PRIVATE &CONFIDENTIAL - FOR ADDRESSEE ONLY

(THIS DISCLOSURE DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS). THIS DISCLOSURE DOCUMENT IS PREPARED AND ISSUED IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2008/13/127878 DATED JUNE 06, 2008, AS AMENDED BY SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2012 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2012-13/19/5392 DATED OCTOBER 12, 2012 AND CIR/IMD/DF/18/2013 DATED OCTOBER 29, 2013) AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2014 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2013-14/43/207 DATED JANUARY 31, 2014 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2015 ISSUED VIDE CIRCULAR NO. LAD-NRO/GN/2014-15/25/539 DATED MARCH 24, 2015 AND SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2016 ISSUED VIDE CIRCULAR NO SEBI/ LAD-NRO/GN/2016-17/004. DATED 25 MAY 2016 AND SEBI CIRCULAR NO. CIR/IMD/DF-1/122/2016 DATED NOVEMBER 11, 2016 AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, ISSUED VIDE CIRCULAR NO. SEBI/LAD-NRO/GN/2015-16/013 DATED SEPTEMBER 02 2015 AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014 AND INSURANCE REGULATORY DEVELOPMENT AUTHORITY OF INDIA (OTHER FORMS OF CAPITAL) REGULATIONS, 2015, ISSUED VIDE CIRCULAR NO. F. NO. IRDAI/REG/20/110/2015 DATED NOVEMBER 13, 2015

नेशनल इन्श्योरेन्स
National Insurance

Trusted Since 1906

NATIONAL INSURANCE COMPANY LIMITED
(A Govt. of India undertaking)
ADDRESS : 3 MIDDLETON STREET, KOLKATA – 700 071
TEL NO.: (033) 2283-1705, (033) 2283-1752
FAX NO.: (033) 2283-1736
Email: ncd.coordinator@nic.co.in
WEBSITE : www.nationalinsuranceindia.com
CIN: U10200WB1906GOI001713

DISCLOSURE DOCUMENT

INFORMATION MEMORANDUM FOR PRIVATE PLACEMENT OF UNSECURED, SUBORDINATED, FULLY PAID-UP, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF RS.10.00 LACS EACH, FOR CASH, AT PAR, AGGREGATING TO RS. 895 CRORES, BY NATIONAL INSURANCE COMPANY LIMITED ("NIC"/ "THE ISSUER") UNDER SERIES I/NIC/NCD/2016-17

GENERAL RISK

Investment in debt instruments involves a degree of risk and investors should invest any funds in the issue only after reading the "Risk Factors" in the Disclosure Document carefully including the risk involved. Specific attention of the investors is invited to the section "Risk Factors" in **PAS-4** of this Offer Document. The Securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the Disclosure document 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING OF THE DEBENTURES

AAA with Negative outlook by CRISIL for Rs. 895 crore and AA+ with Stable outlook by ICRA for Rs. 895 crore. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have a right to suspend or withdraw the rating at any time on the basis of new information etc.

Copies of Rating Letter(s) and Rating rationale(s) are enclosed in Annexure- 1 & 2 respectively

DEBENTURE TRUSTEE TO THE ISSUE

SBICAP Trustee Company Ltd.

SBICAP TRUSTEE COMPANY LIMITED

Corporate Office: Apeejay House, 6th Floor, 3, Dinshaw Waccha Road, Churchgate
Mumbai– 400020
Tel No.: 022-43025555; Fax No: 022- 22040465
Email: helpdesk@sbicaptrustee.com

REGISTRAR TO THE ISSUE

RCMC

RCMC SHARE REGISTRY PVT. LTD.

Regd. Office: B-25/1, First Floor, Okhla Industrial Area, Phase II
New Delhi- 110 020
Tele No : 011-26387320; Fax No : 011- 26387322
Email: rakesh@rcmcdelhi.com

ARRANGER CUM ADVISOR TO THE ISSUE

TRUST

TRUST INVESTMENT ADVISORS PVT. LTD.

Regd. Office: 109/110, 1st Floor, Balarama, Village Parigkhari; Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Tel : +91-22- 40845000; Fax : +91-22- 40845007

Email: mbd.trust@trustgroup.in

ARRANGERS TO THE ISSUE (in Alphabetical Order)

A.K. CAPITAL SERVICES LTD. BUILDING BONDS	**A.K. Capital Services Limited** 30-39 Free Press House, 3rd Floor, Free Press Journal Marg,215, Nariman Point, Mumbai 400021 Tel: 91 (022) 6754 6500 /6634 9300 Fax: +91-22-6610 0594 Email: akmumbai@akgroup.co.in Website: www.akcapindia.com	AXIS BANK	**Axis Bank Limited** Axis House, 8th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India Tel: +91-22-42026692/ 66043292 Fax: +91-22-24253800 Website: www.axisbank.com
Edelweiss Ideas create, values protect	**Edelweiss Financial Services Limited** Edelweiss House, 10th Floor, Off C.S.T. Road, Kalina, Mumbai 400 098 Tel: +91-22-4063 5445 www.edelweiss.in	ICICI Securities Primary Dealership Limited	**ICICI Securities Primary Dealership Limited** ICICI Centre H.T. Parekh Marg Churchgate, Mumbai 400 020 Tel : +91 22 66377206 Fax : +91 22 2288 2312 Website : www.isecpd.com
Tip Sons	**Tipsons Consultancy Services Pvt. Ltd.** 401, Sheraton House, 4th floor, opp. Ketav petrol pump, polytechnic road, ambavadi, Ahmedabad – 380015 Tel : 07966828000 www.tipsons.com		

ISSUE SCHEDULE

ISSUE OPENING DATE	24.03.2017
ISSUE CLOSING DATE	24.03.2017
DEEMED DATE OF ALLOTMENT	27.03.2017

The issuer reserves the right to pre pone the issue earlier from the aforesaid date or post pone the issue at its sole and absolute discretion without giving any reasons or prior notice. In the event of any change in the above issue program, the Issuer will intimate the investors about the revised issue program.

