35
Fair value of plan assets at the end of the year/ quarter	699.74	676.60	535.28	425.12	329.63	258.22
III. Amount recognized in the Balance Sheet :						
Liability at the end of the year/ quarter	(763.81)	(681.22)	(537.04)	(423.32)	(329.89)	(258.03)
Fair value of plan assets at the end of year/ quarter	699.74	676.60	535.28	425.12	329.63	258.22
Difference	(64.07)	(4.62)	(1.76)	1.80	(0.26)	0.19
Unrecognized past service cost	-	-	-	-	-	-
Unrecognized transition liability	-	-	-	-	-	-
Net (Liability) or Asset recognized in the Balance Sheet	(64.07)	(4.62)	(1.76)	1.80	(0.26)	0.19
IV. Expenses recognized in the income statement:						
Current service cost	19.28	65.37	56.18	48.76	43.49	38.03

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Interest cost	11.36	40.17	33.57	28.87	20.00	15.14
Expected return on plan assets	(11.27)	(40.04)	(33.71)	(28.84)	(20.01)	(15.84)
Past service cost (Non vested benefit) recognized	-	-	-	-	-	-
Past service cost (Vested benefit) recognized	-	-	-	-	-	-
Recognition of transition liability	-	-	-	-	-	-
Actuarial (gain) or loss	46.83	34.82	57.02	10.53	21.15	28.04
Expense recognized in P&L	66.20	100.32	113.06	59.32	64.63	65.37
V. Balance Sheet reconciliation :						
Opening net liability	4.62	1.76	(1.80)	0.26	(0.19)	(0.67)
Expense as above	66.20	100.32	113.06	59.32	64.63	65.37
(Employers contribution)	(6.75)	(97.46)	(109.50)	(61.38)	(64.18)	(64.89)
Net Liability or (Asset) recognized in Balance Sheet	64.07	4.62	1.76	(1.80)	0.26	(0.19)
VI. Actual return on plan assets:						
Expected return on plan assets	11.27	40.04	33.71	28.84	20.01	15.84
Actuarial gains / (losses) on plan assets	10.18	31.19	(9.19)	30.65	4.79	6.35
Actual return on plan assets	21.45	71.23	24.52	59.49	24.80	22.19
VII. Expected contribution to fund during the next year (12 months):	147.77	81.77	67.12	54.38	49.03	43.32
VIII. Investment details of plan assets:						
The major categories of plan assets as a percentage of fair value of total plan assets:						
- Insurer Managed Funds (₹)	699.74	676.60	535.28	425.12	329.63	258.22
- **Fund I:** Investment Allocation Ratio	50%	50%	50%	50%	50%	50%
- Corporate Bonds	19%	19%	19%	26%	24%	32%
- Equity Shares	26%	27%	30%	29%	29%	26%
- Government of India assets	55%	54%	51%	45%	47%	41%

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
- **Fund II:** Investment Allocation Ratio	50%	50%	50%	50%	50%	50%
- Corporate Bonds	30%	37%	35%	28%	49%	51%
- Equity Shares	10%	10%	10%	12%	12%	7%
- Government of India assets	60%	53%	55%	61%	39%	42%
IX. Actuarial assumptions used:						
Discount rate	6.62%	6.67%	7.48%	7.93%	8.75%	7.75%
Salary escalation rate	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter
Expected rate of Return on Plan Assets	6.62%	6.67%	7.48%	7.93%	8.75%	7.75%
Attrition rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Notes:

(a) Discount rate is based on benchmark rate available on Government Securities for the estimated term of the obligations.

(b) The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

X. Experience adjustments

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Defined benefit obligation	(763.81)	(681.22)	(537.04)	(423.32)	(329.89)	(258.03)
Plan assets	699.74	676.60	535.28	425.12	329.63	258.22
(Surplus) or Deficit	64.07	4.62	1.76	(1.80)	0.26	(0.19)
Experience adjustments on plan liabilities (gains) or losses	55.89	50.19	40.99	31.52	35.58	31.29
Experience adjustments on plan assets gain or (losses)	10.18	31.19	(9.19)	30.65	4.79	6.35

(ii) Compensated Absences

(₹ in million)

Particulars	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Defined benefit obligation	423.20	359.82	285.09	227.12	191.74	143.78
Expenses recognized in the income statement during the year	67.20	148.63	122.19	97.46	98.09	71.13
Actuarial assumptions used						
Discount rate	6.62%	6.67%	7.48%	7.93%	8.75%	7.75%
Salary escalation rate	10% p.a upto 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter
Attrition rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(iii) Long Term Service Awards

(₹ in million)

Particulars	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Defined benefit obligation	335.90	301.20	264.40	231.60	245.90	262.90
Expenses recognized in the income statement during the year	34.70	118.13	93.15	80.77	100.61	95.49
Actuarial assumptions used						
Discount rate	6.62%	6.67%	7.48%	7.93%	8.75%	7.75%
Salary escalation rate	10% p.a upto 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter	10% p.a up to 5 years & 6% p.a. thereafter
Attrition rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(iv) Provident Fund

The rules of the Company’s Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees’ Provident Fund by the

Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Based on an actuarial valuation, there is no deficiency as at the Balance Sheet date.

(₹ in million)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
I. Change in benefit obligation :					
Liability at the beginning of the year	2,497.95	2,044.09	1,662.28	1,329.82	1,061.52
Interest cost	222.37	182.07	150.16	120.13	93.28
Current service cost	159.27	135.89	136.88	141.56	124.16
Employee Contribution	325.02	282.25	252.31	212.96	186.85
Liability transferred in	23.81	22.56	12.42	7.81	14.05
Liability transferred out	(13.68)	(147.13)	-	-	-
Benefits paid	220.71)	(21.78)	(169.96)	(150.00)	(150.04)
Actuarial (gain) or loss on obligations	-	-	-	-	-
Liability at the end of the year	2,994.03	2,497.95	2,044.09	1,662.28	1,329.82
II. Change in plan assets :					
Fair value of plan assets at the beginning of the year	2,554.70	2,086.99	1,691.46	1,351.18	1,071.57
Expected return on plan assets	222.37	182.07	150.16	120.13	93.28
Contributions	484.29	418.14	389.19	354.52	311.01
Transfer from other company	23.81	22.56	12.42	7.81	14.05
Transfer to other company	(13.68)	(147.13)	-	-	-
Benefits paid	(220.71)	(21.78)	(169.96)	(150.00)	(150.04)
Actuarial Gain or (Losses) on plan assets	16.19	13.85	13.72	7.82	11.31
Fair value of plan assets at the end of the year	3,066.97	2,554.70	2,086.99	1,691.46	1,351.18
III. Amount recognized in the Balance Sheet :					
Liability at the end of the year	(2,994.03)	(2,497.95)	(2,044.09)	(1,662.28)	(1,329.82)
Fair value of plan assets at the end of year	3,066.97	2,554.70	2,086.99	1,691.46	1,351.18
Funded status	72.94	56.75	42.90	29.18	21.36
Asset not recognized in balance sheet	72.94	56.75	42.90	29.18	21.36
(Shortfall) recognized in the balance sheet	-	-	-	-	-
IV. Expenses recognized in the income statement :					
Current service cost	159.27	135.89	136.88	141.56	124.16
Interest cost	222.37	182.07	150.16	120.13	93.28
Expected return on plan assets	(222.37)	(182.07)	(150.16)	(120.13)	(93.28)
Interest shortfall	-	-	-	-	-
Expense recognized in income statement	159.27	135.89	136.88	141.56	124.16

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
V. Balance Sheet reconciliation :					
Opening net liability	-	-	-	-	-
Expense as above	159.27	135.89	136.88	141.56	124.16
(Employer's contribution)	(159.27)	(135.89)	(136.88)	(141.56)	(124.16)
Shortfall recognized in the balance sheet	-	-	-	-	-
VI. Actual return on plan assets:					
Expected return on plan assets	222.37	182.07	150.16	120.13	93.28
Actuarial gains / (losses) on plan assets	16.19	13.85	13.72	7.82	11.31
Actual return on plan assets	238.56	195.92	163.88	127.95	104.59
VII. Investment details of plan assets :					
Central government of India assets	851.07	765.72	645.28	528.09	425.14
State government of India assets	845.92	661.86	551.74	430.59	302.76
Special deposits scheme	-	-	-	-	-
Public sector units	663.08	671.81	652.28	555.19	438.44
Private sector bonds	487.58	294.33	142.52	123.68	114.26
Short Term Debt Instruments	14.50	20.00	-	-	-
Others	131.04	109.84	90.17	53.91	70.58
Equity and related investments	73.78	31.14	-	-	-
Total	3,066.97	2,554.70	2,086.99	1,691.46	1,351.18
VIII. Actuarial assumptions used :					
Discount rate	6.67%	7.48%	7.93%	8.75%	7.75%
Expected rate of Return on Plan Assets	9.13%	8.95%	8.94%	8.96%	9.01%
Attrition rate	25.00%	25.00%	25.00%	25.00%	25.00%
Guaranteed interest rate	8.80%	8.80%	8.75%	8.75%	8.50%
Whilst in service withdrawal	5.00%	5.00%	5.00%	5.00%	5.00%
Reinvestment period on maturity	5 years	5 years	5 years	5 years	5 years
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
IX. Experience Adjustment :					
On plan liability (gains)/ losses	-	-	-	-	-
On plan assets (losses)/ gains	16.19	13.85	13.72	7.82	11.31

Employer's contribution to employees provident fund trust for the quarter ended June 30, 2017 was ₹ 45.28 million.

b. Defined Contribution Plans:

(₹ in million)

Particulars	**Quarter ended June 30, 2017**	**Year ended March 31,2017**	**Year ended March 31,2016**	**Year ended March 31,2015**	**Year ended March 31,2014**	**Year ended March 31,2013**
Contribution to Pension Scheme	37.04	140.68	122.41	84.72	56.02	52.25
Contribution to Employee Deposit Linked Insurance (EDLI)	2.06	7.90	6.98	4.63	3.36	3.14
Contribution to Employees State Insurance Corporation (ESIC)	11.86	22.29	11.73	10.26	9.03	7.90
Contribution to Labour Welfare Fund	0.05	0.23	0.31	0.34	0.34	0.22

19. Accounting for impairment in valuation of equity investments

The Company has made the provision for diminution in value of investments on a prudent basis for loss on account of reduction in market values of long term investment in equities as under:

(₹ in million)

Particulars	**Quarter ended June 30, 2017**	**Year ended March 31, 2017**	**Year ended March 31,2016**	**Year ended March 31,2015**	**Year ended March 31,2014**	**Year ended March 31,2013**
In Revenue Account	11.38	(48.29)	40.96	(111.25)	(22.18)	143.30
In Profit & Loss Account	-	(4.12)	4.12	(10.53)	(10.44)	20.96
Total	**11.38**	**(52.41)**	**45.08**	**(121.78)**	**(32.62)**	**164.26**

Note: The figures in bracket, if any, indicates reversal of impairment loss earlier recognised in Revenue or Profit and Loss Account.

20. Provision for Standard assets for debt portfolio

In accordance with the 'Guidelines on Prudential norms for income recognition, Asset classification, Provisioning and other related matters in respect of Debt portfolio' as specified by IRDAI vide the Master Circular dated December 11, 2013, provision for standard assets at 0.40% (wherever applicable) of the value of the asset has been recognized as follows :

(₹ in million)

Particulars	**As at June 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Provision towards Standard Assets	6.60	6.75	4.75	-	-	-

21. Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises.

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 June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
a) (i) Principal amount remaining unpaid to supplier under MSMED Act	4.62	0.13	0.07	0.04	0.32	0.12
(ii) Interest on a) (i) above	Nil	Nil	Nil	Nil	Nil	Nil
b) (i) Amount of principal paid beyond the appointed date	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Amount of interest paid beyond the appointed date (as per Section 16)	Nil	Nil	Nil	Nil	Nil	Nil
c) Amount of interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the MSMED Act	Nil	Nil	Nil	Nil	Nil	Nil
d) Amount of interest accrued and due	Nil	Nil	Nil	Nil	Nil	Nil
e) Amount of further interest remaining due and payable even in succeeding years	Nil	Nil	Nil	Nil	Nil	Nil

22. Additional disclosure requirements as per Corporate Governance Guidelines

i. Quantitative and qualitative information on the insurer's financial and operating ratios, namely, incurred claim, commission and expenses ratios:

Refer Annexure I: Restated Summary Statement of Assets and Liabilities, Annexure II: Restated Summary of Revenue Account (Policyholders' Account/Technical Account), Annexure III:

Restated Summary of Statement of Profit and Loss Account (Shareholders' Account/Non-Technical Account) and Annexure VII : Restated statement of Accounting Ratios.

ii. Actual solvency margin details vis-à-vis the required solvency margin

The regulatory requirement for solvency margin stands at 1.50. There has been no capital infusion after FY 2007-08.

The solvency margin of the Company is as follows:

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Solvency Margin	2.11	2.04	2.12	2.17	2.23	2.16

iii. Persistency ratio

The 13th month persistency ratio based on premium amount and on number of policies is given below:

Particulars	For the quaretr ended June 30, 2017	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	For the year ended March 31, 2013
Based on premium	81.97%	81.07%	80.69%	79.27%	79.61%	86.20%
Based on number of policies	73.90%	73.34%	72.69%	73.97%	71.73%	68.48%

iv. Financial performance including growth rate and current financial position of the insurer

Refer Annexure I: Restated Summary Statement of Assets and Liabilities, Annexure II: Restated Summary of Revenue Account (Policyholders' Account/Technical Account), Annexure III: Restated Summary of Statement of Profit and Loss Account (Shareholders' Account/Non-Technical Account) and Annexure VII : Restated statement of Accounting Ratios.

v. A description of the risk management architecture

The Board has the ultimate responsibility for overseeing the management of risk within the Company. The Risk profile of the Company is reported to the Board by the Risk Management Committee of the Board (RMC-B) from time to time. The RMC-B is responsible for overseeing the Company's risk management program and for ensuring that significant risks to the Company are reported to the Board on a timely basis and apprise the Board of the various risk management strategies being adopted. The Company’s Risk Appetite statement is reviewed by the Board so as to ensure that the business of the Company is carried out within the set risk limits.

The RMC-B is supported by Risk Management Committee of the Executives (RMC-E) and the Asset Liability Committee (ALCO). The RMC-E oversees the operational risk activities and the ALCO monitors insurance and investment risk portfolio. RMC-E is convened by Chief of Risk Management & Fraud Monitoring and consists of the Managing Director and Chief Executive Officer, Deputy Chief Executive Officer, President – Actuarial and Risk Management and Chief Risk Officer, Presidents –Zone I, II and III, President - Operations & Information Technology, Appointed Actuary, President – Business Strategy, Executive Vice President and Chief of Human Resource & Management Services, Chief Audit Officer, Chief Financial Officer, Chief Operating Officer, Chief Information Officer and Chief Investments Officer. ALCO is chaired by Managing Director and Chief Executive Officer and consists of Deputy Chief Executive Officer, President – Actuarial and Risk Management and Chief Risk Officer, President – Business Strategy, Chief Financial Officer, Appointed Actuary, Head Pricing, Head Valuation, Head – ALM, Chief Investments Officer. ALCO is convened by the Appointed Actuary.

Chief of Risk Management & Fraud Monitoring is responsible and accountable for ensuring that a risk management program is established, implemented and maintained in accordance with Risk Management Policy so that risks are managed to an acceptable level. Chief of Risk Management & Fraud Monitoring reports to the Managing Director and Chief Executive Officer of the Company, through the President – Actuarial and Risk Management and Chief Risk Officer and maintains functional relationships with all Departmental Risk Officers.

The Departmental / Regional Heads are responsible for the management of risk in their areas of control and guide the Risk Officers in their Department. Risk Officer in each Department / Branch is responsible for the identification, measurement, monitoring, co-ordination of Risk Management activities in his / her Department and cascade the Risk Management initiatives within the team. Department risk limits are monitored through the functional / departmental risk appetite statements.

The Company has aligned its risk management practices with ISO 31000 standard on Risk Management and has been awarded a 'Statement of compliance' in respect of the same by British Standards Institution (BSI) recently.

vi. Details of number of claims intimated, disposed of and pending with details of duration

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
No. of claims outstanding at the beginning of the year	49,645	43,638	12,716	12,718	16,365	11,471
Add:						

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
No. of claims reported during the year	252,908	1,051,123	797,490	971,812	1,091,391	1,092,284
Less:						
No. of claims settled during the year	253,527	1,044,457	765,637	970,510	1,094,042	1,086,529
No. of claims repudiated during the year	87	651	923	1,286	972	743
No. of Claims rejected during the year	-	8	8	18	24	118
No. of claims written back	-	-	-	-	-	-
No. of claims outstanding at the end of the year	**48,939**	**49,645**	**43,638**	**12,716**	**12,718**	**16,365**
Details of duration of outstanding claims						
Less than 3 months	3,489	3,417	19,182	7,362	7,980	11,666
3 months to 6 months	541	520	10,029	1,335	1,406	2,453
6 months to 1 year	7,189	12,423	8,191	1,963	1,126	1,264
1 year and above	37,720	33,285	6,236	2,056	2,206	982

vii. Payments made to group entities from Policyholders Funds

Refer Annexure XXIX: Restated Standalone Statement of Related Party Transactions

viii. Any other matters, which have material impact on the insurer's financial position

Nil

ix. Disclosure on additional works given to auditors

Pursuant to Corporate Governance guidelines issued by IRDAI, the additional works (other than statutory/internal audit) given to the auditors are detailed below:

(₹ in million)

Particulars	Services rendered	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Statutory Auditors	Certifications #	0.19	1.75	1.74	1.65	1.56	1.74
Concurrent Auditors	Certifications	-	0.02	-	0.04	0.02	-
Internal Auditors	Certifications	-	-	-	-	-	0.85

includes fees paid for quarterly limited review of financial statements

23. Age-wise analysis for policyholders' - unclaimed amount

i. As per IRDA guidelines, the details of the unclaimed amounts of the policyholders or insured's are mentioned below:

As at June 30, 2017

(₹ in million)

Age wise Analysis	Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders	Sum due to the insured or policy-holders on maturity or otherwise	Any excess collection of the premium or 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 policy-holder or insured
Up to 1 month	7.09	437.46	38.52	119.07
1-6 months	22.66	1,257.88	120.03	1,389.39
7-12 months	19.79	589.42	160.57	11.10
13-18 months	14.94	308.28	34.34	151.63
19-24 months	2.42	130.44	15.43	318.57
25-30 months	-	69.92	0.34	9.49
31-36 months	-	56.94	0.05	8.45
Beyond 36 months	-	66.49	1.12	131.05
Total	**66.90**	**2,916.83**	**370.40**	**2,138.75**

As at March 31, 2017

(₹ in million)

Age wise Analysis	Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders	Sum due to the insured or policy-holders on maturity or otherwise	Any excess collection of the premium or 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 policy-holder or insured
Up to 1 month	15.28	1,013.13	28.89	99.48
1-6 months	39.17	1,078.52	126.13	293.54
7-12 months	20.27	491.12	146.79	322.67
13-18 months	13.31	418.11	19.57	1,249.23
19-24 months	0.22	65.07	0.25	2.66
25-30 months	-	91.24	-	5.72
31-36 months	-	58.52	-	1.53
Beyond 36 months	-	55.20	1.14	26.28
Total	**88.25**	**3,270.91**	**322.77**	**2,001.11**

As at March 31, 2016

(₹ in million)

Age wise Analysis	**Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders**	**Sum due to the insured or policy-holders on maturity or otherwise**	**Any excess collection of the premium or 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 policy-holder or insured**
Up to 1 month	50.15	1,518.06	3.83	37.92
1-6 months	59.76	2,485.58	15.16	179.74
7-12 months	1.84	261.85	11.06	284.11
13-18 months	-	264.88	-	193.75
19-24 months	-	163.00	-	333.53
25-30 months	-	85.35	0.10	82.82
31-36 months	-	28.61	0.15	86.64
Beyond 36 months	-	42.65	0.83	342.40
Total	**111.75**	**4,849.98**	**31.13**	**1,540.91**

As at March 31, 2015

(₹ in million)

Age wise Analysis	**Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders**	**Sum due to the insured or policy-holders on maturity or otherwise**	**Any excess collection of the premium or 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 policy-holder or insured**
Up to 1 month	-	977.15	141.80	25.29
1-6 months	-	1,101.12	4.28	251.43
7-12 months	-	568.35	0.17	402.10
13-18 months	-	239.86	0.34	96.92
19-24 months	-	92.68	0.21	96.52
25-30 months	-	52.96	0.13	62.13
31-36 months	-	8.72	0.41	82.03
Beyond 36 months	-	-	1.00	215.01
Total	**-**	**3,040.84**	**148.34**	**1,231.43**

As at March 31, 2014

(₹ in million)

Age wise Analysis	Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders	Sum due to the insured or policy-holders on maturity or otherwise	Any excess collection of the premium or 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 policy-holder or insured
Up to 1 month	2.60	1,158.52	112.62	38.08
1-6 months	11.92	1,255.05	3.67	127.09
7-12 months	10.72	461.98	1.94	124.42
13-18 months	8.44	262.32	0.62	70.92
19-24 months	3.48	66.49	0.84	97.52
25-30 months	2.02	18.13	0.54	42.30
31-36 months	0.60	8.99	0.24	39.83
Beyond 36 months	1.58	1.41	0.91	147.85
Total	**41.36**	**3,232.89**	**121.38**	**688.01**

As at March 31, 2013

(₹ in million)

Age wise Analysis	Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders	Sum due to the insured or policy-holders on maturity or otherwise	Any excess collection of the premium or 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 policy-holder or insured
Up to 1 month	3.05	1,528.00	94.69	65.33
1-6 months	11.37	1,341.55	25.75	44.43
7-12 months	4.06	375.89	5.30	129.15
13-18 months	3.84	57.85	2.30	45.30
19-24 months	1.76	11.16	1.30	42.35
25-30 months	0.73	1.05	-	41.79
31-36 months	0.30	-	-	45.56
Beyond 36 months	0.93	0.65	0.56	81.78
Total	**26.04**	**3,316.15**	**129.90**	**495.69**

ii. Details of unclaimed amounts and investment income thereon are as follows:

Pursuant to IRDAI circular on "Handling of unclaimed amounts pertaining to policyholders" dated July 24, 2015, the Company has created a single segregated unclaimed fund on April 01, 2016 to manage all the unclaimed amounts pertaining to policyholders.

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017
Opening Balance	**5,683.04**	**6,533.77**
Add : Amount transferred to unclaimed amount	2,903.29	18,478.33
Add : Cheques issued out of the unclaimed amount but not encashed by the policyholders	16.11	28.67
Add: Investment Income	82.35	443.07
Less: Amount paid during the year	3,191.91	19,800.80
Closing Balance	**5,492.88**	**5,683.04**

24. Discontinued policies

a. As per IRDA guidelines, the details of discontinued policies for ULIP are mentioned below:

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Number of policies discontinued	49,433	127,501	98,775	86,108	83,992	75,594
Number of the policies revived	3,012	28,968	24,060	21,149	19,218	10,365
Percentage of the policies revived	6.09%	22.72%	24.36%	24.56%	22.88%	13.70%
Charges imposed on account of discontinued policies (₹ in million)	70.86	162.52	113.26	108.13	116.12	122.30
Charges readjusted on account of revival of discontinued policies (₹ in million)	6.17	58.05	43.89	36.41	39.94	21.26

b. As per IRDA guidelines, the details of discontinued policies for Traditional VIP are mentioned below:

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Number of policies discontinued	3,783	11,416	8,792	228	-	-
Number of the policies revived	250	2,451	1,306	48	-	-
Percentage of the policies revived	6.60%	21.47%	14.85%	21.05%	-	-
Charges imposed on account of discontinued policies (₹ in million)	5.61	18.26	16.15	0.32	-	-

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Charges readjusted on account of revival of discontinued policies (₹ in million)	0.55	5.80	3.18	0.10	-	-

c. Percentage of policies discontinued to total policies (product wise - ULIP):

Product Name	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Smart Performer	0.46	2.62	4.51	7.80	7.92	5.82
Smart Elite Plan Gold Cover	0.75	2.49	4.63	3.41	2.16	1.80
Smart Scholar	1.73	5.31	6.50	6.86	9.48	10.14
Unit Plus Super RP	1.08	2.54	3.56	6.95	7.54	9.51
Saral Maha Anand	1.73	6.89	12.01	9.03	14.42	27.70
Smart Elite Plan Platinum Cover	0.73	2.47	5.06	4.84	3.44	3.52
Smart Horizon	1.65	5.39	9.46	15.27	11.55	18.48
Unit Plus Super LP	1.50	5.32	8.71	12.53	7.05	9.38
Smart Wealth Assure	0.01	0.22	0.11	0.04	0.01	-
Retire Smart LP	1.38	4.27	5.31	0.78	-	-
Retire Smart RP	2.28	7.54	9.03	4.41	-	-
Smart Power Insurance Increasing Cover	3.25	8.84	19.13	5.25	-	-
Smart Power Insurance Level Cover	3.17	10.99	22.76	6.71	-	-
Smart Wealth Builder	3.72	7.90	3.07	-	-	-
Smart Wealth Builder LP	2.69	5.77	2.88	-	-	-
eWealth Insurance	2.50	9.63	4.58	-	-	-
Smart Pension	-	0.12	-	-	-	-
Smart Privilege LP	0.17	0.05	-	-	-	-
Smart Privilege	0.10	0.12	-	-	-	-

d. Percentage of policies discontinued to total policies (product wise – Traditional VIP):

Product Name	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Flexi Smart Plus Gold Cover	2.97	9.57	8.06	0.27	-	-
Flexi Smart Plus Platinum Cover	3.36	10.41	14.25	0.69	-	-

e. Movement in funds for discontinued policies (Linked):

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening balance of funds for discontinued policies	19,269.59	16,526.48	16,711.44	8,335.70	3,481.41	713.86
Add: Fund of policies discontinued during the year	5,176.28	12,931.42	11,440.34	10,282.97	6,426.97	3,135.68
Less: Fund of policies revived during the year	(1,052.34)	(4,329.77)	(4,502.64)	(3,258.42)	(1,653.05)	(510.85)
Add: Net Income/ gains on investment of the Fund	356.19	1,520.53	1,662.80	1,443.38	118.35	156.96
Less: Fund Management Charges	(26.11)	(95.63)	(99.87)	(64.87)	(27.82)	(9.70)
Less: Amount refunded to policyholders during the year	(1,211.14)	(7,283.44)	(8,685.59)	(27.32)	(10.16)	(4.54)
Closing balance of funds for discontinued policies	**22,512.47**	**19,269.59**	**16,526.48**	**16,711.44**	**8,335.70**	**3,481.41**

f. Movement in funds for discontinued policies (Traditional VIP):

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Opening balance of funds for discontinued policies	1,475.07	462.81	6.24	-	-	-
Add: Fund of policies discontinued during the year	692.95	1,175.84	517.16	7.82	-	-
Less: Fund of policies revived during the year	(94.22)	(251.66)	(78.45)	(1.70)	-	-
Add: Net Income/ Gains on investment of the Fund	31.73	95.83	20.32	0.13	-	-
Less: Fund Management Charges	(2.35)	(5.22)	(1.32)	(0.01)	-	-
Less: Amount refunded to policyholders during the year	(0.19)	(2.53)	(1.14)	-	-	-
Closing balance of funds for discontinued policies	**2,102.99**	**1,475.07**	**462.81**	**6.24**	**-**	**-**

g. Funds for discontinued policies (Traditional VIP):

(₹ in million)

Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
(i) Discontinued on account of non-payment of premium	2,092.33	1,467.25	460.59	5.30	-	-
(ii) Others	10.66	7.82	2.22	0.94	-	-
Closing balance of funds for discontinued policies	**2,102.99**	**1,475.07**	**462.81**	**6.24**	**-**	**-**

25. Contribution made by the shareholders' to the policyholders' account

The following contributions have been made by the shareholders' to the policyholders' account which are irreversible in nature, and shall not be recouped to the shareholder's account at any point of time.

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Contribution by shareholders' to the policyholders' account	-	626.83	936.65	1,496.78	3,010.65	2,442.51

The transfer from the Shareholder's Account to the Policyholder's Account for the deficit reflected in the Policyholder's Account for the quarter ended June 30, 2017 will be considered while preparing the financial statements of the company for the year ending March 31, 2018.

26. Foreign Exchange gain/ (loss)

The amount of foreign exchange gain/ (loss) debited to Revenue account and Profit & Loss account is as follows:

(₹ in million)

Particulars	Quarter ended June 30, 2017	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Revenue Account	-	-	-	0.02	0.02	-
Profit & Loss Account	(0.15)	(5.24)	-	-	-	-

27. Penalty

As per IRDA guidelines, the details of various penal actions taken by various Government Authorities are mentioned below:

For the quarter ended June 30, 2017

(₹ in million)

Sr. No.	**Authority**	**Non-Compliance or Violation**	**Penalty Awarded**	**Penalty Paid**	**Penalty Waived or Reduced**
1	Insurance Regulatory and Development Authority	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 or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India *	NA	NA	NA	NA
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

*NA – Not Applicable

For the year ended March 31, 2017

(₹ in million)

Sr. No.	**Authority**	**Non-Compliance or Violation**	**Penalty Awarded**	**Penalty Paid**	**Penalty Waived or Reduced**
1	Insurance Regulatory and Development Authority	A Corporate Agent of the Company had sourced policies after expiry of license and had engaged unlicensed individuals of its group entities for soliciting insurance business	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 or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil

Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded	Penalty Paid	Penalty Waived or Reduced
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India *	NA	NA	NA	NA
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

*NA – Not Applicable

For the year ended March 31, 2016

(₹ in million)

Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded	Penalty Paid	Penalty Waived or Reduced
1	Insurance Regulatory and Development Authority	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 or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India *	NA	NA	NA	NA
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

*NA – Not Applicable

For the year ended March 31, 2015

(₹ in million)

Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded	Penalty Paid	Penalty Waived or Reduced
1	Insurance Regulatory and Development Authority	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 or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India *	NA	NA	NA	NA
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

*NA – Not Applicable

For the year ended March 31, 2014

(₹ in million)

Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded	Penalty Paid	Penalty Waived or Reduced
1	Insurance Regulatory and Development Authority	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 or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but	Nil	Nil	Nil	Nil

Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded	Penalty Paid	Penalty Waived or Reduced
	excluding compensation				
8	Securities and Exchange Board of India *	NA	NA	NA	NA
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

*NA – Not Applicable

For the year ended March 31, 2013

(₹ in million)

Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded	Penalty Paid	Penalty Waived or Reduced
1	Insurance Regulatory and Development Authority	Pursuant to IRDA order IRDA/LIFE/ORD/ MISC/215/09/2012 dated 18th September, 2012, penalty of ₹ 0.60 million has been levied	0.60	0.60	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 or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India *	NA	NA	NA	NA
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

*NA – Not Applicable

28. Loan Assets restructured during the year/ quarter are as follows:

(₹ in million)

Particulars	**Quarter ended June 30,2017**	**Year ended March 31,2017**	**Year ended March 31, 2016**	**Year ended March 31, 2015**	**Year ended March 31, 2014**	**Year ended March 31, 2013**
Total amount of Loan Assets subject to restructuring	Nil	Nil	Nil	Nil	Nil	Nil
Total amount of Standard Assets subject to restructuring	Nil	Nil	Nil	Nil	Nil	Nil
Total amount of Sub-Standard Assets subject to restructuring	Nil	Nil	Nil	Nil	Nil	Nil
Total amount of Doubtful Assets subject to restructuring	Nil	Nil	Nil	Nil	Nil	Nil

29. 'Net receivable to Unit linked Funds' in Annexure XVIB: Restated Statement of Assets held to cover linked liabilities, represents unitization pending for investment in Unit linked Funds.

The corresponding 'Receivable from Unit linked Funds/ Unclaimed Funds' and 'Payable to Unit linked Funds/ Unclaimed Funds' has been reported in Annexure XX: Restated Statement of Advances and other assets and Annexure XXI: Restated Statement of Current Liabilities respectively as follows:

(₹ in million)

As on	**Particulars**	**Annexure XVIB**	**Annexure XX**	**Annexure XXI**
June 30, 2017	Receivable / (Payable) to Unit Linked Funds	430.15	334.93	(765.08)
	Receivable / (Payable) to Unclaimed Funds	-	83.11	(83.11)
	Total	**430.15**	**418.04**	**(848.19)**
March 31, 2017	Receivable / (Payable) to Unit Linked Funds	4,323.15	1,646.60	(5,969.75)
	Receivable / (Payable) to Unclaimed Funds	-	26.78	(26.78)
	Total	**4,323.15**	**1,673.38**	**(5,996.53)**
March 31, 2016	Receivable / (Payable) to Unit Linked Funds	4,723.06	2,050.71	(6,773.77)
March 31, 2015	Receivable / (Payable) to Unit Linked Funds	4,151.65	1,120.26	(5,271.91)
March 31, 2014	Receivable / (Payable) to Unit Linked Funds	3,213.28	1,330.04	(4,543.32)
March 31, 2013	Receivable / (Payable) to Unit Linked Funds	2,271.06	1,456.58	(3,727.64)

30. Participation in Joint Lenders Forum formed under Reserve Bank of India (RBI) Guidelines

The Company has not participated in any Joint Lenders Forum formed under RBI guidelines for loan accounts which could turn into potential NPAs.

31. Corporate Social Responsibility

The Company has provided ₹ 39.28 million for the quarter ended June 30, 2017 and has spent ₹ 128.45 million in the year ended March 31, 2017, ₹ 99.43 million in the year ended March 31, 2016 and ₹ 81.17 million in the year ended March 31, 2015 towards Corporate Social Responsibility activities mentioned in Schedule VII of The Companies Act, 2013 as given below:

(₹ in million)

Sector in which project is covered	Project details	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Education	The Company has provided support towards the cost of education, nutrition and overall development of underprivileged children from the society, to give equal opportunity of learning to all. The Company has also contributed towards the cost of employment enhancing vocational skills of women and differently abled children.	26.81	14.99	3.25
Education	The Company has contributed towards the infrastructure development of school premises, playgrounds and classrooms, digital equipment for building smart classrooms, sanitation facilities, kitchen facilities to various schools in rural areas and training tribal children.	31.66	2.03	5.39
Education	The Company has provided for educational kits, Braille kits for the visually challenged children, hearing aids for the hearing impaired and basic essentials (school uniforms) and learning materials that aid the overall learning of the underprivileged and differently-abled children and this support has helped schools to improve the attendance and retention of their students.	7.21	50.15	8.18
Healthcare	The Company has contributed towards procurement of various medical facilities for the hospitals and healthcare institutes, preventive care measures for cancer and screening, improvement of nutrition of young mothers and infants from disadvantaged sections of the society and paediatric eye treatment for the less fortunate children.	17.65	13.34	13.37
Skill Development	The Company has contributed towards vocational training and skill development of people from disadvantaged sections of the society in order to enhance their livelihood opportunities.	16.26	-	-

Sector in which project is covered	Project details	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Environment	The Company has contributed towards making a greener planet by planting saplings, maintaining the plantations, conservation of natural resources and rejuvenation of river Ganga	9.13	1.10	13.68
Rural Development and Sanitation	The Company has contributed towards providing basic amenities like sanitation facilities, safe drinking water, solar lights in the villages which are remotely located and building of lavatories in rural and urban areas	2.73	1.25	15.00
Prime Minister’s Relief Fund and Swachh Bharat Kosh	The Company has contributed for Prime Minister's Relief Fund and Swachh Bharat Kosh for improving cleanliness levels in rural and urban areas. The Company has also provided relief materials to the victims of Jammu & Kashmir flood.	17.00	16.57	22.30
Total		**128.45**	**99.43**	**81.17**

i. Gross amount required to be spent by the company during the year - ₹ 125.76 million in the year ended March 31, 2017, ₹ 99.37 million in the year ended March 31, 2016 and ₹ 81.09 million in the year ended March 31, 2015.

ii. Amount spent during the year on:

(₹ in million)

Year ended	Particulars	In cash	Yet to be paid in cash	Total
March 31, 2017	Construction/ acquisition of any asset	Nil	Nil	Nil
	On purposes other than mentioned above	128.45	Nil	128.45
March 31, 2016	Construction/ acquisition of any asset	Nil	Nil	Nil
	On purposes other than mentioned above	99.43	Nil	99.43
March 31, 2015	Construction/ acquisition of any asset	Nil	Nil	Nil
	On purposes other than mentioned above	81.17	Nil	81.17

32. Disclosure on Specified Bank Notes (SBN)

In accordance with proviso (2) of sub-section (1) of Section 129 of Companies Act, 2013, the Company is not required to present its financial statements as per Schedule III of the Companies Act, 2013. Hence, the disclosure requirement regarding the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 as envisaged in notification G.S.R. 308(E) dated March 30, 2017 is not applicable to the Company.

33. Segment reporting

In accordance with the Accounting regulations read with Accounting Standard – 17 on “Segment reporting” notified under Section 133 of the Companies Act, 2013, read together with Paragraph 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, life insurance companies are required to prepare Segmental Revenue Account and Segmental Balance Sheet. The Company’s business is segmented into traditional -par business, non-par business and unit-linked business. Since the Company has conducted business only in India, the same is considered as one geographical segment. The accounting policies used in segmental reporting are same as those used in the preparation of the financial statements.

(a) Segmental Revenue Account

The methodology for determining segmental revenue and expenses adopted in the current year/ quarter is described below:

Premium income, commission, investment income and profit or loss on sale or disposal of investments is directly allocated to the respective segments to which they relate. Within the Non-Participating segment, investment income and profit or loss on sale or disposal of investments are directly allocated if a segregated investment portfolio is maintained. The remaining investment income and profit or loss on sale of investments is apportioned on the basis of the average policy liabilities in the individual business and the group business.

Operating expenses that are directly attributable and identifiable to the business segments are allocated on actual basis. Other operating expenses, which are not directly identifiable and attributable, are allocated after considering the following:

i. Cost centres identified by the Management
ii. Channels used for the business segments
iii. Gross premium, new business premium and renewal premium
iv. New lives added during the year/ quarter
v. Total number of lives covered as at the end of the year/ quarter
vi. Average number of employees in the Company
vii. New business sum assured
viii. Actuarial Liability

(b) Segmental Balance Sheet

Investments are effected from the respective funds and have been reflected accordingly. Fixed assets have been allocated to shareholders funds, net current assets have been directly allocated among shareholders, life business, pension business, group gratuity and unit – linked business segments. Other net current assets have been allocated to life business and pension business in the ratio of the respective policy liabilities as at the year/ quarter end.

Within life business, certain assets and liabilities have been directly identified to the respective segments. Other assets and liabilities under Life business have been allocated in the ratio of the respective policy liabilities as at the year/ quarter end.

Refer Annexure VIII: Restated Statement on Segment Disclosure.

34. Disclosure relating to Controlled Fund

Computation of Controlled fund as per the Balance Sheet

(₹ in million)

Particulars	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**	**As at March 31, 2013**
Policyholders' Fund (Life Fund)					
Participating	**160,564.29**	**121,163.03**	**86,163.48**	**58,654.83**	**41,497.32**
Individual Assurance	133,774.23	102,253.97	74,303.95	51,604.15	36,384.34
Individual Pension	10,327.91	8,411.54	6,723.82	5,621.25	5,037.98
Group Pension	88.57	90.68	80.68	77.05	75.00
Individual Variable Insurance	16,373.58	10,406.84	5,055.03	1,352.38	-
Non-participating	**322,673.28**	**275,178.67**	**242,440.09**	**209,295.57**	**187,863.61**
Individual Assurance	69,500.35	61,054.66	47,587.14	30,141.65	15,401.01
Individual Pension	4,273.23	5,358.57	5,502.03	4,930.56	3,820.54
Group Assurance	198,455.01	171,075.68	158,656.68	155,846.92	156,011.28
Annuity	24,222.51	22,246.29	19,665.43	16,531.03	12,630.78
Group Variable Insurance	26,222.18	15,443.47	11,028.81	1,845.41	-
Linked	**445,730.33**	**360,216.55**	**348,086.09**	**285,898.51**	**265,260.18**
Individual Assurance	407,299.01	330,202.15	316,039.57	253,288.67	225,185.02
Individual Pension	36,273.11	28,092.85	30,479.05	31,177.11	38,635.02
Group Gratuity	2,158.21	1,921.55	1,567.47	1,432.73	1,440.14
Funds for Future Appropriations - Linked	-	2.31	14.63	74.26	218.41
Funds for Future Appropriations - Others	-	-	58.62	44.95	14.23
Credit/(Debit) Fair Value Change Account	7,763.77	3,354.01	5,008.21	2,618.93	829.01
Total (A)	**936,731.67**	**759,914.57**	**681,771.12**	**556,587.05**	**495,682.76**
Shareholders' Fund					
Paid up Capital	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Reserves & Surplus	44,647.82	36,906.65	29,909.91	23,201.17	17,093.59
Fair Value Change	872.98	424.36	653.49	362.04	270.60
Total (B)	**55,520.80**	**47,331.01**	**40,563.40**	**33,563.21**	**27,364.19**
Misc. expenses not written off	-	-	-	-	-
Credit / (Debit) from P&L A/c.	-	-	-	-	-
Total (C)	**-**	**-**	**-**	**-**	**-**
Total shareholders' funds (B+C)	**55,520.80**	**47,331.01**	**40,563.40**	**33,563.21**	**27,364.19**
Controlled Fund (Total (A+B+C))	**992,252.47**	**807,245.58**	**722,334.52**	**590,150.26**	**523,046.95**
Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account					
Opening Balance of Controlled Fund	807,245.58	722,334.52	590,150.26	523,046.95	469,357.04
Add: Inflow					
Income:					
Premium Income	210,151.35	158,253.64	128,671.10	107,834.38	104,132.19
Less: Reinsurance ceded	(1,626.82)	(1,599.14)	(871.10)	(814.98)	(679.19)
Net Premium	**208,524.53**	**156,654.50**	**127,800.00**	**107,019.40**	**103,453.00**
Investment Income	92,949.84	33,409.14	102,429.15	63,539.98	43,739.49
Other Income	673.93	196.95	138.94	124.19	120.24
Funds transferred from Shareholders' Accounts	626.83	936.65	1,496.78	3,010.65	2,442.51
Total Income	**302,775.13**	**191,197.24**	**231,864.87**	**173,694.22**	**149,755.24**
Less: Outgo					
(i) Benefits paid (Net)	95,261.42	79,585.51	81,976.85	87,802.02	77,787.83
(ii) Interim & Terminal Bonuses Paid	240.57	73.72	26.82	15.14	6.86
(iii) Change in Valuation of Liability	172,409.64	79,868.59	122,840.77	59,227.78	47,411.36
(iv) Commission	7,833.42	7,142.58	6,037.13	5,576.13	5,099.85
(v) Operating Expenses	16,468.63	14,814.08	11,679.90	10,897.87	10,013.14
(vi) Service Tax on charges	2,265.77	1,702.02	1,290.14	1,192.95	1,346.63
(vii) Provision for Taxation	1,798.34	1,518.75	1,097.78	884.49	598.53
(a) FBT	-	-	-	-	-
(b) I.T.	1,798.34	1,518.75	1,097.78	884.49	598.53
Provisions (other than taxation)	(46.29)	45.71	(111.25)	(22.18)	143.30
(a) For diminution in the value of investments (net)	(48.29)	40.96	(111.25)	(22.18)	143.30
(b) Others	2.00	4.75	-	-	-
Total Outgo	**296,231.50**	**184,750.96**	**224,838.14**	**165,574.20**	**142,407.50**
Surplus of the Policyholders' Fund	**6,543.63**	**6,446.28**	**7,026.73**	**8,120.02**	**7,347.74**
Less: transferred to Shareholders' Account	6,545.94	6,517.23	7,072.69	8,233.45	7,410.51
Net Flow in Policyholders' account	**(2.31)**	**(70.95)**	**(45.96)**	**(113.43)**	**(62.77)**
Add: Net income in Shareholders' Fund	9,546.53	8,441.03	8,148.67	7,277.53	6,301.12
Net In Flow / Outflow	**9,544.22**	**8,370.08**	**8,102.71**	**7,164.10**	**6,238.35**
Add: change in valuation Liabilities	172,409.64	79,868.59	122,840.77	59,227.78	47,411.36
Add: Increase in Paid up Capital	-	-	-	-	-
Less: Interim dividend and dividend distribution tax	1,805.36	1,444.29	1,439.93	1,169.95	581.13
Less: Corporate social responsibility expenses	-	-	-	-	-
Closing Balance of Controlled Fund as per cash flow	987,394.08	809,128.91	719,653.78	588,268.89	522,425.62
Change in fair value change	4,858.39	(1,883.33)	2,680.74	1,881.37	621.33
Closing Balance of Controlled Fund	**992,252.47**	**807,245.58**	**722,334.52**	**590,150.26**	**523,046.95**
As Per Balance Sheet	**992,252.47**	**807,245.58**	**722,334.52**	**590,150.26**	**523,046.95**
Difference, if any	**-**	**-**	**-**	**-**	**-**

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
Reconciliation with Shareholders' and Policyholders' Fund					
Policyholders' Funds					
Policyholders' Funds - Traditional-PAR and NON-PAR					
Opening Balance of the Policyholders' Fund with change in fair value	399,695.71	333,670.40	270,614.28	230,204.17	183,014.91
Add: Surplus of the Revenue Account	-	(58.62)	13.67	30.72	(74.11)
Add: Change in valuation Liabilities	86,895.88	67,738.13	60,653.17	38,589.48	46,545.45
Total as per cash flow	**486,591.59**	**401,349.91**	**331,281.12**	**268,824.37**	**229,486.25**
Change in fair value change	4,409.76	(1,654.20)	2,389.28	1,789.91	717.92
Total	**491,001.35**	**399,695.71**	**333,670.40**	**270,614.28**	**230,204.17**
As per Balance Sheet	**491,001.35**	**399,695.71**	**333,670.40**	**270,614.28**	**230,204.17**
Difference, if any	**-**	**-**	**-**	**-**	**-**
Policyholders' Funds - Linked					
Opening Balance of the Policyholders' Fund	360,218.86	348,100.72	285,972.77	265,478.59	264,681.54
Add: Surplus of the Revenue Account	(2.31)	(12.32)	(59.64)	(144.15)	(68.86)
Add: change in valuation Liabilities	85,513.78	12,130.46	62,187.59	20,638.32	865.92
Total	**445,730.33**	**360,218.86**	**348,100.72**	**285,972.76**	**265,478.60**
As per Balance Sheet	**445,730.33**	**360,218.86**	**348,100.72**	**285,972.76**	**265,478.60**
Difference, if any	**-**	**-**	**-**	**-**	**-**
Shareholders' Funds					
Opening Balance of Shareholders' Fund	47,331.01	40,563.40	33,563.21	27,364.19	21,740.80
Add: net income of Shareholders' account (P&L)	9,546.53	8,441.03	8,148.67	7,277.53	6,301.12
Add: Infusion of Capital	-	-	-	-	-
Less: Interim dividend and dividend distribution tax	1,805.36	1,444.29	1,439.93	1,169.95	581.13
Less: Corporate social responsibility expenses	-	-	-	-	-
Closing Balance of the Shareholders' fund as per cash flow	**55,072.18**	**47,560.14**	**40,271.95**	**33,471.77**	**27,460.79**
Change in fair value change	448.62	(229.13)	291.45	91.44	(96.60)
Closing Balance of the Shareholders' fund	**55,520.80**	**47,331.01**	**40,563.40**	**33,563.21**	**27,364.19**
As per Balance Sheet	**55,520.80**	**47,331.01**	**40,563.40**	**33,563.21**	**27,364.19**
Difference, if any	**-**	**-**	**-**	**-**	**-**

Note: Since this is an annual compliance requirement, disclosures for the quarter ended June 30, 2017 have not been provided

Annexure – VI: Notes on Adjustments 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 quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Profit after tax as per audited financial statements	**3,134.48**	**9,546.53**	**8,610.34**	**8,200.42**	**7,401.34**	**6,221.71**
A. Adjustments due to change in accounting policy						
Impact on depreciation and gain or loss on disposal/deletion of fixed assets due to change in the method of depreciation from written down value (WDV) to straight line method (SLM)	-	-	(269.44)	48.94	118.74	20.81
Impact on Premium income, Commission Expense and Change in Valuation of Liabilities with respect to Variable Insurance Products (VIP) due to change in recognition of premium income when the Policy Account Value is credited	-	-	-	-	13.56	66.64
B. Other Adjustments						
Adjustment for provision for litigation cases	-	-	10.00	-	-	-
Adjustment of provision written back which is no longer required	-	-	-	-	(239.76)	-
Regrouping of CSR in P&L account from P&L appropriation account	-	-	-	(81.17)	-	-
Adjustment in Par surplus on account of restatement adjustment transferred to FFA	-	-	58.62	(13.67)	(30.72)	(6.10)
C. Deferred Tax impact of adjustments in (A) and (B)	-	-	31.51	(5.85)	14.37	(1.94)
Total adjustment (A) + (B) + (C)	**-**	**-**	**(169.31)**	**(51.75)**	**(123.81)**	**79.41**
Profit after tax as per Restated Summary Financial Information	**3,134.48**	**9,546.53**	**8,441.03**	**8,148.67**	**7,277.53**	**6,301.12**

(A) Changes in accounting policy

(1) Change in method of depreciation from Written Down Value Method to Straight Line Value Method

During the year ended March 31, 2016, the Company has changed the method of depreciation from Written Down Value method to Straight Line Method in respect of all assets other than information technology equipment, servers & networks and leasehold improvements, which are already being depreciated on SLM. Retrospective impact of this change was recorded in the audited financial statements for the year ended March 31, 2016. For the purpose of restatement, this change in accounting policy and the consequential adjustments on account of depreciation have been restated in the Statement of Summary Financial information for the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013. Adjustment related to financial years prior to March 31, 2013 has been adjusted in the opening balance of the Restated Summary of Financial Information as at April 01, 2012.

(2) Change in method of recognition of premium income on variable insurance products (VIPs)

During the year ended March 31, 2014, the Company has changed the policy for recognition of premium income in respect of VIPs from recognizing income when due to recognizing income when the Policy Account Value is credited. The premium income, commission expense and change in valuation of liabilities in respect of variable insurance products (VIPs) recognized in the Revenue account, Outstanding Premium presented in Other Assets, accrued commission in current liability and Policy liabilities have been restated in each of the financial years ended March 31, 2014, March 31, 2013 and opening balance of the Restated Summary of Financial Information as at April 01, 2012.

(B) Other Adjustments

In the financial statements for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, certain items of income/expenses have been identified as adjustments pertaining to earlier years. These adjustments were recorded in the year in which they were identified. However, for the purpose of Restated Summary Financial Information, such adjustments have been appropriately recorded in the respective years to which the transactions pertain. Adjustments related to financial years prior to year ended March 31, 2013 have been adjusted against the opening balance of the Restated Summary Statement of Profit and Loss Account as at April 01, 2012. The details of such adjustments are as under:

(1) Adjustment for provision of litigation cases

In the audited financial statements, the Company had created provision for probable litigation cases of earlier years in the year of receipt of court order or in the year of change in assessment of litigation cases by the Company. For the purpose of Restated Summary Financial Information, provisions for litigation cases pertaining to earlier years accounted for during the years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 have been adjusted in the respective financial years to which they pertain. Adjustments related to financial years prior to year ended March 31, 2013 have been adjusted against the opening balance of the Restated Summary Statement of Profit and Loss Account as at April 01, 2012.

(2) Adjustments for balances written back

In the audited financial statements of the Company for the year ended March 31, 2014 certain liabilities created in earlier years were written back. For the purpose of this statement, the said liabilities have been appropriately adjusted in the respective years in which they were originally created.

(3) Corporate Social Responsibility

In the audited financial statements of the Company for the year ended March 31, 2015 expenses incurred on Corporate Social Responsibility activities were recognized an item of appropriation of profits. Pursuant to the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities issued on May 15, 2015, these expenses were required to be recognized in the Profit and Loss Account. Accordingly, for the purpose of restatement, the said appropriation has adjusted in the Restated Summary Statement of Profit and Loss Account for the year ended March 31, 2015.

(C) Tax impact of adjustments

The tax impact has been computed on adjustments (where applicable) made as detailed above in Note A and Note B and has been adjusted in the restated profits and losses for the quarter ended June 30, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the balance brought forward in the Restated Summary Statement of Profit and Loss Account as at April 01, 2012.

2. Material regroupings

Appropriate adjustments have been made in the Restated Summary Financial Information, 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, 2017.

3. Reclassification of Opening Net Worth as on April 01, 2012:

(₹ in million)

Particulars	Amount
Net worth as at April 01, 2012 as per audited financial statements	**21,556.50**
Impact on depreciation and gain or loss on disposal/deletion of fixed assets due to change in the method of depreciation from written down value (WDV) to straight line method (SLM)	80.95
Impact of income and expense of Variable Insurance Products (VIP) due to change in recognition of premium income to the date when the Policy Account Value is credited	(80.20)
Adjustment for provision for litigation cases	(10.00)
Adjustment of provision written back which is no longer required	239.76
Adjustment in Par surplus on account of restatement adjustment	(8.13)
Deferred Tax impact of adjustments	(38.09)
Total adjustment	**184.29**
Net worth as at April 01, 2012 as per Restated Summary Financial Information	**21,740.79**

Annexure - VII : Restated statement of Accounting Ratios

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	**New business premium income growth (segment-wise)**						
	(New business premium for current period less new business premium of previous period divided by new business premium for previous period)						
	Participating Life	30.87%	-23.82%	1.56%	46.08%	45.81%	14.80%
	Participating Pension	88.86%	-64.01%	-11.12%	-9.86%	1112.01%	1231.42%
	Group Pension	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Non Participating	-42.57%	63.32%	12.42%	-22.37%	-14.69%	-12.21%
	Linked Life	53.35%	55.09%	69.74%	41.21%	-4.28%	-42.88%
	Linked Group	1110.78%	-64.06%	-31.34%	593.04%	10.03%	-25.41%
	Linked Pension	93.57%	121.33%	77.18%	204.96%	5439.01%	-95.98%
2	**Net retention ratio**	99.33%	99.23%	98.99%	99.32%	99.24%	99.35%
	(Net premium divided by gross premium)						
3	**Ratio of expenses of management [Refer notes (a) below]**	14.18%	11.56%	13.87%	13.77%	15.27%	14.50%
	(Expenses of management divided by the total gross direct premium)						
4	**Commission ratio**	4.36%	3.73%	4.51%	4.69%	5.17%	4.90%
	(Gross Commission paid divided by Gross Premium)						
5	**Ratio of policyholders' liabilities to shareholders' funds** [Refer note (b) below]	1642.03%	1687.17%	1605.53%	1680.75%	1658.32%	1811.43%
6	**Growth rate of shareholders' funds** [Refer note (b) below]	5.88%	17.30%	16.68%	20.86%	22.65%	25.87%
7	**Ratio of surplus / (deficit) to policy holders' liability**	0.27%	0.70%	0.85%	1.03%	1.46%	1.48%
8	**Change in net worth (₹ in million)** [Refer note (b) below]	3,267.18	8,189.79	6,767.61	7,000.19	6,199.02	5,623.38
9	**Profit after tax / Total income**	4.82%	3.11%	4.34%	3.47%	4.14%	4.16%
10	**(Total Real Estate + Loans) / Cash and invested assets**	0.55%	0.57%	0.45%	0.34%	0.41%	0.46%
11	**Total Investments / (Capital + Surplus)** [Refer notes (c) below]	1751.85%	1788.48%	1701.84%	1787.50%	1761.39%	1916.04%
12	**Total Affiliated Investments / (Capital + Surplus)**	21.37%	20.77%	29.06%	31.40%	27.28%	36.07%
13	**Investment yield (gross and net)**						
	A. With Realized Gains						
	Policyholders' Funds :						
	Non Linked						
	Par	8.92%	8.65%	8.40%	9.84%	8.70%	8.85%
	Non Par	9.52%	9.16%	9.42%	9.89%	9.19%	9.30%
	Sub -Total : Non-Linked	9.32%	9.00%	9.14%	9.88%	9.09%	9.23%
	Linked						
	Par	NA	NA	NA	NA	NA	NA
	Non Par	9.97%	11.04%	10.80%	24.09%	8.93%	7.95%
	Sub - Total : Linked	9.97%	11.04%	10.80%	24.09%	8.93%	7.95%
	Grand Total	9.61%	9.93%	9.91%	16.41%	9.01%	8.52%
	Shareholders' Funds	10.04%	9.70%	9.24%	9.78%	9.13%	9.03%
	B. With Unrealized Gains						
	Policyholders' Funds :						
	Non Linked						
	Par	17.30%	13.36%	6.82%	20.91%	4.68%	12.81%
	Non Par	12.18%	12.02%	8.30%	16.88%	5.95%	12.33%
	Sub - Total : Non-Linked	13.90%	12.45%	7.89%	17.83%	5.70%	12.41%
	Linked						
	Par	NA	NA	NA	NA	NA	NA
	Non Par	13.45%	14.39%	0.57%	27.59%	16.77%	10.07%
	Sub - Total : Linked	13.45%	14.39%	0.57%	27.59%	16.77%	10.07%
	Grand Total	13.69%	13.35%	4.28%	22.70%	11.35%	11.08%
	Shareholders' Funds	11.85%	12.28%	8.17%	16.20%	6.11%	10.32%
14	**Conservation Ratio**	86.96%	81.44%	81.72%	84.19%	72.83%	59.53%
	Participating Life	88.81%	84.92%	85.18%	86.00%	86.51%	85.06%
	Participating Pension	90.21%	88.25%	85.24%	78.55%	82.24%	88.54%
	Group Pension	126.83%	100.00%	82.82%	88.38%	73.87%	100.00%
	Non Participating	87.53%	82.25%	85.19%	83.76%	81.37%	52.38%
	Linked Life	84.68%	77.87%	77.06%	84.24%	65.87%	55.62%
	Linked Group	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Linked Pension	91.43%	86.29%	81.61%	74.53%	57.55%	67.38%

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
15	**Persistency Ratio (based on no. of policies)**						
	For 13th month	69.28%	68.81%	67.43%	69.87%	67.13%	64.53%
	For 25th month	59.70%	58.03%	61.07%	57.91%	52.81%	59.55%
	For 37th month	54.41%	55.46%	51.81%	47.27%	42.31%	31.99%
	For 49th Month	45.42%	39.50%	42.50%	36.54%	25.66%	17.41%
	for 61st month	37.21%	37.19%	27.44%	20.74%	16.89%	17.88%
	Persistency Ratio (based on premium)						
	For 13th month	78.93%	77.71%	77.05%	76.42%	75.20%	75.49%
	For 25th month	69.76%	68.96%	69.51%	68.28%	67.80%	68.43%
	For 37th month	62.85%	62.95%	62.57%	62.06%	46.26%	27.01%
	For 49th Month	57.29%	54.51%	58.37%	41.98%	21.12%	10.11%
	For 61st month	44.17%	44.19%	23.69%	14.15%	7.86%	7.89%
	[Refer note (h) below]						
16	**Persistency Ratio (based on no. of policies)**						
	For 13th month	73.90%	73.34%	72.69%	73.97%	71.73%	68.48%
	For 25th month	65.86%	64.73%	66.22%	63.74%	60.26%	73.30%
	For 37th month	60.94%	61.22%	58.26%	55.51%	64.93%	47.97%
	For 49th Month	51.80%	46.71%	50.87%	56.77%	41.75%	25.60%
	for 61st month	46.81%	46.06%	48.56%	35.30%	25.73%	28.06%
	Persistency Ratio (based on premium)						
	For 13th month	81.97%	81.07%	80.69%	79.27%	79.61%	86.20%
	For 25th month	74.81%	73.86%	73.17%	73.92%	82.40%	80.48%
	For 37th month	67.19%	67.36%	69.19%	79.17%	72.28%	59.89%
	For 49th Month	63.00%	62.46%	76.90%	64.54%	54.54%	24.35%
	for 61st month	64.62%	67.18%	53.78%	40.65%	19.75%	25.51%
	[Refer note (i) below]						
17	**NPA ratio**						
	Gross NPA Ratio	NIL	NIL	NIL	NIL	NIL	NIL
	Net NPA Ratio	NIL	NIL	NIL	NIL	NIL	NIL
18	**Solvency Ratio**	2.11	2.04	2.12	2.17	2.23	2.16
19	**Basic EPS (in ₹)** [Refer note (d) and (j) below]	3.13	9.55	8.44	8.15	7.28	6.30
20	**Diluted EPS (in ₹)** [Refer note (e) and (j) below]	3.13	9.55	8.44	8.15	7.28	6.30
21	**Return on net worth** [Refer note (f) and (j) below]	5.48%	18.56%	19.21%	21.99%	23.89%	25.66%
22	**Net Asset Value per Share (in ₹)** [Refer note (g) below]	58.79	55.52	47.33	40.56	33.56	27.36

Notes:-

(a) Expenses of Management = Operating Expenses + Commission

(b) Policyholders' Liabilities = Policy Liabilities + Credit / (Debit) Fair Value Change Account + Funds for Future Appropriation

Shareholders' Funds = Share Capital + Reserves & Surplus + Credit/(Debit) Fair Value Change Account- Debit Balance in Profit and Loss Account

Net Worth = Share Capital + Reserves and Surplus + Credit / (Debit) Fair Value Change Account - Debit Balance in Profit and Loss Account

(c) Capital + Surplus = Share Capital + Reserves and Surplus

Total Investments = Shareholders' Investments + Policyholders' Investments

(d) Basic EPS = Restated Profit after tax for the quarter/ year ÷ Weighted average number of equity shares

(e) Diluted EPS = Restated Profit after tax for the quarter/ year ÷ Weighted average dilutive number of equity shares

(f) Return on Net Worth (%) = Restated profit after tax for the quarter/ year ÷ Average of Restated Net worth at the beginning and end of the quarter/ year

(g) Net Assets Value per Share (in ' ₹) = Restated Net Worth at the end of the quarter/ year ÷ Total number of equity shares outstanding at the end of the quarter/ year

(h) Single Premium and Fully Paid-Up policies are not considered in above calculation. Group Business where persistency is measurable is included.

(i) Single Premium and Fully Paid-Up policies are considered in above calculation. Group Business where persistency is measurable is included.

(j) Basic EPS, Diluted EPS and Return on net worth for the quarter ended June 30, 2017 are not annualised.

Annexure - VIII: Restated Statement on Segment Disclosure

(₹ in million)

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	**Segment Income:**						
	Segment A - Par life						
	Net Premium	7,757.51	40,568.45	36,607.93	29,017.51	21,115.87	15,294.63
	Income from investments	2,848.41	9,715.14	6,854.54	5,630.89	3,497.57	2,386.56
	Transfer of fund from Shareholders' account	-	-	-	-	-	-
	Other income	81.58	189.45	167.13	123.14	100.35	78.11
	Segment B - Par pension						
	Net Premium	273.46	1,790.51	1,849.23	1,497.37	1,081.29	352.56
	Income from investments	268.22	812.45	665.84	589.46	466.61	446.62
	Transfer of fund from Shareholders' account	-	-	-	-	-	-
	Other income	1.41	6.42	4.66	1.53	1.73	2.59
	Segment C - Par VIP						
	Net Premium	1,028.37	5,734.21	5,431.96	4,040.03	1,477.18	-
	Income from investments	456.75	984.87	497.17	185.24	12.97	-
	Transfer of fund from Shareholders' account	-	-	-	-	-	-
	Other income	0.06	0.12	0.14	(0.05)	0.08	-
	Segment D - Non Par Ind Life						
	Net Premium	1,782.35	13,432.17	14,928.52	15,345.49	15,197.51	9,431.10
	Income from investments	1,815.11	5,708.76	4,487.86	3,335.13	1,634.76	938.44
	Transfer of fund from Shareholders' account	-	-	-	1,347.91	1,961.44	1,019.92
	Other income	3.04	10.25	12.83	4.71	6.88	6.45
	Segment E - Non Par Pension						
	Net Premium	44.63	399.13	659.09	793.68	1,021.44	1,098.23
	Income from investments	138.55	506.99	447.53	431.30	302.51	230.29
	Transfer of fund from Shareholders' account	-	-	-	-	71.45	102.78
	Other income	0.02	0.06	0.13	(0.03)	0.59	0.90
	Segment F - Non Par Group life						
	Net Premium	7,625.92	31,081.63	20,775.92	12,005.10	18,991.66	22,527.02
	Income from investments	4,552.00	16,308.38	14,585.01	14,152.29	13,480.55	12,702.33
	Transfer of fund from Shareholders' account	-	514.80	576.85	0.38	495.09	483.68
	Other income	1.05	0.39	6.62	7.90	10.89	11.19
	Segment G - Non Par Annuity						
	Net Premium	372.46	2,036.22	2,274.54	2,977.51	3,356.41	5,299.13
	Income from investments	489.44	1,911.79	1,732.82	1,483.26	1,112.12	754.72
	Transfer of fund from Shareholders' account	-	-	180.61	135.05	473.22	824.50
	Other income	0.09	0.19	0.36	(0.25)	1.91	2.73
	Segment H - Non Par Health						
	Net Premium	0.32	3.34	15.14	43.30	56.71	70.42
	Income from investments	0.09	0.64	2.24	3.23	4.71	5.39
	Transfer of fund from Shareholders' account	-	-	-	-	-	-
	Other income	-	-	0.01	0.01	0.03	0.03
	Segment I - Non Par VIP						
	Net Premium	946.34	13,176.57	5,211.37	9,249.26	1,843.14	-
	Income from investments	550.08	1,734.12	1,122.70	488.59	5.31	-
	Transfer of fund from Shareholders' account	-	112.03	158.41	12.70	5.49	-
	Other income	0.10	0.17	0.23	(0.09)	0.11	-
	Segment J - Linked Ind Life						
	Net Premium	15,692.42	90,435.13	63,341.27	48,843.89	40,058.60	45,313.11
	Income from investments	13,485.27	49,945.36	2,951.19	68,234.18	37,337.53	21,184.30
	Transfer of fund from Shareholders' account	-	-	-	-	-	-
	Other income	100.72	466.87	4.68	2.01	1.51	17.98
	Segment K - Linked Group						
	Net Premium	46.59	149.99	417.32	607.81	87.70	79.71
	Income from investments	71.93	263.59	97.27	261.41	143.24	165.98
	Transfer of fund from Shareholders' account	-	-	20.78	0.74	3.97	11.63
	Other income	-	-	0.02	0.01	0.02	0.01
	Segment L - Linked Pension						
	Net Premium	2,055.48	9,717.18	5,142.21	3,379.05	2,731.89	3,987.09
	Income from investments	1,393.92	5,057.75	(35.01)	7,634.15	5,542.13	4,924.87
	Transfer of fund from Shareholders' account	-	-	-	-	-	-
	Other income	0.01	0.01	0.15	0.06	0.06	0.26
	Shareholders						
	Income from investments	1,069.53	4,015.59	3,177.87	2,761.13	2,021.81	1,505.19
	Other income	34.80	82.14	79.30	74.61	73.55	65.51

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
2	**Segment Surplus/Deficit (Net of Transfer from shareholders account):**						
	Segment A - Par life	255.67	709.50	783.74	742.50	571.91	219.83
	Segment B - Par pension	154.13	61.87	59.72	49.20	43.75	29.85
	Segment C - Par VIP	5.21	78.45	(202.57)	(266.92)	(229.48)	-
	Segment D - Non Par Ind Life	722.21	2,652.39	1,171.09	(1,347.91)	(1,961.44)	(1,019.92)
	Segment E - Non Par Pension	75.48	122.38	1.23	7.79	(71.45)	(102.78)
	Segment F - Non Par Group life	835.63	1,647.68	2,718.60	2,240.47	1,470.36	812.28
	Segment G - Non Par Annuity	131.52	187.54	(180.61)	(135.05)	(473.22)	(824.50)
	Segment H - Non Par Health	1.00	6.96	32.54	43.05	52.71	92.84
	Segment I - Non Par VIP	18.28	(112.03)	(158.41)	(12.70)	(5.49)	-
	Segment J - Linked Ind Life	329.77	454.80	1,081.17	3,597.36	4,769.64	4,550.67
	Segment K - Linked Group	0.41	0.73	(20.78)	(0.74)	(3.97)	(11.63)
	Segment L - Linked Pension	65.97	106.54	223.92	612.88	946.05	1,158.60
	Shareholders	1,041.79	3,627.42	2,860.45	2,572.75	2,054.73	1,333.11
	Unallocated	-	-	-	-	-	-
3	**Segment Assets:**						
	Segment A - Par life	142,340.22	135,713.57	101,701.85	75,704.66	52,229.98	36,206.26
	Segment B - Par pension	11,944.36	11,459.63	9,168.91	7,575.07	6,160.62	5,357.41
	Segment C - Par VIP	16,150.29	16,040.62	9,836.28	4,704.29	988.77	-
	Segment D - Non Par Ind Life	65,505.72	59,997.58	52,990.59	43,265.16	26,307.87	11,825.02
	Segment E - Non Par Pension	4,028.06	3,995.98	5,052.80	5,212.73	4,566.10	3,488.75
	Segment F - Non Par Group life	205,644.59	202,224.18	172,272.63	161,216.79	157,539.88	157,007.31
	Segment G - Non Par Annuity	23,147.53	22,997.82	21,173.27	18,801.08	15,998.44	12,379.53
	Segment H - Non Par Health	(110.17)	3.13	8.71	24.59	25.08	64.15
	Segment I - Non Par VIP	27,200.57	26,429.91	15,440.02	11,045.12	1,495.76	-
	Segment J - Linked Ind Life	429,000.80	417,491.59	339,795.56	321,056.24	259,791.72	229,705.94
	Segment K - Linked Group	2,300.53	2,245.08	2,004.08	1,738.87	1,566.15	1,562.60
	Segment L - Linked Pension	38,743.87	36,808.92	29,018.51	30,929.23	29,591.12	37,607.87
	Shareholders	58,787.97	55,520.79	47,331.01	40,580.84	33,580.35	27,381.31
	Unallocated	(579.31)	1,323.67	1,451.36	511.36	334.08	500.84
4	**Segment Policy Liabilities:**						
	Segment A - Par life	144,175.06	138,388.52	104,106.75	76,493.97	52,600.72	36,515.82
	Segment B - Par pension	11,322.30	10,863.99	8,727.69	7,098.80	5,864.47	5,193.09
	Segment C - Par VIP	16,818.57	15,701.37	9,655.37	4,574.73	1,184.25	-
	Segment D - Non Par Ind Life	64,896.54	63,908.25	55,605.01	43,820.93	27,069.49	12,658.43
	Segment E - Non Par Pension	4,018.76	4,098.56	5,337.03	5,456.55	4,855.51	3,733.01
	Segment F - Non Par Group life	203,578.83	200,928.99	172,537.71	160,991.19	157,245.78	156,503.16
	Segment G - Non Par Annuity	24,472.05	24,222.51	22,246.29	19,665.43	16,531.38	12,630.78
	Segment H - Non Par Health	3.34	4.25	9.75	34.93	45.69	67.19
	Segment I - Non Par VIP	27,320.62	26,409.91	15,457.84	11,053.96	1,845.41	-
	Segment J - Linked Ind Life	427,772.51	413,497.65	336,075.58	320,348.62	256,560.22	228,045.29
	Segment K - Linked Group	2,277.46	2,188.83	1,945.39	1,580.58	1,458.22	1,468.51
	Segment L - Linked Pension	38,661.02	36,518.83	28,210.16	30,665.49	31,334.41	38,826.10
	Shareholders	58,787.97	55,520.81	47,331.01	40,580.85	33,580.37	27,381.32
	Unallocated	-	-	-	-	-	64.29

Annexure - IX: Restated Statement of Premium income

(₹ in million)

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	First year premiums	11,718.33	62,072.34	46,305.40	33,307.18	29,994.84	26,176.29
2	Renewal premiums	19,880.37	108,712.72	87,187.89	73,379.51	57,159.83	52,308.85
3	Single premiums	6,282.04	39,366.29	24,760.35	21,984.41	20,679.71	25,647.05
	Total Premium	**37,880.74**	**210,151.35**	**158,253.64**	**128,671.10**	**107,834.38**	**104,132.19**

All the premium income relates to business in India

Annexure - X: Restated Statement of Commission Expenses

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Commission paid						
Direct - First year premiums	1,079.44	5,056.73	4,785.23	3,916.46	3,979.35	3,634.50
- Renewal premiums	539.38	2,665.10	2,209.08	1,983.08	1,500.04	1,358.79
- Single premiums	32.51	111.59	148.27	137.59	96.74	106.56
Total (A)	**1,651.33**	**7,833.42**	**7,142.58**	**6,037.13**	**5,576.13**	**5,099.85**
Add: Commission on re-insurance accepted	-	-	-	-	-	-
Less: Commission on re-insurance ceded	-	-	-	-	-	-
Net commission	**1,651.33**	**7,833.42**	**7,142.58**	**6,037.13**	**5,576.13**	**5,099.85**
Break-up of the commission expenses (Gross)						
Agents	700.24	3,283.81	3,057.25	2,966.93	3,036.15	2,695.72
Brokers	8.90	27.34	49.28	150.79	67.46	130.69
Corporate agency	19.16	67.43	72.34	85.38	88.04	66.50
Bancassurance	922.93	4,454.63	3,963.62	2,834.02	2,384.48	2,206.94
Micro Insurance Agent	-	0.01	0.02	0.01	-	-
CSC	0.02	0.13	0.07	-	-	-
IMF	0.08	0.07	-	-	-	-
Total (B)	**1,651.33**	**7,833.42**	**7,142.58**	**6,037.13**	**5,576.13**	**5,099.85**

Annexure - XI: Restated Statement of Operating Expenses related to Insurance business

(₹ in million)

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Employees' remuneration & welfare benefits (Refer note no. 11 and 18 of Annexure V (C))	2,258.22	8,227.38	6,963.48	5,892.77	5,316.13	4,662.03
2	Travel, conveyance and vehicle running expenses	121.22	498.71	467.18	378.95	361.61	350.22
3	Training expenses	50.92	159.90	323.19	135.71	217.14	363.07
4	Rent, rates & taxes	139.47	562.30	501.55	449.14	506.41	501.02
5	Repairs	121.71	377.38	377.48	297.14	271.44	248.50
6	Printing & stationery	30.34	128.83	159.03	166.05	147.80	130.98
7	Communication expenses	116.11	546.76	500.90	426.33	403.71	392.71
8	Legal & professional charges	226.53	839.26	706.12	595.31	506.42	456.98
9	Medical fees	39.93	210.34	160.33	102.93	133.97	145.18
10	Auditors' fees, expenses, etc.						
	(a) as auditor	1.34	4.20	4.18	3.80	3.80	3.20
	(b) as adviser or in any other capacity,in respect of						
	(i) Taxation matters	-	-	-	-	-	-
	(ii) Insurance matters	-	-	-	-	-	-
	(iii)Management services; and	-	-	-	-	-	-
	(c) in any other capacity (refer note no. 22(ix) of Annexure V (C))	0.19	1.75	1.74	1.65	1.56	1.74
	(d) Out of pocket expenses	-	-	0.00	0.05	0.11	0.11
11	Advertisement, Publicity and marketing	64.96	575.63	603.37	606.74	519.60	468.62
12	Interest & bank charges	13.82	51.89	48.81	42.89	47.32	44.66
13	Recruitment expenses	2.74	10.10	12.72	10.32	10.72	15.63
14	Information technology expenses	118.53	458.38	387.22	328.23	315.89	292.34
15	Service tax	24.24	67.51	72.61	-	2.17	6.34
16	Stamp duty on policies	79.54	426.66	572.90	227.62	173.27	153.27
17	Depreciation	123.58	472.41	368.38	337.19	342.47	243.93
18	Business promotion expenses	24.41	2,162.51	1,852.50	1,122.80	1,107.66	1,024.50
19	Other expenses	160.60	682.99	724.83	549.63	505.13	496.50
	Total	**3,718.40**	**16,464.89**	**14,808.52**	**11,675.25**	**10,894.33**	**10,001.53**

Annexure - XII: Restated Statement of Benefits paid (net)

(₹ in million)

Sr. No.	Particulars	For the quarter ended June 30, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Insurance claims						
	(a) Claims by death	3,335.36	10,995.32	8,976.13	5,833.74	5,278.01	4,191.33
	(b) Claims by maturity	7,703.09	16,468.25	20,187.74	18,852.36	24,154.60	12,610.99
	(c) Annuities / Pension payment	402.09	1,537.17	1,449.24	1,274.25	965.45	715.88
	(d) Others						
	- Survival	1,416.91	3,721.87	1,361.36	1,951.26	1,808.97	681.81
	- Surrender	12,261.08	47,890.39	33,972.65	46,936.11	52,136.43	56,643.82
	- Interest on unclaimed amounts	82.35	443.07	106.01	-	-	-
	- Others	1,468.20	15,766.64	15,018.35	7,729.16	4,070.47	3,342.58
2	(Amount ceded in reinsurance)						
	(a) Claims by death	(444.07)	(1,559.85)	(1,483.30)	(595.59)	(603.91)	(387.07)
	(b) Claims by maturity	-	-	-	-	-	-
	(c) Annuities / pension payment	-	-	-	-	-	-
	(d) Other benefits	(0.05)	(1.44)	(2.67)	(4.44)	(8.00)	(11.51)
3	Amount accepted in reinsurance						
	(a) Claims by death	-	-	-	-	-	-
	(b) Claims by maturity	-	-	-	-	-	-
	(c) Annuities / pension payment	-	-	-	-	-	-
	(d) Other benefits	-	-	-	-	-	-
	Total	**26,224.96**	**95,261.42**	**79,585.51**	**81,976.85**	**87,802.02**	**77,787.83**

All the claims are paid or payable in India

Annexure - XIII: Restated Statement of Share Capital

(₹ in million)

Sr. No.	Particulars	As at June 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013
1	**Authorised Capital**						
	2,000,000,000 (Previous year - 2,000,000,000) Equity Shares of ₹ 10/- each	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
2	**Issued Capital**						
	1,000,000,000 (Previous year - 1,000,000,000) Equity Shares of ₹ 10/- each	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
3	**Subscribed Capital**						
	1,000,000,000 (Previous year - 1,000,000,000) Equity Shares of ₹ 10/- each	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
4	**Called-up Capital**						
	1,000,000,000 (Previous year - 1,000,000,000) Equity Shares of ₹ 10/- each	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
	Less : Calls unpaid	-	-	-	-	-	-
	Add : Shares forfeited (Amount originally paid up)	-	-	-	-	-	-
	Less : Par value of Equity shares bought back	-	-	-	-	-	-
	Less : Preliminary expenses	-	-	-	-	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-	-	-	-	-
	Total	**10,000.00**	**10,000.00**	**10,000.00**	**10,000.00**	**10,000.00**	**10,000.00**

Out of the total share capital, 70,10,00,000 shares (Previous years March 31, 2017 - 70,10,00,000 equity shares, March 31, 2016 - 74,00,00,000 equity shares, March 31, 2015 - 74,00,00,000 equity shares, March 31, 2014 - 74,00,00,000 equity shares and March 31, 2013 - 74,00,00,000 equity shares) of ₹10 each are held by the holding company State Bank of India.

Annexure- XIIIA: Restated Statement of Pattern of Shareholding
[As certified by the Management]

Shareholder	As at June 30, 2017		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014		As at 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 - State Bank of India (Holding Company and its Nominees)	701,000,000	70.10	701,000,000	70.10	740,000,000	74.00	740,000,000	74.00	740,000,000	74.00	740,000,000	74.00
Foreign - BNP Paribas Cardif S.A.	260,000,000	26.00	260,000,000	26.00	260,000,000	26.00	260,000,000	26.00	260,000,000	26.00	260,000,000	26.00
Others	39,000,000	3.90	39,000,000	3.90	-	-	-	-	-	-	-	-
Total	**1,000,000,000**	**100.00**	**1,000,000,000**	**100.00**	**1,000,000,000**	**100.00**	**1,000,000,000**	**100.00**	**1,000,000,000**	**100.00**	**1,000,000,000**	**100.00**

Annexure- XIV: Restated Statement of Reserves and Surplus

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Capital reserve	-	-	-	-	-	-
2	Capital redemption reserve	-	-	-	-	-	-
3	Share premium	-	-	-	-	-	-
4	Revaluation reserve	-	-	-	-	-	-
5	General reserves	-	-	-	-	-	-
	Less : Debit balance in profit and loss account, if any	-	-	-	-	-	-
	Less : Amount utililized for buy-back	-	-	-	-	-	-
6	Catastrophe reserve	-	-	-	-	-	-
7	Other reserves	-	-	-	-	-	-
8	Balance of profit in Profit and Loss Account	47,782.30	44,647.82	36,906.65	29,909.91	23,201.17	17,093.59
	Total	**47,782.30**	**44,647.82**	**36,906.65**	**29,909.91**	**23,201.17**	**17,093.59**

Annexure- XV: Restated Statement of Borrowings

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Debentures / bonds	-	-	-	-	-	-
2	Banks	-	-	-	-	-	-
3	Financial institutions	-	-	-	-	-	-
4	Others	-	-	-	-	-	-
	Total	-	-	-	-	-	-

Annexure- XVI: Restated Statement of Investments - Shareholders'

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	LONG TERM INVESTMENTS						
1	Government securities and Government guaranteed bonds	11,024.95	11,567.80	12,640.81	13,965.54	12,086.58	9,537.03
2	Other Approved Securities	4,055.71	4,059.47	3,228.57	3,843.99	3,053.24	2,410.67
3	Other Approved Investments						
	(a) Shares						
	(aa) Equity	7,523.67	5,040.02	3,006.49	1,955.13	1,582.90	1,241.77
	(bb) Preference	0.22	0.22	0.21	0.19	0.16	-
	(b) Mutual fund	-	-	-	-	-	-
	(c) Derivative instruments	-	-	-	-	-	-
	(d) Debentures / Bonds	6,394.25	6,449.42	4,316.36	3,284.78	1,285.83	727.64
	(e) Other Securities	-	-	-	-	-	-
	(f) Subsidiaries	-	-	-	-	-	-
	(g) Investment Properties - Real Estate	-	-	-	-	-	-
4	Investment in Infrastructure and Social Sector	10,122.73	10,737.03	9,418.54	5,856.16	3,626.06	2,437.96
5	Other Investments	2,755.75	2,746.74	699.64	386.46	510.89	393.04
	Sub-total	**41,877.28**	**40,600.70**	**33,310.62**	**29,292.25**	**22,145.66**	**16,748.11**
	SHORT TERM INVESTMENTS						
1	Government securities and Government guaranteed bonds including Treasury Bills	2,832.46	205.73	271.22	357.23	401.94	249.47
2	Other Approved Securities	-	-	-	9.96	54.85	-
3	Other Approved Investments						
	(a) Shares						
	(aa) Equity	-	-	-	-	-	-
	(bb) Preference	-	-	-	-	-	-
	(b) Mutual Funds	2,000.00	-	-	3.19	-	-
	(c) Derivative instruments	-	-	-	-	-	-
	(d) Debenture / Bonds	1,076.90	1,076.85	111.81	201.52	201.40	51.91
	(e) Other Securities	3,721.93	421.91	1,672.59	454.67	365.93	94.55
	(f) Subsidiaries	-	-	-	-	-	-
	(g) Investment Properties - Real Estate	-	-	-	-	-	-
4	Investment in Infrastructure and Social Sector	861.59	612.38	182.50	134.61	116.33	872.48
5	Other Investments	37.45	37.48	100.28	248.95	248.53	99.35
	Sub-total	**10,530.33**	**2,354.35**	**2,338.40**	**1,410.13**	**1,388.98**	**1,367.76**
	Total	**52,407.61**	**42,955.05**	**35,649.02**	**30,702.38**	**23,534.64**	**18,115.87**

Notes :

1 Includes securities deposited under section 7 of the insurance Act, 1938 as below:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Book value	-	-	-	-	100.92	101.91
2	Market value	-	-	-	-	101.54	104.60

2 Aggregate cost of Investments in Fixed Deposits reclassified to Annexure- XIX

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	650.00	300.00	300.00	750.10	800.10	813.83

3 Investments made out of Catastrophe reserve

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	-	-	-	-	-	-

4 Particulars of Investment Other Than Listed Equity Shares

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	46,722.47	37,192.61	32,481.83	28,669.78	21,827.26	16,791.97
2	Market value	48,340.52	38,550.95	33,099.51	29,317.80	21,034.79	16,756.61

5 Break-up of Infrastructure and Social Sector Investment:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Long Term Investments						
1	a) Other Approved Investments	9,256.79	10,271.20	9,325.80	5,764.34	3,399.83	2,437.96
2	b) Other Investments	865.94	465.83	92.74	91.82	226.23	-
	Short Term Investments						
1	a) Other Approved Investments	861.59	612.38	182.50	99.05	116.33	872.48
2	b) Other Investments	-	-	-	35.56	-	-

Annexure- XVIA: Restated Statement of Investments- Policyholders'

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	LONG TERM INVESTMENTS						
1	Government securities and Government guaranteed bonds	223,699.44	223,562.65	196,762.80	151,894.82	112,136.52	86,482.26
2	Other Approved Securities	47,519.76	42,792.46	30,656.34	28,021.34	28,681.75	23,998.45
3	Other Approved Investments						
	(a) Shares						
	(aa) Equity	41,088.98	38,970.28	24,595.84	17,095.96	12,363.15	11,117.50
	(bb) Preference	318.66	313.68	298.74	265.55	215.78	-
	(b) Mutual fund	-	-	-	-	-	-
	(c) Derivative Instruments	-	-	-	-	-	-
	(d) Debentures / Bonds	48,806.61	43,059.50	30,510.47	34,662.91	29,319.31	30,669.93
	(e) Other Securities	-	-	-	-	-	-
	(f) Subsidiaries	-	-	-	-	-	-
	(g) Investment Properties - Real Estate	-	-	-	-	-	-
4	Investments in Infrastructure and Social Sector	86,569.13	85,582.16	58,913.40	56,902.54	48,814.64	42,762.77
5	Other Investments	5,103.37	5,136.33	2,656.84	1,324.95	296.10	1,159.23
	Sub-total	**453,105.95**	**439,417.06**	**344,394.43**	**290,168.07**	**231,827.25**	**196,190.14**
	SHORT TERM INVESTMENTS						
1	Government securities and Government guaranteed bonds including Treasury Bills	1,643.94	2,623.50	623.59	1,905.59	433.53	1,995.56
2	Other Approved Securities	50.01	-	-	388.57	442.17	-
3	Other Approved Investments						
	(a) Shares						
	(aa) Equity	-	-	-	-	-	-
	(bb) Preference	-	-	-	-	-	-
	(b) Mutual Funds	6,000.00	5,500.00	2,750.00	2,624.58	3,502.77	1,000.50
	(c) Derivative Instruments	-	-	-	-	-	-
	(d) Debenture / Bonds	5,794.75	4,185.03	5,013.68	3,680.09	5,209.86	3,911.99
	(e) Other Securities	7,895.13	12,037.50	18,526.84	13,272.20	9,927.23	10,899.80
	(f) Subsidiaries	-	-	-	-	-	-
	(g) Investment Properties - Real Estate	-	-	-	-	-	-
4	Investments in Infrastructure and Social Sector	5,688.70	5,854.37	6,700.42	2,756.57	1,796.67	2,731.31
5	Other Investments	-	-	4,550.01	249.00	99.31	149.26
	Sub-total	**27,072.53**	**30,200.40**	**38,164.54**	**24,876.60**	**21,411.54**	**20,688.42**
	Total	**480,178.48**	**469,617.46**	**382,558.97**	**315,044.67**	**253,238.79**	**216,878.56**

Notes:

1 Aggregate cost of Investments in Fixed Deposits reclassified to Annexure- XIX

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	15,396.20	16,981.20	18,313.30	18,773.70	21,248.10	17,835.37

2 Aggregate cost of Investments in State Bank of India (Holding Company)

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	401.73	251.65	321.65	881.60	934.92	995.55

3 Investments made out of Catastrophe reserve

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	-	-	-	-	-	-

4 Particulars of investment other than listed equity shares:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	437,428.57	426,580.00	356,457.14	297,257.54	240,208.05	205,082.41
2	Market value	464,061.34	446,932.17	365,051.50	307,236.14	231,622.24	206,277.25

5 Break-up of Infrastructure and Social Sector Investment:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Long Term Investments						
1	a) Other Approved Investments	83,910.33	82,924.93	56,261.83	54,656.38	46,665.14	42,762.77
2	b) Other Investments	2,658.80	2,657.23	2,651.57	2,246.16	2,149.50	-
	Short Term Investments						
1	a) Other Approved Investments	5,688.70	5,854.37	6,700.42	2,756.57	1,796.67	2,731.31
2	b) Other Investments	-	-	-	-	-	-

Annexure- XVIB: Restated Statement of Assets held to cover linked liabilities

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	LONG TERM INVESTMENTS						
1	Government securities and Government guaranteed bonds	147,106.50	139,005.71	123,562.76	61,662.49	34,093.52	23,085.98
2	Other Approved Securities	21,490.27	21,581.42	1,419.17	892.84	3,691.24	1,324.34
3	Other Approved Investments						
	(a) Shares						
	(aa) Equity	155,437.68	154,735.33	139,442.05	189,936.99	198,061.55	167,399.57
	(bb) Preference	43.68	42.99	40.95	36.40	39.83	-
	(b) Mutual fund	-	-	-	-	-	-
	(c) Derivative Instruments	-	-	-	-	-	-
	(d) Debentures / Bonds	14,677.57	14,466.30	9,398.31	7,051.26	5,404.33	4,192.91
	(e) Other Securities (represents Fixed Deposit with a Scheduled Bank)	5,244.60	5,294.60	5,473.60	4,679.10	1,352.50	3,773.30
	(f) Subsidiaries	-	-	-	-	-	-
	(g) Investment Properties - Real Estate	-	-	-	-	-	-
4	Investments in Infrastructure and Social Sector	46,890.45	46,685.48	22,388.86	18,752.24	15,854.50	11,886.59
5	Other Investments	22,498.25	16,372.72	5,940.13	4,647.23	2,214.89	10,531.72
	Sub-total	**413,389.00**	**398,184.55**	**307,665.83**	**287,658.55**	**260,712.36**	**222,194.41**
	SHORT TERM INVESTMENTS						
1	Government securities and Government guaranteed bonds including Treasury Bills	10,678.63	6,927.73	2,002.62	811.78	95.53	682.41
2	Other Approved Securities	-	-	-	-	-	-
3	Other Approved Investments						
	(a) Shares						
	(aa) Equity	-	-	-	-	-	-
	(bb) Preference	-	-	-	-	-	-
	(b) Mutual fund	6,000.00	10,000.00	-	1,529.56	1,500.89	-
	(c) Derivative Instruments	-	-	-	-	-	-
	(d) Debentures / Bonds	2,607.97	3,034.11	14,573.40	11,100.05	3,002.01	10,371.94
	(e) Other Securities (includes Fixed Deposit with Scheduled Bank)	15,833.70	11,617.66	10,631.79	36,017.43	15,547.22	24,650.48
	(f) Subsidiaries	-	-	-	-	-	-
	(g) Investment Properties - Real Estate	-	-	-	-	-	-
4	Investments in Infrastructure and Social Sector	150.58	839.56	1,323.74	512.77	188.33	1,890.04
5	Other Investments	-	-	12,000.00	3,512.67	-	-
6	Net Current Assets [Refer Note below]	13,193.35	15,126.72	12,021.48	6,957.91	4,926.42	5,689.32
	Sub-total	**48,464.23**	**47,545.78**	**52,553.03**	**60,442.17**	**25,260.40**	**43,284.19**
	Total	**461,853.23**	**445,730.33**	**360,218.86**	**348,100.72**	**285,972.76**	**265,478.60**

Notes :

1 Aggregate cost of Investments in State Bank of India (Holding Company)

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	852.50	-	-	-	-	-

2 Investments made out of Catastrophe reserve

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	-	-	-	-	-	-

3 Particulars of investment other than listed equity shares:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cost	270,759.63	249,980.23	195,539.16	136,847.33	72,362.53	76,466.33
2	Market value	277,705.68	254,875.28	197,872.88	138,488.45	71,135.43	76,860.81

4 Break-up of Net current assets - “Assets held to cover linked liabilities”:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Interest accrued and not due	6,647.88	7,291.77	5,037.44	2,751.29	2,030.74	1,658.45
2	Net receivable to Unit linked Funds (Refer note no. 29 of Annexure V (C))	430.15	4,323.15	4,723.06	4,151.65	3,213.28	2,273.13
3	Outstanding purchase payables/ sales receivables (net)	(2,352.14)	3,511.41	2,252.13	51.20	(376.41)	1,702.53
4	Other receivable / (payable)	377.53	0.39	8.85	3.77	58.81	55.21
5	Application money for Investment	8,089.93	-	-	-	-	-
	Total	**13,193.35**	**15,126.72**	**12,021.48**	**6,957.91**	**4,926.42**	**5,689.32**

5 Break-up of Infrastructure and Social Sector Investment:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	Long Term Investments						
1	a) Other Approved Investments	45,035.85	44,529.17	21,900.94	17,853.85	10,588.06	11,886.59
2	b) Other Investments	1,854.60	2,156.31	487.92	898.39	5,266.44	-
	Short Term Investments						
1	a) Other Approved Investments	150.58	839.56	1,323.74	512.77	188.33	1,890.04
2	b) Other Investments	-	-	-	-	-	-

Annexure- XVII: Restated Statement of Loans

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
1	SECURITY WISE CLASSIFICATION						
	Secured						
	(a) On mortgage of property						
	(aa) In India	-	-	-	-	-	-
	(bb) Outside India	-	-	-	-	-	-
	(b) On Shares, Bonds, Govt Securities etc	-	-	-	-	-	-
	(c) Loans against policies	131.42	101.24	52.87	17.74	6.38	1.73
	(d) Others (On Book Debts and Current Assets)	1,643.40	1,680.75	1,182.75	-	-	-
	Unsecured	-	-	-	-	-	-
	Total	**1,774.82**	**1,781.99**	**1,235.62**	**17.74**	**6.38**	**1.73**
2	BORROWER - WISE CLASSIFICATION						
	(a) Central and State Governments	-	-	-	-	-	-
	(b) Banks and Financial institutions	1,643.40	1,680.75	1,182.75	-	-	-
	(c) Subsidiaries	-	-	-	-	-	-
	(d) Companies	-	-	-	-	-	-
	(e) Loans against policies	131.42	101.24	52.87	17.74	6.38	1.73
	(f) Others	-	-	-	-	-	-
	Total	**1,774.82**	**1,781.99**	**1,235.62**	**17.74**	**6.38**	**1.73**
3	PERFORMANCE - WISE CLASSIFICATION						
	(a) Loans classified as standard						
	(aa) In India	1,774.82	1,781.99	1,235.62	17.74	6.38	1.73
	(bb) Outside India	-	-	-	-	-	-
	(b) Non - standard loans less provisions	-	-	-	-	-	-
	(aa) In India	-	-	-	-	-	-
	(bb) Outside India	-	-	-	-	-	-
	Total	**1,774.82**	**1,781.99**	**1,235.62**	**17.74**	**6.38**	**1.73**
4	MATURITY - WISE CLASSIFICATION						
	(a) Short Term	21.49	14.90	21.34	-	-	-
	(b) Long Term	1,753.33	1,767.09	1,214.28	17.74	6.38	1.73
	Total	**1,774.82**	**1,781.99**	**1,235.62**	**17.74**	**6.38**	**1.73**

Note:

1 Details of principal receivable within 12 months from the Balance Sheet date out of total Long Term Loans

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
1	Cost	162.50	162.50	162.50	-	-	-

2 Short-term loans include those which have residual maturity within 12 months from the date of Balance Sheet. Long term loans are the loans other than short-term loans

3 Loans considered doubtful and the amount of provision created against such loans

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
1	Provision	-	-	-	-	-	-

Annexure- XVIII: Restated Statement of Fixed Assets

(₹ in million)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Goodwill	-	-	-	-	-	-
Intangibles - software	208.22	233.64	87.96	163.75	247.76	45.90
Land-freehold	1,762.52	1,762.52	1,762.52	1,762.52	1,762.52	1,762.52
Leasehold property	-	-	-	-	-	-
Building on freehold land #	612.39	615.09	626.48	636.72	647.53	658.34
Building on Leasehold Land	1,404.73	1,410.37	-	-	-	-
Furniture & fittings	384.24	386.90	96.69	124.00	151.20	150.89
Information technology equipment	198.95	225.88	260.75	88.66	107.33	146.64
Vehicles	1.47	1.54	1.82	2.10	-	-
Office equipment	149.37	150.66	56.62	61.46	72.11	35.97
Leasehold improvements	183.01	188.91	64.67	38.20	36.67	19.66
Servers & Networks	199.81	98.75	52.72	38.83	19.54	8.49
Total	**5,104.71**	**5,074.26**	**3,010.23**	**2,916.24**	**3,044.66**	**2,828.41**
Capital work in progress and capital advances	478.91	310.49	1,462.26	68.09	36.92	27.04
Grand Total	**5,583.62**	**5,384.75**	**4,472.49**	**2,984.33**	**3,081.58**	**2,855.45**

Includes certain asset leased pursuant to operating lease agreements (Refer note no. 15(b) of Annexure V (C))

Annexure- XIX: Restated Statement of Cash and Bank Balances

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cash (including cheques, drafts and stamps)	540.36	1,357.91	2,419.90	1,766.99	1,440.88	1,209.64
2	Bank balances						
	(a) Deposit accounts						
	(aa) Short-term (due within 12 months of the date of balance sheet)	2,000.10	3,140.10	3,510.10	2,350.10	6,225.00	3,051.10
	(bb) Others	14,046.10	14,141.10	15,103.20	17,173.70	15,823.20	15,598.10
	(b) Current accounts*	2,261.52	5,659.31	5,134.43	3,946.99	1,933.83	1,673.02
	(c) Others	-	-	-	-	-	-
3	Money at call and short notice						
	(a) With banks	-	-	-	-	-	-
	(b) With other institutions	-	-	-	-	-	-
4	Others	-	-	-	-	-	-
	Total	**18,848.08**	**24,298.42**	**26,167.63**	**25,237.78**	**25,422.91**	**21,531.86**
	Balances with non-scheduled banks included in 2 and 3 above	Nil	Nil	Nil	Nil	Nil	Nil
	Cash and bank balances						
1	In India	18,773.37	24,223.56	26,167.63	25,237.78	25,422.91	21,531.86
2	Outside India	74.71	74.86	-	-	-	-
	Total	**18,848.08**	**24,298.42**	**26,167.63**	**25,237.78**	**25,422.91**	**21,531.86**

* Includes debit and credit balances of bank accounts.

Note:

Break-up of cash (including cheques,drafts and stamps) :

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Cash in hand	0.01	0.00	0.00	0.00	0.01	0.00
2	Postal franking & Revenue Stamps	105.10	164.31	88.36	39.65	54.19	16.52
3	Cheques in hand	435.25	1,193.60	2,331.54	1,727.34	1,386.69	1,193.12
	Total	**540.36**	**1,357.91**	**2,419.90**	**1,766.99**	**1,440.88**	**1,209.64**

Annexure- XX: Restated Statement of Advances and other assets

(₹ in million)

Sr. No.	Particulars	As at June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	ADVANCES						
1	Reserve deposits with ceding companies	-	-	-	-	-	-
2	Application money for investments	-	-	-	-	-	-
3	Prepayments	264.80	223.83	198.23	176.47	152.14	133.95
4	Advances to Directors / Officers	-	-	-	-	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	-	-	-	-	63.48
6	Advances to suppliers	78.15	80.52	58.97	47.87	70.26	23.42
7	Advances to employees	7.75	8.40	8.00	8.38	8.28	8.99
	Total (A)	**350.70**	**312.75**	**265.20**	**232.72**	**230.68**	**229.84**
	OTHER ASSETS						
1	Income accrued on investments						
	a) Shareholders'	1,308.06	1,212.45	980.30	995.70	842.91	569.71
	b) Policyholders'	18,542.62	19,404.59	16,081.33	13,086.19	10,460.98	8,100.97
2	Outstanding Premiums	1,350.31	2,495.02	2,364.02	1,767.12	1,194.64	820.66
3	Agents' Balances	5.70	6.73	8.40	11.41	12.75	12.93
	Less:- Provision for doubtful receivables	(0.33)	(0.36)	(0.81)	(0.98)	(0.50)	(0.55)
	Net Agent Balances	5.37	6.37	7.59	10.43	12.25	12.38
4	Foreign Agents' Balances	-	-	-	-	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	365.47	156.36	473.28	-	-	-
6	Due from subsidiaries/holding company	-	-	-	-	-	-
7	Deposit with Reserve Bank of India	-	-	-	-	-	-
8	Security deposit	810.65	991.55	661.43	702.36	665.69	517.38
9	Receivables (Refer Note-1 below)	660.61	2,036.43	3,015.66	2,036.61	1,655.42	1,961.79
10	Service tax advance and unutilized credit	159.84	329.09	139.27	286.53	83.52	69.47
11	Assets held for unclaimed amount of policyholders	5,492.88	5,683.04	-	-	-	-
	Total (B)	**28,695.81**	**32,314.90**	**23,722.88**	**18,884.94**	**14,915.41**	**12,052.36**
	Total (A + B)	**29,046.51**	**32,627.65**	**23,988.08**	**19,117.66**	**15,146.09**	**12,282.20**

Note: 1

'Receivables' under Advances and other assets (Annexure- XX) comprise of:

(₹ in million)

Sr. No.	Particulars	As at June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Dividend	109.72	28.29	24.05	20.86	6.71	7.99
2	Proceeds from sale of investments	-	195.07	886.61	863.95	246.67	432.86
3	Receivable from Unit linked Funds (Refer note no. 29 of Annexure V (C))	334.93	1,646.60	2,050.71	1,120.26	1,330.04	1,456.58
4	Others	215.96	166.47	54.29	31.54	72.00	64.36
	Total	**660.61**	**2,036.43**	**3,015.66**	**2,036.61**	**1,655.42**	**1,961.79**

Annexure- XXI: Restated Statement of Current Liabilities

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Agents' balances	249.84	483.74	498.51	501.18	439.05	440.07
2	Balances due to other insurance companies	-	-	-	82.46	136.51	202.77
3	Deposits held on re-insurance ceded	-	-	-	-	-	-
4	Premium received in advance	435.57	178.59	122.20	109.95	91.77	105.51
5	Premium & other deposits	4,823.38	3,259.94	1,306.27	715.09	790.21	904.91
6	Sundry creditors	4,626.05	5,550.87	5,105.71	3,552.61	2,963.24	2,401.50
7	Due to subsidiaries/holding companies	73.35	328.60	366.90	337.68	299.44	183.58
8	Claims outstanding	1,553.94	1,184.73	1,556.06	1,356.39	398.87	350.33
9	Annuities due	42.71	54.74	62.94	35.69	19.24	5.74
10	Due to Officers / Directors	-	-	-	-	-	-
11	Unclaimed amount - policyholders (Refer note no. 23 of Annexure V (C))	5,492.88	5,683.04	6,533.77	4,420.61	4,083.64	3,967.78
12	Others [Refer note below]	6,015.45	10,916.47	9,473.52	5,654.26	5,291.60	4,507.46
	Total	**23,313.17**	**27,640.72**	**25,025.88**	**16,765.92**	**14,513.57**	**13,069.65**

Note:

'Others' under current liabilities (Annexure- XXI) comprise of:

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Brokerage payable	0.66	0.53	0.41	1.12	1.04	0.37
2	Outstanding payables for investments	4,062.41	3,025.00	-	116.64	387.70	524.01
3	Payable to Unit linked Fund/Unclaimed Fund (Refer note no. 29 of Annexure V (C))	848.19	5,996.53	6,773.77	5,271.91	4,543.32	3,727.64
4	TDS Payable	151.44	170.93	181.88	73.50	120.77	122.41
5	Other Statutory liabilities	105.95	34.44	28.82	21.18	4.23	5.97
6	Others	846.80	1,689.04	2,488.64	169.91	234.54	127.06
	Total	**6,015.45**	**10,916.47**	**9,473.52**	**5,654.26**	**5,291.60**	**4,507.46**

Annexure- XXII: Restated Statement of Provisions

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	For taxation (Net of Advance tax. Refer Note below)	1,451.00	31.47	23.67	176.47	105.80	-
2	For proposed dividends	-	-	-	-	-	-
3	For dividend distribution tax	-	305.36	244.29	239.93	169.95	81.11
4	For employee benefits (Refer note no.18 of Annexure V (C))	823.15	665.63	551.25	456.92	437.91	406.52
5	For interim dividend	-	1,500.00	1,200.00	1,200.00	1,000.00	500.00
	Total	**2,274.15**	**2,502.46**	**2,019.21**	**2,073.32**	**1,713.66**	**987.63**

Provision for taxation (Net of advance tax)

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Provision for tax	(8,648.29)	(7,345.34)	(5,347.84)	(3,687.56)	(2,450.99)	-
2	Advance tax and taxes deducted at source	7,197.29	7,313.87	5,324.17	3,511.09	2,345.19	-
	Total	**(1,451.00)**	**(31.47)**	**(23.67)**	**(176.47)**	**(105.80)**	-

Annexure- XXIII: Restated Statement of Miscellaneous Expenditure
(To the extent not written off or adjusted)

(₹ in million)

Sr. No.	Particulars	As at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Discount allowed in issue of shares / debentures	-	-	-	-	-	-
2	Others	-	-	-	-	-	-
	Total	-	-	-	-	-	-

Annexure XXIV - 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 8% of the net profit before tax for the quarter ended June 30, 2017 and for FY 2017, FY 2016, FY 2015, FY 2014 and FY 2013. "Other Income" mainly includes income earned under normal business activities i.e. Interest on revived policies, reversal of stale cheques, income on unclaimed fund, rental income etc.

Annexure - XXV: Restated Statement of Capitalisation

(₹ in million)

Particulars	**Pre issue as at June 30, 2017**	**As adjusted for issue (Post issue)**
Shareholders' funds		
Share capital	10,000.00	
Share application money		
Reserve and surplus	47,782.30	
Credit/(debit) fair value change account	1,005.67	
Total Shareholder's Funds (Net worth) (A)	**58,787.97**	
Debt		Refer Note below
Long term borrowings	-	
Short term borrowings	-	
Other borrowings (current maturity of long term borrowings)	-	
Total debt (B)	-	
Total (A+B)	**58,787.97**	
Long term debt/equity ratio	-	
Total debt equity ratio	-	

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.

Annexure - XXVI: Restated Statement of Tax Shelter

(₹ in million)

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Surplus before tax as per Revenue Account	3,810.64	8,341.97	7,965.04	8,124.50	9,004.51	7,946.27
Interim Bonus paid	318.69	240.47	73.64	26.82	15.14	6.86
Allocation of Bonus	7,775.54	6,851.09	5,667.95	4,134.12	2,832.74	1,928.27
Income as per P&L account	1,041.80	3,199.75	2,033.82	1,301.77	(884.47)	(1,006.63)
Surplus as restated	**12,946.67**	**18,633.28**	**15,740.45**	**13,587.21**	**10,967.92**	**8,874.77**
Tax Rate	14.420%	14.420%	14.420%	14.163%	14.163%	13.519%
Tax thereon at above rate	**1,631.63**	**2,348.29**	**1,983.72**	**1,685.62**	**1,360.67**	**1,056.90**
Adjustments on account of Permanent Differences:						
Exemption under section10(23AAB) - Surplus in Participating Pension Business	160.13	61.87	59.72	49.20	43.75	29.85
Exemption under section10(23AAB) - Surplus in Non Participating Pension Business	75.48	122.38	1.23	7.79	-	-
Exemption under section10(23AAB) - Surplus in Linked pension Business	65.97	106.54	223.92	612.88	946.05	1,158.60
Exemption under Section 10(34) - Non Pension Dividend Income	949.54	2,352.18	2,449.00	2,902.72	2,848.59	2,660.49
Exemption under section10(15)- Interest Income on tax free bond	25.92	140.50	82.60	-	-	-
Total of Permanent Adjustment (A):	**1,277.04**	**2,783.47**	**2,816.47**	**3,572.59**	**3,838.39**	**3,848.94**
Adjustments on account of Temporary Differences:						
Impact on depreciation and gain or loss on disposal/ deletion of fixed assets due to change in the method of depreciation from written down value (WDV) to straight line method (SLM)	-	-	(260.02)	47.19	114.45	20.36
Impact on Premium income, Commission Expense and Change in Valuation of Liabilities with respect to Variable Insurance Products (VIP) due to change in recognition of income and expensepremium income when the Policy Account Value is credited	-	-	-	-	9.46	(1.42)
Other Adjustments for provisions	-	-	10.00	-	(239.76)	(2.81)
Difference arising on account of applicability of tax rate as per accounting standard 25 "Interim Financial Reporting"	1,330.96					
Total of Temporary Adjustment (B):	**1,330.96**	**-**	**(250.02)**	**47.19**	**(115.85)**	**16.13**
Total Adjustments (C) = (A) + (B)	**2,608.00**	**2,783.47**	**2,566.45**	**3,619.78**	**3,722.54**	**3,865.07**
Tax on Adjustments	**328.68**	**350.79**	**323.44**	**449.07**	**461.82**	**460.29**
Gross taxable profit	**10,338.66**	**15,849.81**	**13,174.00**	**9,967.43**	**7,245.38**	**5,009.70**
Brought Forward Losses adjusted	-	-	-	-	-	-
Taxable profit	**10,338.66**	**15,849.81**	**13,174.00**	**9,967.43**	**7,245.38**	**5,009.70**
Tax Liability on taxable profit	**1,302.95**	**1,997.50**	**1,660.28**	**1,236.55**	**898.86**	**596.61**

Annexure – XXVII: Restated Statement of Debtors

(₹ in million)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Receivables outstanding for a period not exceeding six months from the date they became due for payment	474.04	7,640.64	4,347.60	4,066.36	4,655.15	3,501.42
Other Debts	-	-	-	-	-	-
Total	**474.04**	**7,640.64**	**4,347.60**	**4,066.36**	**4,655.15**	**3,501.42**

Of the above receivables, balance receivable from parties related to directors, promoters and issuer are stated below:

(₹ in million)

Particulars	**As at**					
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Receivable from parties related to directors, promoters and issuer	-	-	-	-	-	-

Annexure – XXVIII: Restated Statement of Dividend

Particulars	For the quarter ended June 30, 2017	For the year ended				
		March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Number of equity shares at end of quarter/ year	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Face value per equity share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
Dividend:						
Interim dividend (₹ in Million)	-	1,500.00	1,200.00	1,200.00	1,000.00	500.00
Final dividend (₹ in Million)	-	-	-	-	-	-
Rate of dividend (%)	-	15.00%	12.00%	12.00%	10.00%	5.00%
Dividend distribution tax (₹ in Million)	-	305.36	244.29	239.93	169.95	81.13

Annexure – XXIX: Restated Statement of Related Party Transactions

A. Related parties and nature of relationship:

Sr. No.	Nature of relationship	Name of related party
1	Holding Company	State Bank of India [1]
2	Joint Venture Partner	BNP Paribas Cardif S.A.
3	Holding Company of Joint Venture Partner	BNP Paribas
4	Fellow Subsidiaries	SBI Capital Markets Ltd. SBI DFHI Ltd. SBI Funds Management Pvt. Ltd. SBI CAPS Ventures Ltd. SBI CAP Trustee Company Ltd. SBI CAP (UK) Ltd. SBI CAP (Singapore) Ltd. SBI Cards & Payment Services Pvt. Ltd. SBI Payment Services Pvt. Ltd. SBI Global Factors Ltd. SBICAP Securities Ltd. SBI Pension Funds Pvt. Ltd. SBI General Insurance Co. Ltd. SBI Funds Management (International) Pvt. Ltd. SBI Mutual Fund Trustee Company Pvt. Ltd. SBI-SG Global Securities Services Pvt. Ltd. State Bank of India (California) SBI Canada Bank SBI (Mauritius) Ltd. Commercial Bank of India Llc, Moscow PT Bank SBI Indonesia Nepal SBI Bank Ltd. Bank SBI Botswana Ltd. (Effective from FY 2013-14) SBI Foundation (Effective from FY 2015-16) SBI Servicos Limitada, Brazil (Effective from FY 2015-16) SBI Infra Management Solutions Private Limited (Effective from FY 2016-17)
5	Significant Influence or Controlling Enterprise	SBI Life Insurance Company Limited Employee PF Trust SBI Life Insurance Company Limited Employees Gratuity Fund
6	Key Management Personnel	Mr. Arijit Basu - Managing Director & CEO (*Effective from August 01, 2014)* Mr. Atanu Sen - Managing Director & CEO *(Retired w.e.f. July 31, 2014)* Mr. M. N. Rao- Managing Director & CEO *(Retired w.e.f. August 31, 2012)*

[1] State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore have been merged with State Bank of India w.e.f. April 01, 2017.