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*** DEFINITIONS/ABBREVIATIONS**

"National Insurance Company Limited"/"NIC"/ "Company"/ "Issuer"	National Insurance Company Limited., a non-life insurance company registered under the provisions of the Companies Act, 1956 and registered with IRDAI vide registration number 58
Allotment/Allot/ Allotted	The issue and allotment of the Debentures to successful Applicants in relation to the Issue
Application	An application to subscribe to the Debentures offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Money by any of the modes as prescribed under this Offer Document.
Application Form	The form in terms of which the Eligible Investors shall make an offer to subscribe to the Debentures and which will be considered as the Application for Allotment of Debentures in terms of this Offer Document.
Application Money	The aggregate value of the Debentures applied for, as indicated in the Application Form for the Issue.
Articles	The articles of association of the Issuer
Beneficial Owner(s)	Debenture Holder(s) holding Debenture(s) in dematerialized form (Beneficial Owner of the Debenture(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996)
BSE	BSE Limited
Business Days	In pursuance of circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016 issued by SEBI, if any Coupon Payment Date falls on a day that is not a Business Day, the Coupon Payment shall be made by the Bank on the immediately succeeding Business Day and calculation of such coupon payment shall be as per original schedule as if such Coupon Payment Date were a Business Day. Further the future Coupon Payment Dates shall remain intact and shall not be disturbed because of postponement of such coupon payment on account of it falling on a non-Business Day. If the Issuer Call Date, Tax Call Date or Regulatory Call Date (also being the last Coupon Payment Date, in case if exercised) of the Debentures falls on a day that is not a Business Day, such Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment. Business Day being a day when the Money Market is functioning in Mumbai, Maharashtra, India
CDSL	Central Depository Services Limited
Companies Act, 1956	The Companies Act, 1956 along with the rules made thereunder, as amended from time to time (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act, 2013	The Companies Act, 2013 along with the rules made thereunder, to the extent in force pursuant to the notification of the Notified Sections and as amended from time to time.
Debentures	Information Memorandum for Private Placement of Unsecured, Subordinated, Fully Paid-Up, Listed, Redeemable, Non-Convertible Taxable Debentures of Rs.10.00 Lacs each, for Cash, at Par,

	aggregating to Rs.895 Crore, by National Insurance Company Limited ("NIC"/"The Issuer") under Series I/NIC/NCD/2016-17.
Debenture Holder	The holder of the Debentures
Debenture Trustee/ Trustee to the Issue	SBICAP Trustee Company Limited
Debenture Trusteeship Appointment Agreement	The debenture trusteeship appointment agreement dated 23.03.2017 entered into between the Issuer and the Debenture Trustee for appointing the Debenture Trustee
Debenture Trust Deed	The debenture trust deed to be entered into between the Debenture Trustee and the Issuer within the prescribed timelines
Depository(ies)	National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL)
DP	Depository Participant
FY	Financial Year
Issue/Offer/ Offering	Private placement of Unsecured, Subordinated, Fully Paid-Up, Listed, Redeemable, Non-Convertible Debentures of Rs.10.00 lacs each, for cash, at par, aggregating to Rs.895 crore, by National Insurance Company Limited. ("NIC"/ "The Issuer") under Series I/NIC/NCD/2016-17
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
NPAs	Non-Performing Asset/s
IT Act	The Income Tax Act, 1961 (as amended from time to time)
PAN	Permanent Account Number
Registrars to the Issue/ Registrar & Transfer Agent	RCMC Share Registry Pvt. Ltd. having registered office at B-25/1, First Floor, Okhla Industrial Area, Phase II, New Delhi- 110 020
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time)
TDS	Tax Deducted at Source as per the provisions of the Income Tax Act- and rules there under modified from time to time.

* DISCLAIMER(S)

1. **DISCLAIMER OF THE ISSUER:** This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus. This Disclosure Document is prepared and issued in conformity with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide Circular No. LAD-NRO/GN/2012-13/19/5392 Dated October 12, 2012 and CIR/IMD/DF/18/2013 Dated October 29, 2013) and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide Circular No. LAD-NRO/GN/2013-14/43/207 Dated January 31, 2014 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 issued vide Circular No. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 issued vide Circular No. SEBI/ LAD-NRO/GN/2016-17/004 dated 25 may 2016 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued vide Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated September 02 2015 and section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Insurance Regulatory Development Authority of India (Other Forms of Capital) Regulations, 2015, issued vide Circular No. IRDAI/REG/20/110/2015 dated November 13, 2015. This Disclosure document does not constitute an offer to public in general to subscribe for or otherwise acquire the Debentures to be issued by NIC (THE "**Issuer**"). This Disclosure Document is for the exclusive use of the addressee and restricted for only the intended recipient and it should not be circulated or distributed to third party(ies). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Debentures issued by the Issuer. This Debenture issue is made strictly on private placement basis. Apart from this Disclosure document, no offer document or prospectus has been prepared in connection with the offering of this Debenture issue or in relation to the issuer.

   This Disclosure Document is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Debentures issued by NIC. This Disclosure Document has been prepared to give general information regarding NIC to parties proposing to invest in this issue of Debentures and it does not purport to contain all the information that any such party may require. NIC believes that the information contained in this Disclosure Document is true and correct as of the date hereof. NIC does not undertake to update this Disclosure Document to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with NIC. However, NIC reserves its right for providing the information at its absolute discretion. NIC accepts no responsibility for statements made in any advertisement or any other material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

   Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Debentures. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Debentures. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Debentures under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Debentures. Nothing in this Disclosure Document should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Debentures. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the Debentures. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Debentures and matters incidental thereto.

This Disclosure Document is not intended for distribution. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient and the contents of this Disclosure Document shall be kept utmost confidential. The securities mentioned herein are being issued on private placement Basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the Debenture issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

2. **DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA:** This Disclosure document has not been filed with Securities & Exchange Board of India ("SEBI"). The Debentures have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure document. It is to be distinctly understood that this Disclosure document should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure document. The Issue of Debentures being made on private placement basis, filing of this Disclosure document is not required with SEBI. However, SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this Disclosure document.