Annexure – XXIX: Restated Statement of Related Party Transactions (Cont.)

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on					
				Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	State Bank of India [1]	Holding Company [1]	**Transactions:**						
			Income						
			Premium Income	68.26	319.67	463.72	363.36	398.45	421.27
			Interest / Discount Income	203.93	28.49	54.31	89.07	87.89	94.35
			Profit / (Loss) on Sale of Investments	8.85	(28.36)	(19.60)	22.17	(0.43)	-
			Other income	0.29	-	-	-	-	-
			Expenses						
			Employee's Salary/Allowances/ Reimbursement	9.99	38.00	43.63	42.07	41.27	45.19
			Rent and related expenses for Premises	4.05	17.57	10.73	7.73	8.20	8.60
			Commission Expenses	899.91	3,427.64	3,041.55	2,131.83	1,758.93	1,640.75
			Rewards & Recognition paid	4.28	1,466.52	738.92	706.91	425.61	458.43
			Bank Charges	32.29	81.93	81.57	59.96	32.93	16.28
			Royalty Charges	64.89	191.00	172.20	164.00	148.00	124.40
			Advertisement	2.79	8.71	0.67	10.62	2.52	0.54
			Maintenance EDP Hardware / Software	-	-	-	0.26	-	-
			Staff Training Expenses	7.07	13.69	6.56	-	-	-
			Others						
			Final Dividend Paid	-	-	-	-	-	370.00
			Interim Dividend	-	1,051.50	888.00	888.00	740.00	370.00
			Investments: Purchased/Placed	1,639.34	2,495.08	3,908.98	2,137.64	2,192.82	6,001.44
			Investments: Sales/Maturity	525.65	2,763.01	1,447.25	3,374.26	1,947.44	6,841.44
			Purchase of Fixed Asset	-	-	7.50	-	-	-
			Outstanding Balances:						
			Assets						
			Investments	5,219.33	251.65	401.65	961.60	1,014.92	1,015.55
			Cash & Bank balances	818.41	3,843.27	4,173.52	3,094.20	330.12	4.81
			Income accrued on Investments	3,492.79	22.41	35.86	83.54	88.52	88.52
			Fixed Assets Deputees	4.66	4.66	6.20	4.84	1.14	1.64
			Security Deposit	27.85	-	-	-	-	-
			Other Advances/Receivables	0.29	-	-	-	-	-
			Liabilities						
			Share Capital	7,010.00	7,010.00	7,400.00	7,400.00	7,400.00	7,400.00
			Interim Dividend Payable	-	1,051.50	888.00	888.00	740.00	370.00
			Other Liabilities	169.36	372.62	396.48	371.51	324.33	335.31
2	BNP Paribas Cardif S.A.	Investing Partner	**Transactions:**						
			Expenses						
			Employee's Salary/Allowances/ Reimbursement	4.09	13.92	9.68	9.80	10.29	9.85
			Others						
			Final Dividend Paid	-	-	-	-	-	130.00
			Interim Dividend	-	390.00	312.00	312.00	260.00	130.00
			Liabilities						
			Share Capital	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00	2,600.00
			Interim Dividend Payable	-	390.00	312.00	312.00	260.00	130.00

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on					
				Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
3	BNP Paribas	Holding Company of Investing Partner BNP Paribas Cardif S.A.	**Transactions:**						
			Income						
			Premium Income	-	10.00	12.25	16.00	-	-
			Interest / Discount Income	-	-	-	10.09	-	-
			Profit / (Loss) on Sale of Investments	-	-	-	(4.65)	-	-
			Expenses						
			Bank Charges	-	-	-	-	0.01	0.01
			Others						
			Investments: Purchased/Placed	-	-	-	5,336.54	-	-
			Investments: Sales/Maturity	-	-	-	5,588.50	-	-
			Outstanding Balances:						
			Assets						
			Cash & Bank balances	0.60	0.60	0.60	3.01	5.78	0.91
4	SBICap Securities Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	0.00	1.98	0.26	0.04	-	-
			Expenses						
			Commission Expenses	0.03	0.19	0.12	0.09	-	-
			Brokerage Charges	3.82	19.72	19.40	29.52	22.77	26.76
			Outstanding Balances:						
			Liabilities						
			Other Liabilities	0.58	0.08	1.04	1.49	-	-
5	SBI DFHI Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Profit / (Loss) on Sale of Investments	0.28	-	-	-	(11.36)	4.67
			Expenses						
			Professional Fees	-	-	-	0.00	0.00	-
			Other Expenses	0.00	-	-	-	-	-
			Others						
			Investments: Purchased/Placed	120.56	1,906.44	3,090.05	304.82	250.11	779.41
			Investments: Sales/Maturity	13.2	-	-	-	575.11	320.10
6	State Bank of Patiala [1]	Fellow Subsidiary [1]	**Transactions:**						
			Income						
			Premium Income	-	13.65	-	0.00	68.93	66.38
			Interest / Discount Income	-	8.70	9.55	10.03	77.12	191.65
			Expenses						
			Commission Expenses	-	138.18	124.01	98.91	82.13	78.39
			Rewards & Recognition paid	-	48.97	23.18	25.28	21.20	19.45
			Bank Charges	-	0.42	0.58	0.51	0.11	0.10

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on					
				Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
			Others						
			Investments: Purchased/Placed	-	1,253.40	-	20.00	-	458.15
			Investments: Sales/Maturity	-	-	20.00	-	750.00	500.00
			Outstanding Balances:						
			Assets						
			Investments	-	100.26	100.84	121.32	101.76	878.63
			Income accrued on Investments	-	2.60	2.62	3.78	2.60	185.11
			Cash & Bank balances	-	27.42	37.94	27.12	31.07	16.53
			Liabilities						
			Other liabilities	-	5.18	6.17	6.96	6.26	7.95
7	State Bank of Bikaner & Jaipur [1]	Fellow Subsidiary [1]	**Transactions:**						
			Income						
			Premium Income	-	423.23	38.89	36.93	46.81	47.72
			Interest / Discount Income	-	473.46	448.48	385.56	348.15	350.52
			Profit / (Loss) on Sale of Investments	-	-	-	-	1.36	-
			Expenses						
			Commission Expenses	-	244.47	228.18	171.58	157.20	139.84
			Rewards & Recognition paid	-	75.18	34.99	43.49	34.39	45.27
			Bank Charges	-	0.00	0.02	0.03	0.02	0.02
			Advertisement	-	-	0.01	-	-	-
			Others	-					
			Investments: Purchased/Placed	-	-	-	500.00	-	480.20
			Investments: Sales/Maturity	-	350.00	-	-	819.06	480.20
			Outstanding Balances:						
			Assets						
			Investments	-	2,946.40	3,296.40	3,296.40	2,796.40	3,145.70
			Income accrued on Investments	-	2,020.92	1,620.49	1,196.38	835.20	560.01
			Cash & Bank balances	-	38.57	60.64	24.07	64.61	25.73
			Liabilities						
			Other liabilities	-	8.81	11.60	15.99	12.50	12.42
8	State Bank of Travancore [1]	Fellow Subsidiary [1]	**Transactions:**						
			Income						
			Premium Income	-	11.16	17.33	-	24.19	20.25
			Interest / Discount Income	-	284.69	259.82	240.31	228.99	219.39
			Profit / (Loss) on Sale of Investments	-	0.50	-	0.18	-	-
			Expenses						
			Employee's Salary/Allowances/ Reimbursement	-	-	0.66	1.97	2.38	3.83
			Commission Expenses	-	118.58	104.90	78.68	73.83	67.33
			Rewards & Recognition paid	-	50.18	20.56	10.57	9.39	19.51
			Bank Charges	-	0.03	0.07	0.05	0.02	0.02
			Advertisement	-	-	-	10.75	-	-

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on					
				Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
			Others						
			Investments: Purchased/Placed	-	58.87	152.83	-	-	229.14
			Investments: Sales/Maturity	-	245.73	50.00	245.77	106.70	89.90
			Outstanding Balances:						
			Assets						
			Investments	-	1,876.20	1,881.20	1,931.20	1,946.20	2,052.90
			Income accrued on Investments	-	1,268.88	987.54	728.08	497.15	300.76
			Cash & Bank balances	-	19.62	31.22	18.94	18.89	11.07
			Fixed Assets Deputees	-	-	-	-	-	0.19
			Liabilities						
			Other liabilities	-	5.76	6.70	8.38	8.41	10.30
9	State Bank of Hyderabad [1]	Fellow Subsidiary [1]	**Transactions:**						
			Income						
			Premium Income	-	12.20	(0.98)	46.16	59.53	58.61
			Profit / (Loss) on Sale of Investments	-	-	(0.28)	23.30	0.12	(0.75)
			Interest / Discount Income	-	4.98	27.24	69.18	82.02	76.90
			Expenses						
			Employee's Salary/Allowances/ Reimbursement	-	0.09	4.20	4.58	4.29	4.11
			Commission Expenses	-	302.39	259.46	178.26	162.56	152.60
			Rewards & Recognition paid	-	82.30	51.60	45.32	36.47	44.30
			Bank Charges	-	0.03	0.03	0.03	0.03	0.02
			Others						
			Investments: Purchased/Placed	-	469.01	966.19	2,308.65	-	350.00
			Investments: Sales/Maturity	-	-	1,044.40	794.36	50.70	2,425.56
			Outstanding Balances:						
			Assets						
			Investments	-	50.00	50.00	650.00	650.00	880.88
			Income accrued on Investments	-	-	4.98	108.83	117.93	54.03
			Cash & Bank balances	-	59.03	75.37	51.64	21.77	32.00
			Fixed Assets Deputees	-	-	0.11	0.08	0.08	0.07
			Liabilities						
			Other liabilities	-	14.92	19.75	17.91	16.48	86.59
10	State Bank of Mysore [1]	Fellow Subsidiary [1]	**Transactions:**						
			Income						
			Premium Income	-	27.18	24.87	27.18	28.90	23.79
			Interest / Discount Income	-	-	-	-	-	15.37
			Expenses						
			Commission Expenses	-	104.55	108.28	89.33	74.39	69.80
			Rewards & Recognition paid	-	36.58	19.68	21.72	13.26	20.68
			Bank Charges	-	0.00	0.02	0.02	0.02	0.04
			Other Expenses	-	0.01	0.00	-	-	-

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on: Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
			Others						
			Investments: Sales/Maturity	-	-	-	-	-	148.50
			Outstanding Balances:						
			Assets						
			Cash & Bank balances	-	22.90	35.98	27.50	18.50	12.44
			Liabilities						
			Other liabilities	-	4.86	35.13	35.86	8.35	6.97
11	SBI Cards & Payment Services Private Ltd.	Fellow Subsidiary	**Transactions:**						
			Expenses						
			Commission Expenses	0.04	0.11	2.15	2.22	2.13	2.29
			Liabilities						
			Other liabilities	0.01	-	0.01	0.13	6.31	-
12	SBI Fund Management Private Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	-	0.70	2.98	2.36	0.19	-
			Outstanding Balances:						
			Liabilities						
			Other liabilities	-	0.01	0.15	0.22	0.27	-
13	SBI Capital Markets Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	2.62	(0.05)	5.87	(0.07)	4.54	0.92
			Others						
			Investments: Purchased/Placed	-	6,608.00	300.48	953.31	908.88	650.01
			Outstanding Balances:						
			Liabilities						
			Other liabilities	0.13	0.28	0.23	-	0.07	0.03

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on					
				Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
14	SBI Payment Services Pvt. Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	-	0.01	0.01	0.01	-	-
			Outstanding Balances:						
			Liabilities						
			Other Liabilities	-	0.00	-	-	-	-
15	SBI General Insurance Co. Ltd	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	8.06	3.53	9.06	7.18	1.83	2.05
			Rental income	20.56	82.14	79.30	74.61	73.55	65.51
			Reimbursement of Premises related expenses	5.06	20.21	19.98	18.95	22.61	16.80
			Reimbursement of maintenance charges	1.95	7.80	7.48	6.50	-	-
			Reimbursement of electricity charges	3.04	9.66	9.42	8.17	-	-
			Reimbursement of Doctors Expenses	0.07	0.27	0.27	0.25	-	-
			Reimbursement of property tax	-	2.49	2.49	3.74	-	-
			Reimbursement of Stamp duty registration	-	-	0.32	0.29	-	-
			Profit / (Loss) on Sale of Investments	-	-	-	0.34	-	-
			Expenses						
			Premium expense	0.05	4.03	4.02	6.59	4.63	3.09
			Others						
			Investments: Sales/Maturity	-	-	-	156.67	-	-
			Outstanding Balances:						
			Assets						
			Rent and other charges receivable	-	-	0.00	2.14	10.37	2.14
			Maintenance charges receivable	-	-	-	-	0.59	-
			Property tax receivable	-	-	0.00	2.14	9.78	-
			Premium paid in advance	-	0.05	-	-	0.14	-
			Liabilities						
			Other liabilities	0.05	0.65	0.08	0.06	0.29	0.20
16	SBI Global Factors Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	-	0.02	1.20	0.04	0.04	-
			Outstanding Balances:						
			Liabilities						
			Other liabilities	0.01	0.01	0.01	0.00	0.01	-
17	SBI SG Global Securities Private Ltd.	Fellow Subsidiary	**Transactions:**						
			Income						
			Premium Income	0.04	0.03	0.03	0.02	0.01	-

(₹ in million)

Sr.No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Amount of transactions/balance during the quarter/year ended on					
				Quarter ended June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
			Outstanding Balances:						
			Liabilities						
			Other liabilities	0.00	0.01	0.00	0.00	0.00	-
18	SBI Life Insurance Company Limited Employee PF Trust	Significant Influence/Controlling Enterprise	**Transactions:**						
			Income						
			Profit / (Loss) on Sale of Investments	1.22	0.98	1.72	3.78	(0.30)	0.31
			Others						
			Contribution	134.57	482.33	418.14	358.63	354.52	310.99
			Investments: Sales/Maturity	97.08	94.13	154.56	184.60	32.52	76.39
			Outstanding Balances:						
			Liabilities						
			Other liabilities	-	-	0.00	-	-	-
19	SBI Life Insurance Company Limited Employees Gratuity Fund	Significant Influence/Controlling Enterprise	**Transactions:**						
			Income						
			Premium Income	4.61	97.46	109.50	26.62	64.08	64.59
			Others						
			Contribution	4.61	97.46	109.50	26.62	64.08	64.59
			Outstanding Balances:						
			Assets						
			Other Advances/Receivables	0.00	0.00	0.00	-	-	-
20	Managing Director & CEO								
	i) Mr. Arijit Basu - (Inducted w.e.f August 31, 2014)	Key Management Personnel	**Transactions:**						
			Managerial remuneration	2.82	10.03	9.50	2.25	-	-
			Premium Income	0.00	0.03	0.02	0.03	-	-
	ii) Mr. Atanu Sen - (Held office from September 01, 2012 to July 31, 2014)	Key Management Personnel	**Transactions:**						
			Managerial remuneration	-	-	-	1.99	5.44	2.80
	iii) Mr. M.N. Rao - (Retired w.e.f. August 31, 2012)	Key Management Personnel	**Transactions:**						
			Managerial remuneration	-	-	-	-	-	1.63
			Sale of vehicle	-	-	-	-	-	0.30
			Profit/(loss) on sale of vehicle	-	-	-	-	-	0.06

[1] State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore have been merged with State Bank of India w.e.f. April 01, 2017.

Details of outstanding loan given by the Parent Company to Directors/KMPs

Particulars	As at June 30, 2017 (₹ in million)	Interest rate	Nature of loan
Directors/KMPs	45.24	6.00% to 9.95%	Home loans and Personal loans

Annexure – XXX: Restated Statement of Secured and Unsecured Loans

The Company does not have any secured or unsecured loans. It is a debt free company with no borrowings. So there are no assets which are charged as security.

Annexure - XXXI : Restated statement of Aggregate Book value and Market value of quoted Investments

Details of aggregate book value and market value of quoted investments are as follows:

(₹ in million)

Particulars	As at											
	June 30, 2017		March 31, 2017		March 31, 2016		March 31, 2015		March 31, 2014		March 31, 2013	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Equity	181,851.07	226,384.98	182,754.64	224,340.24	155,370.01	179,472.77	166,099.48	222,754.43	186,071.01	224,912.19	181,587.76	196,047.75
Others	716,527.41	751,612.94	686,391.89	712,892.52	546,552.80	558,019.24	407,894.57	420,127.52	306,948.59	296,343.80	258,922.59	260,476.53
Total	**898,378.48**	**977,997.92**	**869,146.53**	**937,232.76**	**701,922.81**	**737,492.01**	**573,994.05**	**642,881.95**	**493,019.60**	**521,255.99**	**440,510.35**	**456,524.28**

CAPITALISATION STATEMENT

Restated statement of capitalisation

We have set out below the post-Offer details of the restated statement of capitalisation, in addition to the restated statement of capitalisation forming part of "Financial Statements - Annexure XXV" on page 307 (which was to be calculated upon completion of the Offer).

(*in ₹ million*)

Particulars	As at June 30, 2017	
	Pre Offer	As adjusted for the Offer
Shareholders' funds		
Share capital	10,000.00	10,000.00
Share application money	-	-
Reserve and surplus	47,782.30	47,782.30
Credit/(debit) fair value change account	1,005.67	1,005.67
Total Shareholder's Funds (Net worth) (A)	**58,787.97**	**58,787.97**
Debt		
Long term borrowings	-	-
Short term borrowings	-	-
Other borrowings (current maturity of long term borrowings)	-	-
Total debt (B)	**-**	**-**
Total (A+B)	**58,787.97**	**58,787.97**
Long term debt/equity ratio	-	-
Total debt equity ratio	-	-

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the discussion and analysis of our financial condition and results of operations set forth below in conjunction with our Restated Financial Statements set forth in "Financial Information" on page 218, which have been prepared in accordance with Indian GAAP, the Companies Act, 2013, SEBI Regulations and the IRDAI Regulations. Our financial statements differ significantly from those of non-insurance companies. See "Risk Factors—The preparation and presentation of our financial statements and the calculation of certain operational and financial performance indicators presented in this Prospectus may vary significantly from those of non-insurance companies or even other insurance companies" on pages 39 and 40.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 19 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ from those expressed in or implied by these forward-looking statements.

We have, in this Prospectus, included various operational and financial performance indicators, including certain non-GAAP financial measures, some of which may not be derived from our Restated Financial Statements and may not have not been subjected to an audit or review by our statutory auditors. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other insurance companies in India and other jurisdictions. In addition, we have in this Prospectus included the Embedded Value Report issued by the Independent Actuary which includes certain information relating to our Embedded Value as of March 31, 2017 calculated in accordance with the Indian Embedded Value Methodology, which may vary from that used by other life insurance companies in India and other jurisdictions. The Embedded Value as of March 31, 2017 and the operational and financial performance indicators included in this Prospectus may also vary from similar information we have calculated historically and presented publicly in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and 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 Prospectus.

Unless otherwise indicated, the financial information included herein is based on our Restated Financial Statements for Fiscal 2013, Fiscal 2014, Fiscal 2015, Fiscal 2016 and Fiscal 2017 and for the three months ended June 30, 2017 included in this Prospectus. For further information, see "Financial Information" on page 218.

Overview

We were established as a joint venture between the State Bank and BNPPC in 2001. As of March 31, 2017, State Bank was India's largest commercial bank in terms of deposits, advances and number of branches (*Source: RBI data*). Following its recent merger with certain of its associate banks and a non-affiliate bank, with effect from April 1, 2017, State Bank had 24,017 branches and 195 international offices in 36 countries and more than 420 million customers. BNPPC, an insurance subsidiary of BNP Paribas, with operations across 36 jurisdictions internationally, is among the leaders in credit life insurance business globally. BNP Paribas was a top 10 global financial institution in terms of revenues in 2016 (*Source: Fortune Global 500*). Our relationship with State Bank and BNPPC has enabled us to enhance our brand, access specialist industry expertise, grow our business and consolidate our market position.

We have developed a multi-channel distribution network comprising an expansive bancassurance channel, including with State Bank, the largest bancassurance partner in India, a large and productive individual agent network comprising 95,177 agents as of July 31, 2017, as well as other distribution channels including direct sales and sales through corporate agents, brokers, insurance marketing firms and other intermediaries. As of July 31, 2017, we had a comprehensive product portfolio of 37 individual and group products, including a range of protection and savings products to address the insurance needs of diverse customer segments. Our individual products include participating products, non-participating protection products, other non-participating products and unit-linked products, which contributed 10.77%, 0.95%, 1.69% and 50.36%, respectively, of our New Business Premium in Fiscal 2017 and 15.43%, 0.72%, 1.85% and 49.61%, respectively, of our New Business Premium for the three months ended June 30, 2017; while our group products include credit life group protection products, other group protection products, group fund management ("Group FM") products and other group products, which contributed 2.72%, 1.14%, 31.73% and 0.65%, respectively, of our New Business Premium in Fiscal 2017 and 2.91%, 2.04%, 26.84% and 0.60%, respectively, of our New Business Premium for the three months ended June 30, 2017. For further information, see "Our Business – Group Products" on page 134.

Our New Business Premium, Gross Written Premium and New Business Annualized Premium Equivalent increased at a CAGR of 35.45%, 27.80% and 36.59%, respectively, between Fiscal 2015 and Fiscal 2017, while our Individual Rated Premium increased at a CAGR of 37.90% in such period. Our Assets Under Management have increased from ₹ 713,389.30 million as of March 31, 2015 to ₹ 977,366.03 million as of March 31, 2017, and was ₹ 1,012,260.34 million as of June 30, 2017. Our profit after tax increased at a CAGR of 8.24% from ₹ 8,148.67 million in Fiscal 2015 to ₹ 9,546.53 million in

Fiscal 2017 and was ₹ 3,134.48 million for the three months ended June 30, 2017. Our Embedded Value, based on the Embedded Value Report issued by the Independent Actuary, was ₹ 165,379 million as of March 31, 2017.

In Fiscal 2017, we had 13th month and 61st month Persistency Ratios of 81.07% and 67.18%, respectively. For the three months ended June 30, 2017, our 13th month Persistency Ratio was 81.97% and our 61st month Persistency Ratio was 64.62%. In Fiscal 2017 and for the three months ended June 30, 2017, our Mis-Selling Ratio was 0.20%, while our Grievance Disposal Rate was 99.96% and 95.10%, respectively. Our Death Claims Settlement Ratio improved from 92.33% in Fiscal 2015 to 97.98% in Fiscal 2017, and was 89.61% for the three months ended June 30, 2017. We have consistently maintained our Solvency Ratio at over 2.00 in each of the last five fiscal years. Our Solvency Ratio was 2.04 and 2.11 as of March 31, 2017 and June 30, 2017, respectively, compared to the IRDAI mandated Solvency Ratio of at least 1.50.

Our brand, business reputation and customer satisfaction are critical factors in developing new business and maintaining our leadership position. We were recognized among the Most Trusted Brands by The Economic Times Brand Equity – Nielsen survey in Fiscal 2017 for the sixth consecutive year. We were awarded the "Private Sector Life Insurance Company of the Year" and "Bancassurance Leader Life Insurance (Large Category)" at the Indian Insurance Awards organized by Fintelekt in two consecutive years and were awarded the Legal Era Risk Award under the category "Most innovative risk management strategy" by Legal Era Risk Awards, 2017, the Economic Times Best Corporate Brand, 2016 and the LIMRA and LOMA Social Media Silver Bowl Awards, 2016 at the Social Business Conference for Financial Services in Boston, Massachusetts. According to the Kantar – IMRB survey 2017, in a survey conducted across more than 15 cities in India, we were jointly top-ranked for customer loyalty in the life insurance category.

Key Factors Affecting our Results of Operations

The results of our operations and our financial condition are affected by a number of factors, many of which may be beyond our control, including the following:

Macroeconomic conditions in India

Our business and profitability are affected by general economic and demographic conditions in India. India's economic growth trends, household savings rate, consumer attitudes towards financial savings and demographic profile are some of the key factors affecting the performance of its life insurance industry. In the event of adverse macroeconomic conditions in India (whether due to conditions in India or as a result of deterioration of global macroeconomic conditions), characterized by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for insurance and savings products could be adversely affected. Changes in the economic conditions can affect our financial results through their effect on market conditions and investment income and through changes in consumer confidence in and demand for insurance products and services. Declining consumer confidence tends to cause both a decrease in new policy sales and an increase in policy surrenders, thereby adversely affecting our results of operations.

Several global economic developments may have an impact on the Indian economy, including the change in the global interest rates outlook, recent changes in United States fiscal and monetary policies, the medium term political outlook for globalization, China's ability to re-balance its financial systems and economy and the proposed withdrawal of the United Kingdom from the European Union creating business and financial uncertainty. If the economic or demographic conditions in India deteriorate or are not in line with our expectations, or the impact on our business is different from what we expect, our financial condition and results of operations may be materially and adversely affected.

Growth and productivity of our multi-channel distribution network

Our business is dependent on our multi-channel distribution network and any disruption to or decrease in the productivity of any of our distribution channels will have a significant impact on our financial condition and results of operations. Bancassurance represents our most significant distribution channel, and in Fiscal 2015, 2016, 2017, and for the three months ended June 30, 2017, contributed 47.82%, 54.43%, 53.03% and 63.54%, respectively, of our total New Business Premium in such periods. Any termination of, or any adverse change to, our relationship with or performance of key distribution bancassurance partners, particularly State Bank, may have a material adverse impact on our business. We have also entered into bancassurance partnerships with 17 Regional Rural Banks and more recently with the Punjab and Sind Bank and South Indian Bank, in order to help develop a pan-India bancassurance channel. If we are unable to enter into additional bancassurance arrangements, maintain our relationship with existing partners over competing life insurers with similar arrangements, fully capitalize on the bancassurance distribution channels or not attract qualified and experienced representatives or certified insurance facilitators, our product sales could be adversely affected. Our distribution arrangements with our financial institution distributors are non-exclusive and the level of sales of our products through these channels depends on the competitiveness of our products relative to those of our competitors. Our individual agent network, which are exclusive arrangements, represents our second largest distribution channel, and in Fiscal 2015, 2016,2017 and for the three months ended June 30, 2017, contributed 32.85%, 27.47%, 22.31% and 24.89%, respectively, of our total New Business Premium in such periods. As of July 31, 2017, we had 95,177 individual agents. Any adverse change in our relationship with our individual agents and other distribution intermediaries, a decline in the performance of our individual agents or other distribution network or an inability to enter into additional distribution arrangements may have a material adverse effect on our business, results of operations and financial condition. The growth of our individual agency channel is impacted by the number, training and experience of the agents selling our products and their ability to establish and maintain customer relationships. In addition, our ability to compete in direct sales, including online sales depends, among other factors, on our ability to retain employees and leverage data analytics, and our marketing spends relative to competitors. Any change in the regulatory framework may also affect the growth and productivity of our multi-channel distribution network.

Regulatory and fiscal environment

The life insurance industry in India is regulated and involves significant compliance efforts and related costs. Any changes in the business environment resulting from regulatory or fiscal changes or more stringent adoption or implementation of the existing regulatory regime applicable to the Indian life insurance industry could have an impact on the nature of our existing products, our ability to launch new products, our business practices, distribution arrangements, target customer segments, and the value of our assets or our existing business. The regulatory framework governing the insurance industry in India has become increasingly stringent in recent years. Any new IRDAI policies relating to, among other matters, product guidelines, rules regarding insurance intermediaries, distribution or provisioning norms affecting our business, or the introduction of rural and other social welfare initiatives introduced at the initiative of other regulatory agencies that we are required to support, may result in increased operational expenses, including the cost of regulatory compliance, decreased profitability, or require us to modify our business strategy and focus on new markets and/or customer segments.

Applicable regulations also require us to maintain a minimum level of solvency of at least 1.50. The existing regulatory framework in India also restricts the nature of capital available to us as a life insurance company in India, as foreign investment in an Indian insurance company is limited to 49.00% of the share capital of such insurance company. The applicable regulatory framework also imposes various restrictions that affect our operations, such as the ability to appoint senior management, and the nature of investments we are able to undertake. We are also subject to regular audit by such regulatory authorities, and regulatory action in case of any non-compliance. Any material development in the existing regulatory framework, or any adverse judicial determination in our legal proceedings or with respect to the applicable regulatory framework, may affect our financial performance, and the level of provisions required to be made in our financial statements, which could increase our expenses and our liabilities.

Pursuant to the provisions of the Companies Act, 2013, our financial statements are also subject to audits conducted by the Comptroller and Auditor General of India.

In addition, any adverse development in fiscal laws, including discontinuance of existing tax exemptions or tax benefits available to insurance companies or those available to customers with respect to insurance products, could adversely impact our business prospects and results of operations. Any increase in the special corporate tax rates of 14.42% applicable to insurance companies as of March 31, 2017, or the non-applicability of minimum alternate tax, exemption for dividend income from investments in other Indian companies or mutual funds, exemption for income from IRDAI approved pension products or a public sector company in respect of tax free bonds, if discontinued, may materially and adversely affect our results of operations and financial condition.

Product mix and new business growth

We develop and distribute a range of participating, non-participating and unit-linked individual products as well as group products. Since the capital requirement, pricing assumptions, level of reserves, profitability, and the profit period patterns vary from product to product, changes in the product mix for new business affect our financial condition and results of operations. We have experienced consistent growth across our individual products. In Fiscal 2017, Individual New Business Premium from our participating products, non-participating protection products, other non-participating products and unit-linked products contributed 16.89%, 1.48%, 2.66% and 78.97%, respectively, of our Individual New Business Premium in such period. For the three months ended June 30, 2017, participating products, non-participating protection products, other non-participating products and unit-linked products contributed22.83%, 1.07%, 2.73% and 73.37%, respectively, of our Individual New Business Premium in such period. A significant proportion of our New Business Premium is generated by a certain category of products such as unit-linked products and non-participating products which represented 50.50% and 38.73%, respectively, of our New Business Premium, and 79.47% and 2.21%, respectively, of our Individual Rated Premium in Fiscal 2017. For the three month ended June 30, 2017, unit-linked products and non-participating products represented 49.87% and 34.70%, respectively, of our New Business Premium, and 73.19% and 1.87%, respectively, of our Individual Rated Premium. A regulatory change or market development or customer preference affecting sales of our unit-linked products or non-participating products could adversely affect our business and results of operations. Further, if the growth of our unit-linked products or our pure protection products is not as anticipated or if we are unable to maintain our overall growth levels while growing these lines of business, our Value of New Business and profitability may be adversely affected. If our unit-linked funds underperform their respective benchmarks, we may not be able to market these products in the future and may be in a disadvantageous position as compared to our competitors.

We continue to grow our product portfolio, focusing on relatively higher margin products and maintain our overall growth levels while developing additional products. If we are unable to anticipate market developments and design new products to develop market opportunities, we may not be able to compete with more attractive products offered by our competitors in case of any such shift in customer preference or other market development. Such changes in product categories that are currently significant for us or are likely to become significant to our business in the future could have a material effect on our business and financial performance. In addition, profit, if any, from life insurance contracts typically emerges over the life of the contract and we usually incur losses in the initial period after a policy is written. Any significant growth in new business may cause us to incur losses in the initial phases, thereby affecting our results of operations.

Pricing and claims experience

Effective pricing of our products affects our business and results of operations. Pricing of our products involves various assumptions based on analysis of historical data, application of appropriate pricing methodologies and ongoing monitoring to recognize changes in risk trends to accurately forecast severity and frequency of losses. The ability to accurately price insurance products is subject to a number of assumptions relating to factors outside our control, including availability of sufficient data, changes in regulatory standards and ability to obtain applicable regulatory approvals In addition, various assumptions related to future investment returns are used in pricing our products and setting of reserves. Actual investment returns that are lower than those projected could result in significant losses on particular products, thereby causing us to increase the price of our products, and consequently affecting our future business.

Our claims experience may also vary from the assumptions that we make both when we design and price our products and when we calculate our contractual policy liabilities. Claims experience varies over time and from one type of product to another, and may be impacted by specific events and changes in macroeconomic conditions, population demographics, mortality, morbidity and other factors. Our policy liabilities as of March 31, 2015, 2016, 2017 and as of the three months ended June 30, 2017 were ₹ 676,689.66 million, ₹ 756,558.25 million, ₹ 928,967.90 million and ₹ 956,815.76 million, respectively. Increase in policy liability from ₹ 756,558.25 million as on March 31, 2016 to ₹ 928,967.90 million as on March 31, 2017 was primarily due to an increase in New Business Premium by 42.76% and an increase in Renewal Premium by 24.69%. However, our policy liabilities do not, and will not in the future, represent any precise calculation of liability, but rather are estimates of the anticipated net future policy benefits and claims payments, and are consequently inherently uncertain. These assumptions and estimates are based on our management's assessment of the information available to us, historical data, probable forecast of future events that could affect our policyholders or the insurance industry in general, as well as anticipated estimates of future claims severity and frequency, loss trends in claim frequency and severity experienced by us, our loss history and loss history in the Indian life insurance industry. These assumptions and estimates are also affected by other factors beyond our control such as regulatory development or judicial determination relating to insurance claims and damages, any change in the political environment or general macroeconomic trends affecting the Indian economy, including inflation.

Persistency experience

Our reported financial results are affected by our Persistency Ratio and surrender experience, which may vary from the assumptions that we make both when we design and price our products and when we calculate our insurance contract liabilities. In Fiscal 2017, we had 13th month and 61st month Persistency Ratios of 81.07% and 67.18%, respectively while for the three months ended June 30, 2017, we had 13th month Persistency Ratio and 61st month Persistency Ratios of 81.97% and 64.62%, 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 Premiums. In addition, our ability to convert first year premiums into Renewal Premiums – thereby increasing the number of in-force policies – is an important factor affecting our financial condition and results of operations, as well as the long-term growth of our revenues and profitability.

Persistency and surrender experience varies over time and from one type of product to another, and may be affected by events such as changes in macroeconomic conditions, changes in consumer sentiment or policyholder behavior, relative competiveness of our products, claims experience, investment performance of our funds and other factors beyond our control, such as adverse macroeconomic conditions, significant regulatory changes, change in government policies impacting the economy in general or the insurance industry in particular, loss of customer confidence in the insurance industry due to actual or perceived weakening of the financial strength of one or more insurance companies, or increased volatility in the equity markets, could also result in unanticipated high levels of surrenders, withdrawals and lapses of insurance policies, thereby adversely affecting our Persistency Ratios.

Interest rate volatility

The profitability of many of our products and our investment returns are sensitive to interest rate fluctuations, and changes in interest rates could affect our investment returns, financial condition and results of operations. We are affected by fluctuations in market interest rates as a substantial portion of our investment portfolio is held in debt securities, particularly fixed income government securities. In general, the investment risk in respect of investments held to back unit-linked contracts is borne by policyholders of such products, whereas the investment risk associated with investments backing other products or shareholders' funds is either shared between our policyholders and us or completely borne by us. Interest rate risk generally originates from movements of interest rates and the mismatches between the durations of assets and liabilities.

Our products with guaranteed benefits carry the risk that interest income from the financial assets backing the liabilities are insufficient to fund the guaranteed benefits payable as interest rates fall. A substantial portion of the assets in the participating fund consist of fixed income securities, whose returns are affected by fluctuations in market interest rates. Since holders of our participating life insurance policies are credited with a portion of the investment returns earned by the invested assets, bonuses credit to their policies may be lower. Lower bonuses may lead to decreased new business sales or increased surrenders from these policies.

In addition, our insurance contracts' liabilities tend to have a longer duration than our investment assets, which may result in the re-investment returns of our maturing investments being lower than the average guaranteed pricing rate for our insurance policies in a declining interest rate environment.

Rising interest rates reduce fair value of investments and generate unrealized losses, which could adversely affect our shareholders' equity and results of operations. Rising interest rates could also lead to higher levels of surrenders and withdrawals of existing policies as policyholders seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments to policyholders requiring the sale of our debt securities at a time when the prices of those assets are adversely affected by the increase in market interest rates, potentially resulting in realized investment losses. These would impact our financial conditions and results of our operations.

Fluctuations in Indian equity markets

Fluctuations in Indian equity markets may affect our investment returns, and thereby our financial condition and results of operations. In case of our unit-linked products, underlying investments are subject to fluctuations in equity markets, and is borne by policyholders of such products, whereas the investment risk associated with investments backing other products or shareholders' funds is either shared between our policyholders and us or completely borne by us.

Sales of unit-linked products typically decrease in periods of protracted or steep declines in equity markets and increase in periods of rising equity markets. In particular, customers may be reluctant to commit to new unit-linked policies in times of uncertainty or market volatility. In addition, lower investment returns for our unit-linked assets would also reduce the asset management and other fees we earn. Surrenders and withdrawals may increase at times of declining equity markets as customers shift to other products, although some customers may continue to hold on to the investments for future gains. Surrenders and withdrawals may increase with rising equity markets because customers may exit their policies to realize their gains.

A decline in the equity markets reduces our investment income and also reduces the fair value of investments held towards non-linked policyholder funds and shareholders' funds, which could adversely affect our results of operations. Lower equity returns could also lead to higher levels of surrenders of existing non-linked policies as policyholders seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments to policyholders requiring the sale of our equity investments at a time when the prices of those assets are adversely affected by market movements, potentially resulting in realized investment losses. These would impact our financial condition and results of our operations.

Competition

We compete for business on the basis of various factors, including product features, price, coverage offered, quality of customer service, distribution network, relationships with agents, bancassurance partners and other intermediaries, brand recognition, size of operations, operating efficiency, financial strength and credit ratings. In addition, life insurance products also compete with certain other financial services products. For example, in the area of savings-oriented insurance products, we compete with mutual fund companies, bank fixed deposits and Government small saving schemes. We also face competition from smaller life insurance companies that have been seeking to expand market share in recent years and may develop strong positions in certain customer segments. Some of our competitors may offer higher commissions or more attractive rewards to agents and other distribution intermediaries, or offer similar insurance products at lower pricing. We may also experience increase in consolidation in the life insurance sector in India, which could lead to our competitors attaining increased financial strength, management capabilities, resources, operational experience, market share, distribution channels and capabilities in pricing, underwriting and claims settlement. In addition, we potentially compete with commercial banks that are allowed to invest in, or form alliances with, insurance companies in order to offer insurance products and services. Closer alignment between the insurance and banking industries in India may incentivize our bancassurance partners to distribute insurance products of their affiliates rather than our products. In recent years, financial institutions in India have focused on developing new kinds of investment products in response to the increasing public demand for diversified financial investments, which has led to the availability of a variety of financial investment products. These products may be more attractive to customers for tax reasons, investment returns or otherwise, and may compete with our products that offer similar investment features.

Expense management

Our reported financial results are affected by our level of expenses, which may vary from the assumptions that we make, both when we design and price our products and when we calculate our insurance contract liabilities. Expenses may be impacted by specific events and changes in macroeconomic conditions including inflation, changes in regulations, competition, distribution costs, employee costs and other factors. Given the cap on charges on unit-linked products, the ability to absorb expenses in the pricing of our various products differs across products. Hence any shift in product mix could impact our expense ratios and hence our financial condition and results of operations. Finally, any slowdown in the scale of our new business premium and renewals, can also impact our expense ratios.

Key Performance Indicators

In evaluating our business, we consider and use the 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, are not presented in accordance with Indian GAAP, and are unaudited. 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 premiums, gross earned premiums or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or results of operations.

The following table sets forth certain key performance indicators for the periods indicated:

Particulars	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
	(₹ million, except percentages)			
New Business Annualized Premium Equivalent	36,057.36	50,455.49	67,273.18	12,828.33
Persistency Ratios (based on premium)				
13th month persistency	79.27%	80.69%	81.07%	81.97%
49th month persistency	64.54%	76.90%	62.46%	63.00%
61st month persistency	40.65%	53.78%	67.18%	64.62%
Individual Rated Premium	31,213.97	42,759.93	59,361.23	11,096.32
Solvency Ratio	2.17	2.12	2.04	2.11

Other key performance indicators include: our Embedded Value as of March 31, 2017, which was ₹ 165,379 million; in addition, in Fiscal 2017 our Value of New Business, Value of New Business Margin and Present Value of New Business Premium Margin were ₹ 10,368 million, 15.4% and 3.8%, respectively; Embedded Value Operating Profit was ₹ 28,875 million and our Operating Return on Embedded Value was 23% for Fiscal 2017.

New Business Annualized Premium Equivalent

New Business Annualized Premium Equivalent is the sum of annualized first year premiums on regular premium policies, and 10% of single premiums, written by us during the fiscal year from both our retail and group customers. New Business Annualized Premium Equivalent does not include Renewal Premium.

Our New Business Annualized Premium Equivalent increased by 39.93% from ₹ 36,057.36 million in Fiscal 2015 to ₹ 50,455.49 million in Fiscal 2016 driven primarily by increase in New Business Premium generated through our bancassurance channel and most notably through our bancassurance partner State Bank, while it increased by 33.33% from ₹ 50,455.49 million in Fiscal 2016 to ₹ 67,273.18 million in Fiscal 2017, driven primarily by increase in New Business Premium from individual products generated through bancassurance and agency channel, as well as from our Group Fund Management business generated through other channels. Our New Business Annualized Premium Equivalent was ₹12,828.33 million for the three months ended June 30, 2017.

Persistency Ratios

Persistency is the percentage of premium of policies remaining in force to the premium of all policies issued. Persistency is calculated with respect to policies issued in a fixed period prior to the period of measurement. 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 Premiums. We believe that the 13th month persistency is an important metric to measure the quality of our sales because it is the first time that we can assess if payments are made beyond the first year after the completion of the sale, for regular premium products. In addition, we believe that the 49th month and 61st month Persistency Ratios are also important indicators for the assessment of performance of our unit-linked products, as a majority of these customers have a premium payment term of five years. For further information, see "Our Business – Persistency Ratios" on page 141.

In Fiscal 2015, 2016 and 2017, our 13th month Persistency Ratio was 79.27%, 80.69% and 81.07%, respectively. In Fiscal 2015, 2016 and 2017, our 49th month Persistency Ratio were 64.54%, 76.90% and 62.46%, respectively, which has decreased primarily due to a decline in the share of Single Premium. Our 61st month Persistency Ratio in Fiscal 2015, 2016 and 2017 were 40.65%, 53.78% and 67.18%, respectively. We believe the increase in our 61st month Persistency Ratio was achieved as a result of an increased focus on customer satisfaction on all aspects of our business operations, including the quality of our distribution and customer engagement. For the three months ended June 30, 2017 our 13th month, 49th month and 61st month Persistency Ratios were 81.97%, 63.00%was 64.62%, respectively.

We have introduced a number of initiatives to further improve persistency of our existing policies, including persistency as a key performance metric for rewards and recognition schemes for our sales force, use of data analytics to improve renewal collection follow ups, dedicated renewal business vertical, and ongoing customer engagement programs.

Individual Rated Premium

Individual Rated Premium is the sum of first year premiums on regular premium policies and 10% of single premiums received by us from individual customers during any period. Individual Rated Premium does not include Renewal Premium. We use this metric for the measurement of sales performance and to keep track of our market share, due to the retail focus of our business.

Our Individual Rated Premium increased by 36.99% from ₹ 31,213.97 million in Fiscal 2015 to ₹ 42,759.93 million in Fiscal 2016 driven primarily by an increase in New Business Regular Premium from our bancassurance channel, while it increased by 38.82% from ₹ 42,759.93 million in Fiscal 2016 to ₹ 59,361.23 million in Fiscal 2017 driven primarily increase in unit-linked business through our bancassurance and agency channels. Our Individual Rated Premium was ₹11,096.32million for the three months ended June 30, 2017.

Solvency Ratio

Solvency Ratio is a regulatory measure of capital adequacy, calculated by dividing available solvency margin by required solvency margin, each as calculated in accordance with the guidelines of IRDAI. IRDAI has set a Solvency Ratio control limit of at least 1.50.

We have consistently maintained our Solvency Ratio at over 2.00 in the last five fiscal years, compared to the IRDAI mandated solvency ratio of at least 1.50. Our Solvency Ratio marginally decreased by 2.30% from 2.17 in Fiscal 2015 to 2.12 in Fiscal 2016, primarily due to a growth in premium income and resulting increase in policyholders reserves, requiring additional capital and a dividend of ₹ 1,200.00 million (excluding dividend distribution tax) paid to shareholders. Our Solvency Ratio decreased by 3.77% from 2.12 in Fiscal 2016 to 2.04 in Fiscal 2017, primarily due to a growth in premium income requiring additional capital and a dividend of ₹ 1,500.00 million (excluding dividend distribution tax) paid to shareholders. Our Solvency Ratio was 2.11 as of June 30, 2017.

Value of New Business

Value of New Business is the present value of expected future earnings from new policies written during any given period. We believe that 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. Our Value of New Business was ₹ 10,368 million in Fiscal 2017.

Value of New Business Margin is the ratio of Value of New Business to New Business Annualized Premium Equivalent for any given period and is a measure of the expected profitability of new business, our Value of New Business Margin in Fiscal 2017 was 15.4% and our Present Value of New Business Premium Margin for Fiscal 2017 was 3.8%.

Embedded Value

Embedded Value is a 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 have the potential of getting revived).

We have included in this Prospectus information regarding our Embedded Value as discussed in the report of the Independent Actuary. There is significant technical complexity involved in and various assumptions and estimates used in calculation of Embedded Value. Embedded Value is derived from multiple assumptions on the future performance on parameters impacting earnings, including, among others, persistency, mortality, morbidity and external factors such as interest rates and equity market performance. These assumptions and estimates are also factors beyond our control such as regulatory development or judicial determination relating to insurance claims and damages, any change in the political environment or general macroeconomic trends affecting the Indian economy, including inflation. Accordingly, Embedded Value calculations may vary significantly if key assumptions or estimates are modified or if our actual experience is different from such assumptions and estimates.

In addition, the methodology for calculation of Embedded Value followed may itself be inaccurate, and any modification in such methodology may also result in variation in Embedded Value calculation even if similar assumptions and estimates are used. While our Embedded Value public disclosure as of March 31, 2016 was prepared internally by the Company based on the Market Consistent Embedded Value Methodology that is conventionally followed by life insurance companies outside India, our Embedded Value Report as of March 31, 2017 has been prepared by the Independent Actuary on the basis of the Indian Embedded Value Methodology as specified by the IRDAI, which differs from other methodology that may be used in other jurisdictions such as the European Embedded Value and Traditional Embedded Value method. Accordingly, the Embedded Value information included in this Prospectus must be read in conjunction with the assumptions, estimates and limitations specified in the Embedded Value Report included in this Prospectus and care must be exercised in interpreting the Embedded Value results. As the methodology for Embedded Value calculation used in the March 31, 2016 public disclosure that was prepared internally by the Company is not consistent with the Indian Embedded Value Methodology specified by the IRDAI used for the March 31, 2017 Embedded Value Report, we have not included the March 31, 2016 report in this Prospectus and investors are cautioned against placing any reliance on any such information relating thereto.

Our Embedded Value, based on the Embedded Value Report issued by the Independent Actuary, was ₹ 165,379 million as of March 31, 2017.

We also measure our performance based on an Embedded Value Operating Profit, which was ₹ 28,875 million and Operating Return on Embedded Value was 23% for Fiscal 2017. In Fiscal 2017, we paid dividends (including dividend taxes) of ₹ 1,805.36 million.

For additional information, please refer to the Embedded Value Report on page 350.

Critical Accounting Policies and Estimates

The preparation of our financial information requires selecting accounting policies and making estimates and assumptions that affect items reported in the revenue account, profit and loss account, Balance sheet, Receipts and Payments account and other primary statements and notes to the financial information. The determination of these accounting policies is fundamental to our results of operations and financial condition, and requires management to make subjective and complex judgments about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgments as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations or cash flows. For more information regarding our significant accounting policies, see "Financial Statements—Annexure V: Summary of Accounting Policies and Notes to Accounts for Financial Statements" on page 228.

Certain accounting estimates are particularly sensitive because of their significance to the financial information and because of the possibility that future events affecting the estimates may differ significantly from management's current judgments. For more information regarding the summary of critical accounting estimates and judgments, see "Financial Statements — Annexure V: Summary of Accounting Policies and Notes to Accounts for Financial Statements" — on page 228.

(a) Revenue recognition

Premium Income

Premium of non-linked business is recognized as income (net of service tax) when due from policyholders. In respect of linked business, premium income is recognized when the associated units are allotted. In case of variable insurance products, premium income is recognized on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognized as income until such policies are revived.

Top up premiums are considered as single premium.

Income from Linked funds

Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions of policy and recognized when recovered.

Investment Income

Dividend income for quoted shares is recognized on ex-dividend date, for non-quoted shares, the dividend is recognized when the right to receive a dividend is established.

Interest income is recognized on an accrual basis. Accretion of discount and amortization of premium in respect of debt securities are affected over the remaining term of such instruments on the basis of the related Yield–to-Maturity.

Realized gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realized gains and losses are calculated as the difference between net sales proceeds or redemption proceeds and weighted average amortized cost. Cost in respect of equity shares and units of mutual fund are computed using the weighted average method.

Fees received on lending of equity shares under securities lending and borrowing scheme is recognized as income over the period of the lending on straight-line basis.

Income from loans

Interest income on loans is recognized on an accrual basis. Loan processing fee is recognized on receipt basis.

Rental Income

Rental income is recognized in the income statement on a straight line basis over the lease period.

(b) Reinsurance premium ceded

Premium ceded on re-insurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

(c) Liability for life policies (Policy liabilities)

The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules & regulations and circulars issued by IRDAI from time to time and the relevant Guidance Notes and / or Actuarial Practice Standards issued by the Institute of Actuaries of India.

(d) Funds for future appropriation

For non-linked business, the balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the balance sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

The fund for future appropriations held in the unit-linked funds, represents surplus that has arisen from lapsed policies unlikely to be revived. This surplus is required to be held within the policyholders' fund till the point at which the policyholders' can no longer revive their policy.

(e) Benefits paid

Benefit paid consists of the policy benefit amounts and claims settlement costs, where applicable. Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims, claims by maturity are accounted on the policy maturity date, survival and annuity benefit claims are accounted when due, Surrenders are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders and lapsation are disclosed at net of charges recoverable.

Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims. The amount recoverable from re-insurers is accounted for in the same period as the related claim and is reduced from claims.

(f) Acquisition costs

Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

(g) Fixed assets, intangibles and depreciation

Fixed assets

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Cost includes the purchase price and any other cost which can be directly attributed to bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.

Intangibles

Expenditure incurred on major application software and their customization or further development is recognized as an intangible asset. The same is capitalized under fixed assets if such expenditure results in a benefit of enduring nature. Other software expenses are expensed in the period in which they are incurred. Intangible assets are stated at cost less accumulated depreciation/amortization.

Capital work in progress

Advances paid towards the acquisition of fixed assets and intangibles at the balance sheet date are disclosed as capital work-in-progress.

Depreciation

We follow straight line method of depreciation provided on pro rata (monthly) basis to period of use based on useful life as prescribed under Part "C" of Schedule II to the Companies Act, 2013.

Leasehold improvements are amortized equally over the period of lease.

(h) Impairment of fixed assets

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment is recognized, if the carrying amount of those assets exceeds their recoverable amount.

(i) Investments

Investments are recorded on the trade date at cost, which includes brokerage, security transaction tax, education cess and stamp duty, wherever applicable and excludes interest paid, if any, on purchase of investments.

Valuation – shareholders' investments and non-linked policyholders' investments

Debt securities, including Government securities and money market securities are stated at historical cost subject to amortization of premium or accretion of discount over a period of holding/ maturity on yield to maturity basis.

Investments in fixed deposits with banks and reverse repo are valued at cost.

Listed equity shares, equity related instruments and preference shares are measured at fair value on the balance sheet date.

Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.

Additional tier 1 perpetual bonds classified under "Equity" and are valued at prices obtained from Credit Rating Information Services of India Limited ("CRISIL").

Unrealized gains or losses arising due to change in the fair value of equity shares are recognized on the balance sheet under "Fair value change account".

On each balance sheet date, we assess whether impairment of listed equity securities has occurred. Any impairment loss is recognized as an expense in the revenue or profit and loss account to the extent of the difference between the re-measured fair value of the security or investment and its weighted average cost as reduced by any previous impairment loss recognized as an expense in the revenue or profit and loss account. Any reversal of impairment loss, earlier recognized in the revenue or profit and loss account, is recognized in the revenue or profit and loss account.

Investments in mutual funds are valued at the previous day's Net Asset Value ("NAV"). Unrealized gains or losses arising are recognized in the balance sheet under "Fair value change account".

Investments in Alternative Investment Funds ("AIFs") are valued at latest available NAV. Unrealized gains or losses are recognized on the balance sheet under "Fair value change account".

Valuation – Linked business

Debt securities including Government securities with a remaining maturity of more than one year are valued at prices obtained from CRISIL.

Debt securities including government securities with a remaining maturity of less than one year are valued on yield to maturity basis.

Money market securities are valued at historical cost subject to amortization of premium or accretion of discount on yield to maturity basis.

Investments in fixed deposits with banks and reverse repo are valued at cost.

Listed equity shares, equity related instruments and preference shares are measured at fair value on the balance sheet date.

Unlisted equity shares, equity related instruments and preference shares are measured at historical cost.

Additional tier 1 perpetual bonds classified under "Equity" and are valued at prices obtained from CRISIL.

Unrealized gains or losses arising due to change in the fair value are recognized in the revenue account.

Investments in mutual funds are valued at the previous day's NAV. Unrealized gains or losses are recognized in the revenue account.

Transfer of investments

In the case of deficit in the revenue account, debt securities are transferred at lower of net amortized cost or market value on the date of transfer. Equity securities are transferred at lower of cost or market value on the date of transfer.

In the case of surplus in the revenue account, debt securities are transferred at net amortized cost. Equity securities are transferred at market value on the date of transfer.

No transfer of investments is carried out between non-linked policyholders' funds. In case of a unit linked fund, inter-scheme transfers are affected at prevailing market value at the time of transfer.

(j) Employee benefits

(I) Post-employment benefit

Provident Fund

We make contributions towards a provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the revenue account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually to recognize the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

Gratuity

We have incorporated a gratuity trust. We make contributions to a Gratuity Fund administered by trustees of SBI Life Insurance Company Limited Employees Gratuity Fund. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with us.