3. **DISCLAIMER OF THE ARRANGER TO THE ISSUE:** It is advised that the Issuer has exercised self due-diligence to ensure complete compliance of prescribed disclosure norms in this Disclosure document. The role of the Advisors and Arrangers to the Issue (collectively referred to as "Arrangers"/ "Arrangers to the Issue") in the assignment is confined to marketing and placement of the Debentures on the basis of this Disclosure document, as prepared by the Issuer. The Arrangers have neither scrutinized/ vetted nor have they done any due-diligence for verification of the contents of this Disclosure document. The Arrangers shall use this Disclosure document for the purpose of soliciting subscription from a particular class of eligible investors in the Debentures to be issued by the Issuer on private placement basis. It is to be distinctly understood that the aforesaid use of this Disclosure document by the Arrangers should not in any way be deemed or construed that the Disclosure document has been prepared, cleared, approved or vetted by the Arrangers; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure document; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of the Issuer. Arrangers are not responsible for compliance of any provision of Companies Act, 2013. The Arrangers or any of their directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Disclosure document.

   Arranger hereby expressly disclaims, to the fullest extent permitted by law, any responsibility for the contents of this Disclosure Document and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Disclosure Document or any information or errors contained therein or any omissions there from. By accepting this Disclosure Document, you agree that the Arranger will not have any such liability.

   You should carefully read and retain this Disclosure Document. However, you are not to construe the contents of this Disclosure Document as investment, legal, accounting, regulatory or tax advice, and

You should consult with your own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Debentures.

4. **DISCLAIMER IN RESPECT OF JURISDICTION:** The private placement of Debentures is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ byelaws to hold Debentures in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the jurisdiction of the Courts at the city of Kolkata only. All information considered adequate and relevant about the Issuer has been made available in this Disclosure Document for the use and perusal of the potential investors and no selective or additional information would be available for a section of investors in any manner whatsoever.

5. **DISCLAIMER BY IRDAI:** The Insurance Regulatory and Development Authority of India ("IRDAI") does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for discharge of liability by the Company.

6. **DISCLAIMER BY DEBENTURE TRUSTEE:** The debenture trustee is not a guarantor and will not be responsible for any non-payment of interest and redemption and/or any loss or claim.

7. **DISCLAIMER BY THE STOCK EXCHANGE**: It is to be distinctly understood that filing of this Disclosure Document with National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) should not, in any way, be deemed or construed that the same has been cleared or approved by NSE & BSE. NSE & BSE does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Disclosure Document.

8. **LISTING**: The Debentures to be issued under this Disclosure Document will be listed on National Stock Exchange of India of India Limited & BSE Limited (the "**Stock Exchange**"). The issuer shall make an application for listing within 15 (fifteen) days from the Deemed Date of Allotment of the Debentures and shall have obtained the in-principle approval of NSE / BSE for the listing of the Debentures.

9. **CREDIT RATING**: The rating for the Securities under Issue is 'AAA/Negative' by 'CRISIL' and 'AA+ Stable Outlook' by 'ICRA'. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information, etc.

   This Disclosure Document prepared under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 dated June 6, 2008, as amended from time to time, for private placement of the Debentures is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debt securities to be issued by the Company. This is only an information brochure intended for private use.

A. ISSUER INFORMATION: NAME AND ADDRESS OF THE FOLLOWING:

SR. No	PARTICULARS	:	DETAILS
(i)	**REGISTERED OFFICE OF THE ISSUER**		
•	Name	:	NATIONAL INSURANCE COMPANY LIMITED
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1705, (033) 2283-1752
•	Fax No	:	(033) 2283-1736
•	Email	:	ncd.coordinator@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(ii)	**CORPORATE OFFICE OF THE ISSUER**		
•	Name	:	NATIONAL INSURANCE COMPANY LIMITED
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1705, (033) 2283-1752
•	Fax No	:	(033) 2283-1736
•	Email	:	ncd.coordinator@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(iii)	**COMPLIANCE OFFICER OF THE ISSUER**		
•	Name	:	SMT. RINA MADIA
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1705, (033) 2283-1752
•	Fax No		(033) 2283-1717
•	Email	:	rina.madia@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(iv)	**CHIEF FINANCIAL OFFICER OF THE ISSUER**		
•	Name	:	SMT. SASHIKALA MURALIDHARAN
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1730
•	Fax No	:	(033) 2290-4026
•	Email	:	m.sashikala@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(v)	**DEBENTURE TRUSTEE OF THE ISSUE**		
•	Name	:	SBICAP TRUSTEE COMPANY LIMITED
•	Address	:	Apeejay House, 6th Floor, 3, Dinshaw Waccha Road, Churchgate, Mumbai – 400 020
•	Tele No	:	022-4302 5502
•	Fax No	:	022- 2204 0465
•	Email	:	helpdesk@sbicaptrustee.com
•	Website	:	www.sbicaptrustee.com
(vi)	**REGISTRAR TO THE ISSUE**		
•	Name	:	RCMC SHARE REGISTRY PRIVATE LIMITED

•	Address	:	B - 25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi - 110 020
•	Tele No	:	011-2638 7320/21
•	Fax No	:	011-2638 7322
•	Email	:	rakesh@rcmcdelhi.com
•	Website	:	www.rcmcdelhi.com
(vii)	**CREDIT RATING AGENCY**		
A	Name	:	CRISIL LIMITED
•	Address	:	Crisil House, Central Avenue Hiranandani Business Park, Powai Mumbai – 400 076
•	Tele No	:	022-3342 3000
•	Fax No	:	022- 4040 5800
•	Email	:	abhijit.roy@crisil.com
•	Website	:	www.crisil.com
B	Name	:	ICRA LIMITED
•	Address	:	Electric Mansion, 4th Floor, Appasaheb Marathe Marg, Prabhadevi Mumbai – 400 025
•	Tele No	:	022 - 6114 3000
•	Fax No	:	022-24331390
•	Email	:	karthiks@icraindia.com
•	Website	:	www.icra.in
(viii)	**STATUTORY AUDITORS OF THE ISSUER**		
A	Name	:	M/S. S. GHOSE & CO. LLP, CHARTERED ACCOUNTANTS
•	Address	:	11, Old Post Office Street, 2nd Floor, Kolkata- 700 001
•	Tele No	:	(033) 2231 1995
•	Fax No	:	(033) 2248 5167
•	Email	:	sghose1943@yahoo.com
•	Website	:	www.sghosecafirm.com
B	Name	:	M/S. SAHA GANGULI & ASSOCIATES, CHARTERED ACCOUNTANTS
•	Address	:	"Neelamber", 28B, Shakespeare Sarani, 4th Floor, Flat 4E, Kolkata-700 017
•	Tele No	:	(033) 2282 8627
•	Fax No	:	(033) 2282 3112
•	Email	:	casamirsaha@gmail.com