We account for the liability for future gratuity benefits in accordance with Accounting Standard – 15 (Revised). The net present value of our obligation towards the same is actuarially determined based on the projected unit credit method as at the balance sheet date. Actuarial gains and losses are recognized in the revenue account.

(ii) Long-term employee benefits

Compensated Absences and Long Term Service Awards

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Long term service awards are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

We accrue the liability for compensated absences and long term service awards in accordance with Accounting Standard – 15 (Revised). The net present value of our obligation is determined based on the projected unit credit method as at the balance sheet date.

(iii) *Short-term employee benefits*

The undiscounted amount of short-term employee benefits expected to be paid for the services rendered by employees is recognized during the period when the employees renders the service. These benefits include salaries and bonuses, short term compensated absences, premium for employee health insurance, premium for employee group term insurance scheme etc.

(k) Taxation

Direct Taxes

Provision for current income tax, if any, is made on an accrual basis after taking credit for all allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred income tax is recognized for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for tax purposes. The effect of deferred tax asset or liability of a change in the tax rates are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets or liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

Indirect Taxes

Service tax liability on output service is set-off against the service tax credits available from tax paid on input services. Unutilized credits, if any, are carried forward under "Advances and other assets" for future set off and are deferred for recognition to the extent there is reasonable certainty that the assets can be realized in future.

Basis of preparation and presentation

We prepare our financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable, the provisions of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002.

The financial statements comprises of revenue account (policyholders' account), profit and loss account (shareholders' account), balance sheet, and receipts and payments account.

We currently prepare our financial statements in accordance with Indian GAAP, Companies Act and IRDAI regulations. The IRDAI ("the Authority") has issued a circular dated March 01, 2016, on "Implementation of Indian Accounting Standards (Ind-AS) in 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 Authority has further 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. However, the Authority requires all insurance companies to continue the submission of Proforma Ind-AS financial statements on quarterly basis.

Results of Operations

Three months ended June 30, 2017

Income Statement

Revenue Account (Policyholders' Account)	Three months ended June 30, 2017
	(₹ million)
Income	
Gross Premium	37,880.74
Reinsurance ceded	(254.89)
Reinsurance accepted	-
Net earned premium	**37,625.85**
Income from investments	26,069.77
Contribution from the Shareholders' Account	-
Other miscellaneous income	188.08
Total Income	**63,883.70**
Expenses	
Commissions	1,651.33
Operating expenses relating to insurance business(1)	3,719.66
Provision for taxation	1,215.36
Provisions (other than taxation)	11.23
Service tax on charges	562.97
Benefits paid (net) and interim and terminal bonus paid	26,280.01
Change in valuation of liability in respect of life policies(2)	27,847.86
Total Expenses	**61,288.42**
Surplus/(deficit)	**2,595.28**
Transfer to Shareholders' Account	2,180.27
Transfer to other reserves	-
Balance being funds for future appropriations	415.01

(1) Including provision for doubtful debt and bad debts written off.

(2) Includes mathematical reserves after allocation of bonus.

Profit and Loss Account (Shareholders' Account)	Three months ended June 30, 2017
	(₹ million)
Amounts transferred from Policyholders' Account	2,180.27
Income from investments and other income	1,104.34
Expenses other than those directly related to the insurance business	62.54
Bad debts written off	-
Contribution to Policyholders' Account	-
Provisions (other than taxation)	-
Profit before Tax	**3,222.07**
Provision for Taxation	87.59
Profit after Tax	**3,134.48**

Net Earned Premium (Revenue Account)

Net earned premium represents gross premium earned as adjusted for reinsurance ceded (or accepted).

Net earned premium was ₹ 37,625.85 million for the three months ended June 30, 2017, which comprised of gross premium of ₹37,880.74 million, net of reinsurance ceded of ₹ 254.89 million. The gross premium includes New Business Premium of ₹ 18,000.37 million and Renewal Premium of ₹19,880.37 million.

The following table sets forth our segmental gross premium (net of service tax) for the three months ended June 30, 2017:

Segments	Three months ended June 30, 2017		
	Regular Premium	Renewal Premium	Single Premium
	(₹ million)		
Par Individual Life	2,367.89	5,383.33	7.27
Par Pension	83.42	184.36	5.67
Par Variable Insurance	313.68	714.06	-
Non Par Individual Life	179.35	1,702.37	17.51

Segments	Three months ended June 30, 2017		
	Regular Premium	Renewal Premium	Single Premium
	(₹ million)		
Non Par Pension	(0.01)	44.56	0.09
Non Par Group Life	741.28	3,024.56	3,989.76
Non Par Annuity	0.20	-	372.26
Non Par Health	-	0.37	-
Non Par Variable Insurance	0.41	0.40	945.53
Linked Individual Life	6,951.94	7,852.01	896.40
Linked Group	-	-	46.59
Linked Pension	1,080.17	974.35	0.96
Total	**11,718.33**	**19,880.37**	**6,282.04**

The following table sets forth certain information relating to our various product categories for the three months ended June 30, 2017:

Segments	Three months ended June 30, 2017			
	Net Premium	Income from Investments	Contribution from Shareholders' account	Other Income
	(₹ million)			
Par Individual Life	7,757.51	2,848.41	-	81.58
Par Pension	273.46	268.22	-	1.41
Par Variable Insurance	1,028.37	456.75	-	0.06
Non Par Individual Life	1,782.35	1,815.11	-	3.04
Non Par Pension	44.63	138.55	-	0.02
Non Par Group Life	7,625.92	4,552.00	-	1.05
Non Par Annuity	372.46	489.44	-	0.09
Non Par Health	0.32	0.09	-	-
Non Par Variable Insurance	946.34	550.08	-	0.10
Linked Individual Life	15,692.42	13,485.27	-	100.72
Linked Group	46.59	71.93	-	-
Linked Pension	2,055.48	1,393.92	-	0.01
Total	**37,625.85**	**26,069.77**	**-**	**188.08**

Income from Investments (Revenue Account)

Particulars	Three months ended June 30, 2017
	(₹ million)
Interest, dividend and rent (gross)	14,714.53
Profit on sale/ redemption of investments	7,987.14
(Loss) on sale/ redemption of investments	(1,761.30)
Transfer/ gain on revaluation/change in fair value	4,767.28
Accretion of discount/ (amortization of premium) (net)	362.12
Income from investments	**26,069.77**

Income from investments was ₹26,069.77 million for the three months ended June 30, 2017, primarily due to investment income of our unit-linked portfolio of ₹ 14,951.12 million. The investment income of our unit-linked portfolio was on account of favorable equity and debt market movements, which resulted in an increase of the change in fair value of ₹ 4,767.28 million. This increase in investment income on our unit-linked portfolio was directly offset by a corresponding impact on the change in valuation of liability in respect of life policies. The investment income of portfolios other than our unit-linked portfolio was₹ 11,118.65 million for the three months ended June 30, 2017.

Other Income (Revenue Account)

Other income includes fees and charges, income on unclaimed fund and other miscellaneous income.

Other income was₹188.08 million for the three months ended June 30, 2017.

Contribution from the Shareholders' Account

Contribution from the Shareholders' Account represents the funding from the Profit and Loss Account (Shareholders' Account) to various lines of business in case of a deficit in any line of business.

The transfer from the Shareholder's Account to the Policyholder's Account for the deficit reflected in the Policyholder's Account during the period ended June 30, 2017 will be considered while preparing the financial statements of the Company for Fiscal 2018.

Commission (Revenue Account)

Commissions represent commissions paid to our bancassurance channel partners, agents and other distribution channels. Commissions paid primarily relate to our individual products.

Commissions were ₹1,651.33 million for the three months ended June 30, 2017 and included commission on New Business Premium of ₹ 1,111.95 million and commission on Renewal Premium of ₹ 539.38 million.

Operating Expenses relating to Insurance Business (Revenue Account)

Operating expenses relating to insurance business includes provisions for doubtful debts and bad debts written off.

Operating expenses relating to insurance business were₹3,719.66 million for the three months ended June 30, 2017 mainly due to employee remuneration and welfare benefits expenses of ₹ 2,258.22 million and other expenses of ₹ 1,461.44 million that include rent rate and taxes, communication expenses and information technology costs.

Service Tax on Charges (Revenue Account)

Service tax on charges represents the service tax on the charges collected from policyholders on our unit-linked products and variable insurance products.

Service tax on charges was ₹ 562.97 million for the three months ended June 30, 2017.

Benefits Paid (Net) and Interim and Terminal Bonus Paid (Revenue Account)

Benefits paid (net) and interim and terminal bonus paid consists of the net benefits paid to all our policyholders and the interim and terminal bonus paid on our participating products.

Benefits paid (net) and interim and terminal bonuses were ₹ 26,280.01 million for the three months ended June 30, 2017. These were primarily due to surrender payouts of ₹ 12,261.08 million and maturity payment as per policy terms and conditions of ₹ 7,703.09 million. Surrender claims are primarily on account of surrender claims from new generation unit-linked products issued from September 2010 which have become eligible for surrenders from September 2015 onwards due to the completion of mandatory lock-in period of five years for these products.

Change in Valuation of Liabilities in respect of Life Policies (Revenue Account)

The following table provides information relating to the change in valuation of liability in respect of life policies for the three months ended June 30, 2017:

Particulars	**Three months ended June 30, 2017**
	(₹ million)
Gross (represents mathematical reserves after allocation of bonus)	11,586.20
Amount ceded in reinsurance	(489.16)
Amount accepted in reinsurance	-
Fund reserve	12,880.03
Funds for discontinued policies	3,870.79
Total change in valuation of liability in respect of life policies	**27,847.86**

Change in valuation of liability in respect of life policies represents the change in our policy liabilities, net of the amount ceded in reinsurance and changes in our fund reserves and funds for discontinued policies. Change in valuation of policy liability was ₹27,847.86million for the three months ended June 30, 2017.

Surplus (Revenue Account)

As a result of the above, there was a surplus after tax of ₹2,595.28 million for the three months ended June 30, 2017. This surplus can be attributed to surpluses in our participating individual life, non-participating individual life, non-participating group life and unit-linked individual life.

The table below provides our segmental surplus/ (deficit) for the three months ended June 30, 2017:

Segment Results	Three months ended June 30, 2017
	(₹ million)
Par Individual Life	255.67
Par Pension	154.13
Par Variable Insurance	5.21
Non Par Individual Life	722.21
Non Par Pension	75.48
Non Par Group Life	835.63
Non Par Annuity	131.52
Non Par Health	1.00
Non Par Variable Insurance	18.28
Linked Individual Life	329.77
Linked Group	0.41
Linked Pension	65.97
Total Segmental surplus (Net of Contribution from Shareholders' Account)	**2,595.28**
Add: Contribution from Shareholders' Account	-
Surplus after tax	**2,595.28**

Transfer to Shareholders' Account

Transfer to Shareholders' Account represents the amount transferred from the revenue account (policyholders' account) to the profit and loss account (Shareholders' Account).

Transfer to Shareholders' Account was ₹2,180.27 million for the three months ended June 30, 2017. The remaining surplus was retained in the revenue account as funds for future appropriations.

Investment and Other Income (Profit and Loss Account)

Income from investments and other income include income from investments of our shareholders' assets.

Income from investments and other income was ₹1,104.34 million for the three months ended June 30, 2017, primarily due to a higher realization of profits from sale of investments and interest income in our portfolio.

Expenses other than those directly related to the Insurance Business (Profit and Loss Account)

Expenses other than those directly related to the insurance business were ₹ 62.54 million primarily comprises of expenses incurred towards corporate social responsibility initiatives.

Profit (Profit and Loss Account)

As a result of the above, profit before tax was ₹3,222.07 million for the three months ended June 30, 2017.

Provision for taxation includes provisions for current tax and deferred taxes. Provision for taxation was a charge of ₹87.59 million for the three months ended June 30, 2017, which was primarily due to the change in our current tax liabilities.

Profit after tax was ₹3,134.48 million for the three months ended June 30, 2017.

Fiscal 2017 Compared to Fiscal 2016

Income Statement

Revenue Account (Policyholders' Account)	Fiscal 2016	Fiscal 2017
	(₹ million)	
Income		
Gross Premium	158,253.64	210,151.35
Reinsurance ceded	(1,599.14)	(1,626.82)
Reinsurance accepted	-	-
Net earned premium	**156,654.50**	**208,524.53**
Income from investments	33,409.14	92,949.84
Contribution from the Shareholders' Account	936.65	626.83
Other miscellaneous income	196.95	673.93

Revenue Account (Policyholders' Account)	Fiscal 2016	Fiscal 2017
	(₹ million)	
Total Income	**191,197.24**	**302,775.13**
Expenses		
Commissions	7,142.58	7,833.42
Operating expenses relating to insurance business(1)	14,814.07	16,468.63
Provision for taxation	1,518.75	1,798.34
Provisions (other than taxation)	45.71	(46.29)
Service tax on charges	1,702.02	2,265.77
Benefits paid (net) and interim and terminal bonus paid	79,659.23	95,501.99
Change in valuation of liability in respect of life policies(2)	79,868.60	172,409.64
Total Expenses	**184,750.96**	**296,231.50**
Surplus/(deficit)	**6,446.29**	**6,543.63**
Transfer to Shareholders' Account	6,517.23	6,545.94
Transfer to other reserves	-	-
Balance being funds for future appropriations	2.31	-

(1) *Including provision for doubtful debt and bad debts written off.*

(2) *Includes mathematical reserves after allocation of bonus.*

Profit and Loss Account (Shareholders' Account)	Fiscal 2016	Fiscal 2017
	(₹ million)	
Amounts transferred from Policyholders' Account	6,517.23	6,545.94
Income from investments and other income	3,257.16	4,097.74
Expenses other than those directly related to the insurance business	282.58	275.27
Bad debts written off	-	-
Contribution to Policyholders' Account	936.65	626.83
Provisions (other than taxation)	4.12	(4.12)
Profit before Tax	**8,551.05**	**9,745.69**
Provision for Taxation	110.02	199.16
Profit after Tax	**8,441.03**	**9,546.53**

Net Earned Premium (Revenue Account)

Net earned premium increased by 33.11% from ₹ 156,654.50 million in Fiscal 2016 to ₹ 208,524.53 million in Fiscal 2017, primarily due to an increase in Individual New Business Premium, marginally offset by an increase in reinsurance ceded.

Gross premium increased by 32.79% from ₹ 158,253.64 million in Fiscal 2016 to ₹ 210,151.35 million in Fiscal 2017. This increase was primarily due to an increase in premium in non-participating variable insurance, non-participating group life, linked individual life, and linked pension segments.

Reinsurance ceded increased from ₹ 1,599.14 million in Fiscal 2016 to ₹ 1,626.82 million in Fiscal 2017, an increase of 1.73%. This increase was primarily due to an increase in reinsurance of our unit-linked products.

The following table sets forth our segmental gross premium (net of service tax) in Fiscal 2016 and Fiscal 2017:

Segments	Fiscal					
	2016			2017		
	Regular Premium	Renewal Premium	Single Premium	Regular Premium	Renewal Premium	Single Premium
	(₹ million)					
Par Individual Life	11,923.07	24,590.10	101.64	9,746.59	30,792.61	36.24
Par Pension	559.05	1,208.19	81.99	217.69	1,559.79	13.04
Par Variable Insurance	2,011.77	3,427.04	-	910.18	4,831.03	-
Non Par Individual Life	1,537.45	13,291.54	418.25	1,155.38	12,472.09	145.05
Non Par Pension	-	658.08	1.02	-	398.58	0.55
Non Par Group Life	4,325.87	7,376.86	10,286.25	3,302.27	9,506.67	19,470.14
Non Par Annuity	-	-	2,274.54	-	-	2,036.22
Non Par Health	-	22.02	-	(0.02)	4.14	-
Non Par Variable Insurance	1.62	-	5,209.74	3.02	0.88	13,172.67

Segments	Fiscal					
	2016			2017		
	Regular Premium	Renewal Premium	Single Premium	Regular Premium	Renewal Premium	Single Premium
	(₹ million)					
Linked Individual Life	23,563.47	33,858.82	5,965.75	41,457.07	44,712.89	4,339.41
Linked Group	-	-	417.32	-	-	149.99
Linked Pension	2,383.10	2,755.24	3.85	5,280.16	4,434.04	2.98
Total	**46,305.40**	**87,187.89**	**24,760.35**	**62,072.34**	**108,712.72**	**39,366.29**

The following table sets forth certain information relating to our various product categories for Fiscal 2016 and Fiscal 2017:

Segments	Fiscal 2016				Fiscal 2017			
	Net Premium	Income from Investments	Contribution from Shareholders' Account	Other Income	Net Premium	Income from Investments	Contribution from Shareholders' Account	Other Income
	(₹ million)							
Par Individual Life	36,607.93	6,854.54	-	167.13	40,568.45	9,715.14	-	189.45
Par Pension	1,849.23	665.84	-	4.66	1,790.51	812.45	-	6.42
Par Variable Insurance	5,431.96	497.17	-	0.14	5,734.21	984.87	-	0.12
Non Par Individual Life	14,928.52	4,487.86	-	12.83	13,432.17	5,708.76	-	10.25
Non Par Pension	659.09	447.53	-	0.13	399.13	506.99	-	0.06
Non Par Group Life	20,775.92	14,585.01	576.85	6.62	31,081.63	16,308.38	514.80	0.39
Non Par Annuity	2,274.54	1,732.82	180.61	0.36	2,036.22	1,911.79	-	0.19
Non Par Health	15.14	2.24	-	0.01	3.34	0.64	-	-
Non Par Variable Insurance	5,211.37	1,122.70	158.41	0.23	13,176.57	1,734.12	112.03	0.17
Linked Individual Life	63,341.27	2,951.19	-	4.68	90,435.13	49,945.36	-	466.87
Linked Group	417.32	97.27	20.78	0.02	149.99	263.59	-	-
Linked Pension	5,142.20	(35.01)	-	0.15	9,717.18	5,057.75	-	0.01
Total	**156,654.50**	**33,409.14**	**936.65**	**196.95**	**208,524.53**	**92,949.84**	**626.83**	**673.93**

Income from Investments (Revenue Account)

Particulars	Fiscal 2016	Fiscal 2017
	(₹ million)	
Interest, dividend and rent (gross)	41,611.04	51,114.67
Profit on sale/ redemption of investments	29,625.81	30,467.61
(Loss) on sale/ redemption of investments	(11,423.59)	(5,678.74)
Transfer/ gain on revaluation/change in fair value	(29,930.08)	15,200.60
Accretion of discount/ (amortization of premium) (net)	3,525.96	1,845.70
Income from investments	**33,409.14**	**92,949.84**

Income from investments increased by 178.22% from ₹ 33,409.14 million in Fiscal 2016 to ₹92,949.84 million in Fiscal 2017. This increase was primarily due to an increase in investment income of our unit-linked portfolio from a gain of ₹

3,013.45 million in Fiscal 2016 to a gain of ₹ 55,266.70 million in Fiscal 2017. The investment income of our unit-linked portfolio improved on account of favorable equity and debt market movements, which resulted in an increase of the change in fair value from a loss of ₹ 29,930.08 million in Fiscal 2016 to a gain of ₹ 15,200.60 million in Fiscal 2017. This increase in investment income on our unit-linked portfolio was directly offset by a corresponding impact on the change in valuation of liability in respect of life policies. The investment income of portfolios other than our unit-linked portfolio increased from ₹ 30,395.71 million in Fiscal 2016 to ₹ 37,683.14 million in Fiscal 2017 due to an increase in interest income on higher assets under management and favorable market conditions resulting in higher profit on sale of investments.

Other Income (Revenue Account)

Other income increased by 242.18% from ₹ 196.95 million in Fiscal 2016 to ₹ 673.93 million in Fiscal 2017. The increase is mainly due to income on an unclaimed fund amounting to ₹466.58 million. Such investment income net of fund management charges ("FMC") is paid/ accrued as "interest on unclaimed amounts" in Annexure XII of Restated Financial Statements – "Benefits paid".

Contribution from the Shareholders' Account

Contributions from the Shareholders' Account decreased by 33.08% from ₹ 936.65 million in Fiscal 2016 to ₹ 626.83 million in Fiscal 2017 due to lower deficits in certain lines of business in Fiscal 2017 as compared to Fiscal 2016.

Commission (Revenue Account)

Commissions increased by 9.67% from ₹ 7,142.58 million in Fiscal 2016 to ₹ 7,833.42 million in Fiscal 2017. This increase was primarily due to an increase in our New Business Premium by 42.74% and an increase in Renewal Business Premium by 24.69%, from Fiscal 2016 to Fiscal 2017.

Operating Expenses relating to Insurance Business (Revenue Account)

Operating expenses relating to insurance business increased by 11.17%, from ₹ 14,814.07 million in Fiscal 2016 to ₹ 16,468.63 million in Fiscal 2017. This increase was primarily due to an increase in business promotion expenses and employee remuneration and welfare benefits expenses. Business promotion expenses increased from ₹ 1,852.50 million in Fiscal 2016 to ₹ 2,162.51 million in Fiscal 2017 primarily attributable to the growth of new business premium. Employee remuneration and welfare benefits increased from ₹ 6,963.48 million to ₹ 8,227.38 million due to increase in number of employees from 10,683 as of March 31, 2016 to 12,051 as of March 31, 2017to support an increase in the size of our business operations.

Service Tax on Charges (Revenue Account)

Service tax on charges increased by 33.12% from ₹ 1,702.02 million in Fiscal 2016 to ₹ 2,265.77 million in Fiscal 2017, primarily due to an increase in the business of our unit-linked portfolio.

Benefits Paid (Net) and Interim and Terminal Bonus Paid (Revenue Account)

Benefits paid (net) and interim and terminal bonus paid increased by 19.89% from ₹ 79,659.23 million in Fiscal 2016 to ₹ 95,501.99 million in Fiscal 2017. This increase was primarily due to an increase in surrender payouts from ₹ 33,972.65 million to ₹ 47,890.39 million and an increase of death benefits paid as per policy terms and conditions from ₹ 8,976.13 million in Fiscal 2016 to ₹ 10,995.32 million in Fiscal 2017, partially offset by a decrease in maturity proceeds from ₹ 20,187.74 million to ₹ 16,468.25 million in such periods. Increase in surrender claims is primarily on account of surrender claims from new generation unit-linked products issued from September 2010 which have become eligible for surrenders from September 2015 onwards due to the completion of mandatory lock-in period of five years for these products.

Change in Valuation of Liabilities in respect of Life Policies (Revenue Account)

The following table provides information relating to the change in valuation of liability in respect of life policies in Fiscal 2016 and Fiscal 2017:

Particulars	Fiscal 2016	Fiscal 2017
	(₹ million)	
Gross (represents mathematical reserves after allocation of bonus)	67,585.20	85,917.39
Amount ceded in reinsurance	(303.65)	(33.77)
Amount accepted in reinsurance	-	-
Fund reserve	12,315.43	82,770.65
Funds for discontinued policies	271.62	3,755.37
Total change in valuation of liability in respect of life policies	**79,868.60**	**172,409.64**

Change in valuation of liability in respect of life policies represents the change in our policy liabilities, net of the amount ceded in reinsurance and changes in our fund reserves and funds for discontinued policies. Change in valuation of policy liability increased from ₹ 79,868.60 million in Fiscal 2016 to ₹ 172,409.64 million in Fiscal 2017. This increase was primarily due to an increase of ₹ 70,455.22 million in unit-linked fund reserves in Fiscal 2017 compared to a decrease of ₹ 41,496.43 million in Fiscal 2016. The increase in unit-linked fund reserves was a result of higher premium from that line of business and favorable capital market conditions. Change in reserves for non-unit-linked policies increased from ₹ 67,585.20 million in Fiscal 2016 to ₹ 85,917.39 million in Fiscal 2017 primarily due to higher premium and increase in bonus rates on our participating products. ***Surplus (Revenue Account)***

As a result of the above, there was a marginal increase in surplus after tax from ₹ 6,446.29 million in Fiscal 2016 to ₹ 6,543.63 million in Fiscal 2017. This increase can be attributed to an increase in surpluses in our participating variable, non-participating life, non-participating pension, and non-participating annuity products, offset by a decrease in surplus in our unit-linked individual life, unit-linked pension, non-participating health products and non-participating group life. The decrease in surplus of linked individual life is due to high growth in New Business Premium resulting in new business strain, which arises when the premium paid at the commencement of a contract is not sufficient to cover the initial expenses including acquisition costs and any mathematical reserves created by our Company at commencement of such contract. The decrease in the surplus of non-participating group life segment was primarily attributable to re-pricing of credit life products.

The table below provides our segmental surplus/ (deficit) in Fiscal 2016 and Fiscal 2017:

Segment Results	**Fiscal 2016**	**Fiscal 2017**
	(₹ million)	
Par Individual Life	783.74	709.50
Par Pension	59.72	61.87
Par Variable Insurance	(202.57)	78.45
Non Par Individual Life	1,171.09	2,652.39
Non Par Pension	1.23	122.38
Non Par Group Life	2,718.60	1,647.68
Non Par Annuity	(180.61)	187.54
Non Par Health	32.54	6.96
Non Par Variable Insurance	(158.41)	(112.03)
Linked Individual Life	1,081.17	454.80
Linked Group	(20.78)	0.73
Linked Pension	223.92	106.54
Total Segmental surplus (Net of Contribution from Shareholders' Account)	**5,509.64**	**5,916.81**
Add: Contribution from Shareholders' Account	936.65	626.83
Surplus after tax	**6,446.29**	**6,543.63**

The surplus shown above for participating individual life, participating pension and participating variable insurance is net of terminal bonus and interim bonus. The surplus (grossed up for bonus) increased from ₹ 6,099.11 million in Fiscal 2016 to ₹ 7,031.10 million in Fiscal 2017 for participating individual life, from ₹ 613.76 million in Fiscal 2016 to ₹ 618.67 million in Fiscal 2017 for participating pension and from ₹ 223.66 million in Fiscal 2016 to ₹ 848.41 million in Fiscal 2017 for participating variable insurance. Total surplus (grossed up for bonus) for participating segment increased by 22.51% from ₹ 6,936.52 million in Fiscal 2016 to ₹ 8,498.18 million in Fiscal 2017.

The total surplus after tax has marginally increased by 1.51% from ₹ 6,446.29 million to ₹ 6,543.63 million.

Provision for taxation includes provisions for current and deferred taxes. Provision for taxation increased by 18.41% from ₹ 1,518.75 million in Fiscal 2016 to ₹ 1,798.34 million in Fiscal 2017. This increase was primarily due to an increase in surplus (grossed up for bonus) from the participating product segment.

Transfer to Shareholders' Account

Transfer to Shareholders' Account increased marginally from ₹ 6,517.23 million in Fiscal 2016 to ₹ 6,545.94 million in Fiscal 2017. The remaining surplus was retained in the revenue account as funds for future appropriations.

Investment and Other Income (Profit and Loss Account)

Income from investments and other income increased by 25.81% from ₹ 3,257.16 million in Fiscal 2016 to ₹ 4,097.74 million in Fiscal 2017, primarily due to a higher realization of profits from sale of investments and interest income in our portfolio.

Expenses other than those directly related to the Insurance Business (Profit and Loss Account)

Expenses other than those directly related to the insurance business largely comprises expenses incurred towards corporate social responsibility initiatives, and decreased marginally from ₹ 282.58 million in Fiscal 2016 to ₹ 275.27 million in Fiscal 2017.

Profit (Profit and Loss Account)

As a result of the above, profit before tax increased by 13.97% from ₹ 8,551.05 million in Fiscal 2016 to ₹ 9,745.69 million in Fiscal 2017.

Provision for taxation includes provisions for both current and deferred taxes. Provision for taxation increased from a charge of ₹ 110.02 million in Fiscal 2016 to a charge of ₹ 199.16 million in Fiscal 2017. This increase was primarily due to the change in our current tax liabilities from ₹ 127.47 million in Fiscal 2016 to ₹ 199.16 million in Fiscal 2017.

Profit after tax increased by 13.10% from ₹ 8,441.03 million in Fiscal 2016 to ₹ 9,546.53 million in Fiscal 2017.

Fiscal 2016 Compared to Fiscal 2015

Income Statements

Revenue Account (Policyholders' Account)	**Fiscal 2015**	**Fiscal 2016**
	(₹ million)	
Income		
Gross premium	128,671.10	158,253.64
Reinsurance ceded	(871.10)	(1,599.14)
Reinsurance accepted	-	-
Net earned premium	**127,800.00**	**156,654.50**
Income from investments	102,429.14	33,409.14
Contribution from the Shareholders' Account	1,496.78	936.65
Other miscellaneous income	138.94	196.95
Total Income	**231,864.86**	**191,197.25**
Expenses		
Commissions	6,037.13	7,142.58
Operating expenses relating to insurance business(1)	11,679.90	14,814.07
Provision for taxation	1,097.78	1,518.75
Provisions (other than taxation)	(111.25)	45.71
Service tax on charges	1,290.14	1,702.02
Benefits paid (net) and interim and terminal bonus paid	82,003.67	79,659.23
Change in valuation of liability in respect of life policies(2)	122,840.76	79,868.60
Total Expenses	**224,838.13**	**184,750.96**
Surplus/ (deficit)	**7,026.73**	**6,446.29**
Transfer to Shareholders' Account	7,072.69	6,517.23
Transfer to other reserves	-	-
Balance being funds for future appropriations	73.25	2.31

(1) Including provision for doubtful debt and bad debts written off.

(2) Includes mathematical reserves after allocation of bonus.

Profit and Loss Account (Shareholders' Account)	**Fiscal 2015**	**Fiscal 2016**
	(₹ million)	
Amounts transferred from Policyholders' Account	7,072.69	6,517.23
Income from investments and other income	2,835.75	3,257.16
Expenses other than those directly related to the insurance business	128.88	282.58
Bad debts written off	-	-
Contribution to Policyholders' Account	1,496.78	936.65
Provisions (other than taxation)	(10.53)	4.12
Profit before Tax	**8,293.30**	**8,551.05**
Provision for Taxation	144.63	110.02
Profit after Tax	**8,148.67**	**8,441.03**

__Net Earned Premium (Revenue Account)__

Net earned premium increased by 22.58% from ₹ 127,800.00 million in Fiscal 2015 to ₹ 156,654.50 million in Fiscal 2016, primarily due to an increase in individual New Business Premium, marginally offset by an increase in reinsurance ceded.

Gross premium increased by 22.99% from ₹ 128,671.10 million in Fiscal 2015 to ₹ 158,253.64 million in Fiscal 2016. This increase was primarily due to an increase in premium in participating variable insurance, non-participating group life, linked life and linked pension segments.

Reinsurance ceded increased from ₹ 871.10 million in Fiscal 2015, to ₹ 1,599.14 million in Fiscal 2016, an increase of 83.57%. This increase was primarily due to an increase in reinsurance of our group insurance product offered under the regulator mandated Pradhan MantriJeevan Jyoti BimaYojana scheme that was introduced in Fiscal 2016.The following table sets forth our segmental gross premium (net of service tax) in Fiscal 2016 and Fiscal 2015:

Segments	**Fiscal**					
	2015			**2016**		
	Regular Premium	**Renewal Premiums**	**Single premiums**	**Regular Premium**	**Renewal Premiums**	**Single premiums**
	(₹ million)					
Par Individual Life	10,676.62	18,172.48	174.57	11,923.07	24,590.10	101.64
Par Pension	641.25	776.16	79.96	559.05	1,208.19	81.99
Par Variable Insurance	2,970.01	1,073.07	-	2,011.77	3,427.04	-
Non Par Individual Life	2,420.99	12,855.76	339.29	1,537.45	13,291.54	418.25
Non Par Pension	0.25	792.84	0.59	-	658.08	1.02
Non Par Group Life	2,799.67	6,141.20	3,610.34	4,325.87	7,376.86	10,286.25
Non Par Annuity	-	-	2,977.51	-	-	2,274.54
Non Par Health	0.03	50.21	-	-	22.02	-
Non Par Variable Insurance	-	-	9,249.26	1.62	-	5,209.74
Linked Individual Life	12,454.03	31,485.93	4,942.21	23,563.47	33,858.82	5,965.75
Linked Group	-	-	607.81	-	-	417.32
Linked Pension	1,344.33	2,031.86	2.87	2,383.10	2,755.24	3.85
Total	**33,307.18**	**73,379.51**	**21,984.41**	**46,305.40**	**87,187.89**	**24,760.35**

The following table sets forth certain information relating to our various product categories for Fiscal 2015 and Fiscal 2016:

Segments	**Fiscal 2015**				**Fiscal 2016**			
	Net Premium	**Income from Investments**	**Contribution from Shareholders' account**	**Other Income**	**Net Premium**	**Income from Investments**	**Contribution from Shareholders' account**	**Other Income**
	(₹ million)							
Par Individual Life	29,017.51	5,630.89	-	123.14	36,607.93	6,854.54	-	167.13
Par Pension	1,497.37	589.46	-	1.53	1,849.23	665.84	-	4.66
Par Variable Insurance	4,040.03	185.24	-	(0.05)	5,431.96	497.17	-	0.14
Non Par Individual Life	15,345.49	3,335.13	1,347.91	4.71	14,928.52	4,487.86	-	12.83
Non Par Pension	793.68	431.30	-	(0.03)	659.09	447.53	-	0.13
Non Par Group Life	12,005.10	14,152.29	0.38	7.90	20,775.92	14,585.01	576.85	6.62
Non Par Annuity	2,977.51	1,483.26	135.05	(0.25)	2,274.54	1,732.82	180.61	0.36
Non Par Health	43.30	3.23	-	0.01	15.14	2.24	-	0.01
Non Par Variable Insurance	9,249.26	488.59	12.70	(0.09)	5,211.37	1,122.70	158.41	0.23
Linked Individual Life	48,843.89	68,234.18	-	2.01	63,341.27	2,951.19	-	4.68
Linked Group	607.81	261.41	0.74	0.01	417.32	97.27	20.78	0.02
Linked Pension	3,379.06	7,634.15	-	0.06	5,142.20	(35.01)	-	0.15
Total	**127,800.00**	**102,429.14**	**1,496.78**	**138.94**	**156,654.50**	**33,409.14**	**936.65**	**196.95**

Income from Investments (Revenue Account)

Particulars	Fiscal 2015	Fiscal 2016
	(₹ million)	
Interest, dividend and rent (gross)	33,262.02	41,611.04
Profit on sale/redemption of investments	52,199.80	29,625.81
(Loss) on sale/redemption of investments	(3,919.48)	(11,423.59)
Transfer/gain on revaluation/ change in fair value	17,860.56	(29,930.08)
Accretion of discount/ (amortization of premium) (net)	3,026.24	3,525.96
Income from investments	**102,429.14**	**33,409.14**

Income from investments decreased by 67.38% from ₹ 102,429.14 million in Fiscal 2015 to ₹ 33,409.14 million in Fiscal 2016. This decrease was primarily due to a decrease in investment income of our unit-linked segment from ₹ 76,129.74 million in Fiscal 2015 to ₹ 3,013.45 million in Fiscal 2016. The investment income of our linked portfolio decreased on account of unfavorable equity market movements, which resulted in a significant decrease of change in fair value by ₹ 47,790.64 million in Fiscal 2016 and a decrease in net profit from the sale/redemption of investments of our linked portfolio from ₹ 49,328.29 million to ₹ 27,434.69 million in the same period. This decrease in investment income on our linked portfolio was partly offset by an increase in interest income from our linked portfolio investments by 32.21% from ₹ 10,619.68 million in Fiscal 2015 to ₹ 14,040.78 million in Fiscal 2016. The investment income of portfolios other than our unit-linked portfolio increased by 15.58% from ₹ 26,299.39 million in Fiscal 2015 to ₹ 30,395.71 million in Fiscal 2016 due to an increase in interest income arising primarily from an increase in assets under management and profit on sale/ redemption of investments.

Other Income (Revenue Account)

Other income includes fees and charges and other miscellaneous income. Other income increased by 41.75% from ₹ 138.94 million in Fiscal 2015 to ₹ 196.95 million in Fiscal 2016.

Contribution from the Shareholders' Account

Contributions from the Shareholders' Account decreased by 37.42% from ₹ 1,496.78 million in Fiscal 2015 to ₹ 936.65 million in Fiscal 2016 due to lower deficits in certain lines of business in Fiscal 2016 as compared to Fiscal 2015.

Commission (Revenue Account)

Commissions increased by 18.31% from ₹ 6,037.13 million in Fiscal 2015 to ₹ 7,142.58 million in Fiscal 2016. This increase was primarily due an increase in pay out of regular new business commission from ₹ 3,916.46 million in Fiscal 2015 to ₹ 4,785.23 million in Fiscal 2016. This increase was due to growth in our New Business Premium by 28.53% and an increase in Renewal Business Premium by 18.82%, from Fiscal 2015 to Fiscal 2016.

Operating Expenses relating to Insurance Business (Revenue Account)

Operating expenses relating to insurance business include provisions for doubtful debts and bad debts written off.

Operating expenses relating to insurance business increased by 26.83% from ₹ 11,679.90 million in Fiscal 2015 to ₹ 14,814.07 million in Fiscal 2016. This increase was primarily due to an increase in business promotion expenses and employees' remuneration and welfare benefit expenses. Business promotion expenses increased from ₹ 1,122.80 million in Fiscal 2015 to ₹ 1,852.50 million in Fiscal 2016 due to growth in our new business, while employee remuneration and welfare benefits expenses increased from ₹ 5,892.77 million to ₹ 6,963.48 million in such period due to an increase in number of employees from 9,657 as of March 31, 2015 to 10,863 as of March 31, 2016 to support the growing business.

Service Tax on Charges (Revenue Account)

Service tax on charges increased by 31.93% from ₹ 1,290.14 million in Fiscal 2015 and ₹ 1,702.02 million in Fiscal 2016, primarily due to an increase in entry fees and fund management charges in Fiscal 2016 along with an increase in the rate of service tax.

Benefits Paid (Net) and Interim and Terminal Bonus Paid (Revenue Account)

Benefits paid (net) and interim and terminal bonus paid marginally decreased by 2.86% from ₹ 82,003.67 million in Fiscal 2015 to ₹ 79,659.23 million in Fiscal 2016. This decrease was primarily due to a decrease in surrender payouts from ₹ 46,936.11 million in Fiscal 2015 to ₹ 33,972.65 million in Fiscal 2016.

Change in Valuation of Liabilities in respect of Life Policies (Revenue Account)

The following table provides information relating to the change in valuation of liabilities in respect of life policies in Fiscal 2015 and Fiscal 2016:

Particulars	**Fiscal 2015**	**Fiscal 2016**
	(₹ million)	
Gross (represents mathematical reserves after allocation of bonus)	60,655.45	67,585.20
Amount ceded in reinsurance	(8.52)	(303.65)
Amount accepted in reinsurance	-	-
Fund reserve	53,811.86	12,315.43
Funds for discontinued policies	8,381.97	271.62
Total change in valuation of liability in respect of life policies	**122,840.76**	**79,868.60**

Change in valuation of policy liability decreased by 34.98% from ₹ 122,840.76 million in Fiscal 2015 to ₹ 79,868.60 million in Fiscal 2016. This decrease was primarily due to a decrease of ₹ 41,496.43 million in unit-linked fund reserves in Fiscal 2016 compared to an increase of ₹ 38,027.85 million in Fiscal 2015, and a decrease in funds for discontinued policies from ₹ 8,381.97 million in Fiscal 2015 to ₹ 271.62 million in Fiscal 2016. The movement in unit-linked fund reserves is primarily due to adverse movement in capital markets resulting in, decline in unrealized gains on our unit-linked portfolio. The decrease in funds for discontinued policies is primarily due to a lower discontinuance of policies in Fiscal 2016 compared to Fiscal 2015.

Surplus (Revenue Account)

As a result of the above, there was a decrease of 8.26% in surplus after tax from ₹ 7,026.73 million in Fiscal 2015 to ₹ 6,446.29 million in Fiscal 2016. This decrease can be attributed to a decrease in surpluses in our unit-linked products, partly offset by an increase in surplus in our non-participating individual life products.

The table below provides our segmental surplus/ (deficit) in Fiscal 2015 and Fiscal 2016:

Segment Results	**Fiscal 2015**	**Fiscal 2016**
	(₹ million)	
Par Individual Life	742.50	783.74
Par Individual Pension	49.20	59.72
Par Variable Insurance	(266.92)	(202.57)
Non Par Individual Life	(1,347.91)	1,171.09
Non Par Individual Pension	7.79	1.23
Non Par Group Life	2,240.47	2,718.60
Non Par Annuity	(135.05)	(180.61)
Non Par Health	43.05	32.54
Non Par Variable Insurance	(12.70)	(158.41)
Linked Individual Life	3,597.36	1,081.17
Linked Group	(0.74)	(20.78)
Linked Pension	612.88	223.92
Total Segmental surplus (Net of Contribution from Shareholders' account)	**5,529.93**	**5,509.64**
Add: Contribution from Shareholders' account	1,496.78	936.65
Surplus after tax	**7,026.73**	**6,446.29**

The surplus shown above for our participating business segment is net of bonus, and interim and terminal bonus. The surplus (grossed up for bonus) increased from ₹ 4,734.93 million in Fiscal 2015 to ₹ 6,099.11 million in Fiscal 2016 for our participating individual life segment, increased from ₹ 488.35 million in Fiscal 2015 to ₹ 613.76 million in Fiscal 2016 for participating pension segment and increased from a deficit of ₹ 98.40 million in Fiscal 2015 to a surplus of ₹ 223.66 million in Fiscal 2016 for participating variable insurance segment. Total surplus (grossed up for bonus) for our participating business segment increased from ₹ 5,124.88 million in Fiscal 2015 to ₹ 6,936.52 million in Fiscal 2016.

The total surplus after tax therefore decreased by 8.26% from ₹ 7,026.73 million to ₹ 6,446.29 million.

Provision for taxation increased by 38.35% from ₹ 1,097.78 million in Fiscal 2015 to ₹ 1,518.75 million in Fiscal 2016. This increase was primarily due to an increase in surplus (grossed up for bonus) from the participating life segment.

Transfer to Shareholders' Account

Transfer to Shareholders' Account decreased by 7.85% from ₹ 7,072.69 million in Fiscal 2015 to ₹ 6,517.23 million in Fiscal 2016. The remaining surplus after tax was retained in the revenue account as funds for future appropriations.

Investment and Other Income (Profit and Loss Account)

Income from investment and other income increased by 14.86% from ₹ 2,835.75 million in Fiscal 2015 to ₹ 3,257.16 million in Fiscal 2016, primarily due to an increase in interest and dividend income in our investment portfolio.

Expenses other than those directly related to the Insurance Business (Profit and Loss Account)

Expenses other than those directly related to the insurance business increased from ₹ 128.88 million in Fiscal 2015 to ₹ 282.58 million in Fiscal 2016. This increase was primarily due an increase in other expenses which includes service tax absorbed.

Profit (Profit and Loss Account)

As a result of the above, profit before tax increased by 3.11% from ₹ 8,293.30 million in Fiscal 2015 to ₹ 8,551.05 million in Fiscal 2016.

Provision for tax decreased from a charge of ₹ 144.63 million in Fiscal 2015 to a charge of ₹ 110.02 million in Fiscal 2016. This decrease was primarily due to the change in our current tax liabilities from ₹ 144.32 million in Fiscal 2015 to ₹ 127.47 million in Fiscal 2016.

Profit after tax increased marginally by 3.59% from ₹ 8,148.67 million in Fiscal 2015 to ₹ 8,441.03 million in Fiscal 2016.

Financial Position

The following table sets forth, at the dates indicated, our summary balance sheet, which is based on our financial statements set forth in "Financial Information—Restated Financial Statements" on page 224:

Balance sheet	**As of March 31,**			**As of June 30, 2017**
	2015	**2016**	**2017**	
	(₹ million)			
Sources of Funds				
Shareholders' funds:				
Share Capital	10,000.00	10,000.00	10,000.00	10,000.00
Reserves and Surplus	29,909.91	36,906.65	44,647.82	47,782.30
Credit/(Debit) Fair Value Change Account	653.49	424.36	872.98	1,005.67
Sub-total	**40,563.40**	**47,331.01**	**55,520.80**	**58,787.97**
Borrowings	-	-	-	-
Deferred tax liability	31.51	-	-	-
Policyholders' funds:				
Credit/ (Debit) fair value change account	5,008.21	3,354.01	7,763.77	8,086.29
Policy liabilities	328,603.57	396,341.70	483,237.57	494,962.53
Insurance reserves	-	-	-	-
Provision for linked liabilities (fund reserves)	278,743.57	320,989.07	388,559.12	396,671.87
Add: Fair value change (linked)	52,631.09	22,701.01	37,901.61	42,668.89
Add: Funds for discontinued policies	16,711.43	16,526.47	19,269.60	22,512.47
Funds for Future Appropriations – Linked	14.63	2.31	-	-
Funds for Future Appropriations – Other	58.62	0.00	0.00	415.01
Total Liabilities	**681,802.63**	**759,914.57**	**936,731.67**	**965,317.06**
Total Equity and Liabilities	**722,366.03**	**807,245.58**	**992,252.47**	**1,024,105.03**
Application of funds				
Shareholders' investments	30,702.38	35,649.02	42,955.05	52,407.61
Policyholders' investments	315,044.67	382,558.97	469,617.46	480,178.48

Balance sheet	As of March 31,			As of June 30, 2017
	2015	2016	2017	
	(₹ million)			
Assets held to cover linked liabilities	348,100.72	360,218.86	445,730.33	461,853.23
Loans	17.74	1,235.62	1,781.99	1,774.82
Fixed Assets	2,984.33	4,472.49	5,384.75	5,583.62
Current Assets				
Cash and Bank Balances	25,237.78	26,167.63	24,298.42	18,848.08
Advances and Other Assets	19,117.65	23,988.08	32,627.65	29,046.51
Sub-Total (A)	**44,355.43**	**50,155.71**	**56,926.07**	**47,894.59**
Current Liabilities	16,765.92	25,025.88	27,640.72	23,313.17
Provisions	2,073.32	2,019.21	2,502.46	2,274.15
Sub-Total (B)	**18,839.24**	**27,045.09**	**30,143.18**	**25,587.32**
Net Current Assets (C) = (A – B)	**25,516.19**	**23,110.62**	**26,782.89**	**22,307.27**
Miscellaneous Expenditure (To the extent not written off or adjusted)	-	-	-	-
Debit Balance in Profit and Loss Account (Shareholders' account)	-	-	-	-
Total Assets	**722,366.03**	**807,245.58**	**992,252.47**	**1,024,105.03**
Contingent liabilities	3,973.71	4,062.26	4,095.30	4,166.10

Total assets increased from ₹ 722,366.03 million as of March 31, 2015 to ₹ 807,245.58 million as of March 31, 2016, an increase of 11.75%. This increase was primarily due to an increase in investments in our policyholders' accounts. Total assets increased from ₹ 807,245.58 million as of March 31, 2016 to ₹ 992,252.47 million as of March 31, 2017, an increase of 22.92%. This increase was primarily due to an increase in the investments held in our shareholders' and policyholders' accounts and an increase in assets held to cover linked liabilities. Total assets increased from ₹ 992,252.47 million as of March 31, 2017 to ₹1,024,105.03 million as of June 30, 2017, an increase of 3.21%. This increase was primarily due to an increase in investments in our Shareholders' and Policyholders' Accounts.

Advances and other assets increased from ₹ 23,988.08 million as on March 31, 2016 to ₹ 32,627.65 million as on March 31, 2017 primarily due to the following reasons:

a. Assets held for unclaimed amount of policyholders of ₹ 5,683.04 million shown as part of current assets in Annexure XX: Restated Statement of Advances and other assets as on March 31, 2017 in compliance with the IRDAI letter no. IRDAI/INV/LSB /LR/014/2016-17 dated November 18, 2016 and further confirmed in IRDAI Master Circular (Unclaimed amount of Policyholders) dated July 25, 2017; and

b. Interest accrued increased by ₹ 3,555.41 million due to an increase in our debt portfolio.

Total liabilities increased from ₹ 681,802.63 million as of March 31, 2015 to ₹ 759,914.57 million as of March 31, 2016, an increase of 11.46%. This increase was primarily due to increase in provision for linked liabilities and our policy liabilities, partially offset by a decrease in fair value change account. Total liabilities increased from ₹ 759,914.57 million as of March 31, 2016 to ₹ 936,731.67 million as of March 31, 2017, an increase of 23.27%. This increase was primarily due to increases in the policy liabilities. Total liabilities increased from ₹936,731.67 million as of March 31, 2017 to ₹965,317.06 million as of June 30, 2017, an increase of 3.05%. This increase was primarily due to increase in provision for linked liabilities and our policy liabilities.

Increase in fair value change account under Policyholders' funds has increased from ₹ 3,354.01 million as on March 31, 2016 to ₹ 7,763.77 million as on March 31, 2017 primarily on account of favourable market movements. Further, increase in the fair value change account under Shareholders' funds from ₹ 424.36 million as on March 31, 2016 to ₹ 872.98 million as on March 31, 2017 was primarily on account of favourable equity and debt market movements.

Liquidity and Capital Resources

The following table sets forth, for the periods indicated, a summary of our cash flows:

Receipts and Payments Accounts	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
	(₹ million)			

Receipts and Payments Accounts	Fiscal 2015	Fiscal 2016	Fiscal 2017	Three months ended June 30, 2017
	(₹ million)			
Net cash generated from/(used in) operating activities	27,114.87	57,779.38	85,251.15	7,592.02
Net cash generated from/(used in) investing activities	(1,782.42)	(72,037.29)	(90,312.41)	689.18
Net cash generated from/(used in) financing activities	(1,169.95)	(1,439.93)	(1,444.29)	(1,805.36)

Cash Flows from Operating Activities

Net cash flows generated from operating activities increased from ₹ 27,114.87 million in Fiscal 2015 to ₹ 57,779.38 million in Fiscal 2016. This increase was primarily due to an increase in premium collection.

Net cash flows generated from operating activities increased from ₹ 57,779.38 million in Fiscal 2016 to ₹ 85,251.15 million in Fiscal 2017. This increase was primarily due to an increase in premium collection, which was partially offset by increase in benefits paid.

Net cash flows generated from operating activities was ₹ 7,592.02 million for the three months ended June 30, 2017. This was primarily due to premium collection, which was partially offset by benefits paid.

Cash Flows used in Investing Activities

Net cash used in investing activities increased from ₹ 1,782.42 million in Fiscal 2015 to ₹ 72,037.29 million in Fiscal 2016. This increase was primarily due to an increase in net purchase of investments.

Net cash used in investing activities increased from ₹ 72,037.29 million in Fiscal 2016 to ₹ 90,312.41 million in Fiscal 2017. This increase was primarily due to an increase in net purchase of investments.

Net cash generated from investing activities was ₹689.18 million for the three months ended June 30, 2017. This was primarily due to net purchase of investments and interest received on investments.

Cash Flows used in Financing Activities

Net cash used in financing activities increased from ₹ 1,169.95 million in Fiscal 2015 to ₹ 1,439.93 million in Fiscal 2016. This increase was due to an increase in dividends paid (including a corresponding increase in the dividend distribution tax).

Net cash used in financing activities marginally increased from ₹ 1,439.93 million in Fiscal 2016 to ₹ 1,444.29 million in Fiscal 2017. This marginal increase was due to an increase in dividend distribution tax from ₹ 239.93 million in Fiscal 2016 to ₹ 244.29 million in Fiscal 2017.

Net cash used in financing activities was ₹1,805.36 million for the three months ended June 30, 2017 is on account of payment of dividends and corresponding dividend distribution tax.

Seasonality

We are subject to seasonal fluctuations in our results of operations and cash flow. Insurance volumes typically increase significantly in the last quarter of each fiscal year, which coincides with the end of the tax year in India, due to customers availing themselves 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.

Significant Developments after June 30, 2017

Other than as disclosed in this Prospectus, there have not arisen any circumstances since June 30, 2017 which materially and adversely affect or are likely to affect the trading of our Company's Equity Shares, our profitability, the value of our assets, or our ability to pay our liabilities within the next 12 months.

Contractual Obligations and Commitments

As of June 30, 2017, we did not have any material contractual obligations or commercial commitments, including long-term debt, rental commitments, operating lease commitments, purchase obligations or other capital commitments, other than contractual obligations under insurance and investment contracts we enter into in the ordinary course of our business and other than those set forth in the notes to the Restated Financial Statements set forth in the Financial information and summarized as below:

1. We had operating lease obligations relating to leasing arrangements for premises and vehicles amounting to ₹ 1,976.81 million.

2. We had capital commitments relating to loans and investments amounting to ₹ 2,377.87 million and capital commitments relating to fixed assets amounting to ₹ 217.06million.

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities, as of June 30, 2017:

Particulars	As of June 30, 2017 (₹ million)
Contingent Liabilities	
Partly paid-up investments	-
Claims, other than against policies, not acknowledged as debts by the Company	6.36
Underwriting commitments outstanding (in respect of shares and securities)	-
Guarantees given by or on behalf of the Company	-
Statutory demands or liabilities in dispute, not provided	-
Reinsurance obligations to the extent not provided for in accounts	-
Others:	
- Insurance claims disputed by the Company, to the extent not provided or reserved;	563.62
- Directions issued by IRDAI under section 34(1) of the Insurance Act, 1938	3,596.12
Total	**4,166.10**
Commitments	
Commitments made and outstanding for loans and investments	2,377.87
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances)	217.06
Total	**2,594.93**

For further information, see "Financial Information" on page 218. Except as disclosed in our Restated Financial Statements or elsewhere in this 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.

Indebtedness

As of June 30, 2017, we had no indebtedness.

Known Trends or Uncertainties

Our business has been impacted, and we expect will continue to be impacted, by the trends identified above and the uncertainties described in "Risk Factors" beginning on page 20.

Unusual or Infrequent Events or Transactions

To our knowledge, except as disclosed in this Prospectus, there are no events or transactions relating to our Company which, in our judgment, would be considered unusual or infrequent.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

See "Risk Factors—Risks Related to our Business—Our investment portfolio is subject to liquidity risk and volatility in the market value of such financial instruments and may be concentrated in certain asset classes" and "Risk Factors—Risks Related to our Business—Changes in interest rates may have a material adverse effect on our business and results of operations" on pages 23 and 24, respectively.

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SBI Life Insurance Company Limited

Reporting Actuary's Report on Indian Embedded Value as at 31 March 2017

6 September 2017

Vivek Jalan, Consulting Actuary
Fellow of Institute of Actuaries of India

Vivek Jalan, a Willis Towers Watson Empanelled Actuary

6 September 2017

The Directors,
SBI Life Insurance Company Limited
Natraj, M.V. Road and Western Express Highway Junction
Andheri (East), Mumbai 400069
Maharashtra, India

Dear Sirs,

I have pleasure in enclosing my report on the Indian Embedded Value of SBI Life Insurance Company Limited. The embedded value results provided in this report are assessed as at 31 March 2017 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 14 June 2017, 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, Consulting Actuary
Fellow of Institute of Actuaries of India

Vivek Jalan, a Willis Towers Watson Empanelled Actuary

Willis Towers Watson

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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 I, Vivek Jalan ("**I**", "**me**" or "**my**") have been engaged by SBI Life Insurance Company Limited ("**SBI Life**", **"the Company"**, **"you"** or **"your"**) to prepare a Reporting Actuary's Report on Indian Embedded Value as at 31 March 2017 (valuation date), as envisaged by the APS10. The terms of reference are set out in a signed engagement letter dated 14 June 2017.

1.4 This report has been produced for inclusion in the Prospectus of SBI Life (the "Prospectus") and sets out the scope of the work that I have been engaged to undertake and summarises the conclusion of my work. The reader's attention is drawn to the reliances and limitations set out in Section 5 of this report.