B. BRIEF SUMMARY OF BUSINESS/ACTIVITIES OF THE COMPANY AND IT'S LINE OF BUSINESS CONTAINING AT LEAST THE FOLLOWING INFORMATION:

OVERVIEW:

(i) National Insurance Company Limited, a Wholly-owned Government of India Undertaking is one of the leading Public Sector General Insurance Companies in India. It was incorporated under the Companies Act, 1956 (at present the Companies Act, 2013) and is registered as a General Insurance Company with the Insurance Regulatory and Development Authority of India (IRDAI) under the Insurance Act, 1938 vide registration no. 58.

National Insurance Company Limited is India's oldest general insurance Company. It was incorporated in Kolkata on 5th December, 1906 to fulfil the nationalist aspiration for Swaraj. In 1972, after nationalisation of general insurance companies it was merged along with 21 foreign and 11 Indian companies to form National Insurance Company Limited, one of the 4 subsidiaries of the Government owned General Insurance Corporation of India.

The only Public Sector General Insurance Company with Headquarters in Kolkata, National Insurance has several Firsts to its credit – it was the first to introduce Product customisation both Corporate and Rural– an extension of which is the specialised Techno Marketing Project Cells for insuring mega project risks and the Farmers Package Policy for the agrarian customer.

NIC was also the first Indian non-life insurer to enter into Strategic Alliances with the country's largest Automobile manufacturer M/s Maruti and Two-wheeler major M/s Hero Moto Corp and many others. These Tie ups ushered in a paradigm shift in Service Delivery method for Motor insurance. NIC also pioneered Bancassurance in India, by forging tie-ups with the country's largest banks.

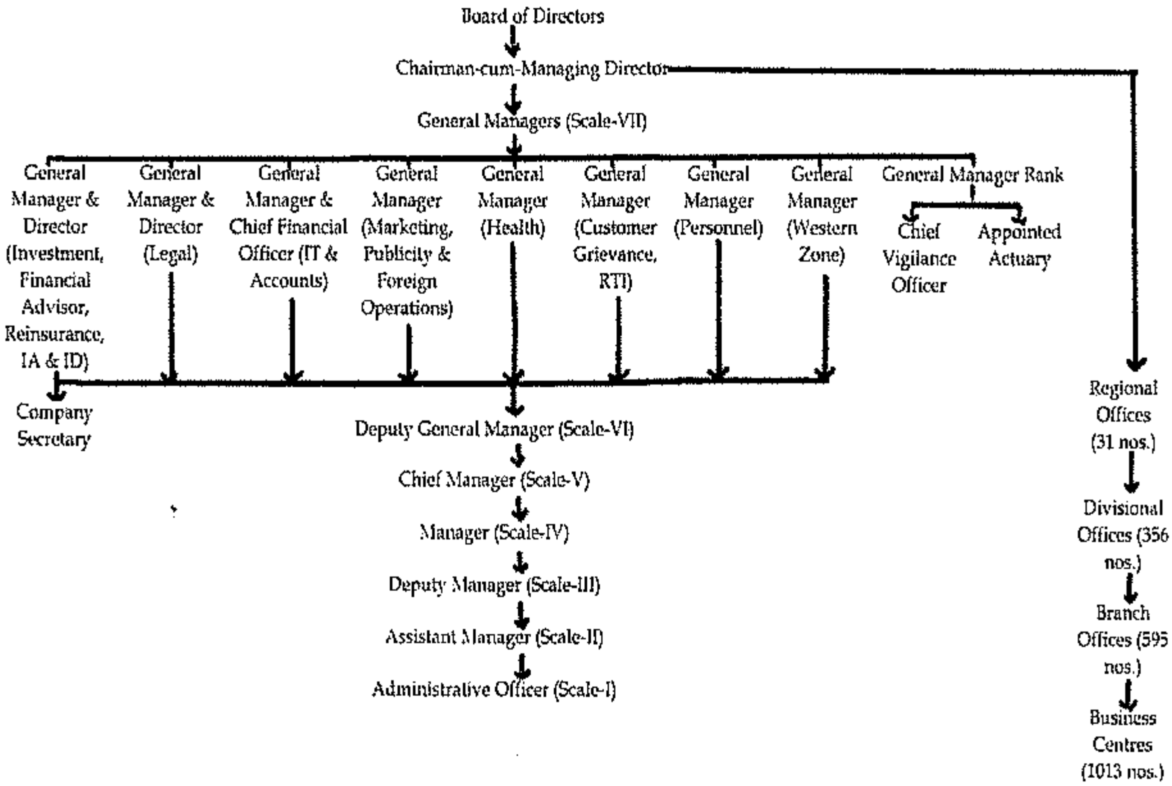
Presently, NIC has a Human Asset strength of ***15079 skilled personnel*** and ***1995 offices*** as of 31st March, 2016 all over India apart from foreign operation in Nepal, NIC stands tall today as one of India's largest non-life insurers measured by its Gross Direct Premium Income (GDPI).

Motor insurance is the market's largest segment, and NIC has consistently enjoyed commanding a major slice in the industry's Motor insurance portfolio both in terms of GDPI as well as Tie ups. Market Leader of both Northern and Eastern zone in the country, National Insurance recorded a Gross Direct Premium Income of Rs.12019 crore in the financial year 2015-16 recording Profit before Tax of Rs.151 crore. Investment Income was Rs.3764 crore during the year. NIC contributed a dividend of Rs.45.15 crore to the National Exchequer in 2015-16.

National Insurance enjoys A.M. Best financial strength rating of B++ (Good) and issuer credit rating of BBB+ which reflects stable outlook. CRISIL, a premiere rating agency in India, has reaffirmed Financial Strength rating of AAA/Negative. The ratings reflect the Company's strong risk adjusted capitalization, consistent investment performance and strong presence in India's insurance market.

NIC performance have been recognised and acknowledged by the corporate world. It has also been feted with many prestigious national and international level awards such as JD Power Asia Pacific Award, Indian Insurance Awards, CNBC Awaaz Award, Porter Prize Award, NDTV Business Leadership Award, B.M. Munjal Award 2015 for HR Excellence, SKOCH Financial Inclusion Awards 2016, "Elets 2015" Award for Financial Inclusion, "ABP News Brand Excellence" Award for Best Non-life Insurers, "ICONIC BRAND Award (Insurance Sector) 2016" in the ASSOCHAM Brand & Excellence Awards Summit 2016, "Highest growth rate in its reserves" award by eminent publication Dalal Street Journal, in their 7th DSU Award Ceremony, The India Insurance Award 2016 for Personal Lines Insurance Growth Leadership in General Insurance (Large Companies Category) and Economic Times-BEST BRANDS Award for all round Excellence in General Insurance category. Company has also been branded a *SYMBOL OF EXCELLENCE* consecutively for the second time.

(ii) CORPORATE STRUCTURE as on 31st March, 2016 :-



(iii) **KEY OPERATIONAL AND FINANCIAL PARAMETERS FOR THE LAST 3 AUDITED YEARS:**

STANDALONE BASIS:

(Rs. in crores)

Indicators	Up to 3rd Qtr 16-17 (Un-Audited)	FY 2015-16 (Audited)	FY 2014-15 (Audited)	FY 2013-14 (Audited)
Net worth	3883.14	3581.20	3790.55	3096.86
Total Term Debts	-	-	-	-
Of which- Non Current Maturities of Long Term Borrowings	-	-	-	-
Short Term Borrowings	-	-	-	-
Current Maturities of Long Term Borrowings	-	-	-	-
Net Fixed Assets	272.14	182.18	201.64	183.01
Net Current Assets	-12927.80	-13282.01	-12335.44	-11368.87
Cash & cash equivalents	1864.36	1380.57	1316.45	1489.00
Current Investments	1274.37	1665.92	984.43	736.89
Current Assets	7759.76	6392.92	5336.94	4743.97
Current Liabilities (including provisions)	20687.56	19674.93	17672.38	16112.85
Net premium	7588.35	11173.16	10386.75	9421.04
EBITDA	252.98	216.91	1266.37	1099.43
EBIT	197.37	150.50	1196.74	1007.80
Interest	-	-	-	-
PAT	187.77	149.23	970.11	822.88
Dividend amounts	NIL	45.15	193.53	164.66
Current Ratio	0.38	0.32	0.30	0.29
Interest Coverage Ratio	-	-	-	-
Debt/Equity ratio	-	-	-	-
Debt Service Coverage Ratios	-	-	-	-

Gross Debt: Equity Ratio of the Company as on 31st December, 2016:

Before the issue of debt securities	-
After the issue of debt securities	0.23

(iv) **PROJECT COST AND MEANS OF FINANCING, IN CASE OF FUNDING OF NEW PROJECTS:**

Not Applicable

(v) **SUBSIDIARIES OF THE COMPANY (if any):**

Nil

C. A BRIEF HISTORY OF THE ISSUER SINCE IT'S INCORPORATION GIVING DETAILS OF THE FOLLOWING ACTIVITIES:

(i) DETAILS OF SHARE CAPITAL AS ON LAST QUARTER ENDED 31ST DECEMBER 2016:-

Share Capital	Rs. in Crore
Authorized Share Capital	200
Issued, Subscribed and Paid-up Share Capital	100

(ii) CHANGES IN ITS CAPITAL STRUCTURE AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS:

No changes have been made in the Company's capital structure during the last five years.

Date of change (AGM/EGM)	Rs.	Particulars
NA	NA	NA

(iii) EQUITY SHARE CAPITAL HISTORY OF THE COMPANY AS ON LAST QUARTER END, FOR THE LAST FIVE YEARS:

No change in Equity share capital of the Company during the last five years.

(iv) DETAILS OF ANY ACQUISITION OR AMALGAMATION IN THE LAST 1 YEAR:

Nil

(v) DETAILS OF ANY REORGANIZATION OR RECONSTRUCTION IN THE LAST 1 YEAR:

Nil

D. DETAILS OF THE SHAREHOLDING OF THE COMPANY AS ON THE LATEST QUARTER END

(i) Shareholding pattern of the Company as on quarter end 31st December 2016:

Particulars	Total No. of Equity Shares	No. of Shares in demat form	Total Shareholding as % of total no. of equity shares
President of India	9,99,99,990	-	99.99%
Directors	3	-	00.01%
Others	7	-	
Total	**10,00,00,000**	-	**100%**

Note: - Shares pledged or encumbered by the promoters (if any) - Nil

(ii) List of top 10 holders of equity shares of the company as on the quarter end 31st December, 2016:

Name of the shareholders	Total No. of Equity Shares	No. of Shares in demat form	Total Shareholding as % of total no. of equity shares
President of India	9,99,99,990	-	99.99%
Shri K. Sanath Kumar	1	-	0.01%

Shri M. Vasantha Krishna	1	-	
Ms. Bhumika Verma	1	-	
Shri John Pulinthanam	1	-	
Smt. M. Sashikala	1	-	
Shri P.K. Mahapatra	1	-	
Shri K.B. Vijay Srinivas	1	-	
Shri N. Banchur	1	-	
Shri Amitava Das	1	-	
Smt. Kamlesh Vashist	1	-	
Total	**10,00,00,000**	-	**100%**