1.5 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 SBI Life.

1.6 This report is addressed to the Directors of SBI Life in accordance with the terms of reference. To the fullest extent permitted by applicable law or regulation, I do not accept or assume any responsibility, duty of care or liability to anyone other than SBI Life for or in connection with this report.

1.7 As per my engagement letter, the scope of my 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 2017;
  - Value of One year's New Business (VONB) for the financial year 1 April 2016 to 31 March 2017 (FY2016-17);
  - Sensitivity results for IEV as at 31 March 2017 and VONB for FY2016-17; and
  - Analysis of movement in IEV for FY2016-17.
- To undertake a review of the calculations undertaken within the embedded value models developed by SBI Life for a selection of products representing in excess of 90% of VIF and 90% of VONB presented in this report.

1.8 **Materiality**: My work has been performed to materiality criteria as approved by the Board of SBI Life. 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.

1.9 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 2017 presented in this report.

1.10 **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 have undertaken this work in my individual capacity as a sole proprietor.

1.11 **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 SBI Life or its promoter entities.

1.12 **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 and 2014-15. I have considered my prior engagements with SBI Life 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 SBI Life 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 SBI Life in arriving at such conclusions. Consequently, in preparing this report I have relied upon information provided to me, orally and in writing, by SBI Life 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 reported in Section 5.

1.13 **Nature of advice**: During the period of my engagement, I have not provided any actuarial advice to SBI Life not related to the current valuation nor have I given any guidance or opinions which were not strictly actuarial.

1.14 **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.

1.15 **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.

1.16 **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 Fergal O'Shea (Fellow of Institute and Faculty of Actuaries, United Kingdom) who has provided me

professional guidance when preparing this report and Mr Kunj Behari Maheshwari (Fellow of Institute of Actuaries of India) for his 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

1.17 Unless otherwise stated, I have relied on the data and information provided to me by SBI Life in carrying out this valuation, as described in Section 5.

1.18 SBI Life has provided me 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 me is accurate and complete for the purpose of computing the results set out in this report.

1.19 SBI Life 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. I 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.

1.20 SBI Life has also provided me with an outline of the checks performed to ensure that the policy data used for IEV purpose is complete and accurate. I have reviewed the results of such data checks.

1.21 I have also reviewed information provided to me from multiple sources for consistency, where relevant, as well as considered external sources of data, as necessary.

1.22 Based on the above, I have reasonable comfort that the data used for the current valuation is appropriate and fit-for-purpose.

Opinion

1.23 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 2017 for SBI Life, 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 SBI Life'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.

1.24 Based on a review of the cash-flows for representative model points obtained from the projection models of SBI Life 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. SBI Life has calculated all the results which are set out in this report which I have independently reviewed.

1.25 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 SBI Life for or in connection with this work, the opinion I have reached or for any statement set forth in this opinion.

1.26 **Disclosures and consents:** This opinion is made solely to the Directors of SBI Life in accordance with the terms of my engagement letter dated 14 June 2017. 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 SBI Life 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 SBI Life since inception and in-force as on the valuation date (including lapsed business which have the potential of getting revived) is included in IEV. No exclusions have been made from the in-force business as at the valuation date as 'non-covered' business. I have undertaken a reconciliation of the covered business included within IEV against the Actuarial Reports and Abstracts (ARA) submitted to the IRDAI as at 31 March 2017 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 SBI Life 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 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 exception to this is in respect of mark-to-market adjustment for fixed interest assets, whereby the shareholders' proportion is included within ANW as opposed to VIF. The impact on IEV is not material. 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 SBI Life 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.

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 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 SBI Life. 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 FY2016-17 expense investigations. There are no caps applied, nor is any allowance made for capital support from policyholder funds (including residual surpluses from participating fund).

2.18 **Time Value of Financial Options and Guarantees**: Allowance is made for asymmetric impact on shareholder value due to any financial options and guarantees within the covered business of SBI Life. 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
Group savings products, Fund-based retirement products	Capital guarantee is provided whereby a positive crediting rate will be declared each year.	Stochastic quantification based on risk-neutral simulations. Management actions have been allowed for group savings products to determine financial margin between crediting rates and earned rates based on Company practice. Dynamic policyholder behaviour in respect of withdrawals is explicitly modelled where applicable and found material.
Smart ULIP series - I **Smart ULIP series - II** **Smart Performer** Unit-linked plans with Constant Proportion Portfolio Insurance (CPPI)	Maturity value is calculated based on the highest NAV achieved by the fund during the 7 years from the launch date of the product. For Smart ULIP (series I and II), 100% of highest NAV, tracked fortnightly is payable at maturity. For Smart Performer, 105% of highest NAV, tracked daily is payable at maturity.	
Kalyan ULIP (111L052V01) Group unit linked endowment	The product offers a fund named Guaranteed Plus Fund (GPF) with pre-specified guaranteed return on the fund declared at launch with a target minimum NAV at maturity.	Guarantee reserves held by SBI Life, set equal to the accumulated guarantee charges deducted to date. Investigations 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.
Smart Wealth Assure (111L077V01) Single premium, unit linked endowment	The product offers 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.	
Retire Smart, Unit-linked pension endowment	Capital guarantee is provided with maturity benefit of at least 101% of premiums paid.	
Smart Pension, Single premium, unit-linked pension endowment	A minimum guaranteed return applies, benchmarked to applicable reverse repo rates.	
CSC – Saral Sanchay, Non-linked non-participating VIP	Minimum guaranteed crediting rates (expressed as a percentage of individual policy account) apply, based on policy years.	Cost of guarantees and any residual burn-through costs to shareholders are assessed to be immaterial; and not considered further.
Flexi Smart, Non-participating VIP	A minimum guaranteed crediting rate is credited to policy account each year.	
Scholar, Participating life endowment	A minimum guaranteed simple reversionary bonus is payable each year.	
Saral Pension, Participating pension endowment	A minimum guaranteed simple reversionary bonus is payable depending on policy year.	
Flexi Smart Plus, Non-linked participating VIP	A minimum guaranteed bonus rate is credited to policy account each year.	
All participating products	Sum assured and vested bonuses are guaranteed on death and maturity; future bonuses may not be negative.	

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 SBI Life, 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 SBI Life):

- 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 SBI Life;
- 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 SBI Life 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 SBI Life.

2.21 Based on the above assessment, allowance for the following non-financial risks have been explicitly considered for CRNHR of SBI Life: mortality and longevity; 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.

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 SBI Life. SBI Life'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 SBI Life 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 relevant run-off factors have been calibrated by accurately projecting the economic capital for non-hedgeable insurance risks for 30 years, and assuming constant factors thereafter; 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 SBI Life. This is based on an estimate of the cost of capital relevant to the Indian market and as applicable to SBI Life's business 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 SBI Life (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 CRNHR of SBI Life is provided in the table below:

Table 2.2: CRNHR of SBI Life

Amounts in INR millions

Risk	In-force business	New business
Mortality	1,114	435
Longevity	174	68
Lapse	3,429	1,340
Expense	343	134
Catastrophe	724	283
Total before diversification	**5,784**	**2,260**
Diversification benefit	(1,578)	(617)
Operational risk	909	324
Total	**5,115**	**1,967**

2.30 **Value of new business**: VONB is calculated as at point of sale for the new business written by SBI Life during the period 1 April 2016 to 31 March 2017, using a methodology consistent with that used to determine the VIF.

2.31 Operating assumptions used in the assessment of VONB are equivalent to those used for the assessment of VIF as at 31 March 2017. 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 Fixed Income, Money Market and Derivatives Association of India (FIMMDA) - Primary Dealers' Association of India (PDAI) as at the beginning of the corresponding month.

2.32 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 the aggregate tax position of the Company is net tax-positive;

- 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.

2.33 **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.

2.34 **New business margins:** new business margins are calculated as the ratio of VONB to PVNBP as well as VONB as a percentage of Annualised Premium Equivalent (APE). APE is defined as 100% of annualised regular premium for new business plus 10% of single premium. SBI Life has provided a formal statement of reconciliation between APE provided herein and new business volumes reported within the financial statements of SBI Life.

Other methodology considerations

2.35 **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 SBI Life 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 renewal group term assurance business, recurring single premiums for existing members are classified as renewal premiums and projected within the VIF. Classification of such recurring single 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 a variation in in-force business and not treated as new business.

  Only new schemes written during the year and any addition of members and/or alterations during the first year of the master policy itself are treated as new business and considered within VONB.

- For Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), renewal premiums from policyholders who enrolled in prior years are considered as existing business and premiums for policyholders who enrol for the first time in the current year are treated as new business, regardless of the status of the scheme in which they enrol.

- For Swarna Jeevan (group immediate annuity), increases to allowances by employers leading to a higher annuity (and consequent payment of an additional single premium during the year) for existing members are included within VONB;

- For the Kalyan series of products (group single premium unit-linked life endowments) and traditional group savings products, any incremental single premiums from existing schemes are treated as new business and included within the VONB;

- Any top-ups 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-ups being nil) and not included within VONB.

2.36 **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 2017. SBI Life'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.

2.37 **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 2017, as determined by the Appointed Actuary of the Company remains unchanged throughout the projection period.

2.38 **Treatment of additional statutory provisions**: Aside from policy liabilities, SBI Life 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.

2.39 **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.

2.40 **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.

2.41 The existing policyholder tax rate is taken to be 14.42%, computed as the base tax rate of 12.5% plus a surcharge of 12.0% and an educational cess of 3.0%, and is applied at the time of surplus arising within the fund. It should be noted that:

- The above tax rate is applicable for surplus arising in both shareholder and policyholder funds; and

- Individual pensions business is considered exempt from taxation.

2.42 SBI Life does not have any deferred tax asset in the form of tax losses carried forward as at 31 March 2017, and hence no further allowance is necessary for the same.

2.43 **Service tax**: The service tax rate is assumed to be 15.0% in line with the current taxation regime (computed as 14.0% base service tax rate plus 'Swachh Bharat Cess' and 'Krishi Kalyan Cess' of 0.5% each) applicable as at 31 March 2017.

2.44 Allowance for service tax has been considered as follows:

- For unit-linked business, service tax 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, it is assumed that service tax collected from policyholders on premiums will be off-set fully by tax paid by SBI Life on items such as reinsurance premiums, commissions and expenses such as rent, utility bills, etc. Consequently, the modelled premiums, expenses and commissions are all considered excluding any service tax. SBI Life has confirmed that this represents its current tax position accurately and this situation is expected to persist given the significantly higher amount of service tax collected than service tax paid by the Company.

2.45 I note that the Government of India has moved to Goods and Services Tax (GST) regime effective 1 July 2017. However, at the time of undertaking this valuation as at 31 March 2017, there was ambiguity on the precise manner in which GST shall be implemented for the insurance industry, although there were indications that the proposed rate of GST of 18.0% shall apply. I have presented the impact of increase in service tax rate from 15.0% used in the base case to 18.0% as a sensitivity on the value of unit-linked business in this report. In doing so, I have assumed that other considerations, such as the off-set available between input/output service tax shall remain unchanged as per the previous tax regime.

2.46 **Effective date(s)**: Except where otherwise stated, all figures quoted in this report are as at 31 March 2017 and make no allowance for any developments after that date. IEV is computed as at 31 March 2017 and VONB is provided for new business written by SBI Life during the period 1 April 2016 to 31 March 2017.

2.47 **Projection period:** Cash-flows have been projected until maturity for all business, covering the full lifetime of the underlying policyholder liability.

2.48 **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.

2.49 **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, I 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 SBI Life 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 I 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 SBI Life 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, are less than 20 trades per day, suggesting 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 SBI Life.

3.7 SBI Life has provided me with the zero coupon government bond yield curve published by FIMMDA-PDAI which has been used as the assumed reference rates, noting further that:

- A comparison of reported market value of central government securities held by SBI Life against modelled discounted present value of coupon and maturity cash-flows demonstrated a non-material level of price errors, which was lowest among alternative sources of the Indian government bond yield curve considered;
- The IRDAI has mandated that the basis for arriving at the market value of fixed interest securities held by insurers must be based on the valuations as per FIMMDA; therefore the choice of zero coupon yield curve published by FIMMDA-PDAI as reference rates has the advantage of ensuring consistency of data sources between the valuation of assets within the ANW and the valuation of liabilities within the VIF;
- A cubic spline approach has been used to derive the zero coupon yield curve by FIMMDA-PDAI. A review of FIMMDA 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:* FIMMDA).

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 due to the choice of reference curve as required by the IEV valuation principles.

3.8 **Interpolation**: Zero coupon spot rates are available at quarterly time-steps. The cash-flow projection models assume monthly projection time-steps. Monthly rates are derived by applying simple linear interpolation between the available quarterly time-steps up to 30 years.

3.9 **Extrapolation**: For valuation of liability cash-flows beyond 30 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 2017 are provided in the table below:

Table 3.1: Reference rates

Maturity (years)	1	5	10	15	20	25	30
Annualised spot rates	6.36%	6.78%	7.21%	7.38%	8.14%	7.93%	7.26%
Annualised forward rates	6.36%	6.39%	11.10%	4.79%	11.90%	2.81%	1.69%

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 for industrial workers) and nominal interest rates (based on the FIMMDAI-PDAI curve).

3.13 Expense inflation assumption used for SBI Life is equal to 5.54%. This has been derived based on a weighted average spread of negative 1.99% to average reference rates. The estimated spread is weighted by expenses of SBI Life 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, market consistent risk neutral scenarios were calibrated for SBI Life based on 5,000 simulations with monthly time-steps for interest, equity and credit returns 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	FIMMDA-PDAI	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 51m half-yearly Moneyness: 90% to 110%
Credit spreads	FIMMDA-PDAI	Terms 0.5y; annually from 1y to 10y; 15y

3.16 I 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, I 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 I have concluded the available market data is reasonable and have used it without adjustment. I further note that the choice of volatility assumptions do not have a material impact on the IEV of SBI Life.

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 SBI Life for assets backing the corresponding liabilities. I have validated that the assumed asset mix is consistent with the strategic asset allocation approved by SBI Life'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 fund based group products) and not distributable immediately to shareholders, for other than fixed interest assets, the portion of unrealised gains that are attributable to shareholders are reflected in the VIF rather than Free Surplus.

Operating Assumptions

3.23 Operating assumptions have primarily been based on SBI Life own-company experience. The best estimate assumptions have been determined by having regard to the past, current and expected future experience for SBI Life. 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. I have assessed these assumptions based on the available experience information from SBI Life and my knowledge of the life insurance industry in India. I consider the assumptions to be a reasonable best estimate of expected future experience for the relevant parameters for SBI Life.

Mortality

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 over the previous three financial years. The most recent mortality investigation undertaken by SBI Life includes claims incurred up to 31 December 2016 and reported until 31 March 2017.

3.26 Mortality experience is investigated for homogenous product groups that are expected to demonstrate similar mortality experience. 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. The only exception to using an amounts basis is non-participating pension business, whereby experience is assessed on a lives basis, as there is no life cover within these products. 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 per annum from the valuation date.

3.28 **Morbidity**: SBI Life 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 SBI Life are generally based on lapse and surrender experience analysis. Experience has been analysed by product groups, premium payment mode (single or regular) and duration in-force.

3.30 The most recent persistency investigation undertaken by SBI Life includes premiums due up to 31 December 2016 and received until 31 March 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. 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

	Regular Premium							Single Premium						
	Y1	Y2	Y3	Y4	Y5	Y6	Y7+	Y1	Y2	Y3	Y4	Y5	Y6	Y7+
Participating Life assurances														
Best-estimate	**27%**	**16%**	**16%**	**10%**	**9%**	**9%**	**6%**	**0%**	**0%**	**0%**	**5%**	**5%**	**5%**	**5%**
FY2016-17	27%	16%	23%	9%	11%	9%	5%-7%	0%	0%-2%	0%-2%	7%	5%	4%	3%-5%
FY2015-16	24%	9%	9%	8%	3%-7%	3%-7%	3%-7%	0%	2%	1%	5%	0%-3%	0%-3%	0%-3%
FY2014-15	25%	10%	9%	4%-8%	4%-8%	4%-8%	4%-8%	0%	2%	1%	1%-5%	1%-5%	1%-5%	1%-5%
Unit-linked Life endowments														
Best-estimate	**17%-19%**	**9%-10%**	**9%-10%**	**5%-7%**	**15%-18%**	**23%-33%**	**5%-15%**	**0%**	**0%**	**0%**	**0%**	**0%**	**30%**	**5%-22%**
FY2016-17	16%-24%	8%-10%	5%-10%	5%-7%	3%-18%	23%-35%	4%-16%	0%	0%	0%	0%	0%	25%-30%	3%-22%
FY2015-16	16%-22%	6%-14%	8%-11%	5%-7%	3%-18%	16%-28%	4%-16%	0%	0%	0%	0%	0%	10%-16%	3%-22%
FY2014-15	19-25%	9%-11%	11%-14%	9%-12%	n/a	n/a	n/a	0%	0%	0%	0%	n/a	n/a	n/a
Non-participating term assurance														
Best-estimate	**5%-35%**	**5%-18%**	**5%-14%**	**5%-12%**	**5%-12%**	**5%-12%**	**5%-10%**	**0%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**
FY2016-17	6%-34%	5%-17%	6%-13%	10%-11%	10%-11%	11%-12%	2%-11%	0%	0%-1%	0%-1%	0%	0%	0%	0%
FY2015-16	5%-32%	4%-16%	10%-17%	7%-10%	0%-12%	0%-12%	0%-12%	0%-1%	0%-1%	0%-1%	0%	0%	0%	0%
FY2014-15	19%	10%	9%	6%-8%	6%-8%	6%-8%	6%-8%	0%	1%	1%	0%-2%	0%-2%	0%-2%	0%-2%
Group Credit Life														
Best-estimate	**7%**	**7%**	**7%**	**19%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**	**1%**
FY2016-17	5%	7%	7%	18%	2%	2%	0%-1%	0%	1%	1%	1%	1%	1%	1%
FY2015-16	9%	7%	8%	15%	0%-2%	0%-2%	0%-2%	1%	1%	1%	1%	1%	1%	1%
FY2014-15	10%	9%	9%	2%	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%
Group savings[2]														
Best-estimate	**6%-10%**	n/a	n/a	n/a	n/a	n/a	n/a	**6%-10%**	n/a	n/a	n/a	n/a	n/a	n/a
FY2016-17	6%	n/a	n/a	n/a	n/a	n/a	n/a	6%	n/a	n/a	n/a	n/a	n/a	n/a
FY2015-16	10%	n/a	n/a	n/a	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a	n/a	n/a
FY2014-15	18%	n/a	n/a	n/a	n/a	n/a	n/a	18%	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

1. Experience and best estimate assumptions include premium discontinuance and policy discontinuance rates.
2. Rates for group savings line of business represent annual withdrawal rates as persistency by policy duration is not relevant.

Expenses and commissions

3.32 Expense assumptions are based on an expense analysis carried out by SBI Life covering expenses incurred during FY2016-17. SBI Life has a Board approved detailed expense allocation policy which has been used as the basis of this expense investigation.

3.33 **One-off costs**: 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 SBI Life reported for FY2016-17 with no exclusions for any exceptional, development or one-off costs.

3.34 **Expense allowances**: A comparison of actual expense levels for previous three financial years to the allowances used to determine the unit-cost loadings for IEV and VONB set out in this report is provided in the table below.

Table 3.4: Actual expense levels for previous three financial years and allowances used

Amounts in INR millions

	Actual expenses			Allowances[1]
	FY2014-15	FY2015-16	FY2016-17	
Acquisition	8,943	11,373	13,002	13,002
Maintenance	2,812	3,208	3,463	3,463
Total expenses of policyholders' account	**11,756**	**14,581**	**16,465**	**16,465**
Total expenses of shareholders' account	**16**	**240**	**275**	**Note 2**

Notes:

1. Allowances for expenses used to determine unit-cost loadings for IEV as at 31 March 2017 and VONB for FY2016-17.
2. Allowance for shareholder fund expenses is made within the IEV and VONB based on an explicit projection of Corporate Social Responsibility (CSR) cess and a loading for other expenses within projected frictional costs.

3.35 Allowance for outgo in respect of commissions to distributors are based on actual commission payable by SBI Life. 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 2017. I have assessed this assumption to be reasonable within the context of the assumed economic and operating environment implied by the best estimate projection assumptions. I 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).

Future crediting rate for Group Savings business

3.37 The assumption for future crediting rates is set to be the reference rate less a financial margin less an allowance for investment expenses, as approved by the management.

Reinsurance

3.38 SBI Life does not have any inward reinsurance accepted as part of the covered business. SBI Life has several outward reinsurance arrangements to cede part of its risks to various third party reinsurers.

3.39 The cost of reinsurance premiums and the benefit from ceding a proportion of risk is allowed for within the VIF and VONB for all protection business where reinsurance has the most significant impact. The proportion of annual reinsurance premiums not modelled is less than 10% of the overall aggregate reinsurance outgo of the Company, and has been assessed to have an immaterial impact on the results.

3.40 Reinsurance for protection business is modelled within the liability projection model of SBI Life on a per policy basis. I 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 I 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 SBI Life is set out in the table below:

Table 4.1: Indian Embedded Value as at 31 March 2017

Amounts in INR millions

Components of IEV	31 March 2017
ANW	**69,965**
Required Capital	47,393
Free Surplus	22,572
VIF	**95,414**
PVFP	104,547
FCoC	(3,391)
TVFOG	(627)
CRNHR	(5,115)
Indian Embedded Value	**165,379**

Value of New Business

4.3 The VONB of SBI Life for new business written during the 12 month period from 1 April 2016 to 31 March 2017 is set out in the table below:

Table 4.2: Value of new business for the 12 month period ending 31 March 2017

Amounts in INR millions

Components of VONB	FY2016-17
VONB	**10,368**
PVFP for new business at point of sale	13,087
FCoC	(638)
TVFOG	(115)
CRNHR	(1,967)
APE	**67,273**
PVNBP	**269,672**
Margins:	
% of APE	15.4%
% of PVNBP	3.8%

Derivation of ANW

4.4 The statutory net shareholder equity from the balance sheet of SBI Life used to compute the ANW is set out in the table below:

Table 4.3: Statutory net shareholder equity of SBI Life as at 31 March 2017

Amounts in INR millions

	31 March 2017
Paid-up share capital	10,000
Accumulated profits to date	44,648
Credit balance of fair value change account	873
Statutory net shareholder equity	**55,521**

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 SBI Life

Amounts in INR millions

	31 March 2017
Shareholder investments	42,955
Policyholder investments	469,617
Linked assets	445,730
Loans	1,782
Fixed assets	5,385
Current assets	56,926
Total Assets	**1,022,396**
Long-term policy liability	483,238
Linked liability	445,730
Current liability and provisions	30,143
Credit/(Debit) Fair Value Change Account	7,764
Fund for Future Appropriations	0
Total Liabilities	**966,875**
Statutory net equity (Assets less Liabilities)	**55,521**
Mark-to-market adjustment for assets	14,444
Total ANW	**69,965**

Sensitivity results

4.6 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.

4.7 SBI Life does not have any deferred tax asset in respect of tax losses carried forward as at 31 March 2017 and hence there is no impact of the below sensitivities on IEV or VONB for the same. Sensitivities on risk discount rates are not provided as these are not applicable.

4.8 The table below summarises the results of the sensitivity tests on the IEV:

Table 4.5: Sensitivity of IEV as at 31 March 2017

Amounts in INR millions

No.	Scenario	ANW	VIF	IEV	% change
	Base results	**69,965**	**95,414**	**165,379**	
1	**Interest rates and assets**				
1a	100bps increase in interest rates and discount rates	54,282	100,757	155,039	-6.2%
1b	100bps decrease in interest rates and discount rates	87,026	89,344	176,370	6.6%
1c	200bps increase in interest rates and discount rates	40,074	105,493	145,567	-12.0%
1d	200bps decrease in interest rates and discount rates	106,014	82,343	188,357	13.9%
1e	10% decrease in equity values	67,978	94,564	162,542	-1.7%
1f	20% decrease in equity values	65,991	93,711	159,702	-3.4%
1g	25% increase in implied swaption volatilities	69,965	94,056	164,021	-0.8%
1h	25% increase in implied equity volatilities	69,965	95,237	165,202	-0.1%
2	**Expenses**				
2a	10% increase in maintenance expenses	69,965	94,264	164,229	-0.7%
2b	10% decrease in maintenance expenses	69,965	96,563	166,528	0.7%
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	69,965	93,559	163,524	-1.1%
3b	10% multiplicative decrease in discontinuance rates	69,965	97,286	167,251	1.1%
3c	50% multiplicative increase in discontinuance rates	69,965	87,405	157,370	-4.8%
3d	50% multiplicative decrease in discontinuance rates	69,965	105,657	175,622	6.2%
3e	25% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	69,965	93,080	163,045	-1.4%
3f	50% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	69,965	89,878	159,843	-3.3%
3g	50% multiplicative increase in discontinuance rates after the end of any surrender penalty period	69,965	91,095	161,060	-2.6%
3h	50% multiplicative decrease in discontinuance rates after the end of any surrender penalty period	69,965	101,104	171,069	3.4%
3i	5% absolute increase in non-zero lapse rates	69,965	87,776	157,740	-4.6%
3j	5% absolute decrease in non-zero lapse rates	69,965	105,968	175,932	6.4%
4	**Insurance risk**				
4a	5% multiplicative increase in mortality and morbidity rates	69,965	93,598	163,562	-1.1%
4b	5% multiplicative decrease in mortality and morbidity rates	69,965	97,222	167,187	1.1%
5	**Required Capital**				
5a	Required Capital set equal to 150% of the RSM	69,965	95,979	165,944	0.3%
6	**Taxation**				
6a	Assumed corporate tax rate increased to 34.61%	66,317	67,419	133,736	-19.1%
6b	Assumed service tax rate increased to 18%	69,965	95,351	165,316	0.0%

4.9 The table below summarises the results of the sensitivity tests on the VONB:

Table 4.6: Sensitivity of VONB for the 12 month period ending 31 March 2017

Amounts in INR millions

No.	Scenario	VONB	% change
	Base results	**10,368**	
1	**Interest rates and assets**		
1a	100bps increase in interest rates and discount rates	10,738	3.6%
1b	100bps decrease in interest rates and discount rates	9,859	-4.9%
1c	200bps increase in interest rates and discount rates	11,032	6.4%
1d	200bps decrease in interest rates and discount rates	9,205	-11.2%
1e	10% decrease in equity values	n/a	n/a
1f	20% decrease in equity values	n/a	n/a
1g	25% increase in implied swaption volatilities	10,117	-2.4%
1h	25% increase in implied equity volatilities	10,333	-0.3%
2	**Expenses**		
2a	10% increase in maintenance expenses	10,069	-2.9%
2b	10% decrease in maintenance expenses	10,639	2.6%
2c	10% increase in acquisition expenses	9,477	-8.6%
2d	10% decrease in acquisition expenses	11,230	8.3%
3	**Policy / premium discontinuance rates**		
3a	10% multiplicative increase in discontinuance rates	9,595	-7.5%
3b	10% multiplicative decrease in discontinuance rates	11,115	7.2%
3c	50% multiplicative increase in discontinuance rates	7,154	-31.0%
3d	50% multiplicative decrease in discontinuance rates	14,537	40.2%
3e	25% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	9,465	-8.7%
3f	50% mass lapsation of policies at the end of surrender penalty period for unit-linked insurance plans	8,208	-20.8%
3g	50% multiplicative increase in discontinuance rates after the end of any surrender penalty period	9,139	-11.9%
3h	50% multiplicative decrease in discontinuance rates after the end of any surrender penalty period	12,055	16.3%
3i	5% absolute increase in non-zero lapse rates	7,694	-25.8%
3j	5% absolute decrease in non-zero lapse rates	13,811	33.2%
4	**Insurance risk**		
4a	5% multiplicative increase in mortality and morbidity rates	9,959	-3.9%
4b	5% multiplicative decrease in mortality and morbidity rates	10,748	3.7%
5	**Required Capital**		
5a	Required Capital set equal to 150% of the RSM	10,462	0.9%
6	**Taxation**		
6a	Assumed corporate tax rate increased to 34.61%	6,589	-36.5%
6b	Assumed service tax rate increased to 18%	10,324	-0.4%

Analysis of movement in IEV

4.10 The table below sets out an analysis of movement in embedded value from 31 March 2016 to 31 March 2017.

Table 4.7: Analysis of movement in IEV from 31 March 2016 to 31 March 2017

Amounts in INR millions

Items	FS	RC	VIF	IEV
Opening IEV as at 31 March 2016	**14,636**	**39,579**	**71,259**	**125,475**
Opening adjustments	0	0	0	0
Adjusted opening IEV	**14,636**	**39,579**	**71,259**	**125,475**
Value added by new business during the period	(19,055)	7,540	21,883	10,368
Expected return on existing business				
At reference rate	1,079	2,917	5,198	9,193
At expected real-world return in excess of reference rate	196	530	944	1,669
Transfers from VIF and RC to FS	14,535	(3,037)	(11,498)	0
Variance in operating experience				
Mortality / morbidity	604	42	1,737	2,383
Expenses	249	0	0	249
Persistency	2,177	(679)	(1,070)	428
Change in operating assumptions	(2,922)	348	8,537	5,963
Other operating variance	(303)	(1,023)	(52)	(1,379)
IEV operating earnings	**(3,441)**	**6,637**	**25,679**	**28,875**
Economic variances				
From actual return in excess of expected real-world return	13,182	1,177	885	15,244
From change in economic assumption	0	0	(2,409)	(2,409)
Other non-operating variances	0	0	0	0
Total IEV earnings	**9,741**	**7,814**	**24,155**	**41,709**
Capital contributions / dividend payouts	(1,805)	0	0	(1,805)
Closing adjustments	0	0	0	0
Closing IEV as at 31 March 2017	**22,572**	**47,393**	**95,414**	**165,379**

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**: SBI Life has computed its IEV as at 31 March 2016 using the methodology consistent with APS10 and as described in this report for the 31 March 2017 IEV, together with economic and operating assumptions as determined by the Company as at 31 March 2016.

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 2016 to 31 March 2017. VIF contribution has been determined for new policies still in-force as at 31 March 2017, 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 2017.

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 2016.

- **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 2016 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 2017 and expected VIF at 31 March 2017 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 2016. 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.

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**: There were no capital injections during the year. This represents dividend payments made for FY2016-17.

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 2017, being the sum of opening IEV as at 31 March 2016 and movements as explained above.

Model review and checks on results

4.24 I 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. My review of the cash-flow outputs from SBI Life's actuarial software has provided me assurance on the following aspects of the IEV and VONB cash-flows for the products covered in my 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;

  My 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, I have performed a range of checks on the aggregate cash-flow outputs and results to assess reasonableness of the results. I 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 my review and producing this report I have relied without independent verification upon the accuracy and completeness of the data and information provided to me, both in written and oral form, by SBI Life. Where possible, I have reviewed some of the information provided for reasonableness and consistency with my knowledge of the Indian life insurance industry, but I have adopted, without review, the financial statement information regarding asset values as this falls outside my area of expertise.

5.2 I have relied upon the accuracy and completeness of the policy data and other inputs made to the actuarial cash-flow projection models by SBI Life, 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 me by SBI Life, including:

- financial statements and supporting documentation to those statements;
- descriptions of products and other features of SBI Life'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 SBI Life at the valuation date and the basis used to calculate the regulatory liabilities;
- statistical data and experience studies, together with explanations provided to me as to interpretation of such studies relating to the current and recent operating experience, such as expenses, mortality, investment performance, taxation 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 SBI Life.

5.4 I have relied on SBI Life having brought to my attention any other information or data which ought to have been made available to me that might materially affect my opinion set out herein. SBI Life has provided me with a letter of representation verifying the accuracy and completeness of the information provided to me 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 neither Mr O'Shea nor Mr Maheshwari, by virtue of the support provided to me as described in Section 1.16, 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 SBI Life 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 me on an agreed basis to meet the specific purposes of SBI Life 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, I disclaim any and all liability which may arise. Furthermore, I am 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 me that the assumptions made in this report will be reflected in actual future experience.

5.9 Although SBI Life has developed the model projections in conformity with what is believed to be the current and proposed operating environments of SBI Life, 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 SBI Life.

5.12 I have not attempted to determine the quality of the asset portfolios, nor have I 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 SBI Life is provided by me.

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 SBI Life.

5.15 I have assumed that all of SBI Life'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 me at, or prior to, 6 September 2017, and takes no account of any data or information available after that date. I am under no obligation to update or correct inaccuracies which may become apparent in the report due to any such additional information.

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SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, its Promoters, its Group Companies (other than State Bank and BNPPC) and its Directors are described in this section in the manner as detailed below.

Except as disclosed below, there are no (i) pending criminal proceedings involving our Company, (ii) pending actions taken by regulatory or statutory authorities involving our Company, (iii) other pending matters involving our Company which are considered material pursuant to the materiality policy (as disclosed herein below), (iv) pending matters involving our Company, whose outcome could have material adverse effect on our Company, (v) pending matters initiated against our Company for economic offences, (vi) awards given by the Insurance Ombudsman against our Company during the last three years, (vii) acts of material frauds committed against our Company in the last five years (including action taken by our Company, if so), (viii) default and non-payment of statutory dues by our Company, (ix) inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years against our Company, (x) complaints filed by policyholders during the last five years involving our Company, (xi) pending matters involving our Company pertaining to violations of securities law, (xii) pending matters filed against our Company which are in nature of winding up petitions, and (xiii) pending taxation related matters.

Our Board has approved that given the nature and extent of operations of our Company, the outstanding litigation involving our Company which exceeds an amount which is lower of 1% of the total turnover (gross premium and other income) or 5% of the profit after tax as per the last audited financial statements of our Company, i.e., as of and for Fiscal 2017 would be considered material for our Company. The total turnover and the profit after tax of our Company as of and for the last audited Fiscal i.e. Fiscal 2017, is ₹210,825.28 million and ₹9,546.53 million, respectively. Accordingly, we have disclosed all outstanding litigation involving our Company where (i) the aggregate amount involved exceeds ₹ 477.33 million (being an amount which is lower of 1% of the total turnover (calculated on the basis of the gross premium and other income) or 5% of the profit after tax of our Company as of and for the last audited Fiscal i.e. Fiscal 2017) individually, (ii) the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ₹477.33 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, however where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

Our Board has also approved that dues owed by our Company to sundry creditors exceeding 5% of amounts owed to be considered as material dues for our Company and accordingly, consolidated information of outstanding dues owed to sundry creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹18.20 million (being approximately 5% of the amount due to sundry creditors of our Company as of three months ended June 30, 2017).

For details of the manner of disclosure of litigation involving our Promoters, see "Outstanding Litigation and Material Developments – Litigation involving our Promoters" beginning on page 398. Further, for details of the manner of disclosure of litigation involving our Group Companies, see "Outstanding Litigation and Material Developments – Litigation involving our Group Companies" beginning on page 403. For details of the manner of disclosure of litigation involving our Directors, see "Outstanding Litigation and Material Developments – Litigation involving our Directors" beginning on page 408.

I. Litigation involving our Company

A. Litigation filed against our Company

Criminal matters

1. Ranjan Kumar Nayak (the "**Complainant**") filed a criminal complaint against one of our employees before the police station at Nimapara, in relation to alleged misbehaviour by our employee with respect to recovery of excess payment of ₹50,000 in lieu of an insurance policy claim (the "**Complaint**"). The Complaint has been filed pursuant to, *inter alia*, Sections 35, 341, 452, and 506 of the IPC. Subsequent to the Complaint, the Complainant approached the Judicial Magistrate, First Class, Nimapara (the "**Court**") under Section 156(3) of the CrPC, *inter alia*, requesting the Court to direct the police to take cognizance of the Complaint and initiate investigation in relation thereto. Accordingly, the Court directed the police to register a first information report and carry out investigation required. Upon completion of investigation the police has filed a '*completion of investigation*' report with the Court, stating that the complaint is false. Separately, our Company through one of its employees has filed a criminal complaint before the police station at Chandrasekharpur, for recovery of excess payment of ₹50,000 erroneously made by the certain employees of our Company to Complainant. The matters are currently pending.

2. Pratigya Pandey filed a complaint with the Judicial Magistrate, First Class, Lucknow pursuant to which a first information report against certain employees of our Company (the "**Employees**") was registered with the police station, at Vikasnagar, Lucknow, with respect to Sections 420, 467 and 468 of the IPC alleging

that he has procured some business under the corporate agency granted to him and that he has deposited certain amounts towards the insurance policies of our Company and that he was not given any commission for such business. It was found by the Company that no such corporate agency was granted by the Company to the Complainant and the said amounts were deposited under some other agency as per Company's records. In furtherance of the Complaint the Employees filed a writ petition before the High Court of Allahabad at Lucknow ("**High Court**") seeking anticipatory bail and quashing of the Complaint. Pursuant to the said petition, the High Court passed an order granting a stay on the arrest of our Employees. The matter is currently pending.

3. Usha Devi and Mishri Lal filed a criminal complaint against certain employees of our Company (the "**Employees**") before the court of the Judicial Magistrate, Jhunsi (the "**Court**"), with respect to Sections 120B, 406, 420, 467, 468, 469 and 471 of the IPC for alleged fraud and '*misled-selling*' of insurance policies. Pursuant to an order of the Court directing registration of the first information report, the Employees filed a writ petition before the High Court of Allahabad at Lucknow (the "**High Court**") seeking on the quashing of the proceedings in connection to the Complaint and sought anticipatory bail for themselves. By way of an interim order, the High Court granted the anticipatory bail and issued an order directing the authorities not to arrest the Employees until completion of investigation or filing of the report in accordance with Section 173(2) of the CrPC. The High Court however, did not grant the prayer for quashing of the first information report and directed the relevant police officials to complete the investigation. The matter is currently pending.

4. Ramvir Singh Yadav (the "**Complainant**") filed a criminal complaint against one of our employees with the police station at Kotwali, Mathura (the "**Employee**") under Sections 420, 467, 468 and 471 of the IPC for alleged fraud and '*misled-selling*' of insurance policies (the "**Complaint**"). Subsequently the Employee filed a writ petition at the High Court of Allahabad ("**High Court**") seeking anticipatory bail and quashing the Complaint. Further, it was also submitted that the Complainant misread the terms and conditions of the policy and did not fulfil the conditionality for getting any benefits under such insurance policy. The High Court passed an order allowing the Employee to file for bail at an appropriate juncture of the proceedings and the concerned court should consider and dispose of the said bail application expeditiously. The matter is currently pending.

5. Valmikirao Sukhdevrao Damodar filed a criminal complaint against four employees of our Company with the police station at Azad Nagar, Dhule, pursuant to which the police registered a first information report under Sections 34, 406 and 420 of the IPC in relation to, *inter alia*, alleged fraud and '*misled-selling'* of insurance policies (the "**Complaint**"). Accordingly, certain employees filed an application for anticipatory bail before the Sessions Court, Dhule (the "**Court**"). In furtherance of such an application the Court by way of its order granted anticipatory bail to certain employees of our Company under specific conditions, such as continuous appearances before the Court (the "**Order**"). Additionally, the Court by way of the Order rejected the anticipatory bail to certain employees of our Company. Subsequently, the employees who did not get bail, filed a writ petition before the High Court of Bombay at Aurangabad ("**High Court**"), *inter alia*, quashing the Complaint and for grant of anticipatory bail. The High Court by way of its order quashed cognizance of the Complaint against certain employees initially impleaded and granted anticipatory bail to an employee of our Company. The matter is currently pending against the remaining employees impleaded.

6. Joseph Jackson one of the ex-employees of our Company filed a criminal complaint against three employees of our Company (the "**Employees**") before the Judicial Magistrate First Class, Kannur (the "**Court**"), under Sections 34, 405, 409 and 420 of the IPC and Section 156(3) of the CrPC, alleging fraud and misappropriation (the "**Complaint**"). Subsequent to the Complaint the Court ordered the police to register a first information report in relation to the allegations made. Aggrieved with the order of the Court the Employees approached the High Court of Kerala at Ernakulam (the "**High Court**") seeking anticipatory bail and quashing of the Complaint. Accordingly, the High Court by way of its order granted the anticipatory bail, however, allowed the investigation to continue and additionally directed the Employees to cooperate with the ongoing investigation by reporting to the investigating officer on weekly intervals. The investigating officer was also ordered to produce the Employees before the Court upon conclusion of the investigation for directions of the Court. Subsequently, the Employees by way of a petition seeking special leave to appeal, approached the Supreme Court of India (the "**Supreme Court**") seeking a stay on the order of the High Court and quashing of the Complaint. Pursuant to an order of the Supreme Court, the proceedings in relation to the Complaint have been stayed and leave has been granted. The matter is currently pending.

Actions by regulatory/statutory authorities

Actions by IRDAI

1. The IRDAI conducted an onsite inspection of our Company, subsequent to which an inspection report dated February 21, 2011 (the "**Inspection Report**") was issued alleging discrepancies in relation to "Dhanraksha Plus Limited Premium Paying Term" insurance policy offered by our Company ("**Dhanraksha**"). Such allegations *inter alia,* pertained to, (i) incorrectly offering Dhanraksha as a single premium product; (ii) collection of policy premium in violation of various guidelines and regulations issued by the IRDAI; and (iii) payment of excess commission to the corporate agents of our Company.

   Pursuant to the alleged discrepancies raised by way of the Inspection Report. Subsequent to which, the IRDAI issued a show cause notice dated December 19, 2011 (the "**First SCN**"), wherein, our Company was directed to adequately reply as to why proceedings should not be initiated in accordance with applicable law, in relation to the alleged discrepancies stated in the Inspection Report.

   Thereafter, our Company submitted its reply to the First SCN by way of its letter dated January 9, 2012. The chairman of the IRDAI after considering the submissions made by our Company, passed an order on September 18, 2012, wherein a cumulative penalty of ₹ 0.6 million was imposed on our Company in relation to the alleged discrepancies stated in the Inspection Report, which was settled by our Company on September 25, 2012. Separately, the IRDAI issued a show cause notice dated April 30, 2013 (the "**Second SCN**"), reiterating the alleged discrepancies as stated in the Inspection Report and requesting our Company to, *inter alia,* refund the excess commission, of ₹ 2.75 billion to the beneficiaries of Dhanraksha through the shareholders account of our Company. Accordingly, our Company on June 3, 2013, replied to the Second SCN, *inter alia,* challenging the issuance of the Second SCN. Subsequent to which the IRDAI passed an order dated March 11, 2014 (the "**Second Order**"), directing our Company to comply with the stipulations of the Second SCN. Aggrieved by the Second Order, our Company on April 23, 2014 approached the IRDAI for cancellation or modification or review of the Second Order, whilst requesting a stay on the enforcement of the Second Order.

   However, the IRDAI by way of an order dated February 20, 2015 (the "**Order**") rejected the representations and requests of our Company and directed implementation of the Second Order and submission of a compliance report within 45 days thereof. Thereafter, our Company filed an appeal pursuant to Section 110 of the Insurance Act, 1938, as amended, before the Securities and Appellate Tribunal ("**SAT**") on April 6, 2015, citing various grounds such as, the Order being against the principles of natural justice, Dhanraksha being duly approved by the IRDAI before being offered to the policyholders and collection of advance premium in accordance with the regulations and guidelines issued by the IRDAI. SAT in its order dated April 28, 2015 noted that the counsel for the IRDAI stated that till next date of hearing no coercive steps would be taken by IRDAI in relation to the impugned orders and thus an ad-interim relief has been granted and such order continues to be valid as of this Prospectus. The matter is currently pending with SAT and the SAT in one of its hearings has imposed a cost of ₹ 0.01 million on our Company for delay in proceedings due to limited availability of counsel.

2. The IRDAI conducted an onsite inspection of our Company during the period between June 12, 2006 to June 16, 2006, subsequent to which an inspection report dated August 8, 2006 (the "**Inspection Report**") was issued alleging discrepancies in relation to "Super Suraksha", as a one year renewable group term assurance offered by our Company. Such allegations *inter alia,* pertained to i) offering different terms and conditions in certificate of the insurance in violation file and use guidelines issued by the IRDAI ii) offering different premium rates for master policyholders other than as filed with IRDAI, which is in violation of IRDA (Protection of Policyholders' Interests) Regulations, 2002; and group insurance guidelines issued by the IRDAI. Pursuant to the alleged discrepancies raised by way of the Inspection Report, our Company replied on August 25, 2006 by way of an action taken report ("**ATR**").

   Thereafter, pursuant to the ATR, the IRDAI conducted an inspection in June 2008 and issued its observations and clarifications by way of its letters dated November 21, 2008 and February 24, 2009, Subsequent to which, the IRDAI issued a show cause notice dated September 17, 2009 (the "**First SCN**"), wherein, our Company was directed to adequately reply as to why proceedings should not be initiated in accordance with applicable law, in relation to alleged violation of various provisions of the Insurance Act, 1938, as amended (the "**Insurance Act**"), and the regulations, guidelines and circulars issued thereunder.

   Our Company replied to the First SCN by way of its letters dated September 26, 2009, October 10, 2009 and October 12, 2009. Further, on December 1, 2009, the IRDAI issued a show cause notice (the "**Second SCN**"), wherein, our Company was directed to adequately reply as to why penal action under the Insurance Act should not be initiated for violation of the regulations, guidelines and circulars issued by the IRDAI. Our Company by way of its letters dated January 2, 2010, March 12, 2010, March 30, 2010 and May 3, 2010, replied to the Second SCN. In furtherance of the Second SCN and replies thereto, the IRDAI issued an order dated May 10, 2010 (the "**First Order**"), wherein, our Company was directed to recover all administrative fees and expenses paid to State Bank, its associate banks and other corporate agents of our Company by September 30, 2010. The IRDAI further stipulated that failing compliance of the First Order our Company would be subject to a penalty of ₹ 0.5 million per day until such time as the cumulative amount is recovered. In addition to the First Order, the IRDAI issued a further order on May 10, 2010, wherein a penalty of ₹ 1 million was levied on our Company for violation of the file and use guidelines issued by the IRDAI (the "**Second Order**"). Further, the IRDAI issued an order dated May 10, 2010 (the "**Third Order**"), wherein, IRDAI condoned specified inspection observations. Accordingly, our Company challenged the Second Order and sought a review of the First Order through its letters dated May 26, 2010 and June 2, 2010, respectively. In furtherance of our Company's request for review of the First Order, the IRDAI passed an order dated July 28, 2010, nullifying the First Order; however, the IRDAI reaffirmed the Second Order of imposing penalty of ₹1 million for violation of the file and use guidelines which was paid by our Company on August 5, 2010.

Separately, the IRDAI pursuant to its show cause notice dated November 16, 2010 passed an order dated July 8, 2011 accepting the submissions of our Company regarding the rationale for payment of administrative fees and expenses, i.e. pending product approval and the need for such payment in lieu of services. However, for payments made of similar nature subsequent to November 5, 2007, the IRDAI imposed a penalty of ₹ 7 million on our Company under section 102 of the Insurance Act. Subsequently, the IRDAI on October 5, 2012, *inter alia* directed our Company to distribute a cumulative payment sum of ₹843 million to beneficiaries of the respective group insurance policies (the "**Seventh Order**"). Pursuant to the Seventh Order, our Company filed representations under Section 34(2) of the Insurance Act seeking cancellation and/or modification of the Seventh Order. On October 10, 2014, the IRDAI passed an order (the "**Eighth Order**") further modifying the Seventh Order by directing our Company to immediately implement the said order and submit a compliance report within a period of thirty days thereof. Pursuant to Section 110H of the Insurance Act, our Company on November 11, 2014 appealed the Eighth Order to the Government of India (the "**Government**"). The Government by way of its order dated November 4, 2015 remanded to IRDAI, for deciding the case keeping in view the facts mentioned in para 5 of such Order.

Pursuant to various correspondence between our Company and the IRDAI, in relation to violation of *inter alia,* (i) IRDA (Protection of Policyholders' Interests) Regulations, 2002; (ii) group insurance guidelines issued by the IRDAI; and (iii) file and use issued by IRDAI for "Super Suraksha", the IRDAI issued a show cause notice dated May 9, 2016. Pursuant to such show cause notice the IRDAI passed an order on January 11, 2017 (the "**Ninth Order**") in compliance with Section 34 (1) (b) of the Insurance Act, wherein, our Company was directed to make applicable payment to the policyholders of the group policies of our Company and to submit an action taken report within a period of one month after compliance with such order. Our Company filed an appeal pursuant to Section 110 of the Insurance Act, 1938, as amended, before the Securities and Appellate Tribunal ("**SAT**") on February 22, 2017, citing various grounds such as, violation of the principles of natural justice, Ninth Order violating the principles of remand, Ninth Order being '*Res Judicata*' and attraction of double jeopardy. SAT accepted and heard the appeal in the said matter. Additionally, the IRDAI through its counsel submitted before the SAT that no coercive steps would be taken by IRDAI in pursuance of the Impugned order/directions dated January 11, 2017. The matter is currently pending.

3. The IRDAI conducted an onsite inspection of our Company from January 20, 2014 to January 31, 2014. Subsequent to which, the show cause notice dated May 16, 2016 issued to our Company, the IRDAI, on September 19, 2016, issued a final order in relation to, *inter alia*, violation of approved file and use products and Corporate Governance Guidelines, inappropriate control over the operations of the corporate agents as required by the IRDAI Registration of Corporate Agents Regulations, Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002 and various circulars issued by the IRDAI (the "**Order**"). The IRDAI warned our Company and directed our Company, *inter alia*, to ensure compliance with product file and use and have proper mechanism to control and monitor operations of Corporate Agents. Further, the IRDAI directed our Company pay a cumulative sum of ₹1 million within a period of 15 days of the Order. Additionally, the IRDAI warned our Company to ensure compliance with the applicable regulations, guidelines and circulars in its future activities. Further, our Company was advised to carry out a review of its information and technology framework, ensure continuous compliance. Our Company by way of its letter dated September 26, 2016 confirmed payment of the penalty stipulated in the Order. Additionally, our Company by way of its letter dated December 8, 2016 confirmed placing the Order before the Audit Committee of our Board as well as the Board.

4. The IRDAI conducted an offsite monitoring of complaints of our Company and accordingly, by way of its letter dated July 3, 2013 sought an explanation in relation to a complaint of one of our customers, which resulted in violation of Section 41 of Insurance Act along with an explanation in relation to the controls and

checks established to prevent recurrence of such a violation. Our Company responded to the queries raised on July 10, 2013.

5. The IRDAI by way of its email on January 5, 2016 raised certain observations in relation to filing of 'SBI Life - Smart Woman Advantage' insurance plan (the "**Product**") regarding negative internal rate of return for the policyholders at certain model points. IRDAI directed our Company to obtain approval of our Board for the Product. On January 29, 2016, our Company by way of its letter confirmed that the Product together with the observations of IRDAI were placed before the Board. Accordingly, the IRDAI on March 3, 2016 approved the Product.

6. The IRDAI carried an off-site inspection of 'ARA', 'AAAR' and other valuation related reports pertaining to fiscal 2013. IRDAI observed certain discrepancies and advised our Company to have stronger systems and controls on valuation process and returns while also *inter alia* noting that the persistency ratio of our Company was low and that the IBNR for individual business had not been kept separately.

7. IRDAI observed violation of certain applicable provisions of the Insurance Act and the applicable regulations in the actuarial report and abstract and appointed Actuary's annual report for fiscal 2011, in furtherance of which a show cause notice dated August 22, 2012 was issued to our erstwhile Appointed Actuary. Subsequently, our erstwhile Appointed Actuary replied to the IRDAI by way of a letter dated September 17, 2012. Pursuant to the aforementioned reply, the IRDAI by way of its letter dated February 20, 2013, advised our erstwhile Appointed Actuary to be more careful in future while ensuring appropriate reportage is made to the IRDAI and that any repetition of any discrepancy will be viewed seriously.

In addition to the above the IRDAI, in accordance with the Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000, circulars and guidelines thereunder (the "**Advertisement Guidelines**"), seeks clarification from our Company on our advertisements or issues directions to our Company to undertake modifications or withdraw such advertisements. For instance, pursuant to the show cause notice dated August 26, 2013 issued to our Company, the IRDAI, on December 17, 2013, issued a warning letter in relation to violation of the Advertisement Guidelines. Similarly, on June 7, 2016, the IRDAI issued a cautionary letter in relation to canvassing material of "SBI Life Shubh Nivesh Plan" for violation of the Advertisement Guidelines and on July 3, 2017, the IRDAI advised the Company to effectively monitor and sensitize all its sales force and ensure that instances of issuance of advertisement/sales material by an agent in violation of IRDAI (Insurance Advertisement and Disclosure) Regulations, 2000 do not recur in future.

Direct tax matters

1. 29 direct tax matters involving our Company have been filed before various forums, involving an aggregate amount of ₹ 2,894.48 million pertaining to, *inter alia*, taxability of bonus, and transfer of funds from the shareholders account to policyholders account. The aforementioned matters are currently pending.

Indirect tax matters

1. 16 indirect tax matters involving our Company have been filed before various forums involving an aggregate amount of ₹ 6,050.49 million pertaining to, *inter alia*, payment of services tax. The aforementioned matters are currently pending.

Other matters:

Matters considered otherwise material by our Company

1. Virendra Pal Kapoor (the "**Complainant**") invested ₹ 50,000 as one-time premium in relation to a unit linked insurance product (the "**Premium**") for a period of five years as offered by our Company (the "**Insurance Policy**"). As part of the terms of the Insurance Policy the Premium was subject to deduction of mortality charges from the fund value of the Insurance Policy at predetermined variable rates in accordance with the Insurance Policy. Subsequent to the investment carried and the returns gained, majority of the accumulation of fund under the Policy was adjusted towards the stipulated mortality rates and he was given a small amount towards maturity value under the Policy. Aggrieved by the settlement of Premium against the mortality charge, the Complainant approached our Company, State Bank and IRDAI in relation to the misled selling of the Insurance Policy. Subsequent to which, the Complainant filed a request for information pursuant to the Right of Information Act, 2005, before our Company (the "**RTI**"). In response to the RTI, our Company informed the Complainant that it does not fall under the ambit of the Right of Information Act, 2005. Accordingly, the Complainant filed a writ petition before the High Court of Allahabad at Lucknow (the "**High Court**") amongst others, against State Bank and our Company for, *inter alia*, directing State Bank to disallow our company from utilising its logo, its branch offices and employees for sale of our insurance products and declaration of the insurance policy as null and void. The High Court

by way of its order, *inter alia*, directed our Company to reimburse the Premium to the Complainant and the IRDAI to examine every policy of our Company even if such policy was already approved (the "**Order**"). Whilst our Company has returned the Premium, our Company filed a petition before the Supreme Court of India (the "**Supreme Court**") seeking special leave to appeal against the Order. The Supreme Court by way of its order granted leave to our Company to appeal and by way of another order, granted a stay on the examination of our insurance policies by the IRDAI pursuant to the Order. The matter is currently pending.

2. Bhulan Ram (the "**Claimant**") filed a writ petition, in relation to repudiation of death claim for suppression of material facts before the High Court of Patna (the "**High Court**"), in relation to which the High Court declared our Company a State pursuant to Article 12 of the Constitution of India (the "**Constitution**") and directed our Company to settle the claim along with interest (the "**Order**"). Whilst our Company settled the claim, our Company filed a petition seeking special leave to appeal before the Supreme Court of India (the "**Supreme Court**") challenging the declaration of our Company as a 'State' in terms of Article 12 of the Constitution. The Supreme Court has ordered a stay on the order of the High Court and granted leave. The matter is currently pending.

3. Vemparala Bhaskara Krishna Murthy (the "**Petitioner**") filed a writ petition (the "**PIL**") before the High Court of Hyderabad (the "**High Court**") for issuance of a writ of mandamus restricting State Bank from permitting the usage of State Bank's logo by our Company and SBI General Insurance Company Limited ("**SBI General**"). The Petitioner has contended that by the virtue of our Company being a joint venture between State Bank and BNPPC, and SBI General being a joint venture between our Company and Insurance Australia Group, should be restrained from using the logo of State Bank as it misleads the general public to believe that our Company and SBI General are fully owned by State Bank and indirectly by the Government of India, and are consequently a government companies. The Petitioner has also sought a direction restricting State Bank from allowing our Company and SBI General to have access to State Bank and its associate banks to sell our insurance products. The Petitioner has further requested the High Court to pass an order directing the change of the name of our Company to 'SBI BNP Paribas Cardif Life' and of SBI General to 'SBI-AIG General Insurance'. Additionally, the Petitioner filed another public interest litigation by way of a writ petition before the High Court (the "**Petition**") seeking issuance of a writ of mandamus on State Bank to withhold the initial public offering of our Company and issuance of a direction on SEBI to stop the initial public offering by our Company until such time as the PIL filed by the Petitioner against the State Bank and our Company is disposed off by the High Court. Our Company has filed a reply dated July 26, 2017 requesting the High Court to dismiss the PIL. These matters are currently pending.

   Separately, the Petitioner has filed a complaint with SEBI (the "**Complaint**"), alleging, *inter alia*, our Company is illegally utilising the logo of State Bank and such usage is misleading to the general public and our Company has not registered the logo with the appropriate authorities. The petitioner by way of the Complaint has requested SEBI to not accord approval to our Company for the Offer until the PIL and the Petition are adjudicated by the High Court.

4. Sukhbir Singh and Ram Mehar Sharma (the "**Complainants**") filed suits before the Additional Civil Judge, Narwana, Haryana (the "**Court**") against the Managing Director and officers of our Company alleging wrongful termination. The Complainants alleged that their employee number was fraudulently obtained by the officers of our Company, pursuant to which their resignation requests were logged in the self-service portal of the Company. The Complainants have sought directions against their services being terminated by granting a decree of permanent injunction. The Complainants also filed applications alleging contempt of court by the Managing Director and other officers of our Company of the decree of permanent injunction. Our Company has filed applications seeking withdrawal of the name of the Managing Director. Our Company has filed written statements against the complaints along with replies to the applications of contempt of court by the Managing Director and other officers of our Company. These matters are currently pending.

5. Dhruv Kumar (the "**Petitioner**") filed a public interest litigation by way of a writ petition (the "**PIL**") before the High Court of Judicature at Allahabad, Lucknow bench (the "**High Court**") for issuance of a writ of mandamus directing IRDAI to, *inter alia*, cancel the corporate insurance agency license granted to State Bank. The Petitioner has contended that the corporate insurance agency license granted to State Bank is in violation of Section 48A of the Insurance Act, 1938, by virtue of State Bank being a promoter of our Company. The Petitioner has also sought direction from the High Court to restrict State Bank from procuring any insurance premium from its borrowers on behalf of our Company alleging predatory pricing of one of the products of our Company that State Bank sells to its customers. The High Court passed an order dated July 10, 2017 wherein certain issues raised by way of the PIL, with the exception of adoption of multi-level marketing system adopted for sale of insurance policies by State Bank were vacated (the "**Order**"). Accordingly, the High Court by way of the Order granted IRDAI three weeks to explain the

steps taken regarding the multi-level marketing system adopted for the sale of insurance policies by State Bank. This matter is currently pending.

Other matters involving an amount below ₹477.33 million

In addition to the proceedings disclosed herein above, our Company is involved in certain matters which relate to claims by various policyholders, for alleged mis-selling, alleged improper settlement of claims and improper termination of employment. Such matters are pending before various courts of various jurisdictions throughout India including before the District and National Consumer Forums.

Awards given by the Insurance Ombudsmen against our Company from Fiscal 2015

1. 184 complaints have been filed against our Company under the Redressal of Public Grievances Rules, 1998, before Ombudsman of various jurisdictions, in relation to "*misled selling*" of various insurance policies by our Company. In relation to these complaints the Ombudsman has, amongst other things, passed awards against our Company ordering cancellation of such policies while awarding refund of the entire premium, at variable or no interest. The amount involved in these awards is ₹ 29.87 million;

2. 26 complaints have been filed against our Company under the Redressal of Public Grievances Rules, 1998, before Ombudsman of various jurisdictions, in relation to rejection of request by customers for surrender, cancellation and refund of the premium deposited under policies issued by our Company. Pursuant to these complaints, the Ombudsman has, amongst other things, passed awards against our Company ordering entire and part refund of the premium amounts claimed by the complainants. The amount involved in these awards is ₹ 3.90 million; and

3. 73 complaints have been filed against our Company under the Redressal of Public Grievances Rules, 1998, before Ombudsman of various jurisdictions, in relation to repudiation of claims raised and denial of maturity claims raised in relation to the policies issued by our Company. Pursuant to these complaints, the Ombudsman has, amongst other things, passed awards against our Company ordering acceptance (at times part acceptance) of the claims raised by the complainants. The amount involved in these awards is ₹ 18.64 million.

Our Company has complied with the aforementioned awards of Insurance Ombudsmen and such awards have been settled. Our Company has not appealed against such awards.

The policyholder and intermediaries complaints during the last five years and three months ending June 30, 2017

1. Details of Company's record of policyholders protection and the pendency of the policyholder complaints for three months ended June 30, 2017 are set out below:

Sr. No.	**Particulars on Complaints made by customers**	**Opening balance**	**Additions**	**Fully accepted**	**Partially accepted**	**Rejected**	**Complaints pending**
Complaints made by customers							
1.	Sales related	1	460	52	18	345	46
2.	New business related	0	641	502	32	90	17
3.	Policy servicing related	2	229	80	39	108	4
4.	Claims servicing related	0	212	66	30	108	8
5.	Others	0	44	10	6	25	3
	Total number of complaints in system	3	1,586	710	125	676	78

Sr. No.	**Particulars on Complaints made by customers**	**Opening balance**	**Additions**	**Fully accepted**	**Partially accepted**	**Rejected**	**Complaints pending**
Complaints made by Intermediaries							
1.	Sales related	0	2	0	1	1	0
2.	New business	0	0	0	0	0	0

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
	related						
3.	Policy servicing related	0	0	0	0	0	0
4.	Claims servicing related	0	0	0	0	0	0
5.	Others	0	2	2	0	0	0
	Total number of complaints in system	0	4	2	1	1	0

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	78	0	78
2.	Greater than 15 days	0	0	0
	Total	78	0	78

2. Details of Company's record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2017 are set out below:

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by customers							
1.	Sales related	4	2,517	410	184	1,926	1
2.	New business related	0	2,683	2,026	158	499	0
3.	Policy servicing related	3	1,267	477	223	568	2
4.	Claims servicing related	0	1,117	257	159	701	0
5.	Others	0	202	52	34	116	0
	Total number of complaints in system	7	7,786	3,222	758	3,810	3

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by Intermediaries							
1.	Sales related	0	1	0	0	1	0
2.	New business related	0	0	0	0	0	0
3.	Policy servicing related	0	8	1	1	6	0
4.	Claims servicing related	0	2	0	1	1	0
5.	Others	0	9	3	2	4	0
	Total number of complaints in system	0	20	4	4	12	0

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
	Less than 15 days	3	0	3
2.	Greater than 15 days	0	0	0
	Total	3	0	3

3. Details of Company's record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2016 are set out below:

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by customers							
1.	Sales related	8	3,718	617	386	2,719	4
2.	New business related	0	3,086	2,199	162	725	0
3.	Policy servicing related	0	944	337	157	447	3
4.	Claims servicing related	4	1,082	233	111	742	0
5.	Others	0	646	184	96	366	0
	Total number of complaints in system	12	9,476	3,570	912	4,999	7

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by Intermediaries							
1.	Sales related	0	11	2	2	7	0
2.	New business related	0	1	1	0	0	0
3.	Policy servicing related	0	3	1	1	1	0
4.	Claims servicing related	0	2	1	0	1	0
5.	Others	1	17	5	3	10	0
	Total number of complaints in system	1	34	10	6	19	0

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	7	0	7
2.	Greater than 15 days	0	0	0
	Total	7	0	7

4. Details of Company's record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2015 are set out below:

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by customers							
1.	Sales related	4	5,394	954	484	3,952	8
2.	New business related	0	3,781	2,795	153	833	0

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
3.	Policy servicing related	1	816	246	113	458	0
4.	Claims servicing related	0	1,043	198	90	751	4
5.	Others	2	1,175	226	129	822	0
	Total number of complaints in system	7	12,209	4,419	969	6,816	12

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by Intermediaries							
1.	Sales related	0	45	30	4	11	0
2.	New business related	0	4	1	0	3	0
3.	Policy servicing related	0	5	1	1	3	0
4.	Claims servicing related	0	3	0	0	3	0
5.	Others	0	7	3	0	3	1
	Total number of complaints in system	0	64	35	5	23	1

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	12	0	12
2.	Greater than 15 days	0	1	1
	Total	12	1	13

5. Details of Company's record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2014 are set out below:

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by customers							
1.	Sales related	2	8,000	1,209	639	6,150	4
2.	New business related	9	4,353	2,274	87	2,001	0
3.	Policy servicing related	0	948	330	101	516	1
4.	Claims servicing related	0	1,394	187	50	1,157	0
5.	Others	0	1,275	356	109	808	2
	Total number of complaints in system	11	15,970	4,356	986	10,632	7

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by Intermediaries							
1.	Sales related	0	45	30	0	15	0
2.	New business related	0	4	1	0	3	0

Sr. No.	Particulars on Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
3.	Policy servicing related	0	7	1	0	6	0
4.	Claims servicing related	0	4	1	0	3	0
5.	Others	0	29	14	2	13	0
	Total number of complaints in system	0	89	47	2	40	0

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	7	0	7
2.	Greater than 15 days	0	0	0
	Total	7	0	7

6. Details of Company's record of policyholders protection and the pendency of the policyholder complaints for Fiscal 2013 are set out below:

Sr. No.	Particulars of Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by customers							
1.	Sales related	24	8,242	1,118	614	6,532	2
2.	New business related	5	6,975	5,002	87	1,882	9
3.	Policy servicing related	0	867	306	118	443	0
4.	Claims servicing related	5	1,092	185	95	817	0
5.	Others	4	1,462	507	119	840	0
	Total number of complaints in system	38	18,638	7,118	1,033	10,514	11

Sr. No.	Particulars of Complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Complaints made by Intermediaries							
1.	Sales related	0	22	4	3	15	0
2.	New business related	0	10	5	0	5	0
3.	Policy servicing related	0	3	0	0	3	0
4.	Claims servicing related	0	3	2	0	1	0
5.	Others	0	10	1	1	8	0
	Total number of complaints in system	0	48	12	4	32	0

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	11	0	11
2.	Greater than 15 days	0	0	0
	Total	11	0	11

B. Litigation by our Company

Criminal matters

1. In relation to complaints forwarded by IRDAI and the Telecom Regulatory Authority of India, with respect to spurious calls by alleged employees of our Company and agents associated with our Company with respect to various product offered by our Company, our Company has filed approximately 300 criminal complaints against various individuals with whom the respective telephone numbers from which such spurious calls were placed. Such complaints are filed before appropriate authorities of various jurisdictions across India. These matters are currently pending.

2. Our Company has filed 18 cases of a criminal nature before courts of various jurisdictions across India against various individuals for matters pertaining to, *inter alia*, fraudulent surrender of insurance policies, misappropriation of funds and tampering or forgery of with insurance policy documents. These litigations have been instituted for offences under various sections, such as, Sections 34, 120B, 406, 420, 467 and 471 of the IPC in relation to, *inter alia*, criminal breach of trust, cheating and dishonestly inducing delivery of property, criminal conspiracy, forgery of valuable security and documents and fraud in relation to our Company. These matters are currently pending.

3. Our Company filed a criminal complaint with the DCP-Crime, Crime Branch, CBD Belapur, in relation to receipt of an e-mail containing derogatory and abusive language against our Company and our employees. The matter is currently pending.

4. Our Company filed a criminal complaint with the Commissioner of police, CBD Belapur, in relation to false and misleading posts on certain social media, made with respect to employment opportunities of our Company seeking the blocking of the same. Our Company has clarified that such social media posts have not been made by or on behalf of our Company. The matter is currently pending.

5. Our Company filed a criminal complaint with the Sector-17, police station, Chandigarh, against one of our customers, in relation to alleged physical assault, harassment and misbehaviour with certain employees of our Chandigarh branch. Our Company has requested the police to register a first information report and take appropriate action. The matter is currently pending.

6. Our Company filed a criminal complaint with the Museum police station, Thiruvananthapuram under sections 143, 147, 149, 447, 341, 294, 323 and 506 of the IPC, in relation misbehaviour, assault and manhandling by certain people with our employees within the premises of our branch office. The police has registered a first information report (the "**FIR**") and the court of Judicial Magistrate Thiruvanthapuram has taken cognizance of the FIR. The matter is currently pending.

II. Litigation involving our Promoters

Litigation involving BNPPC

There are no: (i) outstanding criminal proceedings involving BNPPC; (ii) outstanding claims related to direct and indirect taxes; (iii) outstanding actions taken by regulatory or statutory authorities; (iv) outstanding litigation involving BNPPC where the aggregate amount involved exceeds Euro 9.61 million (being approximately 1% of the profit after tax of BNPPC as of and for the latest audited full Fiscal) individually; (v) any other case which is non-quantifiable which may not meet the specific threshold and parameters as set out in (iv) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company; and (vi) litigation or legal action pending or taken by any ministry or government department or statutory authority against BNPPC during the last five years.

Accordingly, our Board has approved that given the nature and extent of operations of BNPPC, the outstanding litigation involving BNPPC which exceeds Euro 9.61 million (being approximately 1% of the profit after tax of BNPPC as of and for the latest audited Fiscal) would be considered material for our Company.

Litigation involving State Bank

State Bank is involved in various litigations (civil, regulatory or otherwise) in India and in the other jurisdictions in which State Bank operates, including on account of State Bank seeking to recover its dues from its borrowers or because its customers make claims against State Bank. The majority of such cases arise in the normal course of business of State Bank.

Accordingly, except as disclosed below, there are no (i) outstanding criminal proceedings against State Bank; (ii) claims related to direct and indirect taxes; (iii) actions taken by regulatory authorities which are currently under litigation and are outstanding; (iv) outstanding litigation involving State Bank where the aggregate amount involved *exceeds ₹ 1,000 million (being approximately 1% of the standalone profit after tax of State Bank as of and for the Fiscal 2017) individually; (v) litigation or legal action pending or taken by any ministry or government department or statutory authority against State Bank during the last five years; and (vi) any other litigation which may have a material adverse effect on the business operations, financial position or reputation of our Company*.

Our Board, based on the total standalone income of State Bank and the standalone profit after tax of State Bank in Fiscal 2017, which was ₹ 2,109.79 billion and ₹ 104.84 billion, respectively, has approved that any proceeding initiated against State Bank which involves an aggregate amount exceeding ₹ 1,000 million (being approximately 1% of total standalone profit after tax of State Bank as of and for Fiscal 2017) and, any other litigation where an adverse outcome may have a material adverse effect on the business operations, financial position or reputation of our Company would be considered material for our Company.

Litigation against State Bank

Criminal matters

1. Utsav Tulshyan has filed a criminal complaint against State Bank before the 4th Judicial Magistrate, Alipore, pursuant to Sections 34, 120B, 406, 420, 467, 468, 471 of the Indian Penal Code, 1860, as amended (the "**Complaint**") in relation to, alleged non-issuance of share certificates by State Bank. Subsequent to the Complaint, State Bank filed an application before the High Court of Calcutta ("**High Court**") seeking quashing of the Complaint. The High Court by way of its order has granted a stay on the proceedings in relation to the Complaint. The matter is currently pending.

2. Employees including officers of State Bank may be involved in various litigation of criminal nature instituted before various forums across the area of operations of State Bank. Such litigation may involve various causes of actions including, inter alia, recovery of dues from borrowers of State Bank, complaints by customers of State Bank in relation to its services and actions of current and former employees, disputes relating to title deeds with respect to the property for which loans have been given by State Bank, disputes relating to securitization of assets and disputes relating to debits and credits in the accounts of the customers. State Bank believes that such litigation would not have any material adverse impact on performance or financial condition of State Bank.

Pending actions by regulatory authorities in the past five years

1. Subsequent to a complaint by Jafar Ali in relation to, *inter alia*, remittance towards participation in lottery, money circulation schemes, other fictitious offers of cheap funds to bank accounts of alleged fraudsters in one of the State Bank's branches, the RBI issued a show cause notice for violations of instructions/guidelines/directives with respect to 'Know Your Customer' and 'Anti Money Laundering' related matters. State Bank has submitted its reply in relation to the aforementioned on March 29, 2017.

Regulatory matters against State Bank of Travancore which has merged with State Bank ("SBT")

2. Certain complaints have been filed by Assistant Director, Directorate of Enforcement, Ministry of Finance, Department of Revenue under Section 16(3) of FEMA before the Special Director, Directorate of Enforcement, Ministry of Finance, Department of Revenue (the "**ED**") in relation to *inter alia*, unauthorised remittance of amounts equivalent to ₹ 2.43 billion, ₹ 0.47 billion, ₹ 0.42 billion and ₹ 0.88 billion for the Board of Control for Cricket in India ("**BCCI**") in violation of the provisions of FEMA including Section 10(4), 10(5) and 11(1) of FEMA and the rules and circulars issued thereunder. It was alleged that SBT did not obtain adequate information/declarations to reasonably satisfy itself, *inter alia*, (i) about the genuineness of foreign exchange transactions and (ii) that the said transactions entered into by the BCCI do not involve any contravention or evasion of the provisions of FEMA. Pursuant to the complaints, the ED has issued show cause notices to SBT in this regard directing SBT to show cause as to why adjudication proceedings under FEMA should not be initiated against it for the aforesaid contraventions. SBT filed its replies to the show cause notices and thereafter the ED by way of its letter opined that proceedings contemplated under Section 13 of FEMA should be initiated against SBT and the matter be fixed for hearing. The matter is pending.

Past Actions taken in the past five years

1. RBI has issued show cause notice to State Bank by way of its letter dated April 18, 2016 requesting State Bank to show cause as to why penalty should not be imposed in relation to defaults in complying with RBI directions relating to customer identification, monitoring of transactions, remittances for import payments, follow up for import evidence and concurrent audit systems. State Bank has filed its replies dated May 12, 2016, to the aforesaid show cause notice. Subsequently, the RBI cautioned the State Bank to improve in all these areas.

2. SEBI conducted inspection for the period between July 26, 2010 to July 30, 2017 of the debenture trustee operations at the Mumbai main branch office of State Bank and observed deviations in its debenture trustee business operations and accordingly, issued a show cause notice dated November 8, 2012, amongst others, for alleged conflict of interest of a debenture trustee in acting as such for any issuance of debenture in the event the loan provided is not yet fully repaid or is proposing to extend a lend to a body corporate which proposing to undertake any issuance of debentures. Based on consent terms proposed by State Bank offering ₹ 0.68 million towards settlement terms which was accepted by the High Powered Committee of SEBI, State Bank made payment of ₹ 0.68 million to SEBI on January 13, 2015.

3. Financial Intelligence Unit-India, New Delhi served an order dated October 27, 2015 imposing s penalty of ₹ 0.50 million for failure of State Bank's internal mechanism for detecting and reporting attempted suspicious transactions in terms of Section 12 of the Prevention of Money Laundering Act, 2002.

4. RBI has imposed a penalty of ₹ 30 million on the State Bank pursuant to Section 47A(1)(c) read with Section 46(4) of the Banking Regulation Act, 1949 for alleged violation of the following:

- Issue of drafts for value of ₹ 50,000 and above against cash;
- Non-prescription of "*know your client*" process for sale of gold coins to walk-in customers (Non-customers);
- Sale of gold coins for value of ₹ 50,000 and above against cash for few branches;
- Non-capture of beneficial owner details in 'CBS' platform; and
- Omission to set a rule to generate alerts for transactions monitoring in accounts with low average balance but high turnover.

In addition to the aforementioned, State Bank from time to time, in its normal course of business and due to the nature of the business it undertakes and its expansive area of operation, may have received notices from certain regulatory or statutory authorities, *inter alia*, seeking clarification and information. State Bank does not believe that any action taken or initiated, has not and will not result in any material action against State Bank.

Direct tax matters

1. Over 44 direct tax matters involving State Bank have been filed before the Supreme Court of India, the High Court of Bombay, the Income Tax Appellate Tribunal, Mumbai and the Commissioner of Income Tax (Appeals), Mumbai, involving an aggregate amount of **₹** 168.20 billion in relation to disallowances permitted under the Income Tax Act, broken period interest, taxation of interest on securities or due basis and deductions under Section 80M of the Income Tax Act, taxability of, *inter alia*, interest on accrual/due basis; disallowance of expenses relating to exempt income under Section 14 A of the Income Tax Act; provision towards pension; depreciation of securities. The matters are currently pending.

Indirect tax matters

1. 156 indirect tax matters involving State Bank have been filed before CESTAT and Commissioner of Service Tax (Appeals) involving an aggregate amount of **₹** 8.12 billion in relation to availed cenvat credit with respect to the input services received by State Bank from the Deposit Insurance and Credit Guarantee Corporation, foreign bank charges and syndication fees. The matters are currently pending.

Indirect tax matters involving erstwhile State Bank of Bikaner and Jaipur which has merged with State Bank ("SBBJ")

2. The Assistant Commissioner of Income Tax, Jaipur ("**AO**"), has issued a demand notice for a tax amount of ₹ 3.30 billion for the assessment year 2014-15 and a penalty notice under Sections 274 and 271 of the Income Tax Act for concealing particulars of income to SBBJ and directed SBBJ to show cause as to why penalty should not be imposed on it. The AO by way of its assessment order assessed the income of SBBJ at ₹ 16.33 billion and therefore fixed the tax liability of SBBJ at ₹ 3.30 billion in respect of *inter alia*, the following: (i) disallowance of broken period interest; (ii) disallowance of expenses incurred for earning tax free income; (iii) disallowance of interest income on accrual basis; (iv) reduction on account of amortization of premium paid for purchase of securities held under the "Held To Maturity" category, etc. Aggrieved by the assessment order of the AO, SBBJ filed an appeal before the Commissioner of Income Tax – Appeals ("**CIT**"). SBBJ also filed a stay application before the AO praying for grant of stay on the assessment order until final disposal of the appeal before the CIT. The AO through its order dated March 6, 2017 rejected the stay application and requested SBBJ to deposit the entire demand amount immediately ("**Order**"). Aggrieved by the Order, SBBJ filed a writ petition before the High Court of Rajasthan ("**High Court**"), *inter alia*, challenging the Order. The High Court by way of its order dated March 23, 2017 granted stay on the operation of the Order. The matter is pending.

Matters involving an amount exceeding ₹1,000 million

1. Jyoti Harshad Mehta, (the "**Appellant**"), the legal heir of Harshad S. Mehta, has filed four civil appeals against State Bank and others, before the Supreme Court of India claiming, *inter alia*, an amount aggregating to ₹14.34 billion from State Bank, which was awarded to State Bank by way of its orders passed by the Special Court constituted under the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 (the "**Special Courts Act**"), (the "**Special Court**") in connection with claims by State Bank of diversion of funds through the accounts held by Harshad S. Mehta. The Appellant, by way of the aforementioned civil suits, has alleged *inter alia,* that State Bank has (i) made false claims and concealed evidence to deceive the Special Court to obtain decrees in favour of State Bank; (ii) failed to disclose that State Bank extended a routing facility to Harshad S. Mehta; and (iii) that State Bank and others have deceived the Special Court by acting in collusion with one another. The aforementioned appeals were tagged along with another civil appeal filed by the family members of Harshad S. Mehta. State Bank and the Appellant have filed their respective statements of case with the Supreme Court of India on November 26, 2013 and November 29, 2013, respectively, and the respective written submissions with the Supreme Court of India on January 28, 2016. The Appellant has also filed a miscellaneous application before the Special Court against State Bank, the custodian appointed under the Special Courts Act (the "**Custodian**"), Assistant Commissioner of Income Tax, Mumbai and the Standard Chartered Bank praying that State Bank be directed to redeposit an amount of ₹1.3 billion along with interest at 21% per annum from December 21, 2002 onwards with the Special Court in accordance with its orders and clarify that an amount of ₹2.2 billion will be payable to State Bank only upon final adjudication of the appeal in related matters filed by the Appellant. The matters are pending.

2. Based on the report of the Custodian which, *inter alia*, prayed for distribution of assets of the Harshad Mehta group, the Special Court by way of its order dated February 25, 2011 ("**Order**") distributed the amount towards outstanding claims of income tax and the balance to all decree holders, including State Bank, in chronological order of the respective dates of decree. Aggrieved by the Order, Standard Chartered Bank filed civil appeal and a stay application before the Supreme Court of India ("**Supreme Court**") against *inter alia*, the Custodian, the income tax authorities, and other claimants including State Bank on grounds *inter alia*, including (i) scaling down of tax demands and (ii) that the funds available should be pro-rata distributed to all the claimants and not in chronological order of the respective dates of decree. Additionally, Jyoti Harshad Mehta and others have also filed a civil appeal along with a stay application against the Custodian, the income tax authorities, and other claimants including State Bank, before the Supreme Court of India challenging the Order. The matters are pending.

3. Based on the report of the Custodian which, *inter alia*, prayed for distribution of assets of the Harshad Mehta group, the Special Court by way of its order dated April 3, 2009 ("**Order**") distributed ₹5 billion to all the decree holders, including State Bank. Aggrieved by the Order, Standard Chartered Bank, filed a civil appeal along with a stay application before the Supreme Court of India against *inter alia*, the Custodian, the Assistant Commissioner of Income Tax, Mumbai, Jyoti Harshad Mehta, and other claimants including State Bank seeking dismissal of the Order and directions to the Special Court to decide the question of distribution and/or scaling of tax demands on the assets of the parties for the assessment years 1992-93 and 1993-94. The income tax department has also filed an application seeking release of funds to the tune of ₹ 18.6 billion to the income tax department towards the tax related dues of the parties. The matter is pending.

4. National Housing Bank ("**NHB**") has filed a counter dated January 6, 2017 against State Bank before the Special Court praying that State Bank be directed to pay an amount of ₹3.53 billion along with interest in terms of the terms of settlement dated October 30, 2002 between NHB and State Bank for sharing of amounts received by State Bank and the directions of the RBI. The counter-claim was filed based on the miscellaneous application filed by State Bank before the Special Court against NHB and the Custodian seeking recovery of interest at the rate of 19% amounting to ₹6.31 billion on the decretal amount of approximately ₹2.37 billion decreed by the Special Court in relation to the period October 22, 1999 to March 23, 2000. The matter is pending.

5. Zoom Developers Private Limited ("**Zoom**") has filed a civil suit against a consortium of banks headed by Punjab National Bank. The consortium consists of State Bank, erstwhile State Bank of Travancore, erstwhile State Bank of Bikaner and Jaipur, erstwhile State Bank of Hyderabad and erstwhile State Bank of Patiala. As part of the consortium, a number of credit facilities were advanced by State Bank and its erstwhile associate banks to Zoom over a period of many years. After the global financial crisis of 2008, the business of Zoom suffered and it faced severe losses. Due to the financial status of Zoom and apprehensions of cheating and connivance, the consortium refused to advance further credit facilities to Zoom and the account was referred to debt conversion, however, the reference was later withdrawn. State Bank in particular directed its foreign branches to refuse the extension of existing facilities that it had provided to the subsidiaries of Zoom. A criminal case was filed against Zoom by Punjab National Bank. Thereafter,

Zoom filed a civil suit against the consortium claiming an aggregate of ₹109.2 billion as damages caused due to the negligence and inaction of the banks, as loss of estimated future profits and loss of goodwill. The banks have filed a written statement that Zoom had deliberately concealed onerous provisions of certain material agreements at the time of the grant of credit facilities and that there was a diversion of funds in addition to cheating and fraud being committed by Zoom. The matter is pending.

6. State Bank filed a civil suit in 1998 against Madhumita Construction Private Limited, its directors and others before the High Court of Calcutta in connection with a number of letters of credit (the "**LCs**") issued fraudulently by a few employees of State Bank at its Baghbazar Branch, Kolkata where the employees, beneficiaries and the receiving banks have been impleaded. The employees did not have the authority to issue the LCs and criminal proceedings have been initiated against them. State Bank thereafter petitioned the Calcutta High Court to declare the LCs null and void and requested damages of ₹1.12 billion against the employees who undertook the fraud. The banks that had received the LCs have, however, filed suits before the debt recovery tribunal ("**DRT Suits**") against State Bank claiming the sums mentioned in the impugned LCs with a combined value of ₹33.01 million. As against the receiving banks, the High Court of Calcutta has vacated a stay granted earlier staying the proceedings before the debt recovery tribunal. State Bank filed a special leave petition before the Supreme Court of India against the above order of High Court of Calcutta. The Supreme Court by way of its order dated February 22, 2016 has granted stay on the DRT Suits till the disposal of the suit filed by State Bank, disposed the special leave petition and remitted the matter back to the High Court for early disposal of the suit. Amongst others, Madhumita group of companies, Axis Bank Limited, South Indian Bank Limited, Federal Bank Limited, HDFC Bank Limited (previously Centurion Bank Limited) (together, the "**Defendants**") filed written statements and counter claims against State Bank, *inter alia*, claiming for injunction and the following amounts: (i) ₹6.72 billion plus 18% interest per annum from September 4, 1998 until realisation, (ii) ₹0.03 billion plus interest at 22% per annum from November 26, 1998 till realisation, (iii) ₹0.05 billion plus interest at 22.44% per annum from July 19, 1999 till realisation, (iv) ₹0.07 billion plus interest at 22.44% from March 1, 1999 till realisation, and (v) ₹1.33 billion plus interest at 22% till realisation, respectively. The counter claims have *inter alia* been filed on the grounds that no fraud or deceit or negligence or breach of duty has been committed by the Defendants and State Bank has not been able to establish such fraud or deceit. The matter is pending.

7. P.T.M. Gopala Krishna, Kakulapati Srinivas, T. Brahmeswara Rao, Associate Banks' Officers Association, Hyderabad and other employees of the erstwhile associate banks of State Bank (have filed a writ petition before the High Court of Hyderabad ("**High Court**") against State Bank, Telangana Circle, Chairman, Managing Director (Associates and Subsidiaries), Chief General Manager (Human Resources) and other senior officials of State Bank, Union of India and RBI (the "**Respondents**") under Article 226 of the Constitution of India praying that the High Court pass an appropriate writ for declaring certain portions of the orders of acquisition of the erstwhile associate banks of State Bank (namely, Acquisition of State Bank of Bikaner and Jaipur Order, 2017, Acquisition of State Bank of Hyderabad Order, 2017, Acquisition of State Bank of Mysore Order, 2017, Acquisition of State Bank of Patiala Order, 2017, Acquisition of State Bank of Travancore Order, 2017) and the option letter dated March 29, 2017 (the "**Letter**") issued by the Chief General Manager (Human Resources)), which specified the terms and conditions of services of the employees and officers of associate banks, as illegal, discriminatory and violative of Articles 14 and 16 of the Constitution of India. The writ petition was filed, *inter alia*, on the grounds that (i) the aforesaid orders of acquisitions and the Letter are invalid as these assume the consent of the officers for transfer of their services and unilaterally imposes the terms and conditions of service upon them, (ii) they were not informed timely and not given clarity on these conditions, and (iii) conditions of service of the officers of State Bank and those of the erstwhile associate banks are not at par; thus are discriminatory. The High Court by way of its orders dated April 13, 2017 directed the Respondents to finalise the options by June 15, 2017. The matter is pending.

8. Om Prakash Agarwal and others (the "**Plaintiffs**") have filed a money suit against State Bank, Chief General Manager and other officials of State Bank (the "**Defendants**") before the Civil Judge (Senior Division), Siliguri for unpaid dues in respect of arrears of rent and consequent encroachment of property situated at Mangaldeep Building, Hill Cart Road, Siliguri (the **"Property"**). The Plaintiffs, *inter alia*, have prayed for (i) a decree for recovery of principal amount along with interest at 21% per annum till July 31, 2013 along with unpaid rent for the area not included in measurements, (ii) ₹0.70 billion on account of damages for causing harassment and mental agony to the Plaintiffs, (iii) injunction restraining the Defendants from encroachment of Property and use of common space, (iv) perpetual injunction from vacating the land without settling any unsettled issues. The amount involved in the matter is ₹3.07 billion. The matter is pending.

For additional litigation, see "Outstanding Litigation and Material Developments – Litigation against our Company – Matters considered otherwise material by our Company point number 3" on page 392.

Matters considered otherwise material

1. CBI has filed a first information report dated April 4, 2017 against officials of the Bareilly branch of State Bank and certain other private persons for cheating, criminal conspiracy and criminal misconduct under the IPC and the Prevention of Corruption Act, 1988, as amended, in connection with irregularities pursuant to demonetisation of old currency notes. CBI alleged that between November 8, 2016 and December 31, 2016, certain unknown officials of State Bank have conspired with private persons to open new accounts with State Bank in the name of different persons and deposited and exchanged high value of old notes with new notes without maintaining proper records, thereby facilitating exchange of black money.

III. Litigation involving our Group Companies

Disclosure of litigation involving our Group Companies:

Except as disclosed below for our Group Companies there are no (i) outstanding litigation above the materiality threshold or any other outstanding litigation involving such Group Company whose outcome could have a material and adverse effect on our Company's results of operations or financial position; (ii) outstanding criminal proceeding; (iii) outstanding action by statutory or regulatory authorities; or (iv) outstanding litigation involving taxation matters.

Our Board has approved that given the nature and extent of operations of our listed Group Companies any litigation which would have a bearing on an investment decision of an investor for investing in such listed Group Company, would be considered material for our Company. Additionally, our Board has approved that given the nature and extent of operations of our unlisted Group Companies, the outstanding litigation involving our unlisted Group Companies which exceeds an amount which is lower of 1% of the total turnover (calculated on the basis of the gross premium and other income) or 5% of the profit after tax as per the last audited financial statements of our Company, i.e., as of and for Fiscal 2017 would be considered material for our Company. Accordingly, we have disclosed all material outstanding litigation involving our unlisted Group Companies where (i) the aggregate amount involved in an individual litigation exceeds ₹477.33 million; (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ₹ 477.33 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

1. **Litigation involving BNP Paribas**

Litigation filed against BNP Paribas

Criminal matters

1. On April 11, 2017, BNP Paribas was found guilty of misleading commercial practice in relation to the JET 3 investment fund. BNP Paribas was fined Euro 187,500 and the judgment was published as a complementary sanction. All the plaintiffs have been compensated. BNP Paribas appealed this judgment and such appeal proceeding is currently pending.

Outstanding actions by regulatory/statutory authorities

1. Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets, including, among other things, possible collusion among financial institutions to manipulate certain benchmark currency exchange rates. BNP Paribas has received requests for information in this respect from regulatory and law enforcement authorities in the United Kingdom, the United States and several countries in the Asia-Pacific region as well as from the European Competition Commission. BNP Paribas has been cooperating with the investigations and inquiries and has responded to the information requests. In November 2014 the Financial Conduct Authority in the United Kingdom, in December 2014 the Hong Kong Monetary Authority, in October 2015, the Financial Services Agency in Japan, on November 17, 2016 the US Commodity and Futures Trading Commission, and on March 22, 2017 the US Department of Justice Fraud Section, informed BNP Paribas that they had discontinued their investigation as to BNP Paribas. Regarding the United States, BNP Paribas has now completed its internal review and has presented the findings to the relevant U.S. authorities (the Department of Justice Antitrust Division, the Federal Reserve Bank of New York and the New York Department of Financial Services). On May 24, 2017, the New York State, Department of Financial Services ("**DFS**") announced that it had fined BNP Paribas USD 350 million as part of a consent order for violations of New York State banking law arising out of BNP Paribas' global foreign exchange business. As part of that consent order, BNP Paribas has also agreed to improve its internal policies and controls relating to its foreign exchange

business. On July 17, 2017 the Board of Governors of the Federal Reserve System ("**FED**") announced that it had fined BNP Paribas and certain of its United States based subsidiaries USD 246 million as part of a consent order for unsafe and unsound practices in the foreign exchange market ("**FED Consent Order**"). As part of the FED Consent Order, BNP Paribas has agreed to improve its internal policies and controls relating to certain designated market activities that include its foreign exchange business.

Tax related matters

Direct tax matters

1. 58 direct tax matters involving BNP Paribas have been filed before various forums involving an aggregate amount of Euro 992.70 million in relation to corporate tax, local tax, tax on wages, withholding tax and tax on banking industry. The matters are currently pending.

Indirect tax matters

2. 11 indirect tax matters involving BNP Paribas have been filed before various forums involving an aggregate amount of Euro 9.50 million in relation to value added tax and registration tax. The matters are currently pending.

Other matters:

1. BNP Paribas and certain of its subsidiaries are defendants in several actions pending before the U.S. Bankruptcy Court, Southern District of New York ("**Bankruptcy Court**") brought by the trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("**BLMIS**"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS related 'feeder funds' in which BNP Paribas entities held interests. The BLMIS trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the United States Bankruptcy Code and New York state law. In the aggregate, the amount sought to be recovered in these actions approximates to $1.3 billion. BNP Paribas has substantial and credible defences to these actions and is defending against them vigorously. On November 22, 2016, the Bankruptcy Court issued a decision on the ability of the BLMIS Trustee to recover foreign transfers from foreign defendants in these actions. The decision resulted in the dismissals of the majority of the BLMIS Trustee claims against BNP Paribas entities, which constitute most of the total amount sought to be recovered in these actions. These dismissals are subject to appeal.

2. Various litigations and investigations are ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholder groups in the Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas) ("**Ageas**") capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V. These shareholder groups mainly allege that there has been a breach in the financial communication, regarding, inter alia, the disclosure on the exposure to subprime mortgages. On March 14, 2016, Ageas announced that it had entered into a proposed settlement with representatives of certain shareholder groups with respect to civil proceedings related to the former Fortis group for the events of 2007 and 2008. This settlement applies to all Fortis shareholders who held shares between February 28, 2007 and October 14, 2008, irrespective of whether they are members of a shareholder group that was represented in the negotiation of the settlement. The parties requested the Amsterdam Court of Appeals to declare the settlement to be binding on all Fortis shareholders who are eligible to participate in it, in accordance with the Dutch Act on Collective Settlement of mass claims ("**WCAM**"). BNP Paribas Fortis will be able to invoke this settlement, if it becomes final and binding. All ongoing civil litigations in Belgium and in the Netherlands involving BNP Paribas Fortis as per its aforementioned role are currently suspended. On June 16, 2017, the Amsterdam Court of Appeal (the "**Court**") issued a decision by which the petitioners have the possibility to submit to the Court an amended proposed settlement by October 17, 2017; the current proposed settlement has not been declared binding by the Court. Litigation was also brought in Belgium by minority shareholders of Fortis against the Societe Federale de Participations et d' Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On April 29, 2016 the Brussels commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. BNP Paribas does not have tangible elements to assess the duration of such suspension.

2. **Litigation involving SBI General Insurance Company Limited ("SBI General")**

Litigation filed against SBI General

Indirect tax matters

1. Six indirect tax matters involving SBI General have been filed before the Assistant Commissioner, Division VI, Service Tax-V, Mumbai, Commissioner-Appeals, Service Tax-II, Mumbai and Commissioner-Service tax-I, Mumbai involving an aggregate amount of ₹271.28 million pertaining to, *inter alia,* non-payment of applicable service tax. The aforementioned matters are currently pending.

Other matters:

Other matters involving an amount above ₹477.33 million

1. Jayashree Patil and others have filed a petition under Section 166 of the Motor Vehicles Act, 1988 before the court of Principal District Judge and Motor Accident Claims Tribunal, Dharwad (the "**Court**") against Arneja Auto Logistics ("**Respondent No. 1**") and the Divisional Manager, New India Assurance Company Limited ("**Respondent No. 2**"), the insurer of Respondent No. 1, Division Manager of SBI General and another claiming compensation amounting to ₹ 1.58 billion along with interest at 12% per annum on account of death of Mr. Amit Patil in a road accident caused by the vehicle of Respondent No. 1. SBI General is a formal party to the proceedings. SBI General has filed an application dated March 6, 2017 before the Court praying for striking off its name from the petition as it is only a formal party thereof and no claim has been made against it in the petition. The matter is pending.

For additional litigation, see "Outstanding Litigation and Material Developments – Litigation against our Company – Matters considered otherwise material by our Company point number 3" on page 392.

Litigation filed by SBI General

Criminal matters

1. SBI General has filed a criminal complaint against Anthati Suresh, Raghuram Kasani and Teja before the Additional Chief Metropolitan Magistrate, Hyderabad, under various section of the Indian Penal Code, in relation to issuance of fake insurance policies on behalf of SBI General. The matter is currently pending.

2. SBI General has filed a criminal complaint against S. Priya before the Coimbatore city police station, under various section of the Indian Penal Code, in relation to issuance of fake insurance policies on behalf of SBI General. The matter is currently pending.

3. **Litigation involving SBI Cap Trustee Company Limited ("SBICAP Trustee")**

Actions by regulatory/statutory authorities

1. SBICAP Trustee received a 'Notice of Enforcement Action' from SEBI in relation to the alleged violations of SEBI Takeover Regulations, in relation to lapses in disclosure of creation of pledge of equity shares of Empee Sugars and Chemicals Limited, in favour of SBICAP Trustee, to stock exchanges. SBICAP Trustee has applied for an exemption from compliance of the SEBI Takeover Regulations, as the pledge was created in favour of SBICAP Trustee who was acting for and on behalf of banks which are exempted from disclosure under SEBI Takeover Regulations.

Direct tax matters

1. One direct tax matters involving SBICAP Trustee has been filed before the Commissioner of Income Tax, Appeals involving an aggregate amount of ₹ 0.22 million in relation to tax deducted at source credit mismatch. The matter is currently pending.

4. **Litigation involving SBI Global Factors Limited ("SBI-GF")**

Litigation against SBI-GF

Direct tax matters

1. Two direct tax matters involving SBI-GF have been filed before the Commissioner of Income Tax (Appeals) and the Supreme Court of India involving an aggregate amount of ₹4.75 million in relation to alleged violation of various provisions of the Income Tax Act. The aforementioned matters are currently pending.

Indirect tax matters

1. Three indirect tax matters involving SBI-GF have been filed before the tax authorities of various jurisdictions, involving an aggregate amount of ₹17.60 million in relation to non-payment of service tax. The aforementioned matters are currently pending.

Litigation filed by SBI-GF

Criminal matters

1. SBI-GF has filed 391 criminal complaints against various individuals and entities before courts of various forum, under Section 138 of the Negotiable Instruments Act, in relation to dishonour of cheques presented. The amount in the matter is ₹10,941.05 million. The aforementioned matters are currently pending.

5. **Litigation involving SBI Capital Markets Limited ("SBI Capital")**

Actions by regulatory/statutory authorities

1. Pursuant to a complaint received alleging that the offer documents of Electrosteel Castings Limited (earlier known as Electrosteel Integrated Limited ("**EIL**")) did not contain disclosures in relation to its proposal for an iron ore mine at Kodolibad, Jharkhand, which was rejected by the Ministry of Environment and Forest ("**MoEF**"), SEBI passed an adjudication order dated March 31, 2016, amongst others, against SBI Capital, one of the book running lead managers, for non-disclosure of material information in the offer documents of EIL. SEBI by way of the aforesaid order has imposed, *inter alia*, a penalty of ₹ 10 million as penalty on the book running lead managers. Subsequently, the book running lead managers have filed an appeal before the Securities Appellate Tribunal, challenging the order. The matter is currently pending.

Direct tax matter

1. SBI Capital is involved in 29 direct tax matters filed before tax authorities of various jurisdictions involving an aggregate amount of ₹ 650.20 million in relation to disallowance of expenditure of under the provisions of the IT Act. The matters are currently pending.

Criminal matters

1. SBI Capital has filed four criminal complaints against various entities before courts at various forum, under Section 138 of the Negotiable Instruments Act, in relation to dishonour of cheques presented. The amount involved in these matters is ₹107.37 million. The aforementioned matters are currently pending.

6. **Litigation involving SBICAP Securities Limited ("SBICap Securities")**

Direct tax matter

1. SBICAP Securities has filed an appeal against order of the Assistant Commissioner of Income Tax, Mumbai, in relation to waiver of penalty charged for assessment year 2011-12 involving an amount of ₹ 5.02 million. The matter is currently pending before Commissioner of Income Tax (Appeals).

7. **Litigation involving SBI Funds Management Private Limited ("SBI Mutual")**

Criminal matters

1. Gaya Prasad (the "**Complainant**") filed a criminal complaint in relation to fraudulent redemption of certain units of a cumulative value of ₹531,700 from the 'SBI Contra Fund'. The redemption request along with change of bank documents was received and accordingly based on due scrutiny of such documents, an amount of ₹695,001 was credited to an account opened in the name of 'Gaya Prasad'. Subsequently, the unit holder filed a consumer complaint before the District Consumer Forum ("**District Forum**"), which was dismissed on stating that the matter does not lie before the purview of the District Forum. The Complaint approached the First Class Judicial Magistrate, Durg (the "**Court**") in relation thereto. The Court has taken cognizance of the matter and issued summons to four employees of SBI Mutual and one employee of Computer Age Management Services Private Limited (the "**Accused**") under Section 210(2) of Criminal Procedure Code (along with the criminal matter taken up by the Special Investigation Team ("**SIT**"). Accordingly, the Accused were charged under Sections 34, 418, 420, 467 and 468 of the IPC in relation to the Complaint. Accordingly, SBI Mutual has applied and received anticipatory bail for its four employees. Further, SBI Mutual is in process of filing quashing petition in the matter.

Actions by regulatory/statutory authorities

The following are the details of penalties, pending litigation or proceedings, findings of inspection or investigations for which action may have been taken or initiated by any regulatory authority against SBI Mutual in its capacity as the investment manager to the SBI Mutual Fund.

1. SEBI initiated an investigation for the transactions in the shares of Polaris Software Lab Limited ("**Polaris**"), made during the period April 1, 2002 to May 31, 2002 by SBI Mutual, having suspected SBI Mutual of indulging in insider trading on account of proposed merger of Orbi Tech Solutions with Polaris Software Lab Limited, i.e. 'unpublished price sensitive information' about Polaris under the SEBI (Insider Trading Regulation) Regulation, 1992. SBI Mutual has denied having violated of the aforementioned insider trading regulations or the SEBI Act. SEBI had issued a show cause notice on June 20, 2007 and SBI Mutual has replied to SEBI on June 30, 2008. Subsequent to which there has been no further communication on the matter.

2. SEBI initiated an investigation into certain transactions in the shares of Padmini Technologies Limited ("**PTL**"), during the period between 2000 and 2001, which included an inquiry into the investments made by SBI Mutual in the shares of PTL. The Central Bureau of Investigation also investigated various aspects of the transactions in the shares of PTL which included investments by various schemes of SBI Mutual during the period. A case was subsequently filed in the Sessions Court at Mumbai in 2006 against certain ex-employees of the SBI Mutual. Further, a show cause notice dated January 29, 2010 (the "**2010 SCN**") was received from SEBI in the aforesaid matter and SBI Mutual has replied to the show cause notice countering the allegations made by SEBI. SBI Mutual had also made an application to SEBI to settle the matter through the consent process. SEBI by way of its letter dated March 22, 2013, rejected the said consent proposal. A fresh show cause notice dated May 28, 2013 was issued enclosing a copy of an enquiry report conducted (the "**2013 SCN**"). The 2013 SCN recommended a prohibition on SBI Mutual from launching any new mutual fund schemes for a period of 12 months and provided an option to avail the consent process. Subsequent to the 2013 SCN, SBI Mutual filed a consent application which was returned by SEBI stating that a rejected application cannot be reconsidered. SEBI has since notified the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) (Amendment) Regulations, 2017 on February 27, 2017 (the "**Amendment Regulations**"). The Amendment Regulations allowed for re-consideration of an application which had been previously rejected pursuant to the Settlement Regulations, under exceptional circumstances subject to certain conditions, as may be recommended by the high powered advisory committee. In this connection, SBI Mutual, for and on behalf of itself, SBI Mutual Fund and Trustee Company filed a consent application on March 14, 2017 without admission or denial of guilt, in full and final settlement of all proceedings pursuant to the above mentioned 2010 SCN and 2013 SCN. The matter is currently pending.

8. **Litigation involving SBI Cards and Payments Services Private Limited ("SBI Cards")**

Litigation by SBI Cards

Criminal matters

1. SBI Cards has filed a criminal complaint before the Metropolitan Magistrate, Patiala House courts, at New Delhi (the "**Court**"), *inter alia*, under Section 420 of the IPC, regarding alleged fraud by Ajay Shoukeen an ex-employee of SBI Cards (the "**Accused**"). The matter is currently pending.

2. SBI Cards filed a criminal complaint pursuant to which a first information report was registered at Chandigarh (the "**FIR**"). The FIR was registered regarding alleged fraud by Gulab Chand (the "**Accused**") in relation to a fraud of ₹22 million. After conclusion of the investigation in relation thereto, police filed 'untraceable report', subsequent to such report the police filed, a closure report was filed before the Judicial Magistrate First Class, Chandigarh (the "**Court**"). Accordingly, SBI Cards filed an application before the Court for issuance of directions to the police to conduct full investigation in order to ascertain the location of the accused. The matter is currently pending.

3. SBI Cards in its normal course of business filed 79 criminal complaints against various individuals before various forums, in relation to fraud committed against SBI Cards and its customers. These matters are currently pending.

Litigation against SBI Cards

Criminal matters

1. Rajiv Sen Gupta (the "**Complainant**") filed a criminal complaint pursuant to which a first information report (the "**FIR**") against SBI cards its officials was registered under sections 420, 406 and 506 of the IPC at Jamshedpur. The Complainant alleged that in spite of his card account being settled in 2007, the account

was not settled and collection follow up was continued. Matter was settled with the Complainant out of court, pursuant to which, the account now stands settled. The matter is currently pending.

2. Parimal Biswas (the "**Complainant**") filed a criminal complaint before the Judicial Magistrate, Sri Rampur Court. Subsequently, a first information report (the "**FIR**") against officials of SBI cards was registered at Kolkata. The Complainant alleged that in spite of his card account being settled in 2007, the account was not settled and collection follow up was continued. The account now stands settled and the settlement memo was filed on February 11, 2016 which was taken on records. The matter is currently pending.

Indirect tax matters

1. Eight indirect tax matters involving SBI Cards have been filed before various authorities involving an aggregate amount of ₹ 268.20 million in relation to service tax on business development incentive received from visa/master card, reversal of CENVAT credit in proportion to the income receivable which has been reversed or written off, CENVAT credit of service tax paid on specified input services, CENVAT credit availed on event management service and an inquiry in respect of service tax paid on master card/visa card charges. The matters are currently pending.

Direct tax matters

1. Six direct tax matters involving SBI Cards have been filed before the Income Tax Appellate Tribunal involving an aggregate amount of ₹1.35 billion in relation to credit investigation expense, expenditure on application capture, creation of brand and advertisement expense, deferred revenue expenditure, bad debts, service tax payable, reward point scheme, advertisement expenses, card acquisition expenses claimed upfront, addition on account of gain on redemption of visa shares, forward exchange contract fluctuation, visa incentive received during the year, provision for reward point and forward cover premium. The matters are currently pending.

9. **Litigation involving PT Bank SBI Indonesia** ("**PT Bank**")

Litigation filed by PT Bank

Direct tax matters

1. PT Bank is involved in one direct tax matter initiated by the General Director of Tax Authority, Jakarta, in relation to difference of interpretation for provision for bad debt and write-off actions involving an amount of Indonesian Ruppiah 18,454.72 million. PT Bank has paid the entire demanded amount under protest. The matter is currently pending.

10. **Litigation involving SBI DFHI Limited ("SBI DFHI")**

Direct tax matter

1. There are two direct tax proceedings ongoing involving an aggregate amount of ₹ 6.58 million pending in relation to the payment of income taxes and municipal taxes .

IV. Litigation involving our Directors

Disclosure of litigation involving our Directors:

Except as disclosed below disclosed all pending criminal litigation and actions taken by regulatory or statutory authorities involving our Directors individually in this section. We have disclosed claims related to direct and indirect taxes involving our Directors in a consolidated manner giving details of number of cases and total amount. We have disclosed details of inquiry or investigation conducted by SEBI against our Directors.

Our Board has approved that given the nature and extent of operations of our Company, the outstanding litigation involving our Directors including any outstanding public interest litigation and writ petition, where an adverse outcome would materially and adversely affect the business, reputation, operations or financial position of our Company would be considered material for our Company.

Litigation against our Directors

Litigation involving Nilesh S. Vikamsey

Criminal matters

1. Abdul Rahim Siddique (the "**Complainant**") filed a criminal complaint against India Infoline Limited and its directors, including Nilesh S. Vikamsey before the Chief Judicial Magistrate, Muzaffarpur, Uttar Pradesh alleging that there had been unauthorized trading from the Complainant's account along with criminal breach of trust and forgery. The matter is currently pending.

2. Arunava Patra filed a criminal complaint (the "**Complaint**") against India Infoline Finance Limited, Nilesh S. Vikamsey and others before the Fourth Judicial Magistrate Paschim Medinipore, West Bengal ("**Court**"), alleging commission of offences under Sections 163 (4), 196(3), 301(5) and 372A(6) of the Companies Act 2013 and Sections 467 and 120B of the IPC. India Infoline Finance Limited has filed a quashing petition before the High Court of Calcutta (the "**High Court**") seeking necessary directions against the process issued by the Court. By order dated June 18, 2015, the High Court stayed further proceedings ensuing from the Complaint. The matter is currently pending.

Litigation involving Arijit Basu

For litigation, see "Outstanding Litigation and Material Developments – Litigation against our Company – Matters considered otherwise material by our Company point number 4" on page 392.

Action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated

For additional action initiated by SEBI against the Entities operating in the Securities Market with which Directors are associated, see "Outstanding Litigation and Material Developments – Litigation involving SBI Capital – Actions by regulatory/statutory authorities" and "Outstanding Litigation and Material Developments – Litigation involving SBI Mutual–Actions by regulatory/statutory authorities" on pages 406 and 407, respectively.

V. Small scale undertakings or any other creditors

Company, in its ordinary course of business, has outstanding amounts owed to sundry creditors aggregating to ₹ 363.93 million as of June 30, 2017. Our Company owes the following amounts, whereby material creditors are identified as each creditor exceeding ₹ 18.20 million *(being 5% of total amount owed to sundry creditors).*

Particulars	Number of Cases	(₹ in million)
Dues to small scale undertakings	9	8.75
Material dues to creditors	2	102.29
Other dues to creditors	1,546	252.89
Total	**1,557**	**363.93**

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://www.sbilife.co.in/en/about-us/investor-relations/other-disclosures/list-of-creditors. It is clarified that such details available on our website do not form a part of this Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

VI. Material Developments

For details of material developments since last balance sheet date, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 322.

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, in the ordinary course. We have set out below an indicative list of approvals obtained by our Company for the purposes of undertaking our business. In view of these approvals, our Company can undertake this Offer and its business activities.

We have also set out below details of approvals (i) for which we have made applications and such applications are under consideration as of the date of this Prospectus; and (ii) which are required to be obtained by our Company and have not been obtained or have expired as of the date of this Prospectus.

Approval for the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "Other Regulatory and Statutory Disclosures – Authority for the Offer" on page 413.