E. FOLLOWING DETAILS REGARDING THE DIRECTORS OF THE COMPANY:

(i) DETAILS OF THE CURRENT DIRECTORS OF THE COMPANY (as on 28th February, 2017)

SL.	Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship
1.	Shri K. Sanath Kumar, Chairman-cum-Managing Director (DIN: 03444096)	58 years	3, Middleton Street, Kolkata – 700 071	18.02.2016	(1) Health Insurance TPA of India Limited (2) GIC Housing Finance Limited (3) India International Insurance Pte. Ltd. Singapore* (4) Agriculture Insurance Company of India Limited
2.	Shri M. Vasantha Krishna, Whole-time Director (DIN: 06960731)	58 years	3, Middleton Street, Kolkata – 700 071	04.02.2015	Nil
3.	Shri Warendra Sinha, Whole-time Director (DIN: 03518403)	58 years	3, Middleton Street, Kolkata – 700 071	08.11.2016	Nil
4.	Ms. Bhumika Verma, Government Nominee Director (DIN:07597313)	33 years	Ministry of Finance, Department of Financial Services, Government of India, New Delhi 110 001	22.07.2016	Nil
5.	Shri Ravi Krishan Takkar,	58 years	UCO Bank,	03.02.2017	MD & CEO, UCO

	Independent Director (DIN: 07734571)		10, BTM Sarani, Kolkata – 700 001		Bank

*As India International Insurance Pte. Ltd. Singapore is a foreign company registered in Singapore, therefore company is not reflected on Ministry of Corporate Affairs (MCA) website in other directorship details.

(ii) DETAILS OF CHANGE IN DIRECTORS SINCE LAST THREE YEARS:-

SL.	Name, Designation and DIN	Date of appointment/ Resignation/ (From – To)	Director of the Company since (in case of resignation)	Remarks
1.	Shri Bibhuti Bhusan Mishra, Independent Director (DIN: 06770946)	26.11.2013 - 25.11.2016	-	Retirement
2.	Shri P. Venkatramaiah, Whole-time Director (DIN: 06701070)	25.04.2016 – 31.07.2016	-	Retirement
3.	Ms. Anna Roy, Government Nominee Director (DIN: 01807069)	23.12.2015 – 22.07.2016	-	Ceased to be Govt. Nominee Director
4.	Shri P. Srinivas, Independent Director (DIN: 02836590)	06.10.2015 – 30.06.2016	-	Retirement
5.	Shri Rajesh Aggarwal, IAS Government Nominee Director (DIN: 03566931)	04.02.2015 – 04.05.2016 (Shri Aggarwal was holding additional charge as an Officiating Chairman-cum-Managing Director from 27.05.2015 to 18.02.2016)	-	Nomination withdrawn by Central Govt.
6.	Shri Arun Kaul Independent Director (DIN: 00038447)	10.05.2013 – 31.08.2015	-	Ceased to be Independent Director
7.	Shri K.P. Brahma Whole-time Director (DIN: 02919395)	02.12.2013 – 31.07.2015	-	Retirement
8.	Shri P.J. Joseph Chairman-cum-Managing Director (Additional charge) (DIN: 05229601)	20.02.2015 – 19.05.2015	-	CMD of AICL who was assigned additional charge as CMD of NICL for a period of 3 months only.
9.	Shri A.V. Girija Kumar, Whole-time Director (DIN: 02921377)	10.05.2010 – 14.01.2015 (Shri Girija Kumar was holding additional charge as an Officiating Chairman-cum-Managing Director from 01.03.2014 to 31.08.2014)	-	Services transferred to United India Insurance Company Limited

10.	Shri Anurag Jain, IAS Government Nominee Director (DIN: 01779759)	30.11.2011 – 30.11.2014	-	Ceased to be a Govt. Nominee Director
11.	Shri Amitav Kothari, Independent Director (DIN: 01097705)	24.08.2011 – 24.08.2014	-	Ceased to be Independent Director
12.	Shri Moti Lal Sharma, Independent Director (DIN: 03607605)	06.07.2011- 06.07.2014	-	Ceased to be Independent Director
13.	Shri N.S.R. Chandraprasad, Chairman-cum-Managing Director (DIN: 01386757)	01.06.2009 - 28.02.2014	-	Retirement

F. FOLLOWING DETAILS REGARDING THE AUDITORS OF THE COMPANY:-

(i) DETAILS OF THE AUDITOR OF THE COMPANY:-

Name	Address	Auditors Since
M/s S. Ghose & Co. LLP, Chartered Accountants	11, Old Post Office Street, 2nd Floor, Kolkata- 700 001	01.04.2013
M/s Saha Ganguli & Associates, Chartered Accountants	"Neelamber", 28B, Shakespeare Sarani, 4th Floor, Flat 4E, Kolkata-700 017	01.04.2015

(ii) DETAILS OF CHANGE IN AUDITOR SINCE LAST THREE YEARS:-

Name	Address	Date of Appointment/ Resignation	Date of Cessation	Auditor of the Issuer since (in case of resignation)	Remarks
M/S M.C. Bhandari & Co., Chartered Accountants	4, Synagogue Street, 2nd Floor, Room No. 205, Kolkata–700 001.	01.04.2011	31.03.2015	-	-
M/S Saha Ganguli & Associates, Chartered Accountants	"Neelamber", 28B, Shakespeare Sarani, 4th Floor, Flat 4E, Kolkata-700 017	11.08.2015	-	-	-

G. DETAILS OF BORROWINGS OF THE COMPANY AS ON THE LATEST QUARTER ENDED 31ST DECEMBER, 2016:

(i) DETAILS OF LOANS OUTSTANDING AS ON 31ST DECEMBER, 2016:-

a. DETAILS OF SECURED LOAN FACILITIES

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amt Outstanding	Repayment Date/Schedule	Security
Nil	Nil	Nil	Nil	Nil	Nil

b. DETAILS OF UNSECURED LOAN FACILITIES

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt outstanding	Repayment Date Schedule
Nil	Nil	Nil	Nil	Nil