Incorporation Details of our Company

1. Certificate of incorporation dated October 11, 2000, issued by the RoC to our Company.

2. Certificate for commencement of business dated November 20, 2000, issued by the RoC to our Company.

Business Related Approvals of our Company

Our Company requires various approvals to carry on our businesses in India. The approvals that we require include the following:

(a) **Regulatory approvals**

1. Certificate of registration to transact life insurance business in India dated March 25, 2001, issued by the IRDAI to our Company.

2. Certificate of empanelment as 'Annuity Service Provider' dated March 18, 2016, issued by the Pension Fund Regulatory and Development Authority to our Company.

(b) **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 'Swarna Jeevan (Group immediate annuity plan)' bearing unique identification number ("**UIN**") 111N049V01 dated May 2, 2008.

2. Approval to launch 'SBI Life -Grameen Bima' bearing UIN 111N087V01 dated November 27, 2012.

3. Approval to launch 'SBI Life-eShield' bearing UIN 111N089V01 dated February 20, 2013.

4. Approval to modify 'SBI Life Grameen Shakti' bearing UIN 111N038V02 dated July 29, 2013.

5. Approval to launch 'SBI Life-Smart Power Insurance Plan' bearing UIN 111L090V01 dated September 3, 2013.

6. Approval to modify 'SBI Life Kalyan ULIP Plus' bearing UIN 111L079V02 dated September 20, 2013.

7. Approval to modify 'SBI Life Saral Maha Anand' bearing UIN 111L070V02 dated September 28, 2013.

8. Approval to modify 'SBI Life Smart Wealth Assure' bearing UIN 111L077V02 dated September 28, 2013.

9. Approval to modify 'SBI Life Smart Scholar' bearing UIN 111L073V02 dated September 28, 2013.

10. Approval to modify 'SBI Life-Saral Shield' bearing UIN 111N066V02 dated September 30, 2013.

11. Approval to modify 'SBI Life-Smart Elite' bearing UIN 111L072V02 dated October 31, 2013.

12. Approval to launch 'SBI Life Flexi Smart Plus' bearing UIN 111N093V01 dated November 8, 2013.

13. Approval to modify 'SBI Life-Saral Pension' bearing UIN 111N088V02 dated November 26, 2013.

14. Approval to launch ‘SBI Life-Retire Smart’ bearing UIN 111L094V01 dated December 6, 2013.

15. Approval to launch ‘SBI Life-Smart Wealth Builder’ bearing UIN 111L095V01 dated January 2, 2014.

16. Approval to launch ‘SBI Life Gaurav Jeevan’ bearing UIN 111N076V01 dated January 31, 2011.

17. Approval to modify ‘SBI Life Smart Shield’ bearing UIN 111N067V03 dated May 3, 2016.

18. Approval to launch ‘SBI Life-Smart Guaranteed Savings Plan’ bearing UIN 111N097V01 dated October 20, 2014.

19. Approval to launch ‘SBI Life-CSC Saral Sanchay’ bearing UIN 111N099V01 dated February 13, 2015.

20. Approval to launch ‘SBI Life-eWealth Insurance’ bearing UIN 111L100V01 dated February 13, 2015.

21. Approval to launch ‘SBI Life Pradhan Mantri Jeevan Jyoti Bima Yojana’ bearing UIN 111G102V01 dated April 30, 2015.

22. Approval to launch ‘SBI Life Smart Swadhan Plus’ bearing UIN 111N104V01 dated July 22, 2015.

23. Approval to launch ‘SBI Life-eIncome Shield’ bearing UIN 111N105V01 dated February 23, 2016.

24. Approval to launch ‘SBI Life-Smart Women Advantage’ bearing UIN 111N106V01 dated March 3, 2016.

25. Approval to launch ‘SBI Life-Smart Privilege’ bearing UIN 111L107V01 dated April 27, 2016.

26. Approval to modify ‘SBI Life Shubh Nivesh’ bearing UIN 111N055V03 dated June 22, 2016.

27. Approval to modify ‘SBI Life-Smart Income Protect’ bearing UIN 111N085V03 dated June 22, 2016.

28. Approval to modify ‘SBI Life Smart Money Back Gold’ bearing UIN 111N096V02 dated June 22, 2016.

29. Approval to modify ‘SBI Life-Smart Champ Insurance’ bearing UIN 111N098V02 dated June 22, 2016.

30. Approval to modify ‘SBI Life-Smart Money Planner’ bearing UIN 111N101V02 dated June 22, 2016.

31. Approval to modify ‘SBI Life-Smart Humsafar’ bearing UIN 111N103V02 dated June 22, 2016.

32. Approval to modify ‘SBI Life Saral Swadhan’ bearing UIN 111N092V02 dated July 19, 2016.

33. Approval to launch ‘SBI Life-Smart Bachat (New Non Linked Participating Product)’ bearing UIN 111N108V01 dated December 6, 2016.

34. Approval to modify ‘SBI Life Annuity Plus’ bearing UIN 111N083V03 dated January 6, 2017.

35. Letter to modify ‘SBI Life-CapAssure Gold’ bearing UIN 111N091V01 dated April 6, 2017.

36. Letter to modify ‘SBI Life-RiNn Raksha’ bearing UIN 111N078V03 dated April 6, 2017.

37. Letter to modify ‘SBI Life-Sampoorn Suraksha’ bearing UIN 111N040V04 dated April 6, 2017.

38. Approval to launch ‘SBI Life-Sampoorn Cancer Suraksha’ bearing UIN 111N109V01 dated May 30, 2017.

39. Approval to modify ‘SBI Life-Grameen Super Suraksha’ bearing UIN 111N1039V03 dated September 6, 2017.

(c) **Branch related approvals of our Company**

1. Our Company has 805 offices all over India, which have been approved by the IRDAI. Additionally, our Company has cumulatively received approvals from the IRDAI for opening 36 new offices all over India.

2. Registration certificates issued under relevant shops and establishments laws of the states where our Company operates.

3. Provisional registration for our operations at 28 states and four union territories across India under the Central Goods and Service Tax Act, 2017.

4. Approval of the Central Bank of Bahrain dated June 22, 2017 and approval of the IRDAI dated December 7, 2016, for establishing and operating a branch of our Company at Bahrain.

(d) **Other Approvals**

1. Registration certificates issued under the Contract Labour (Regulation and Abolition) Act, 1970 and applicable trade laws.

2. Our Company has obtained various tax related registrations and approvals including those relating to permanent account number, tax deduction account number, service tax registration number and tax payer identification number. Our Company also maintains registration for VAT and central sales tax in the states wherever applicable, as per applicable state laws.

(e) **Applications made by our Company which are currently under consideration**

1. 19 applications in relation to renewal of 19 registrations under the relevant shops and establishments laws of the states where 19 offices of our Company operate.

2. Two applications for modification of two existing insurance products of our Company, including 'SBI Life-eShield' are under consideration by the IRDAI.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board of Directors provided in-principle approval to initiate the process of undertaking the Offer pursuant to its resolution dated April 18, 2017 and accordingly our Board of Directors approved the Offer pursuant to its resolution dated July 13, 2017.

State Bank has provided its in-principle approval for its participation in the Offer of up to 8% of the issued, subscribed and paid-up Share capital of our Company pursuant to a resolution passed by the Executive Committee of the Central Board of directors of State Bank on May 11, 2017 and BNPPC has provided its in-principle approval for its participation in the Offer of up to 4% of the issued, subscribed and paid-up Share capital of our Company pursuant to a resolution passed by its board of directors on May 30, 2017. Subsequently, State Bank has provided its final approval for its participation in the Offer of up to 80,000,000 Equity Shares pursuant to a resolution passed by the Executive Committee of the Central Board of directors of State Bank on July 10, 2017 and BNPPC provided its final approval for its participation in the Offer of up to 40,000,000 Equity Shares pursuant to a letter dated July 10, 2017 issued by, the chief executive officer of BNPPC. The Equity Shares to be offered in the Offer have been held by the Promoter Selling Shareholders for a period of at least one year prior to the date of the Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer. Further, our Board of Directors provided in-principle approval for the Offer pursuant to its resolution dated April 18, 2017 and our Board of Directors approved the Offer pursuant to its resolution dated July 13, 2017. For further details, see "The Offer" on page 68.

The Promoter Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered pursuant to the Offer for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus and the Equity Shares proposed to be offered are free from any lien, charge, encumbrance or contractual transfer restrictions. The Promoter Selling Shareholders have also confirmed that they are the legal and beneficial owner of Equity Shares being offered pursuant to the Offer.

Our Company received the in-principle approval dated July 5, 2017 from IRDAI to undertake a public offer in accordance with the provisions of the SEBI Regulations, under the provisions of the IRDAI Issuance of Capital Regulations. This in-principle approval is subject to the following conditions:

(i) State Bank shall divest 8% of its total shareholding in our Company and BNPPC shall divest 4% of its total shareholding in our Company; Noted for compliance.

(ii) Maximum subscription that may be allotted to any class of foreign investors shall be in accordance with (a) the Foreign Investment Rules, (b) Guidelines on 'Indian owned and controlled', and (c) any other statutory/regulatory stipulations prescribed by any other regulator in this regard; Noted for compliance.

(iii) The Equity Shares locked-in as prescribed by IRDAI, shall not be divested, pledged, and encumbered in any manner, without the prior direction of the IRDAI. Additionally, the Equity Shares which are not subject to lock-in as shall not be pledged or encumbered in any manner and shall only be divested in accordance with regulations and guidelines stipulated by the IRDAI from time to time; Noted for compliance.

(iv) Disclosures in the offer document shall be in compliance with requirements indicated in the Schedule I of IRDAI Issuance of Capital Regulations (over and above the disclosure requirements prescribed by SEBI); Complied with and noted for compliance.

(v) The Articles shall be amended so as to explicitly state that no transfer beyond the limits specified in Section 6A of the Insurance Act shall be registered without prior approval of IRDAI and any directions issued by IRDAI in this regard; Complied with.

(vi) Our Company is required to ensure compliance with Insurance Act and other applicable circulars, directions and regulations issued thereunder, particularly the IRDAI Protection of Policyholders Interests Regulations; Noted for compliance.

Our Company received the final approval dated September 6, 2017 from IRDAI to undertake a public offer in accordance with the provisions of the SEBI Regulations, under the provisions of the IRDAI Issuance of Capital Regulations. This in-principle approval is subject to the following conditions:

(i) Comply with the conditions mentioned in IRDAI's letter no.108.7/1/F&A-Life/SBI-IPO/2017-18/86 dated July 5, 2017, granting "in-principle approval", in terms of Regulation 5 and 6 of the IRDAI Issuance of Capital Regulations; Noted for compliance.

(ii) Based on the confirmation of the Company vide its letter dated September 5, 2017, it is hereby advised that the Company may go ahead with the IPO process, in terms of Regulation 3 of the IRDAI Issuance of Capital Regulations for divesting 120,000,000 Equity Shares amounting to 12% of the share capital of the company

(80,000,000 Equity Shares amounting to 8% by State Bank and 40,000,000 Equity Shares amounting to 4% by BNPPC, as indicated in the application, subject to the conditions mentioned in IRDAI's letter dated July 5, 2017 and hereunder; Noted for compliance.

(iii) Provide mapping of risk factors in tabular format, as envisaged in the IRDAI Issuance of Capital Regulations, in the Red Herring Prospectus. Company to file the copy of the Red Herring Prospectus incorporating all the modifications/changes with IRDAI; Complied with.

(iv) Ensure compliance with the Insurance Act and various Regulations/Directions/Circulars issued thereunder, particularly, IRDAI Protection of Policyholders Interest Regulations; Compiled with and noted for compliance.

(v) Ensure compliance with all statutory and regulatory requirements in the matter including any guidelines/directions as may be issued by IRDAI, in this regard; Complied with and noted for compliance.

(vi) The approval of the IRDAI shall not be construed as endorsement of compliance with any Regulations, procedures, directions or stipulations that may be applicable for such a process at any point of time. Company is hereby, advised to exercise utmost diligence in complying with all applicable Rules/Regulations, directions in this regard. The Board of the Company shall stand responsible towards such compliance; Compiled with and noted for compliance.

(vii) Any approval by the 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 the Draft Red Herring Prospectus or Red Herring Prospectus. Further, it may be noted that the IRDAI does not acknowledge/undertake any responsibility on the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed in this connection; Noted.

Our Company received in-principle approvals from BSE and NSE for the listing of Equity Shares pursuant to their letters dated August 11, 2017 and August 10, 2017, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, our Promoter Group, our Group Companies, the directors of the Promoters have not been prohibited or debarred from accessing or operating in capital markets for any reason by SEBI or any other authorities.

The companies, with which our Promoters or Directors are or were associated as promoter, directors or persons in control have not been prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

Other than Arundhati Bhattacharya, Dinesh Kumar Khara and Raj Narain Bhardwaj none of our Directors are associated with the securities market. For further details in relation to action taken by SEBI against the entities operating in the securities market with which these Directors are associated, see "Outstanding Litigation and Material Developments – Action initiated by SEBI against the entities operating in the Securities Market with which Directors are associated" on page 409.

Prohibition with respect to Wilful Defaulters

Neither our Company, nor our Promoters, Directors, Group Companies, have been identified as Wilful Defaulters.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI Regulations as set out below:

- Our Company has had net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each). As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of net tangible assets being monetary assets, is not applicable;

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;

- Our Company has a pre-Offer net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each);

- The aggregate size of the proposed Offer and all previous issues made in the same Fiscal is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March 31, 2017; and

- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, as restated, net worth and net tangible assets derived from the Restated Financial Statements included in this Prospectus as at, and for the last five Fiscals are set out below:

(*In ₹ million, unless otherwise stated*)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Net tangible assets(i)	992,018.83	807,157.62	722,202.28	589,928.16	523,041.09
Pre-tax operating Profit(ii)	11,544.03	10,069.80	9,391.08	8,162.02	6,899.65
Net Worth(iii)	55,520.80	47,331.01	40,563.40	33,563.21	27,364.19

Notes:

i) "Net tangible assets" mean 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.

ii) 'Pre – tax Operating Profits' means operating profit as restated for change in accounting policy.

iii) 'Net worth' means the aggregate of the paid up share capital and reserves and surplus (excluding revaluation reserve) and credit/(debit) fair value change account, as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application monies shall be refunded forthwith.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO 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 THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, AXIS CAPITAL LIMITED, BNP PARIBAS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, DEUTSCHE EQUITIES INDIA LIMITED, ICICI SECURITIES LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND SBI CAPITAL MARKETS LIMITED (COLLECTIVELY REFFERED TO AS THE "BOOK RUNNING LEAD MANAGERS") HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 THE DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR FOR THE EQUITY SHARES OFFERED BY IT BY WAY OF THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 17, 2017 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 MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE OFFER;**

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) **THE DRAFT RED HERRING PROSPECTUS FILED WITH 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/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE 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 ("SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES 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 THE 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 SEBI REGULATIONS 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 AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE 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 WILL BE 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 TO BE ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE.

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE 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 HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS 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 THE 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 SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI REGULATIONS 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, PROMOTER'S EXPERIENCE, ETC. COMPLIED WITH**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE 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 ISSUES HANDLED BY THE LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY 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 OF THE COMPANY REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE RESTATED FINANCIAL STATEMENTS INCLUDED IN THE DRHP AND AS CERTIFIED BY L.S. NALWAYA & CO., CHARTERED ACCOUNTANTS, AND P. PARIKH & ASSOCIATES, CHARTERED ACCOUNTANTS, THE JOINT AUDITORS OF THE COMPANY BY WAY OF A CERTIFICATE DATED July 17, 2017.**

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 REGULATIONS (IF APPLICABLE) - NOT APPLICABLE.**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up, at any point of time, with the Lead Managers any irregularities or lapses in the Draft Red Herring Prospectus, the Red Herring Prospectus, and this Prospectus.

The filing of this Prospectus does not absolve either of the Promoter Selling Shareholders from any liabilities to the extent of the statements specifically made by it in respect of the Equity Shares offered by the Promoter Selling Shareholders, as part of the Offer, under Section 34 or Section 36 of the Companies Act 2013.

All legal requirements pertaining to the Offer have been 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 this Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act 2013.

Caution - Disclaimer from our Company, the Promoter Selling Shareholders and the Lead Managers

Our Company, our Directors, our Promoters, the Promoter Selling Shareholders, the Lead Managers accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including on our Company's website www.sbilife.co.in or the respective websites of our Promoters, Promoter Group or Group Companies, would be doing so at his or her own risk.

Each of the Promoter Selling Shareholders, their directors, affiliates (other than our Company), associates and officers accept/undertake no responsibility for any statements made other than those made by such Promoter Selling Shareholder in relation to itself and its respective portion of the Equity Shares offered by it, pursuant to the Offer.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriters, the Promoter Selling Shareholders and our Company.

All information, to the extent required in relation to the Offer, shall be made available by our Company, each of the Promoter Selling Shareholders to the extent that such information pertains to such Promoter Selling Shareholder and the Equity Shares offered by it through the Offer, and the Lead Managers to the public and investors at large, and no selective or additional information would be 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.

None amongst our Company, the Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer are required to confirm and are deemed to have represented to our Company, the Promoter Selling Shareholders, 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 any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, 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 the Equity Shares.

Our existing customers and corporate agents include affiliates of certain Lead Managers. Further, SBI Capital and BNPP, are also the Lead Managers appointed only for undertaking marketing activities for the Offer. Each of the Lead Managers and their respective associates and affiliates, in their capacity as principal or agent, is and may in the future be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, research, securities issuance, trading (customer and proprietary) and brokerage). Certain of the Lead Managers and/or their respective associates and affiliates has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for, our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or any third parties in the ordinary course of their commercial banking and investment banking activities, for which they have received, and may in the future receive, compensation. In addition, in the ordinary course of their commercial banking and investment banking activities, the Lead Managers, and their respective associates and affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company, the Promoter Selling Shareholders and/or any of their respective group companies, affiliates or associates or any third parties. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Price information of past issues handled by the Lead Managers

A. JM Financial

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (in ₹ millions)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹) (2)	+/- % 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	Cochin Shipyard Limited	14,681.10	432.00	August 11, 2017	440.15	+27.06% [+2.31%]	NA	NA
2	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	-10.71% [+4.87%]	NA	NA
3	S Chand And Company Limited	7,286.00	670.00	May 9, 2017	700.00	-17.37% [+3.72%]	-25.38% [+8.05%]	NA
4	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	600.00	+145.08% [-0.20%]	+167.59% [+5.11%]	+263.80% [10.57%]
5	PNB Housing Finance Limited	30,000.00	775.00	November 7, 2016	860.00	+11.70% [-4.16%]	+21.28% [+2.87%]	+70.50% [+9.28%]
6	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.60% [+0.54%]	-11.54% [-6.50%]	+12.31% [+5.28%]
7	L&T Technology Services Limited	8,944.00	860.00	September 23, 2016	920.00	-0.85% [-1.57%]	-8.54% [-8.72%]	-9.55% [+3.28%]
8	Dilip Buildcon Limited	6,539.80	219.00	August 11, 2016	240.00	+5.11% [+3.20%]	+1.53% [-0.57%]	+22.12% [+2.43%]
9	Parag Milk Foods Limited	7,505.40	215.00(1)	May 19, 2016	217.50	+17.07% [+4.97%]	+48.67% [+11.04%]	+38.93% [+6.59%]
10	Thyrocare Technologies Limited	4,792.10	446.00	May 9, 2016	665.00	+36.85% [+5.09%]	+23.48% [+10.39%]	+39.09% [+7.22%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Issue price for anchor investors was ₹ 227 per equity share and a discount of ₹ 12 per equity share had been offered to eligible employees and retail individual bidders.*
2. *Opening price information as disclosed on the website of NSE.*
3. *Change in closing price over the issue/offer price as disclosed on. NSE.*

4. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*

5. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*

6. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*

7. *Not Applicable – Period not completed.*

8. *disclosure on Table-1 restricted to 10 issues.*

Table 2: Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (in ₹ millions)	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%
2017-2018	3	26,815.10	-	-	2	-	1	-	-	-	-	-	-	-
2016-2017	7	137,049.21	-	-	2	1	1	3	-	-	1	2	2	2
2015-2016	1	5,081.70	-	-	-	-	-	1	-	-	-	-	-	1

- *The information is as on the date of this Prospectus.*

Source: www.nseindia.com

B. Axis Capital

Table 1: Price information of past issues handled

Sr. No.	Issue name	Issue size (in ₹ millions)	Issue price(in ₹)	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	Matrimony.Com Limited	4,974.79	985[2]	Sepember 21, 2017	985.00	-	-	-
2	Security and Intelligence Services (India) Limited	7,795.80	815	August 10, 2017	879.80	3.29% [+1.17%]	-	-
3	Central Depository Services (India) Limited	5,239.91	149	June 30, 2017	250.00	+127.92% [+5.84%]	-	-
4	Eris Lifesciences Limited	17,404.86	603[1]	June 29, 2017	611.00	+0.87% [+5.37%]	-	-
5	Tejas Networks	7,766.88	257	June 27, 2017	257.00	+28.04%	-	-

Sr. No.	Issue name	Issue size (in ₹ millions)	Issue price(in ₹)	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
	Limited					[+5.35%]		
6	S Chand And Company Limited	7,286	670.00	May 9, 2017	700.00	-17.37%, [+3.59%]	-8.89% [+4.07%]	-
7	Avenue Supermarts Limited	18,700	299	March 21, 2017	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	+264.38% [+11.31%]
8	BSE Limited	12,434.32	806	February 3, 2017	1085.00	+17.52%, [+2.55%]	+24.41%, [+6.53%]	+34.43% [+15.72%]
9	Varun Beverages Limited	11,250.00	445	November 8, 2016	430.00	-7.72%, [-5.17%]	-9.36%, [+3.01%]	+10.60% [+9.02%]
10	Endurance Technologies Limited	11,617.35	472	October 19, 2016	572.00	+16.06%, [-6.69%]	+ 23.78%, [-2.84%]	+73.98%, [+5.55%]

Source: www.nseindia.com

1 *Price for eligible employees was ₹ 543.00 per equity share*

2 *Offer Price was ₹ 887.00 per equity share to Retail Individual Bidders and Eligible Employees*

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/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*

d. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

Table 2: Summary statement of disclosure

Financial Year	Total no. of IPOs	Total funds raised (in ₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2017-2018*	6	50,468.24	-	-	2	1	1	1	-	-	-	-	-	-
2016-2017	10	111,377.80	-	-	1	4	2	3	-	-	-	7	1	2
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

* *The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. BNPP

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (in ₹ Millions)	Issue Price (in ₹)	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.	GTPL Hathway Limited	4,848.00	170.00	July 4, 2017	170.00	(-)10.71% [+4.87%]	NA	NA

***Source**: www.nseindia.com*

Notes:

(1) Change in closing price over the issue/offer price as disclosed on NSE

(2) Change in closing price over the closing price on the listing date for benchmark index viz. Nifty 50

Table 2: Summary statement of disclosure

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%
2017-date	1	4,848.00	-	-	1	-	-	-	-	-	-	-	-	-
2016-2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-

D. Citi

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue size (in ₹ million)	Issue price (in ₹)	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.	UFO Moviez India Ltd.	6,000.0	625.00	May 14, 2015	600.00	(-)11.68% [(-)2.93 %]	(-)3.18% [+2.90%]	(-)18.27% [(-)3.76%]
2.	Coffee Day Enterprise Limited	11,500.0	328.00	November 2, 2015	317.00	(-)21.42% [(-)1.19%]	(-)20.76% [(-)6.15%]	(-)20.98% [(-)2.50%]
3.	InterGlobe Aviation Limited	30,085.0	765.00	November 10, 2015	855.80	+32.39% [(-)2.20%]	+9.41% [(-)3.78%]	+40.59% [(-)0.64%]
4.	Dr. Lal Pathlabs Limited	6,319.1	550.00	December 23, 2015	720.00	+32.54% [(-)7.49%]	+66.95% [(-)2.06%]	+63.13% [+3.87%]
5.	Mahanagar Gas Ltd.	10,388.8	421.00	July 1, 2016	540.00	+20.86% [+3.72%]	+57.15% [+5.00%]	+83.71% [(-)3.55%]
6.	L&T Infotech Ltd	12,363.8	710.00	July 21, 2016	667.00	(-)6.39% [+1.84%]	(-)12.44% [+1.97%]	(-)4.21% [(-)1.14%]
7.	RBL Bank Limited	12,129.7	225.00	August 31, 2016	274.20	+27.07% [(-)2.22%]	+56.98% [(-)7.50%]	+103.07% [+1.74%]
8.	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%]
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.	India Grid Trust	22,499.6	100.00	June 6, 2017	99.70	(-)7.66% [+0.00%]	-3.50% [+3.50%]	NA
11.	Tejas Networks Limited	7,766.9	257.00	June 27, 2017	257.00	+28.04% [+5.35%]	NA	NA
12.	Eris Lifesciences Limited	17,404.9	603.00	June 29, 2017	611.00	+0.87% [+5.37%]	NA	NA
13.	AU Small Finance Bank Limited	19,125.1	358.00	July 10, 2017	530.00	+58.76% [+2.12%]	NA	NA

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 India Grid Trust was June 6, 2017, 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 Tejas Networks Limited, Eris Lifesciences Limited and AU Small Finance Bank Limited was June 27, 2017, June 29, 2017 and July 10, 2017 respectively, information relating to closing prices and benchmark index as on 90th/180th calendar day from listing date is not available.*

Table 2: Summary statement of disclosure:

Fiscal Year	Total No. of IPOs	Total 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%
2017-18	4	66,796.5	-	-	1	1	1	1	-	-	-	-	-	-
2016-17	5	59,804.8	-	-	1	-	1	3	-	-	1	3	1	-
2015-16	4	53,904.1	-	-	2	-	2	-	-	-	2	1	1	-

Notes:

1. *Since the listing date of India Grid Trust, Tejas Networks Limited, Eris Lifesciences Limited and AU Small Finance Bank Limited was June 6, 2017, June 27, 2017, June 29, 2017 and July 10, 2017 respectively, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.*

E. Deutsche

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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.	ICICI Prudential Life Insurance	60,567.9	334	September 29, 2016	330.00	-7.60% [+0.54%]	-11.54% [-6.50%]	12.31% [+5.28%]
2.	Adlabs Entertainment Limited(1)	3,745.9	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]

Source*: www.nseindia.com*

Notes:

1. *In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The anchor investor issue price was ₹ 221 per equity share;*

NIFTY is considered as the benchmark index

Table 2: Summary statement of disclosure

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%
2017-18*	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2016-17	1	60,567.9	-	-	1	-	-	-	-	-	-	-	-	1
2015-16	1	3,745.9	-	-	1	-	-	-	-	1	-	-	-	-

* *The information is as on the date of this Prospectus*

F. *ICICI Securities*

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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	RBL Bank Limited	12,129.67	225.00	August 31, 2016	274.20	+27.07%, [-2.22%]	+56.98%, [-7.50%]	+107.91%, [+1.26%]
2	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.60%, [+0.54%]	-11.54%, [-6.50%]	+12.31%, [+5.28%]
3	HPL Electric & Power Limited	3,610.00	202.00	October 4, 2016	190.00	-14.75%, [-2.91%]	-51.19%, [-6.72%]	-37.77%, [+5.34%]
4	Sheela Foam Limited	5,100.00	730.00	December 9, 2016	860.00	+30.23%, [-0.31%]	+48.39%, [+8.02%]	+86.65%, [+16.65%]
5	Music Broadcast Limited	4,885.29	333.00	March 17, 2017	413.00	+4.58%, [-0.23%]	+4.19%, [+5.00%]	+18.74% [+10.19%]
6	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	+264.38% [+11.31%]
7	Housing and Urban Development Corporation Limited	12,095.70	60.00(1)	May 19, 2017	73.00	+13.17%, [+2.44%]	+34.67% [+4.98%]	-
8	AU Small Finance Bank Limited	19,125.14	358.00	July 10, 2017	530.00	+58.76% [+2.12%]	-	-

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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
9	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29% [+1.17%]	-	-
10	Matrimony.Com Limited	4,974.79	985.00(2)	September 21, 2017	985.00	-	-	-

(1) Discount of ₹2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹60.00 per equity share.

(2) Discount of ₹98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹985.00 per equity share

Notes:

1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

Table 2: Summary Statement of Disclosure

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%
2017-18	4	43,991.43	-	-	1	1	-	1	-	-	-	-	-	-
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-

G. Kotak

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % 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.	Security and	779.58	815	August 10, 2017	879.80	-3.29%[+ 1.17%]	-	-

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % 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
	Intelligence Services (India) Limited							
2.	CL Educate Limited	238.95	502	March 31, 2017	402.00	-8.98%[+ 1.42%]	15.36%[+3.46%]	-
3.	Avenue Supermarts Limited	1,870.00	299	March 21, 2017	600.00	+145.08%[- 0.33%]	+167.59%[+4.97%]	+263.80%[+10.42%]
4.	Laurus Labs Limited(1)	1,330.50	428	December 19, 2016	489.90	+11.44%[+3.62%]	+23.97%[+13.03%]	+41.43%[+18.31%]
5.	Varun Beverages Limited	1,112.50	445	November 8, 2016	430.00	-7.72%[-5.17%]	-11.49%[+2.31%]	+8.89%[+8.68%]
6.	PNB Housing Finance Limited(2)	3,000.00	775	November 7, 2016	860.00	+11.70%[-4.16%]	+21.28%[+2.87%]	+70.50%[+9.28%]
7.	L&T Technology Services Limited	894.40	860	September 23, 2016	920.00	-0.85%[-1.57%]	-8.54%[-8.72%]	-9.55%[+3.28%]
8.	RBL Bank Limited	1,212.97	225	August 31, 2016	274.20	+27.07%[-2.22%]	+56.98%[-7.50%]	+103.07%[+1.74%]
9.	Larsen & Toubro Infotech Limited(3)	1,236.38	710	July 21, 2016	667.00	-6.39%[+1.84%]	-12.44%[+1.97%]	-4.21%[-1.14%]
10.	Mahanagar Gas Limited(4)	1,038.88	421	July 1, 2016	540.00	+20.86%[+3.72%]	+57.15%[+5.00%]	+83.71%[-3.55%]
11.	Parag Milk Foods Limited(5)	750.54	215	May 19, 2016	217.50	+17.07%[+4.97%]	+48.67%[+11.04%]	+38.93%[+6.59%]
12.	Ujjivan Financial Services Limited	882.50	210	May 10, 2016	231.90	+72.38%[+4.88%]	+120.90%[+10.08%]	+98.31%[+6.92%]
13.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32%[+1.45%]	-19.98%[+4.65%]	-1.31%[+14.17%]
14.	Dr. Lal PathLabs Limited(6)	631.91	550	December 23, 2015	720.00	+32.54%[-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
15.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69%[-1.35%]	+20.78%[-10.58%]	+24.97% [+0.11%]
16.	Interglobe Aviation Limited(7)	3,008.50	765	November 10, 2015	855.80	+32.39%[-2.20%]	+9.41%[-3.78%]	+40.59% [-0.64%]
17.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42%[-1.19%]	-19.73%[-6.05%]	-20.98% [-2.50%]
18.	Sadbhav Infrastructure	491.66	103	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63%[-3.15%]	-12.67% [-4.92%]

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % 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
	Project Limited							
19.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36% [+0.98%]	-4.63%[+0.74%]	-10.65% [-7.15%]
20.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
21.	Adlabs Entertainment Limited(8)	374.59	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]

***Source**: www.nseindia.com*

Notes:

1. *In Laurus Labs Limited, the issue price to employees was ₹388 per equity share after a discount of ₹40 per equity share. The Anchor Investor Issue price was ₹428 per equity share.*
2. *In PNB Housing Finance Limited, the issue price to employees was ₹700 per equity share after a discount of ₹75 per equity share. The Anchor Investor Issue price was ₹775 per equity share.*
3. *In Larsen & Toubro Infotech Limited, the issue price to retail individual investor was ₹700 per equity share after a discount of ₹10 per equity share. The Anchor Investor Issue price was ₹710 per equity share.*
4. *In Mahanagar Gas Limited, the issue price to employees was ₹383 per equity share after a discount of ₹38 per equity share. The Anchor Investor Issue price was ₹421 per equity share.*
5. *In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹203 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹ 227 per equity share.*
6. *In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹535 per equity share after a discount of ₹15 per equity share. The Anchor Investor Issue price was ₹550 per equity share.*
7. *In Interglobe Aviation Limited, the issue price to employees was ₹688.50 per equity share after a discount of ₹76.5 per equity share. The Anchor Investor Issue price was ₹765 per equity share.*
8. *In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹221 per equity share.*
9. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
10. *Nifty is considered as the benchmark index.*

Table 2: Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	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%
2017-2018	1	779.58	-	-	1	-	-	-	-	-	-	-	-	-
2016-2017	11	13,567.63	-	-	4	2	1	4	-	-	2	5	2	1
2015-2016	9	7,487.69	-	-	5	-	2	2	-	1	4	2	1	1

H. SBI Capital

Table 1: Price information of past issues handled

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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	Cochin Shipyard Limited	14,429.30	432.00	August 11, 2017	435.00	+30.24% [+2.14%]	NA	NA
2	Security and Inteligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29% [+1.17%]	NA	NA
3	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.99% [+5.84%]	NA	NA
4	Housing and Urban Development Corporation Limited	12,095.70	60.00	May 19, 2017	73.45	+13.08% [+2.78%]	+34.58% [+4.29%]	NA
5	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	604.40	+145.03% [-0.50%]	+165.17% [+6.19%]	+264.26% [+9.97%
6	BSE Limited	12,434.32	806.00	February 3, 2017	1085.00	+17.52% [+2.55%]	+24.41% [+6.53%]	+1.29% [+15.72%]
7	Laurus Labs Limited	13,305.10	428.00	December 19, 2016	490.00	+11.50% [+3.26%]	+23.36% [+11.92%]	+40.98% [+17.75%]

Sr. No.	Issue Name	Issue Size (in ₹ million)	Issue Price (in ₹)	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
8	HPL Electric & Power Limited	3,610.00	202.00	October 4, 2016	190.00	-14.75% [-2.91%]	-51.19% [-6.72%]	-37.77% [+5.34%]
9	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.60%, [+0.54%]	-11.54% [-6.50%]	+12.31% [+5.28%]
10	L&T Technology Services Limited	8,944.00	860.00	September 23, 2016	920.00	-0.85% [-1.57%]	-8.54% [-8.72%]	-9.55% [+3.28%]

Source: www.nseindia.com, www.bseindia.com

***Notes**:*

1. *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

2. *The designated exchange for the issue has been considered for the price, benchmark index and other details.*

3. *The number of Issues in Table-1 is restricted to 10.*

Table 2: Summary statement of disclosure

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%
2017-18	4	39,560.71	-	-	1	1	1	1	-	-	-	-	-	-
2016-17	7	129,691.00	-	-	3	1	1	2	-	1	1	2	1	2
2015-16*	4	18,163.78	-	-	1	-	-	3	-	-	2	1	-	1

* *Based on issue closure date*

Track record of past issues handled by the Lead Managers

For details regarding the track record of the Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the Lead Managers, as set out below:

Serial Number	Name of the Lead Manager	Website
1.	JM Financial	www.jmfl.com
2.	Axis Capital	www.axiscapital.co.in
3.	BNPP	www.bnpparibas.co.in
4.	Citi	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
5.	Deutsche	www.db.com/India
6.	I-Sec	www.icicisecurities.com
7.	Kotak	www.investmentbank.kotak.com
8.	SBI Capital	www.sbicaps.com

Disclaimer in respect of Jurisdiction

This Offer has been made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, insurance companies registered with IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institution). The Red Herring Prospectus and this Prospectus does not, however, constitute an invitation to subscribe to 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 the Red Herring Prospectus and this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai 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 the Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus and this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and 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 U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act, "Rule 144A") in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.

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.

Disclaimer Clause of BSE

"BSE Limited (the "Exchange") has given vide its letter dated August 11, 2017 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".

Disclaimer Clause of NSE

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/15387 dated August 10, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

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 PROSPECTUS.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot number C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act 2013 have been delivered for registration to the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act 2013 has been delivered for registration with RoC at the office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange in consultation with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Promoter Selling Shareholders shall forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the Red Herring Prospectus/this Prospectus. If such money is not repaid within the prescribed time after our Company and the Promoter Selling Shareholders become liable to repay it, then our Company and every Director of our Company who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest, as disclosed in the Red Herring Prospectus or this Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date. Further, the Promoter Selling Shareholders confirm that they shall provide all reasonable assistance to our Company and the Lead Managers, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where Equity Shares are proposed to be listed within six Working Days from 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 Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Each of the Promoter Selling Shareholders confirms that it shall reimburse our Company for any interest payments made by our Company on behalf of it in this regard in proportion to the Equity Shares offered by each of them in the Offer.

Consents

Consents in writing of the Promoter Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, bankers to our Company, Banker to the Offer, the Independent Actuary, the Lead Managers, the Syndicate Members and the Registrar to the Offer to act in their respective capacities, have been obtained and filed along with a copy of this Prospectus with the RoC as required under the Companies Act and such consents have not be withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

In accordance with the Companies Act 2013 and the SEBI Regulations, our Joint Auditors, L.S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants, have given their written consent to the inclusion of their examination report dated September 7, 2017 on Restated Financial Statements and the statement of tax benefits dated September 7, 2017 included in this Prospectus and such consents have not been withdrawn as on the date of this Prospectus.

Experts

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

Our Company has received written consent from the Joint Auditors, L.S. Nalwaya & Co., Chartered Accountants and P. Parikh & Associates, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Prospectus and as an “expert” defined under Section 2(38) of the Companies Act 2013 in respect of the report of the Joint Auditors dated September 7, 2017, 2017 on the Restated Financial Statements, and the statement of tax benefits dated September 7, 2017 included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. As the Equity Shares in the Offer will not be registered under the U.S. Securities Act, any references to the term “expert” herein and the Joint Auditors’ consent to be named as “expert” with respect to the Offer are not in the context of a U.S. registered offering of securities.

Our Company has obtained an embedded value report dated September 6, 2017, from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary, in accordance with the IRDAI Issuance of Capital Regulations. Our Company has received written consent from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary to include his name as required under Section 26(1)(a)(v) of the Companies Act 2013 in this Prospectus and as “expert” as defined under section 2(38) of the Companies Act 2013 in respect of the embedded value report dated September 6, 2017 and such consent has not been withdrawn as on the date of this Prospectus.

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 pages 85 and 86.

The Offer related expenses (except the listing fees) will be paid by the Promoter Selling Shareholders in proportion to the Equity Shares offered by each of them in the Offer.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission) will be as per the request for proposal dated April 24, 2017 and the appointment letters dated May 12, 2017 with the Lead Managers and the Syndicate Agreement. For further details of Offer expenses, see “Objects of the Offer” on pages 85 and 86.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see “Objects of the Offer” on pages 85 and 86.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Promoter Selling Shareholders to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated July 17, 2017 amongst our Company, the Promoter Selling Shareholders and the Registrar to the Offer, a copy of which has been made available for inspection at our Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds have been provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the immediately five preceding years from the date of this Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "Capital Structure" on pages 77 and 78, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies of our Company

None of our Group Companies (except State Bank, Nepal SBI Limited and BNP Paribas) has its equity shares listed on any stock exchange. Further, other than State Bank and Nepal SBI Limited, none of our Group Companies have made any capital issue of securities during the preceding three years.

Performance vis-à-vis objects – capital issue of our Company and/or listed Group Companies and associates of our Company

Other than as disclosed in "Capital Structure", on pages 77 and 78, our Company has not undertaken any previous public or rights issue.

State Bank on June 8, 2017 initiated and on June 12, 2017, issued 522,193,211 equity shares aggregating to ₹ 149,999.99 million to Qualified Institutional Buyers (the "**Placement**"), wherein, State Bank in compliance with applicable laws and regulations, intended to use the net proceeds of the Placement to augment its capital adequacy ratio and for general corporate purposes. State Bank believes that it has fulfilled its intention to effectively utilise the proceeds of the Placement to augment its capital adequacy ratio. Additionally, in the past three years, State Bank has made three preferential allotments to the President of India.

Nepal SBI Limited ("**Nepal Bank**") made a further public issue on December 26, 2016 of 67,767.87 ordinary shares at a price of Nepali Rupees 971, each aggregating to Nepali Rupees 658.00 million ("**Issue**"). The Issue was made for ensuring compliance of the regulatory instruction to augment the shareholding of general public to 30.00%. Before the Issue, the shareholding of the general public shareholder was 29.82% against prescribed shareholding of 30.00% under the Nepal Bank's memorandum of association. The Issue concluded on December 29, 2016. Additionally, Nepal Bank made a rights issue on May 21, 2017 of 19,919,423.60 shares at a price of Nepali Rupees 100 each aggregating to Nepali Rupees 199,190.00 million. Nepal Bank believes it has largely achieved its objective of augmenting the Paid-up Capital by Nepali Rupees 194,500 million through the Issue. Additionally, on August 13, 2017 the shares which were unsubscribed pursuant to the Issue were re-issued and sold through an open bidding process complying the applicable legal provisions. The shares were allotted to 403 applicants/bidders with a cutoff price of Rs.902.30 per share.

SBICAP Ventures Limited ("**SVL**") on March 10, 2016 and on March 20, 2017 issued 20,115,917 equity shares and 15,000,000 equity shares of ₹ 10 each aggregating to ₹ 201.15 million and ₹ 150.00 million, respectively, by way of a rights issuance to SBI Capital for capital infusion. SVL believes that it has achieved its objective of business purpose by way of the aforementioned rights issuances.

BNP Paribas launched a capital increase with preferential subscription rights for ordinary shareholders on September 29, 2009 with success. On October 26, 2009 a total 107,650,488 equity shares aggregating to Euro 4.3 billion were issued, which enabled BNP Paribas to finance the reimbursement of all of the non-voting shares issued on March 31, 2009 to the Société de Prise de Participation de l'Etat (SPPE). The reimbursement of the non-voting shares, for an amount of Euro 5.1 billion plus their remuneration of Euro 226 million over a period of approximately seven months, occurred on October 28, 2009. The closing date of the issue was, October 13, 2009.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Prospectus.

Outstanding Preference Shares or other convertible instruments issued by our Company

Our Company does not have any outstanding preference shares or other convertible instruments as on date of this Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, Equity Shares are not listed on any stock exchange.

Redressal of Investor Grievances

The agreement dated July 17, 2017, between the Registrar to the Offer, our Company and the Promoter Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the Designated Intermediary, for the redressal of routine investor grievances shall be 10 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 constituted a Stakeholders’ Relationship Committee comprising:

1. Raj Narain Bhardwaj, Chairman, *Independent Director*;

2. Dinesh Kumar Khara, Member, *Nominee Director*; and

3. Arijit Basu, Member, *Managing Director and Chief Executive Officer*.

For details, see “Our Management - Committees of the Board - Stakeholders’ Relationship Committee” on page 191.

Our Company has also appointed Aniket K. Karandikar, our Company Secretary, as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Aniket K. Karandikar

SBI Life Insurance Company Limited,
‘NATRAJ’, M. V. Road and Western Express Highway Junction
Andheri (East), Mumbai 400 069
Tel: (91 22) 6191 0047
Fax: (91 22) 6191 0517
E-mail: aniket.karandikar@sbilife.co.in

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

State Bank, one of our Promoters, has arrangements and mechanisms in place for redressal of investor grievances. As on date of this Prospectus, there are no investor complaints pending with respect to State Bank.

Changes in statutory auditors

There has been no change in our Joint Auditors for the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

Except as disclosed in "Financial Statements" beginning on page 218, there has been no revaluation of assets by our Company during the last five years.

SECTION VIII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Insurance Act, the IRDA Act and the rules and regulations made thereunder, including the IRDAI Issuance of Capital Regulations, the SEBI Regulations, the SCRA read with the SCRR, the Memorandum of Association and the Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by the SEBI, the Government, the concerned Ministry/Department of Government, the Stock Exchanges, the RBI, the RoC, the IRDAI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the IRDAI, the Government, the concerned Ministry/Department of Government, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Offer.

Offer for sale

All expenses (except for the listing fees to be paid to the Stock Exchanges for listing of the Equity Shares pursuant to the Offer) with respect to the Offer shall be borne by the Promoter Selling Shareholders in proportion to the Equity Shares offered by each of them in the Offer. Payments (other than such listing fees), if any, made by our Company in relation to the Offer shall be on behalf of the Promoter Selling Shareholders and such payments will be reimbursed by the Promoter Selling Shareholders to our Company.

Ranking of the Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Insurance Act, the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including the right to receive dividend. The Allottees, upon Allotment, of the Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "Main Provisions of the Articles of Association" beginning on page 487.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and the Articles of Association, and provisions of the Listing Regulations. For further details in relation to dividends, see "Dividend Policy" and "Main Provisions of the Articles of Association" beginning on pages 217 and 486, 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 "Regulations and Policies" on page 157.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 per Equity Share and the Offer Price is ₹700 per Equity Share. The Floor Price is ₹685 and the Cap Price is ₹ 700. The Anchor Investor Offer Price is ₹ 700 per Equity Share. A discount of 9.71% (equivalent of ₹ 68) per Equity Share on the Offer Price was offered to Eligible Employees bidding in the Employee Reservation Portion.

The Price Band, Employee Discount and the minimum Bid Lot have been decided by our Company and the Promoter Selling Shareholders in consultation with the Lead Managers and have been advertised in all editions of Financial Express, all editions of Jansatta and Mumbai edition of Navshakti (Which are English, Hindi and Marathi newspapers, Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and such advertisement has been made available to the Stock Exchanges for the purpose of uploading on their respective websites.

At any given point of time, there shall be only one denomination of 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 our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws 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, the terms of the Listing Regulations and the Memorandum of Association and the 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, as amended, 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 the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "Main Provisions of Articles of Association" beginning on page 487.

Option to Receive Securities in Dematerialised Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been executed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated July 26, 2017 entered into between NSDL, our Company and the Registrar to the Offer; and
- Tripartite agreement dated August 2, 2017 entered into between CDSL, our Company and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 21 Equity Shares.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act 2013, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person to whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). 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 his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee in accordance with Section 72 of the Companies Act 2013, shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) 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 register himself or herself as a Shareholder, or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days from the date of such notice, our Board may, thereafter, withhold payment of all dividends, 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 will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the Bidders require changing of their nomination, they are requested to inform their respective depository participants.

Period of operation of subscription list

See "Offer Structure – Bid/Offer Programme" from page 420.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI Regulations. However, if 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 and the Promoter Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Promoter Selling Shareholders shall pay interest prescribed under the applicable law.

Further, our Company and the Promoter Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of SEBI Regulations.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Share capital of our Company, the minimum promoters' contribution and the Anchor Investor lock-in of Equity Shares as detailed in "Capital Structure" beginning on page 80, 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, there are no restrictions on transmission of the Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For further details, "Main Provisions of the Articles of Association" beginning on page 487. 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 our 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. 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. 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. 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 set out in the Red Herring Prospectus and this 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.

OFFER STRUCTURE

The Offer is a public offer of 120,000,000 Equity Shares for cash at a price of ₹700 per Equity Share, aggregating up to ₹83,864* million by way of an offer for sale by the Promoter Selling Shareholders. The Offer includes a reservation of 2,000,000* Equity Shares for subscription by the Eligible Employees under the Employee Reservation Portion and a reservation of 12,000,000 Equity Shares for subscription by the State Bank Shareholders under the State Bank Shareholders Reservation Portion. The Offer constitutes up to 12%* of the post-Offer paid-up Share capital of our Company and the Net Offer constitutes 10.60%* of our post-Offer paid-up Share capital.

** Subject to finalisation of Basis of Allotment*

The Offer has been made through the Book Building Process.

Particulars	QIBs(1)	Non Institutional Investors	Retail Individual Bidders	Employee Reservation Portion(5)	State Bank Shareholders Reservation Portion
Number of Equity Shares available for Allotment/allocation(2)	53,000,000 Equity Shares	Not less than 15,900,000 Equity Shares or Net Offer less allocation to QIB Bidders and Retail Individual Bidders has been made available for allocation	Not less than 37,100,000 Equity Shares or Net Offer less allocation to QIB Bidders and Non Institutional Investors has been made available for allocation	2,000,000 Equity Shares	12,000,000 Equity Shares
Percentage of Offer Size available for Allotment/allocation	50% of the Net Offer; however at least 5% of the QIB Portion net of the Anchor Investor Portion (the "**Net QIB Portion**") has been made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion were also eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion would be added to the Net QIB Portion.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders has been made available for allocation	Not less than 35% of the Net Offer or Net Offer less allocation to QIB Bidders and Non Institutional Investors has been made available for allocation	1.67% of the Offer size	10% of the Offer size
Basis of Allotment/allocation if respective portion is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): At least 1,060,000 Equity Shares have	Proportionate	Proportionate, subject to minimum Bid Lot. For details see, "Offer Procedure – Part B – Section 7: Allotment Procedure and Basis	Allotment to Eligible Employees in the Employee Reservation Portion may exceed ₹ 200,000 only in the event of an under	Proportionate

Particulars	QIBs[1]	Non Institutional Investors	Retail Individual Bidders	Employee Reservation Portion[5]	State Bank Shareholders Reservation Portion
	been made available for allocation on a proportionate basis to Mutual Funds only and 20,140,000 Equity Shares have been made available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as above. 31,800,000 Equity Shares have been allocated on a discretionary basis to Anchor Investors		of Allotment – Allotment to RIIs" on page 475.	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 Eligible Employee not exceeding ₹ 500,000	
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 21 Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 21 Equity Shares thereafter	21 Equity Shares and in multiples of 21 Equity Shares thereafter	21 Equity Shares and in multiples of 21 Equity Shares thereafter	21 Equity Shares and in multiples of 21 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000	Such number of Equity Shares and in multiples of 21 Equity Shares, so that the Bid Amount does not exceed ₹ 500,000	Such number of Equity Shares not exceeding the Offer size, subject to applicable limits
Bid Lot	21 Equity Shares and in multiples of 21 Equity Shares thereafter				
Mode of Allotment	Compulsorily in dematerialised form				
Allotment lot	A minimum of 21 Equity Shares and thereafter in multiples of 1 Equity Share				
Trading Lot	One Equity Share				
Who can apply[3]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, societies and trusts, Category III Foreign Portfolio Investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines)	Individuals and HUFs who are equity shareholders of State Bank, (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines)

Particulars	QIBs[1]	Non Institutional Investors	Retail Individual Bidders	Employee Reservation Portion[5]	State Bank Shareholders Reservation Portion
	financial institutions, mutual funds registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million and pension fund with minimum corpus of ₹ 250 million in accordance with applicable law and National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies				
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.[4]				

(1) *Our Company and the Promoter Selling Shareholders in consultation with the Lead Managers have allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion has been reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation has been made to other Anchor Investors. For details, see "Offer Procedure" beginning on page 446.*

(2) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR. The Offer has been made through the Book Building Process wherein 50% of the Net Offer has been made available for allocation on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholders in consultation with the Lead Managers have allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (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 Net Offer was made available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net*

Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Further, a Bidder Bidding in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion (subject to the payment amount being up to ₹ 200,000) can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. To clarify, a State Bank Shareholder Bidding in the State Bank Shareholders Reservation Portion above ₹ 200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions*.

(4) *Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" from page 455. The unsubscribed portion if any, in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion and the State Bank Shareholders Reservation Portion.*

(5) *Eligible Employees Bidding in the Employee Reservation portion were allowed to Bid up to a Bid Amount of ₹ 500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion (subject to the payment amount being up to ₹ 200,000) were also allowed to Bid in the Net Offer and such Bids were not treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion and the State Bank Shareholders Reservation Portion.*

Under-subscription, if any, in any category (including Employee Reservation Portion and the State Bank Shareholders Reservation Portion) except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Promoter Selling Shareholders in consultation with the Lead Managers and the Designated Stock Exchange.

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. For details of the fit and proper' criteria, 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 pages 447 and 448.

Employee Discount

Employee Discount, was offered to Eligible Employees bidding in the Employee Reservation Portion, at the time of making the Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band could make payment at Bid Amount, that is, Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price had to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, reserve the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Lead Managers, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Promoter Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of this Prospectus after it is filed with the RoC.

Bid/Offer Programme

BID/OFFER OPENED ON	September 20, 2017 (1)
BID/OFFER CLOSED ON	September 22, 2017

(1) The Anchor Investor Bid/Offer Date was September 19, 2017.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about September 27, 2017
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about September 28, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about September 29, 2017
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about October 3, 2017

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Promoter Selling Shareholders or the Lead Managers.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date, the timetable may change due to various factors, such as any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 A.M. and 5.00 P.M. (Indian Standard Time)
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 A.M. and 3.00 P.M. (Indian Standard Time)

On the Bid/Offer Closing Date, the Bids have been uploaded until:

(i) 4.00 P.M. Indian Standard Time in case of Bids by QIBs, Non-Institutional Investors, Eligible Employees bidding under the Employee Reservation Portion and the State Bank Shareholders bidding under the State Bank Shareholders Reservation Portion, and

(ii) 5.00 P.M. Indian Standard Time or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

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 SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their 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. Bidders were cautioned that, in the event a large number of Bids are received on the Bid/Offer

Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids were accepted only on Business Days, i.e. from Monday to Friday (excluding any public/bank holidays). Our Company, the Promoter Selling Shareholders and the members of Syndicate are not liable for any failure in uploading Bids, due to faults in any software/hardware system or otherwise. Any time mentioned in the Red Herring Prospectus and this Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should review 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 the SEBI (the "**General Information Document**") included below under "**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, the SCRA, the SCRR and the SEBI Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Managers. Please refer to the relevant provisions of the General Information Document, which are applicable to the Offer.*

Our Company, the Promoter Selling Shareholders and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable laws, which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders 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 the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.

PART A

Book Building Procedure

The Offer has been made through the Book Building Process, wherein Net Offer, of not more than 50%was allocated to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholders, in consultation with the Lead Managers, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (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 Net Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI 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. Additionally, allotment of Equity Shares by our Company will be in compliance with the Listed Insurance Company Guidelines. Accordingly, our Company shall not Allot Equity Shares pursuant to the Offer to any Bidder, in the event the total paid-up share capital held by such Bidder is likely to exceed 5% of the paid-up share capital of our Company after the Allotment without such approval. For details of the fit and proper' criteria, 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 pages 447 and 448.

Under-subscription, if any, in any portion (including the Employee Reservation Portion and the State Bank Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill-over from any other portion or combination of portions, at the discretion of our Company and the Promoter Selling Shareholders in consultation with the Lead Managers and the Designated Stock Exchange. The unsubscribed portion if any, in the Employee Reservation Portion and the State Bank Shareholders Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion and the State Bank Shareholders Reservation Portion.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms that do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders 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 have been made available with the Designated Intermediaries at the Bidding Centres and the Registered Office. An electronic copy of the ASBA Form has also been made 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 have been made available at the offices of the Lead Managers.

All Bidders (other than Anchor Investors) have mandatorily participated in the Offer only through the ASBA process. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

ASBA Bidders were to provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders were to ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FPI or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Eligible Employees Bidding under the Employee Reservation Portion	Pink
State Bank Shareholders Bidding under the State Bank Shareholders Reservation Portion	Green
Anchor Investors	White

* *Other than electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) were to submit/deliver the ASBA Forms to the respective SCSBs where the Bidder has a bank account and were not to submit it to any non-SCSB or any Banker to the Offer.

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 made 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 was 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, IRDA, 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 capitalization. The market capitalization 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. The preceding quarter in relation to the Offer, is the period from April 1, 2017 until June 30, 2017 (inclusive of both days). 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 under the applicable laws; and

C. The aggregate of the existing shareholding 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" beginning on pages 77 and 78.

Bidders submitting Bid 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 qualify the aforementioned criteria may submit a self-certification specifying non-conformation of the 'fit and proper person' as their application 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 approved by our Board.