(ii) DETAILS OF NCDS:-

Debenture Series	Tenor/ period of maturity	Coupon	Amount	Date of Allotment	Redemption on Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(iii) LIST OF TOP 10 DEBENTURE HOLDERS AS ON 31ST DECEMBER, 2016 :-

Sl.	Name of Debenture Holders	Amount in Rupees
Nil	Nil	Nil

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

(iv) THE AMOUNT OF CORPORATE GUARANTEE ISSUED BY THE ISSUER ALONG WITH NAME OF THE COUNTERPARTY (LIKE NAME OF THE SUBSIDIARY, JV ENTITY, GROUP COMPANY, ETC) ON BEHALF OF WHOM IT HAS BEEN ISSUED:

Nil

(v) DETAILS OF COMMERCIAL PAPER - THE TOTAL FACE VALUE OF COMMERCIAL PAPERS OUTSTANDING AS ON THE LATEST QUARTER END TO BE PROVIDED AND ITS BREAKUP IN FOLLOWING TABLE:

Nil

(vi) DETAILS OF REST OF THE BORROWING (IF ANY INCLUDING HYBRID DEBT LIKE FCCB, OPTIONALLY CONVERTIBLE DEBENTURES/PREFERENCE SHARES) AS ON 31ST DECEMBER, 2016:

Party Name (in case of Facility)/ Instrument Name	Type of Facility/ Instrument	Amount Sanctioned/ Issued	Principal Amount outstanding	Repayment Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(vii) DETAILS OF ALL DEFAULT/S AND/OR DELAY IN PAYMENT OF INTEREST & PRINCIPAL OF ANY KIND OF TERM LOANS, DEBT SECURITIES AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY, IN THE PAST 5 YEARS:

Nil

(viii) DETAILS OF ANY OUTSTANDING BORROWINGS TAKEN/ DEBT SECURITIES ISSUED WHERE TAKEN / ISSUED (I) FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, (II) AT A PREMIUM OR DISCOUNT, OR (III) IN PURSUANCE OF AN OPTION;

Nil

H. DETAILS OF PROMOTERS OF THE COMPANY:-

DETAILS OF PROMOTER HOLDING IN THE COMPANY AS ON 31ST DECEMBER, 2016:-

Sl.	Name of the Shareholders	Total No. of Equity Shares	No. of shares in demat form	Total shareholding as % of total no. of equity shares	No. of Shares Pledged	% of Shares pledged with respect to shares owned
1.	President of India	9,99,99,990	All shares are held in physical form	99.99%	Nil	Nil

I. ABRIDGED VERSION OF AUDITED STANDALONE FINANCIAL INFORMATION (PROFIT & LOSS STATEMENT, BALANCE SHEET AND CASH FLOW STATEMENT) FOR AT LEAST LAST THREE YEARS AND AUDITOR QUALIFICATIONS, IF ANY. *

**** BALANCE SHEET FOR THE LAST THREE YEARS***

Balance Sheet

(Rs. in Lakhs)

Particulars	2015-16	2014-15	2013-14
SOURCES OF FUNDS			
Share Capital	10,000	10,000	10,000
Reserves And Surplus	3,88,670	3,79,125	3,04,842
Fair Value Change Account	5,18,250	8,73,863	7,78,893
Borrowings	-	-	-
TOTAL	**9,16,920**	**12,62,989**	**10,93,735**
APPLICATION OF FUNDS			
Investments	21,75,977	24,54,496	21,89,593
Loans	20,485	21,872	22,727
Fixed Assets	18,219	20,165	18,302
CURRENT ASSETS			
Cash and Bank Balances	1,38,057	1,31,645	1,48,900
Advances and Other Assets	5,01,235	4,02,049	3,25,497
Sub-Total (A)	**6,39,292**	**5,33,694**	**4,74,397**
Current Liabilities	13,84,606	12,04,950	11,00,127
Provisions	5,82,887	5,62,288	5,11,157
Sub-Total (B)	**19,67,493**	**17,67,238**	**16,11,284**
NET CURRENT ASSETS (C) = (A-B)	**-13,28,201**	**-12,33,544**	**-11,36,887**
Miscellaneous Expenditure (To the extent not written off or adjusted)	30,441	-	-

Debit Balance in Profit And Loss Account	-	-	-
TOTAL	**9,16,920**	**12,62,989**	**10,93,735**

***PROFIT AND LOSS ACCOUNT FOR THE LAST 3 YEARS**

Statement of Profit & Loss

(Rs. in Lakhs)

Particulars	2015-16	2014-15	2013-14
Gross direct premium	12,01,898	11,28,263	10,26,098
Net Written Premium (Net of Reinsurance)	11,17,315	10,38,675	9,42,104
Change in Unexpired Risk Reserve	38,177	48,859	73,837
Net earned premium	10,79,138	9,89,816	8,68,267
Commission on reinsurance ceded	11,110	14,946	13,059
Total Income	**10,90,248**	**10,04,762**	**8,81,326**
Net Incurred Claims	10,28,240	7,67,518	7,04,861
Commission expenses	73,096	71,405	71,370
Operating Expenses	3,51,319	3,12,239	2,27,412
Total Expenses	**14,52,655**	**11,51,162**	**10,03,643**
Underwriting Result	**-3,62,407**	**-1,46,400**	**-1,22,317**
Investment Income	3,76,396	2,65,398	2,26,278
Other Income	2,487	689	1,099
Other expenses	1,426	13	4,281
Profit before tax	**15,050**	**1,19,674**	**1,00,779**
Provision for tax (including adjustments)	127	22,663	18,490
Profit after tax	**14,923**	**97,011**	**82,289**
Earnings per share (Rs.)			
Basic	14.92	97.01	82.29
Diluted	14.92	97.01	82.29
Solvency Ratio	**1.26**	**1.52**	**1.55**

***STATEMENT OF CASH FLOW FOR THE LAST 3 YEARS**

Cash Flow Statement

(Rs. in Lakhs)

Particulars	2015-16	2014-15	2013-14
Cash flows from Operating Activities:			
Premium received from policyholders, (including advance receipts)	11,57,126	8,05,437	5,30,532
Other receipts	13,60,509	11,62,662	17,18,337
Payments to the re-insurers, net of commissions and claims	-44,063	-52,219	-53,036