Participation by Promoters, Promoter Group, Lead Managers, Syndicate Members and Persons Related to Them

The Lead Managers and Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Managers and the Syndicate Members may Bid for Equity Shares in the Net Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, 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 associates or affiliates of the Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Lead Managers and any persons related to the Lead Managers (other than Mutual Funds sponsored by entities related to the Lead Managers) and our Promoters, Promoter Group and any persons related to our Promoters and Promoter Group cannot apply in the Offer in the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was to be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

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 schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Asset management companies or custodians of Mutual Funds (including the asset management companies or custodians of Mutual Funds forming part of the Promoter Group ("**PG Mutual Funds**")) may make Bids and such Bids shall be subject to (i) specifically stating the names of the concerned schemes for which such Bids are made, and (ii) the investment in the Equity Shares, if Allotted, being in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

Apart from the above, the Bids by asset management companies or custodians of PG Mutual Funds shall be subject to (i) the Bid Amount being sourced from the money collected under the relevant scheme of the PG Mutual Funds, and (ii) the investment decision being made at the discretion of the asset management companies or custodians of the PG Mutual Funds, in accordance with the terms and conditions of the relevant scheme of such PG Mutual Funds. The Equity Shares Allotted, if any, to the PG Mutual Funds, shall form part of the 'public' shareholding of our Company in accordance with Rule 19(2)(b) of the SCRR.

Bids by Eligible NRIs

Eligible NRIs could have obtained copies of the Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms were required to authorise their respective SCSBs to block their Non-Resident External ("**NRE**") accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms were authorise their respective SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for FPI in our Company is 10% and 24% of the total paid-up Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

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 is 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; (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or NRIs and to entities beneficially owned by resident Indians or NRIs.

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 in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations prescribe, *inter-alia*, the investment restrictions applicable to the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with the SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds 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 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 funds 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, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, was to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee were required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholders reserve the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. 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 a 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 SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they were to have a separate account in their own name with any other SEBI registered SCSB. 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 applications.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), were to be attached to the Bid-cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the IRDAI Investment Regulations, are broadly set forth below:

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of the following: (i) an amount of 10% of the investment assets of a life insurer or general insurer excluding fair value change of certain investment assets as prescribed under the IRDAI Investment Regulations; and (ii) the amount calculated under (a), (b) and (c) below, as the case may be.

(a) *Limit for the investee company*: The lower of: (i) 10%* of the outstanding equity shares (face value); or (ii) 10% of such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDAI Investment Regulations, in case of a general insurer or reinsurer or health insurer, as the case may be;

(b) *Limit for the entire group of the investee company*: Not more than: (i) 15% of such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDAI Investment Regulations, in case of a general insurer or reinsurer or health insurer; and

(c) *Limit for the industry sector to which the investee company belongs*: Not more than: (i) 15% of the such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDAI Investment Regulations, in case of a general insurer or reinsurer or health insurer.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable laws, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

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, Mutual Funds, insurance companies, Systematically Important Non-Banking Financial Company, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, Government of India 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 (subject to applicable laws), 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 was to be lodged along with the Bid cum Application Form, as the case may be. Failing this, our Company and the Promoter Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholders in consultation with the 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.

Bids by Eligible Employees

The Bid must be for a minimum of 21 Equity Shares and in multiples of 21 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. However, Allotments to Eligible Employees in excess of ₹200,000 up to ₹500,000 shall be considered on a proportionate basis, in the event of under subscription in the Employee Reservation Portion. Subsequent under subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus) would be eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.
- The Bids must be for a minimum of 21 Equity Shares and in multiples of 21 Equity Shares thereafter.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Further, bids by Eligible Employees in the Employee Reservation Portion and in the State Bank Shareholders Reservation Portion (subject to the Payment Amount being up to ₹200,000) shall also not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions. For further details, see "Offer Procedure – Multiple Bids" on page 464.
- If the aggregate demand in this portion is less than or equal to 2,000,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- Under-subscription, if any, in any portion, (including the Employee Reservation Portion and the State Bank Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill-over from any other portion or a combination of portions at the discretion of our Company in consultation with the Promoter Selling Shareholders, the Lead Managers and the Designated Stock Exchange.

- If the aggregate demand in this portion is greater than 2,000,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "Offer Procedure – Part-B-Basis of Allotment" on page 475.

Bids by State Bank Shareholders

Bids under the State Bank Shareholders Reservation Portion shall be subject to the following:

- Only State Bank Shareholders (i.e. Individuals and HUFs who are equity shareholders of State Bank (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as at the date of the Red Herring Prospectus) would be eligible to apply in this Offer under the State Bank Shareholders Reservation Portion.

- The sole/First Bidder shall be a State Bank Shareholder.

- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.

- The Bids must be for a minimum of 21 Equity Shares and in multiples of 21 Equity Shares thereafter.

- Bids by State Bank Shareholders in State Bank Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) and in the Net Offer portion shall not be treated as multiple Bids. Further, Bids by State Bank Shareholders in State Bank Shareholders Reservation Portion (subject to the Bid Amount being up to ₹200,000) and in the Employee Reservation Portion (as Eligible Employees), shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. For further details, see "Offer Procedure – Multiple Bids" on page 464.

- If the aggregate demand in this category is less than or equal to 12,000,000 Equity Shares at or above the Offer Price, full allocation shall be made to the State Bank Shareholders to the extent of their demand.

- Under-subscription, if any, in any category, (including the Employee Reservation Portion and the State Bank Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Promoter Selling Shareholders, the Lead Managers and the Designated Stock Exchange.

- State Bank Shareholders would need to have a valid PAN and their PAN should be updated with the register of shareholders maintained with State Bank. Further, State Bank Shareholders would need to have a valid demat account number and details, as Equity Shares can only be Allotted to State Bank Shareholders having a valid demat account.

If the aggregate demand in this category is greater than 12,000,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "Offer Procedure – Part-B-Basis of Allotment" on page 475.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders 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 law or regulation or as specified in the Red Herring Prospectus.

General Instructions

***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 Bidder's 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 Center 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 mentioned the correct bank account number in the Bid cum Application Form;

7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

8. 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 the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. 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 the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);

11. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgment Slip;

12. Except for (i) Bids on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of circular dated June 30, 2008 of the SEBI, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms circular dated July 20, 2006 of the SEBI, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax 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;

13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. 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;

15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

18. Bidders should note that in case the DP ID, Client ID and 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, matches with the DP ID, Client ID and PAN available in the Depository database;

19. In terms of the Listed Insurance Company Guidelines, Bidders submitting Bid for Equity Shares representing 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' 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 Share Capital of our Company" on pages 447 and 448;

20. Bidders should 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;

21. 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 electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid; and

22. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form.

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 pay the Bid Amount in cheques, demand drafts, by cash, money order, by postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price for Bids by QIBs, Non-Institutional Investors and the State Bank Shareholders under the State Bank Shareholders Reservation Portion (subject to the Bid Amount being above ₹ 200,000);

6. Do not withdraw or lower the size of your Bid (in terms of number of Equity Shares Bid for, or Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

9. Do not Bid for a Bid Amount exceeding ₹ 500,000 (for Bids by Eligible Employees);

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 Bid for an amount more than funds available in your ASBA Account;

12. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

13. 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;

14. 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);

15. Do not submit more than five Bid cum Application Forms per ASBA Account;

16. Anchor Investors should not bid through the ASBA process; and

17. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company and the Promoter Selling Shareholders in consultation with the Lead Managers will decide the list of Anchor Investors to whom the CAN 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. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident investors: "SBI Life Insurance Company Limited IPO cash escrow resident investor's account"

(b) In case of Non-Resident investors: "SBI Life Insurance Company Limited IPO cash escrow non-resident investor's account"

Pre-Offer Advertisement

Pursuant to Section 30 of the Companies Act 2013, our Company, after registering the Red Herring Prospectus with the RoC, published a pre-Offer advertisement on September 13, 2017, in the form prescribed by the SEBI Regulations, in all editions of Financial Express, all editions of Jansatta and Mumbai edition of Navshakti (Which are English, Hindi and Marathi newspapers, Marathi being the regional language of Maharashtra, where the Registered Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Promoter Selling Shareholders and the Syndicate entered into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus is being filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the 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.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps 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 are taken within six Working Days of the Bid/Offer Closing Date will be taken;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed time period under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act 2013, the SEBI Regulations and other applicable laws for the delayed period;
- 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;
- intimation of the credit of securities/refund orders to Eligible NRIs shall be despatched within specified time;
- no further Issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms by Bidders.

Undertakings by the Promoter Selling Shareholders

Each of the Promoter Selling Shareholders, with respect to itself only (and not in respect of any other person), undertakes that:

- it deposited its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least two Working Day prior to the Bid/Offer Opening Date;

- the Equity Shares offered by it in the Offer have been held by it for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with the SEBI;

- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;

- it shall take all steps to provide all reasonable assistance to our Company and the Lead Managers, as may be required for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, failing which it shall forthwith repay without interest all monies received from Bidders. In case of delay, interest as per applicable laws shall be paid by the Promoter Selling Shareholders in proportion to the Equity Shares offered by each of them in the Offer;

- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of the Equity Shares held by it except the Equity Shares being offered pursuant to the Offer until such time that the lock-in remains effective save and except as may be permitted under the SEBI Regulations;

- it shall provide all reasonable assistance to our Company and our Lead Managers to ensure that the Equity Shares being offered by it pursuant to the Offer shall be transferred to the successful Bidders within the time specified under applicable laws;

- it shall reimburse our Company for expenses incurred in relation to the Offer in the manner agreed to amongst the Promoter Selling Shareholders and our Company, in accordance with applicable laws;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law; and

- it shall comply with all applicable laws, including but not limited to the SEBI Regulations and the Companies Act 2013, and the rules and regulations made thereunder, each as amended, in relation to the Offer.

Utilisation of Offer Proceeds

The Promoter Selling Shareholders along with our Company declare that all monies received out of the Offer shall be credited/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 Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the 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 issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the issuer and the issue, and should carefully read the Red Herring Prospectus/ this Prospectus before investing in the issue.

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, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

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 capitalised terms and abbreviations used herein Bidders/Applicants may see "*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 *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. 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 *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. 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, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("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, 2009, 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 advertisement in the newspaper(s) issued in this regard.

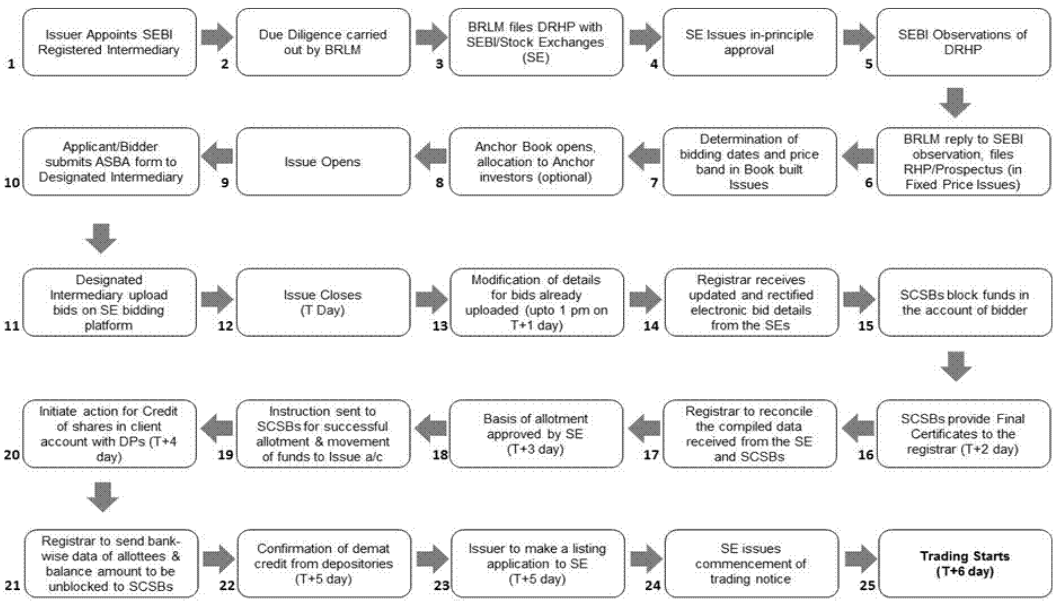
2.6 FLOWCHART OF TIMELINES

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 Built 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 ASBA Form with any of the Designated Intermediaries.



SECTION 3: CATEGORY OF INVESTORS 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 invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the 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, 2009 and other laws, as applicable);
- 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;
- 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; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the 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/Applicants may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, 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 and Corporate 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 colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved	As specified by the Issuer

Category	Colour of the Bid cum Application Form
category	

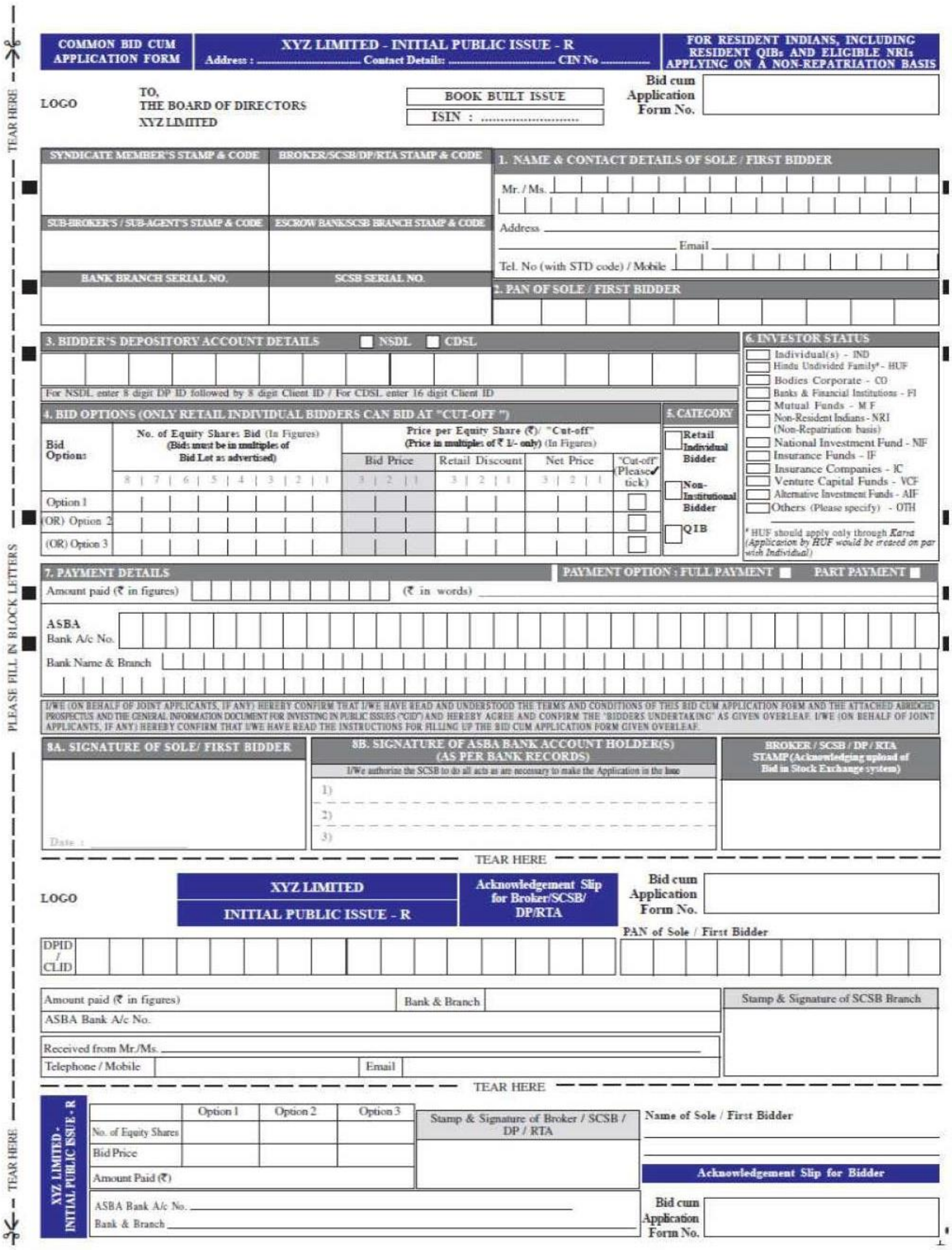
Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent 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 Bidders/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants 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)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
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

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

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 (₹)			

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

TEAR HERE

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

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)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

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)________

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)	

PLEASE FILL IN BLOCK LETTERS

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

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 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, the 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.

(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 dematerialised 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 CDP.

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 sole or first 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. 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 which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders/Applicants 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. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised 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 unblocking of ASBA Account or for other 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/Applicants 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/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors 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 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/Applicants 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**

(c) The Bidder/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, 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/Applicant does not exceed ₹ 200,000 and Eligible Employees Bidding in the Employee Reservation portion can Bid for a Bid Amount not exceeding ₹ 500,000.

(d) 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, if any), then such Bid may be rejected if it is at the Cut-off Price.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) A Bid cannot be submitted for more than the Issue size.

(j) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(k) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant 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/Applicants may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at 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/Applicants 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/Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant 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 Bidders/Applicants, 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. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion, as well as the State Bank Shareholders bidding in the State Bank Shareholders Reservation Portion (for below ₹200,000), can Bid in the Net Offer as well, and such Bids will not be treated as multiple Bids.

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/APPLICANTS**

(a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 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, 2009, 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/Applicants 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, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/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 Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR 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 in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicant 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 investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicant should ensure that their investor 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 in the ASBA Account based on the authorisation provided in the ASBA 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 funds shall be blocked for 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/Applicant. In case of Bidders/Applicant 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) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS, direct credit or NEFT.

(c) The Banker to the Offer 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 ASBA Bidders/Applicants:**

(a) Bidders/Applicants may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorising 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/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, 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) Bidders/Applicants 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/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) Bidders/Applicants should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders/Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(h) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA 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 ASBA 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 ASBA Form and for application directly submitted to SCSB by investor, 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 accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA 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.

4.1.7.3 **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, and (iv) details of rejected 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 ASBA 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.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

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 is required to sign the Bid cum 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, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the ASBA 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 ASBA Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders/Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

(c) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

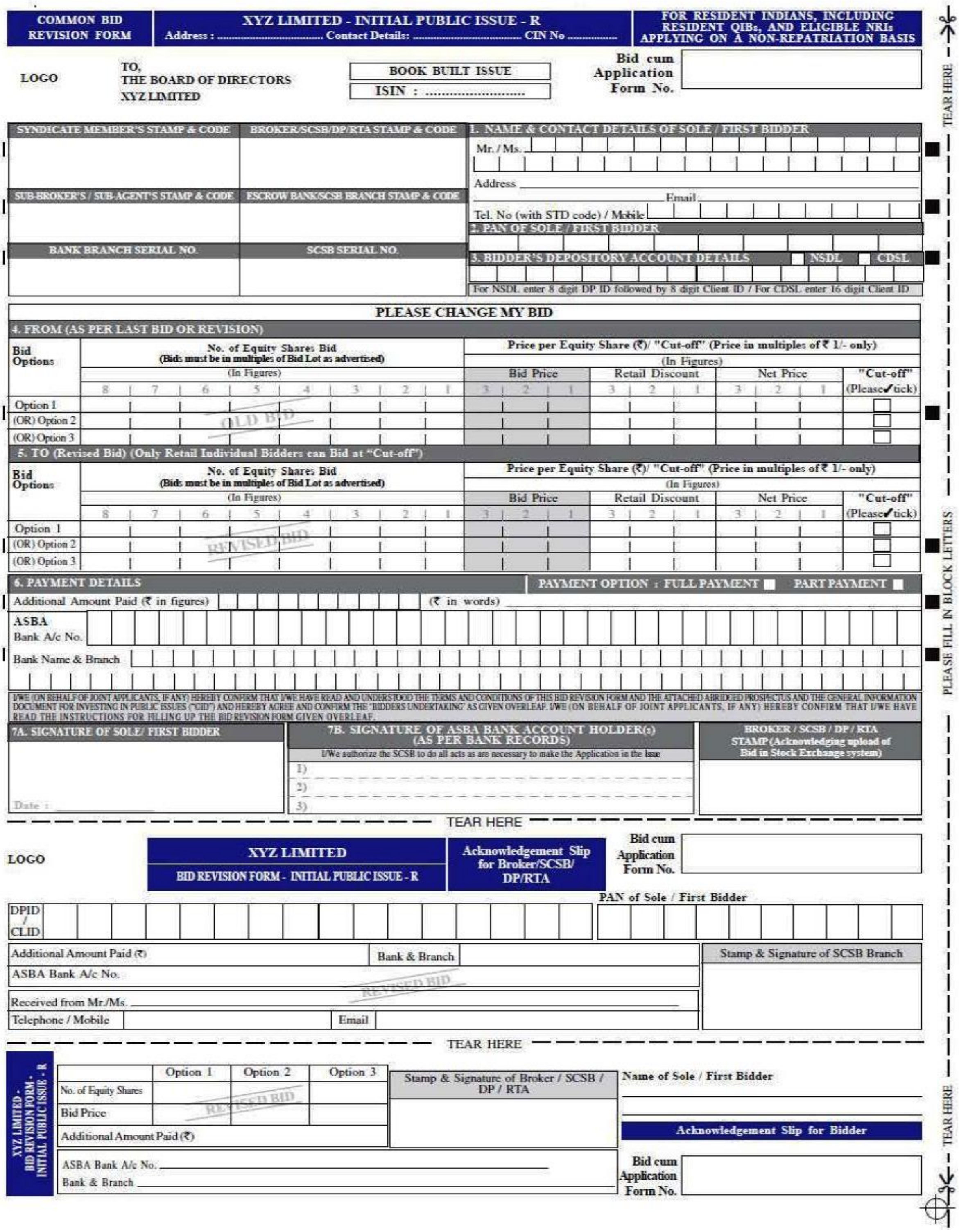
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids or withdraw their Bids till the 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 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 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)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

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)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional 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 REVISION 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 REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

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.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

REVISED BID

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		REVISED BID	
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, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

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 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 has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder 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 and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 and Eligible Employees Bidding in the Employee Reservation portion can Bid for a Bid Amount not exceeding ₹ 500,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason or ₹ 500,000 in case of Bids by Eligible Employees Bidding under the Employee Reservation Portion, 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.

(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 Category 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 may be unblocked after the Allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. 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) Bidder 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 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 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 additional amount is required blocked and the Bidder 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 after finalisation of Basis of Allotment.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders 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, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

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 Issue 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 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 Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs 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 and Eligible Employees Bidding under the Employee Reservation Portion should ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors 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 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, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RII's and other investors (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, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 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: INVESTOR 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 Investors) are required to make use ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

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

4.4.1 **Bidders 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	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

(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 authorised 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 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, 2009. 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, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders 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 and as disclosed in the Red Herring Prospectus.

(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 next Working 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 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 during the Bid/Issue Period, 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 finalisation 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 Intermediary.

(b) The 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/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) 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, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms 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, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

a. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);

b. Bids by OCBs;

c. Bids by any entity forming part of the Promoter Group;

d. In case of partnership firms, Bid 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 under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

f. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

g. Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

h. PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

i. In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

j. Bids for lower number of Equity Shares than the minimum specified for that category of investors;

k. Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

l. Bids at Cut-off Price by NIIs and QIBs;

m. The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

n. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

o. Submission of more than five ASBA Forms as through a single ASBA Account;

p. Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

q. Multiple Bids as defined in this GID and the RHP/Prospectus;

r. Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

s. Where no confirmation is received from SCSB for blocking of funds;

t. Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;

u. Bids submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Banker to the Offer (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

v. Bids not uploaded on the terminals of the Stock Exchanges;

w. Bids 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

x. Bids uploaded without affixing the approval of the IRDAI to the Bid cum Application Form, in the event the Allotment of Equity Shares by the Bidder results in the Bidder holding 5% or more of the post-Offer paid up equity capital of our Company; and

y. Bids not uploaded in the Stock Exchanges bidding system.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 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 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 Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. 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/Applicants 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/Applicants 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/Applicants, 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 investors.

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/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant 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/Applicants 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/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant 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.

Applicants may submit an Application Form either in physical form to the any of 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 net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors 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 UNDER THE ELIGIBLE EMPLOYEE RESERVATION PORTION AND THE STATE BANK SHAREHOLDERS RESERVATION PORTION

Bids received from Eligible Employees under the Employee Reservation Portion and State Bank Shareholders under the State Bank Shareholders Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful Eligible Employees and the State Bank Shareholders may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Employee Reservation Portion and the State Bank Shareholders Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible Employees and the State Bank Shareholders to the extent of their demand. In case the aggregate demand in this category is greater than the Employee Reservation Portion or the and the State Bank Shareholders Reservation Portion at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Employee Reservation Portion and the State Bank Shareholders Reservation Portion.

7.4 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 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.

7.5 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 in consultation with the Promoter Selling Shareholders and the Lead Managers, 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 ₹ 100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the Lead Managers, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **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.

(e) **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.

7.6 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, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders/Applicants may be categorised 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/Applicants 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/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant 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/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants 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/Applicant 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/Applicant 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 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 to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants 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/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Banker to the Offer shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, 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/Applicants 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:** In terms of the Listed Indian Insurance Companies Guidelines, Bidders submitting Bids 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 pages 447 and 448. Bidders should note than in the event the acquisition of the Equity Shares results in the Bidder holding 5% or more of the post-Offer paid up equity capital of our Company, the approval of the IRDAI in this regard will have to be affixed along with the Bid cum Application Form; 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.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall 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 initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, 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) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall 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 take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants 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 SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, 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. 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 involving a Fresh Issue and the Offer for Sale, the Equity Shares in the Fresh 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 the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, 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, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **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 Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **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.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' 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 Anchor Investor 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 Banker to the Offer, 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 Banker to the Offer.

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:

(a) **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 Code 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 Code 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;

(b) **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;

(c) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any,** through RTGS; and

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 Banker to the Offer.

For details of levy of charges, if any, for any of the above methods, Anchor Investors 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 the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 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.

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	An 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, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the 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 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 Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
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
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors
Banker to the Issue/Escrow Collection Bank(s)/Collecting Banker	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	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/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period 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/Applicants 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	Anchor Investor Application Form or the ASBA Form, as the context requires
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. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date

Term	Description
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. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date
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 ASBA Bidders/Applicants 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, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid 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 Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres/	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA 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.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running 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 Book Running 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 Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/ Issue Period
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 number 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 Book Running 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 Bidders’/Applicants’ address, name of the Applicant’s father/husband, investor 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/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA 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 ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	The date on which funds are transferred by the Banker to the Offer 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 Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Members of the Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective 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, 2009.
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, 2009 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 Banker to the Offer and in whose favour the Anchor Investors may transfer money through NEFT, direct credit or RTGS 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 Book Running Lead Manager(s), the Syndicate Member(s), the Banker to the Offer 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
Banker to the Offer	Refer to definition of Banker 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, 2009, 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
Issue	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Locations	Bidding centres where the syndicate shall accept ASBA Forms from Bidders/Applicants
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.

Term	Description
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
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, including 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
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Promoter Selling Shareholders
Other Investors	Investors 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
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants 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 Book Running Lead Manager(s)
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 Book Running 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	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	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	Bank 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, 2009

Term	Description
RTGS	Real Time Gross Settlement
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 number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
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, 2009
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000
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/Applicants 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, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Stock Exchanges/SE	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
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running 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 ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date

Term	Description
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

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 IRDA 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 ("**DIPP**").

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the consolidated FDI Policy by way of circular number D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017 ("**FDI Policy**"), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases, circulars 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 non-resident 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 above information is given for the benefit of the Bidders / Applicants. Our Company, the Promoter Selling Shareholders, the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company comprise two parts, Part A and Part B, which parts shall unless the context otherwise requires, co-exist with each other. In the event of any inconsistency or conflict between the Articles set out in Part A and the Articles set out in Part B, the provisions of the Articles set out in Part B shall prevail. However, Part B shall automatically terminate, be deleted, cease to have any force or effect and be deemed to be removed from the Articles of Association upon the commencement of listing and trading of the Equity Shares of the Company on any recognised stock exchange in India, without any further corporate or other action by the Company or its shareholders. Further, (i) in terms of Article 132 (2) of Part A herein, the right of the shareholders to nominate such number of Directors on the Board of the Company, respectively; and (ii) in terms of Article 202 of Part A herein, the right of BNP Paribas Cardif S.A. to nominate a Deputy chief executive officer for consideration of the Nomination and Remuneration Committee as are more particularly set out herein, shall be exercisable upon receipt of shareholders' approval through a special resolution in a general meeting of the Company held after the successful completion of the Offer.

Share Capital

"*Special Resolution*" shall have the meaning assigned to it by Section 114 of the Act.

Article 4 provides that "The Authorised Share Capital of the Company means such capital as is authorised by the Memorandum of the Company to be the maximum amount of share capital of the Company. Subject to the provisions of the Act, the Company shall have the power from time to time to increase, reduce or modify its capital and to divide all or any of the shares in the capital of the Company, for the time being classify and reclassify such shares from shares of one class into shares of any other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by the Company and to vary, modify or abrogate and such rights, privileges, conditions or restrictions in such manner and by such persons as may, for the time being be permitted under the provisions of the Articles of Association of the Company or legislative provisions, for being in force in that behalf."

Article 5 provides that "Subject to the provisions of the Act and of these Articles, the Shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board which may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Sections 53 and 54 of the Act) at a discount and at such time as it may from time to time think fit and proper and, with the consent of the general meeting, give to any person the option or right to call for or be allotted any class of shares of the Company either at par or at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks fit."

Increase, reduction, alteration of capital and buy back of shares

Article 7 provides that "The Company may, by passing a Special Resolution in a general meeting, from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, the further shares shall be upon such terms and conditions and with such rights and privileges as mentioned in the resolution and / or explanatory statement and / or offer documents and in their absence, if any, shall be such as the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meetings of the Company."

Article 8 provides that "Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, in accordance with Article 7, such shares shall be offered:-

(i) to persons who, at the date of the offer, are holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:—

   (a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

   (b) the offer aforesaid 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 referred to in clause (i) shall contain a statement of this right;

(c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not dis-advantageous to the shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to such scheme having been considered and recommended to the Board by the Nomination and Remuneration Committee, ordinary resolution passed by the Company and subject to such conditions as may be prescribed under the relevant Rules or other statutory provisions as applicable;

(iii) to any persons, when authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed in the Rules or any other applicable statutory provisions.;

(iv) The notice 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 the existing Shareholders at least 3 (three) days before the opening of the issue.;

(v) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting."

Article 16 provides that "The Company may, subject to the provisions of Sections 52, 55 and 66 and other applicable provisions (if any) of the Act, from time to time, reduce its capital and any capital redemption reserve account or any securities premium account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called up again or otherwise."

Article 17 provides that "The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

(i) increase its authorised share capital by such amount as it thinks expedient;

(ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

(iii) convert all or any of its fully paid-up shares into stock, and reconvert that into fully paid-up shares of any denomination;

(iv) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(v) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled."

Article 31 provides that "Every member shall be entitled, without payment, to one or more certificates in marketable lot, for all the shares of each class or denomination registered in his name, or if the Board so approves (upon paying such fee as the Board may from time to time determine), to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be as provided by Section 56 of the Act. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be required to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be a sufficient delivery to all such holders.

Provided however no share certificate(s) shall be issued for shares held in electronic or fungible form. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value save in cases of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares provided that if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any as it thinks fit as to evidence and indemnifying the Company in investigating the evidence. If any member shall require additional certificates he shall pay for each additional certificates (not being in the marketable lot) such sum not exceeding one rupee as the Board shall determine. The certificate of title shall be in conformity with the provisions of Section 46 of the Act read with the Rules made thereunder or any statutory modification or re-enactment thereof for the time being in force.

If any certificate 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 Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Board so decides, or on payment of such fees (not exceeding Rs. 50 (Rupees Fifty) for each certificate) as the Board shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any recognised stock exchange or the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

The provisions of the foregoing Article 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. ”

Payment of commission and brokerage

Article 37 provides that “The Company may subject to the provision of Section 40 read with the Rules made thereunder and other applicable provisions if any of the Act, at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Securities of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Securities or partly in the one way and partly in the other.”

Article 38 provides that “The Company may pay a reasonable sum for brokerage on any issue of Securities.”

Calls

Article 39 provides that “The Board of Directors may, from time to time by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (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 a fixed time, and each member shall pay the amount of every calls made on him to the persons and at the time and place appointed by the Board of Directors. A call may be made payable by Instalments.”

Article 42 provides that “A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed at a meeting of the Board of Directors, and may be made payable by the Members on the Register of Members on a subsequent date due to be fixed by the Board.”

Article 43 provides that “The Board of Directors may from time to time, at its sole discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members, as the Board of Directors may deem fit entitled to such extension.”

Article 44 provides that “If any member fails to pay a call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors but nothing in this article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.”

Article 45 provides that “Subject to the provisions of the Act and these Articles, on trial or hearing of any action or suit brought by the Company against any Member or his representative for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Members in respect of whose shares the money is sought to be recovered, appears entered in the Register of Members as the holder, at or subsequent to the date at which the money sought to be recovered, is alleged to have become due, of the shares in respect of which such money is sought to be received; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives sued in pursuance of these presents, and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.”

Article 46 provides that “The Board may, if it thinks fit, and subject to the provisions of the Act, receive from any of the Members willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up, and upon the moneys so paid in advance or upon so much thereof as from time to time and at any time thereafter exceeds the amount of the calls then make upon and due in respect of the shares on account of which such advances are made the Company may pay or allow interest at such rate as the Member paying the sum in advance and the Board may agree upon, provided always that at any time after the payment of any such money so paid in advance it shall be lawful for the Board from time to time to repay such Member so much of such money as shall then exceed the amount of the calls made upon such shares unless there be an express agreement to the contrary, and after such repayment such Member shall be liable to pay and such shares shall be charged with the payment of all further calls as if no such advance had been made, the member making such advance payment shall not, however, be entitled to dividend or to participate in profits or to any voting rights in respect of the moneys so paid by him until the same would, but for such payment become presently payable."

Forfeiture, surrender and lien

Article 47 provides that "If any member fails to pay any call or instalment of a call in respect of any share on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or instalment remains unpaid serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued."

Article 48 provides that "The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money including the call or instalment and such interest as aforesaid is to be paid. The Notice shall also state that in the event of non-payment on or before the time and at the place appointed the shares in respect of which the call was made or instalment was payable will be liable to be forfeited."

Article 49 provides that "If the requirements of any such notice as aforesaid 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."

Article 53 provides that "Any person whose shares shall have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment of such moneys or any part thereof it thinks fit but shall not be under any obligation to do so."

Article 54 provides that "The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demand against the Company in respect of the share and all other rights incidental to the share except only such of those rights as are by these Articles expressly saved."

Article 61 provides that "The Company shall have a first and paramount lien upon every shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for monies called or payable at affixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing and condition that Article 34 hereof is to have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. The Board may at any time declare any shares to be wholly or in part exempt from the provisions of this Article."

Article 62 provides that "For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell has been served on such member, his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfilment or discharge of such debts, liabilities or engagements for fourteen days after the date of such notice."

Article 63 provides that "The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue if any shall be paid to such member, his heirs, executors, administrators or other legal representatives as the case may be."

Transfer and Transmission

Article 67 provides that "In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are held in an electronic and fungible form in a depository the provisions of the Depositories Act, 1996 shall apply."

Article 69 provides that "Subject to the provisions of the Act, and these Articles and subject to the provisions of the Insurance Act and other applicable laws and the approval of the IRDAI or such other authorities as ay be prescribed by the Insurance Act or other applicable law, no transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and in the case of a share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint- holders or by all such joint transferees, as the case may be, several executors or administrators of a deceased member proposing to transfer the shares registered in the name of such deceased member shall all sign the instrument of transfer in respect of the share as if they were the joint-holders of the share, specifying the name, address and occupation, if any of the transferee has been delivered to the Company along with the certificate as in existence, along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of Transfer."

Article 71 provides that "

(i) The Board may subject to the right of appeal conferred by Section 58 and 59 of the Act at its own and absolute discretion and without assigning any reason, decline to register or acknowledge any transfer of any shares in the Company to any person of whom it does not approve and in particular may so decline in any case in which the Company has a lien upon the shares or any of them; and

(ii) Registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except a lien on shares."

Article 73 provides that "

(i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee;

(ii) Where the application is made by the transferor and relates to partly paid shares the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice;

(iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post or by electronic mode together with the scanned copies of relevant documents to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post or email;

(iv) If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within two weeks from the date on which the instrument of transfer or the intimation of transmission as the case may be was delivered to the Company 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;

(v) Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law;

(vi) The Board of Directors of the Company shall ensure that the registration of shares, is in compliance with the statutory provisions as stipulated under the Insurance Act, 1938, Regulations and Circulars issued by IRDAI from time to time and wherever necessary, prior approval of the IRDAI for registration/ transfer of shares, exceeding such percentage or other thresholds, as may be prescribed or specified under the relevant statutory provisions, including Section 6A of the Insurance Act, 1938, and rules and regulations framed thereunder."

Article 76 provides that "The Board may after giving not less than seven days or such lesser period as may be specified by the SEBI previous notice by advertisement as required by Section 91 of the Act close the Register of Members or the Register of Debenture Holders for any period of periods not exceeding in the aggregate 45 (forty five) days in each year but not exceeding 30 (thirty) days at only one time."

Article 77 provides that "In the case of death of any one or more of the persons, named in the Register of Members as joint shareholders of any share, the survivors shall be the only persons recognised by the Company as having any title, to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with other person."

Article 78 provides that "Subject to the provisions of these Articles, the heir, executor or administrator of a deceased shareholder shall be the only person recognised by the Company having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate or letter of administration or succession certificate or such other evidence being produced as may from time to time properly be required by the Board."

Article 79 provides that "Subject to the provisions of the Act and these Articles any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents may with, the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board thinks sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and registered as such holder, provided nevertheless, that if such person shall elect to have himself or his nominee registered he shall testify the election by executing in writing to himself or to his nominee an instrument of transfer of share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share. 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."

Conversion of shares into stock

Article 87 provides that "The Board may with the sanction of a general meeting, convert any paid up share into stock and when any shares shall have been converted into stock the several holders of such stock may henceforth transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up shares in the capital of the Company may be transferred or as near thereto as circumstances will admit but the Board may from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be deal with power nevertheless at their discretion to waive such rules in any particular case."

Article 88 provides that "The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at all meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock converted but so that none of such privilege or advantages, except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid all the provisions herein contained shall so far as circumstances will admit apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination."

Meeting of Members

Article 106 provides that "The Chairman, if any, of the Board shall preside as Chairman at every General Meeting of the Company. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the directors present shall elect one of their Members to be Chairman of the meeting. If at any meeting no director is willing to act as Chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairman of the meeting."

Votes of Members

Article 117 provides that "Subject to the provisions of the Act and these articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by representative duly authorized under Section 113 of the Act and these Articles."

Article 119 provides that " Subject to any rights or restrictions for the time being attached to any class or classes of shares, (*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 of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once."

Article 127 provides that "The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid."

Article 131 provides that "The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll."

Directors

Article 132 provides that "Until otherwise determined by a Special Resolution of the Company and subject to the provisions of Section 149 of the Act, the number of directors shall not be less than three nor more than Fifteen including Independent Directors, Woman Director, Nominee Directors and Debenture Directors.

Subject to applicable law and approval by the Board, the shareholders of the Company and these Articles, on and from the date on which the Equity Shares are listed on the stock exchange, BNP Paribas Cardif S.A. shall have the right to nominate directors on the Board of the Company subject to maintaining shareholding in the Company as indicated below-

(a) right to nominate 1 (one) director on the Board of the Company if shareholding of BNP Paribas Cardif S.A. in the Company is 10 percent or more of the paid up equity share capital of the Company on a fully diluted basis.

(b) right to nominate up to 2 (two) directors on the Board of the Company if shareholding of BNP Paribas Cardif S.A. in the Company is 18.8 percent or more of the paid up equity share capital of the Company on a fully diluted basis.

Further, such right to nominate a director on the Board of the Company shall cease to have effect, upon the shareholding of BNP Paribas Cardif S.A. falling below 10 percent of the paid up equity share capital of the Company on a fully diluted basis at any stage."

Article 140 provides that "The Board of Directors of the Company, subject to the provisions of the Act and other statutory provisions applicable, shall have the power appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act. Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India. Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director. It is clarified for the avoidance of doubt that so long as BNP Paribas Cardif S.A. holds the shareholding thresholds specified in Article 132(2), BNP Paribas Cardif S.A. shall have the right to nominate an alternate director(s) for each of its respective nominee director(s) on the Board of the Company subject to necessary approvals and applicable laws."

Article 141 provides that "Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority bank or financial institution or any person or persons (hereinafter referred to as "the appointer") for borrowing any one or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have subject to the provisions of Section 152 of the Act, the power to agree that such appointer shall have if and to the extent provided by the terms of such agreement contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract and that such Director or directors may not be liable to retire by rotation nor be required to hold any qualification shares;

The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercises and enjoyed by the other Directors of the Company including payment of remuneration and travelling expenses to such Directors, as may be agreed by the Company with the appointer."

Article 147 provides that "Subject to the provisions of Sections 196, 197 and 203 of the Act and these Articles, the Board shall have the power to appoint, from time to time one of its Directors to be the Managing Director of the Company for a term as provided for in the Act on such terms and conditions as the Board thinks fit and may, from time to time (subject to the provisions of any contract between him and the Company), remove or dismiss him from office and appoint another in his place, in each case subject to any prior regulatory approval requirements that may be prescribed under the Insurance Act, 1938, or rules and regulations framed thereunder.

Subject to the provisions of these Articles, applicable law and necessary approvals by the Board and the shareholders of the Company, State Bank shall have the right to nominate the Managing Director of the Company. Further, subject to the provisions of these Articles, applicable law and necessary approvals by the Board and the shareholders of the Company, the Chairman of the Company shall always be nominated by State Bank."

Article 149 provides that "Save as otherwise expressly provided in the Act or these Articles, a Director of the Company shall be entitled to be paid out of the funds of the Company by way of remuneration for his service by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board. Provided that the amount of such fees shall not exceed the amount as may be prescribed under the Rules made under Section 197 of the Act. A director or manager may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other."

Proceedings of the Board

Article 172 provides that "

(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. The Board of Directors shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

(ii) A director may, and the secretary on the requisition of a director, or any other key managerial personnel when specifically authorised by the Board shall, at any time, summon a meeting of the Board;

(iii) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognizing the participation of the directors and of recording and storing the proceedings of such meetings along with date and time. The Company shall ensure compliance with the provisions of the Act and the Rules made thereunder which specify the matters which shall not be dealt with in a meeting through video conferencing or other audio visual means;

(iv) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting. Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any."

Article 173, *inter alia*, provides that "Notwithstanding the provisions of Articles 173 and 176, till such time that the provisions of applicable law impose such a requirement, in order for quorum of a meeting of the Board to be validly constituted, the number of directors nominated by State Bank present at the commencement of and throughout such meeting, shall be at least one more than the number of directors nominated by BNP Paribas Cardif S.A."

Article 187, *inter alia*, provides that "Without prejudice to the general powers conferred by these Articles and the other powers conferred under the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

(i) Subject to applicable law and provisions of these Articles, the following matters are required to be mandatorily brought before the Board for their consideration:

(a) development of the business plan, approval of any change to, or any update of, the business plan and each annual budget of the Company;

(b) the introduction and terms of any employee share option scheme, subject to such scheme having been considered and recommended to the Board by the Nomination and Remuneration Committee;

(c) the development of or variations to the human resources policy;

(d) development of, or variations to, the products policy, compliance policy and risk management policy of the Company; and

(e) any transaction / series of transactions between the Company and either of State Bank or BNP Paribas Cardif S.A. (or any group company of State Bank or BNP Paribas Cardif S.A) where the underlying value of such transaction (or series of transactions) exceeds Rs. 100 million.'

Chief Executive Officer, Deputy Chief Executive Officer, Manager, Company Secretary Or Chief Financial Officer

Article 202, *inter alia*, provides that "A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

Subject to the provisions of the Act and subject to these Articles, necessary approvals and applicable law, State Bank shall have the right to nominate a chief executive officer of the Company;

Subject to the provisions of the Act, BNP Paribas Cardif S.A. shall have the right to nominate a Deputy chief executive officer for consideration of the Nomination and Remuneration Committee and such proposal will be subject to approval of the Nomination and Remuneration Committee and the Board of the Company. The Deputy chief executive officer will report to the chief executive officer and the roles and responsibilities of the Deputy chief executive officer will be proposed by the chief executive officer and such proposal will be subject to approval by the Board of the Company, subject to applicable law and shareholding of BNP Paribas Cardif S.A. being 18.8 per cent or more on a fully diluted basis. Further, the Deputy chief executive officer shall be considered a 'Key Managerial Personnel' for the purposes of these Articles."

Dividends and Reserve

Article 206 provides that "The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 208 provides that “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 which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.”

Article 212 provides that “Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic clearing system or 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 on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. No dividend shall bear interest against the Company.”

Capitalisation

Article 216 provides that “The Company in general meeting may, upon the recommendation of the Board, resolve:

(i) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company‘s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in clause *(ii)* amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.”

Indemnity and Responsibility

Article 230 provides that “Subject to the provisions of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which may such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generally of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, Officer or servant in defending any proceedings whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under the Act in which relief is granted by the Court.”

Article 231 provides that “Subject to the provisions of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order to the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgment, omission, default or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.”

Winding up

Article 232 provides that “If the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up at the excess shall be distributed amongst the member in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. But this article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.”

Part B

In the event of any inconsistency between Part A and Part B of the Articles of Association, the provisions of Part B of the Articles of Association shall, subject to Applicable Law, prevail over Part A. Part B shall automatically terminate and cease to have any force or effect and shall be deemed to fall away on and from the date of listing and trading of the Equity Shares on a recognised stock exchange in India, subsequent to an initial public offering of the Equity Shares of the Company, without any further action by the Company or its shareholders. As on the date of this Prospectus, Part B, inter alia, contains the following Articles:

Article 2, *inter alia*, provides that " 'Joint Venture' shall mean the joint venture agreement entered into between SBI and BNP Paribas Cardif S.A. dated February 27, 2001 as amended from time to time."

Article 134 provides that "The following shall be the ex-officio Directors of the Company:

(i) The Chairman for the time being of the State Bank of India;

(ii) The Managing Director for the time being of the State Bank of India or where there is more than one such Managing Director, such Managing Directors as may be appointed by the Chairman for the time being of the State Bank of India."

Article 135 provides that "The State Bank of India shall, pursuant to the provisions of Section 35A of the State Bank of India Act, 1955 as amended from time to time also be entitled to appoint such other individual not exceeding three in number as Director of this Company which may include the Managing Director (s) of the State Bank of India and the Deputy Managing Directors of the State Bank of India and Chief General Manager of the State Bank of India as may be nominated by State Bank of India. These Directors shall be appointed by the State Bank of India on such terms and conditions as it deems fit and it may remove or replace at any time by notice to the Company any Director appointed by it. Such power of appointment, removal or replacement vested with the State Bank of India shall be exercised by it through the Chairman for the Bank being of the State Bank of India. State Bank of India shall also be entitled to appoint alternate directors in respect of the aforementioned Directors."

Article 149 provides that "State Bank of India may from time to time appoint the Managing Director and/or Whole time Director of the Company for such period as it shall think fit and State Bank of India may also from time to time (subject to the provisions of any agreement between such Director and State Bank of India) remove him from office and appoint another in his place. Such power of appointment, removal or replacement vested with the State Bank of India shall be exercised by it, subject to the statutory provisions applicable to the Company in this regards, through the Chairman for the time being of the State Bank of India."

Article 150 provides that "The Managing Director and/or Whole time Director shall receive such remuneration and be subject to such terms and conditions of service as may from time to time be determined by State Bank of India."

Article 152 provides that "Save as otherwise expressly provided in the Act or these Articles, a Director of the Company not being an officer of the Government or the Reserve Bank of India or the State Bank of India or the Subsidiary / Associate Bank or any subsidiary of the State Bank of India shall be entitled to be paid out of the funds of the Company by way of remuneration for his service by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board. Provided that the amount of such fees shall not exceed the amount as may be prescribed under the Rules made under Section 197 of the Act. A director or manager may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other."

Article 176, *inter alia*, provides that "The quorum for the Meetings of the Board, including any Committee thereof, shall be presence of one third of the Directors or two Directors, whichever is higher. Provided, however, that the total number of directors nominated by SBI present at the commencement of and throughout such Meeting, shall be more than the number of Directors nominated by BNP Paribas Cardif S.A. at such Meeting. For the avoidance of doubt, it is clarified that the participation of directors by video conferencing or other audio visual means shall also be counted for the purposes of quorum."

Article 178 provides that "The Chairman of State Bank of India shall be the Chairman of the Board of Directors of the Company. In case the Chairman is absent at a meeting of the Board, the Directors present may choose one of their members to the Chairman of the meeting of the Board."

Article 202 provides that "The Company has, entered into a Licensing Agreement with SBI whereby SBI has provided to the Company a license to incorporate the name SBI in the Company's name. The said Agreement inter alia requires that on termination thereof and receipt of notice from SBI, the Company shall discontinue to use of the name "SBI" in any form or manner a part of its corporate name, trading style and/or trade name and shall change its corporate name, trading style and/or trade name so as to delete the word "SBI" and take all steps in that regard. The Company shall also, thereupon, not adopt any new name with the word "SBI". The said Agreement shall be deemed to be agreed to by all the members and all members shall be deemed to be expressly undertaking to exercise their rights as shareholders and particularly therein voting rights in such manner so as to enable the Company to comply with an implement the terms and conditions of the said Agreement and in particular for implementing the change of the corporate name by discontinuing the use of the name of "SBI" on termination of the said Agreement."

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Prospectus which has been delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to hereunder, were provided for inspection at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated July 17, 2017 among our Company, the Promoter Selling Shareholders and the Lead Managers.

2. Registrar Agreement dated July 17, 2017 among our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

3. Escrow Agreement dated September 11, 2017 among our Company, the Promoter Selling Shareholders, the Registrar to the Offer, the Lead Managers and the Banker to the Offer.

4. Share Escrow Agreement dated September 11, 2017 among the Promoter Selling Shareholders, our Company and the Share Escrow Agent.

5. Syndicate Agreement dated September 11, 2017 among our Company, the Promoter Selling Shareholders, the Lead Managers, the Registrar and the Syndicate Members.

6. Underwriting Agreement dated September 25, 2017 among our Company, the Promoter Selling Shareholders, the Registrar and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated October 11, 2000.

3. Certificate for commencement of business dated November 20, 2000.

4. Certificate of registration to undertake life insurance business in India, dated March 29, 2001.

5. Resolution of our Board dated July 13, 2017, in relation to the Offer.

6. Resolution of the Executive Committee of the Board of Directors of State Bank dated July 10, 2017 approving the Offer.

7. Resolution of the Board of Directors of BNPPC dated May 30, 2017 and letter dated July 10, 2017 issued by the chief executive officer of BNPPC approving the Offer.

8. The in-principle approval dated July 5, 2017 from IRDAI and the final approval dated September 6, 2017 to undertake a public offer in accordance with the provisions of the SEBI Regulations, under the provisions of the IRDAI Issuance of Capital Regulations.

9. Copies of the annual reports of our Company for the Fiscals 2017, 2016, 2015, 2014 and 2013.

10. Copy of the CRISIL Report.

11. The examination report of the Joint Auditors dated September 7, 2017 in relation to our Company's Restated Financial Statements, included in this Prospectus.

12. The Statement of Tax Benefits dated September 7, 2017 from the Joint Auditors.

13. Consent of our Directors, the Lead Managers, Indian Legal Counsel to our Company and State Bank, International Legal Counsel to our Company, International Legal Counsel to BNPP, Citi and Deutsche, Indian Legal Counsel to the Lead Managers, Indian Legal Counsel to BNPPC, Registrar to the Offer,

Bankers to our Company, Bankers to the Offer, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

14. Consent letter dated September 7, 2017 from the Joint Auditors, for inclusion of their names as experts herein.

15. Consent letter dated September 6, 2017 from Vivek Jalan, FIAI, a Willis Towers Watson empanelled actuary, for inclusion of his name as an expert herein.

16. Certificate dated July 17, 2017 from Subhendu Kumar Bal our Appointed Actuary in relation to actuarial report and abstract for the Fiscal 2017, under the Insurance Act and the IRDAI Issuance of Capital Regulations and certificate dated September 7, 2017 from Subhendu Kumar Bal our Appointed Actuary in relation to actuarial valuation of liabilities of our Company as at June 30, 2017, as required under the IRDAI Issuance of Capital Regulations.

17. The Existing Joint Venture Agreement and the Inter-se Agreement.

18. Investment agreement dated December 9, 2016 between and amongst State Bank, Value Line Pte. Ltd., an affiliate of KKR Asian Fund L.P. and MacRitchie Investments Pte. Ltd., an indirect wholly owned subsidiary of Temasek Holdings (Private) Limited and our Company.

19. Due Diligence Certificate dated July 17, 2017 addressed to SEBI from the Lead Managers.

20. In principle listing approvals dated August 11, 2017 and August 10, 2017 issued by BSE and NSE respectively.

21. Tripartite agreement dated July 26, 2017 executed amongst between our Company, NSDL and the Registrar to the Offer.

22. Tripartite agreement dated August 2, 2017 executed amongst our Company, CDSL and the Registrar to the Offer.

23. SEBI observation letter bearing reference number CFD/DIL II/NR/AV/19166/2017/ dated August 10, 2017 and SEBI observation letter bearing reference number CFD/DIL II/NR/AV/ 21021/2017 dated September 4, 2017.

Any of the contracts or documents mentioned in this 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, subject to compliance with the provisions contained in the Companies Act and other relevant statutes and regulations.

DECLARATION

The undersigned Promoter Selling Shareholder hereby certifies that all statements made by the Promoter Selling Shareholder in this Prospectus about or in relation to itself in connection with the Offer, and the Equity Shares offered by it in the Offer, are true and correct.

Signed by the Promoter Selling Shareholder

For **State Bank**

Date: September 25, 2017

Place: Mumbai

DECLARATION

The undersigned Promoter Selling Shareholder hereby certifies that all statements made by the Promoter Selling Shareholder in this Prospectus about or in relation to itself in connection with the Offer, and the Equity Shares offered by it in the Offer, are true and correct.

Signed by the Promoter Selling Shareholder

For **BNPPC**

Date: September 25, 2017

Place: Mumbai

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, and the IRDAI established under Section 3 of the IRDA Act, as the case may be, have been complied with and no statement made in this 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 Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

______________________	**Arundhati Bhattacharya** Chairman (Nominee Director of State Bank) (DIN: 02011213)
______________________	**Rajnish Kumar** Nominee Director of State Bank (DIN: 05328267)
______________________	**Dinesh Kumar Khara** Nominee Director of State Bank (DIN: 06737041)
______________________	**Pierre de Portier de Villeneuve** Nominee Director of BNPPC (DIN: 06738111)
______________________	**Gerard Binet** Nominee Director of BNPPC (DIN: 00066024)
______________________	**Arijit Basu** Managing Director and Chief Executive Officer (DIN: 06907779)
______________________	**Ravi Rambabu** Independent Director (DIN: 01845094)
______________________	**Nilesh S. Vikamsey** Independent Director (DIN: 00031213)
______________________	**Raj Narain Bhardwaj** Independent Director (DIN: 01571764)
______________________	**Joji Sekhon Gill** Independent Director (DIN: 05310881)
______________________	**Deepak Amin** Independent Director (DIN: 01289453)
______________________	**Somasekhar Sundaresan** Independent Director (DIN: 00208087)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sangramjit Sarangi
Chief Financial Officer

Date: September 25, 2017

Place: Mumbai