Payments to co-insurers, net of claims recovery	-27,167	-30,223	-11,954
Payments of claims	-3,34,363	-2,76,289	-2,06,897
Payments of commission and brokerage	-49,539	-48,208	-45,065
Payments of other operating expenses	-1,58,862	-1,37,043	-1,11,529
Preliminary and pre-operative expenses	-	-	-
Deposits, advances and staff loans (including House building Loan)	-6,185	-7,000	-5,340
Income taxes paid (Net) (Including Wealth Tax)	-29,806	-32,397	-256
Service tax paid	-1,44,352	-1,13,305	-1,08,682
Other payments	-19,76,502	-13,61,279	-17,03,219
Cash flows before extraordinary items	**-2,53,204**	**-89,863**	**2,891**
Cash flow from extraordinary operations	-	-	1,601
Net cash flow from operating activities (A)	**-2,53,204**	**-89,863**	**4,492**
Cash flows from Investing Activities:			
Purchase of fixed assets	-2,608	-2,344	-23,818
Proceeds from sale of fixed assets	355	21	157
Purchases of investments (Other than money market instruments & liquid mutual funds)	-3,19,946	-4,83,464	-10,19,419
Loans disbursed	-	-	-1,603
Sales of investments	5,11,971	4,68,984	28,59,707
Repayments received	576	468	33
Rents/Interests/Dividends received	1,38,582	1,30,989	1,13,844
Investments in money market instruments and in liquid mutual funds	-47,014	-22,419	-19,08,392
Expenses related to investments	-1	-377	-358
Net cash flow from investing activities (B)	**2,81,915**	**91,858**	**20,151**
Cash flows from Financing Activities:			
Proceeds from issuance of share capital	-	-	-
Proceeds from borrowing	-	-	-
Repayments of borrowing	-	-	-
Interest / dividends (including dividend distribution tax) paid	-22,642	-19,264	-16,279
Net cash flow from financing activities (C)	**-22,642**	**-19,264**	**-16,279**
Effect of Foreign Exchange rates on Cash & Cash Equivalents, net (due to translation of assets and liabilities)	**343**	**15**	-
Net increase in Cash & Cash Equivalents: (A+B+C+D)	**6,411**	**-17,255**	**8,364**

Cash and cash equivalents at the beginning of the year	1,31,645	1,48,900	1,40,536
Cash and cash equivalents at the end of the year	**1,38,057**	**1,31,645**	**1,48,900**

*** AUDITOR QUALIFICATIONS**

Financial Year	Auditors' Qualifications
2015-16	Nil
2014-15	Nil
2013-14	Nil

J. ABRIDGED VERSION OF THIRD QUARTER LIMITED REVIEW STANDALONE FINANCIAL INFORMATION (LIKE PROFIT & LOSS STATEMENT, AND BALANCE SHEET) AND AUDITORS QUALIFICATIONS, IF ANY.

Statement of Profit & Loss

(Rs. in Lakhs)

Particulars	2016-17 3rd QTR
Gross direct premiums	10,16,297
Net Written Premium (Net of Reinsurance)	7,58,836
Change in Unexpired Risk Reserve	-29,081
Net earned premium	7,87,917
Commission on reinsurance ceded	30,705
Total Income	**8,18,622**
Net Incurred Claims	6,74,443
Commission expenses	54,928
Operating Expenses	2,47,490
Total Expenses	**9,76,861**
Underwriting Result	**-1,58,239**
Investment Income	1,79,008
Other Income	750
Other expenses	1,782
Profit before tax	**19,737**
Provision for tax (including adjustments)	960
Profit after tax	**18,777**
Earnings per share (Rs.)	
Basic	18.78
Diluted	18.78
Solvency Ratio	**1.31**

Balance Sheet

Particulars	2016-17 3rd QTR
SOURCES OF FUNDS	

Share Capital	10,000
Reserves And Surplus	4,07,415
Fair Value Change Account	5,85,998
Borrowings	-
TOTAL	**10,03,413**
APPLICATION OF FUNDS	
Investments	22,30,291
Loans	19,665
Fixed Assets	27,214
CURRENT ASSETS	
Cash and Bank Balances	1,86,436
Advances and Other Assets	5,89,540
Sub-Total (A)	**7,75,976**
Current Liabilities	15,19,842
Provisions	5,48,914
Sub-Total (B)	**20,68,756**
NET CURRENT ASSETS (C) = (A-B)	**-12,92,780**
Miscellaneous Expenditure (To The Extent Not Written Off Or Adjusted)	19,023
Debit Balance In Profit And Loss Account	-
TOTAL	**10,03,413**

***No qualifications by the Auditors**

K. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE HAVING IMPLICATIONS ON THE FINANCIALS/CREDIT QUALITY (E.G. ANY MATERIAL REGULATORY PROCEEDINGS AGAINST THE ISSUER/PROMOTERS, TAX LITIGATIONS RESULTING IN MATERIAL LIABILITIES, CORPORATE RESTRUCTURING EVENT ETC) AT THE TIME OF ISSUE WHICH MAY AFFECT THE ISSUE OR THE INVESTOR'S DECISION TO INVEST/CONTINUE TO INVEST IN THE DEBT SECURITIES:

- The company's book is made up of substantial long tailed Motor Third Party liability business which by virtue of its nature takes substantial time to pay off the related claims. By carefully examining this aspect, IRDA has allowed the Company to fully provide for these long tailed liabilities in terms of Incurred but not reported/Incurred but not enough reported (IBNR/IBNER) claims, arising out of Motor Third Party business earned till 31st March, 2016, over a period of three years i.e. by the end of 31st March, 2019. This ensures full protection of policyholder's interests along with the expectation of convergence of actuarial estimate and the management estimate of the IBNR/IBNER liabilities by the end of 31st March, 2019.

- The IBNR/IBNER liabilities arising from all lines of business earned after 1st April, 2016, have been fully provided for as per the IRDA direction as at 31.12.2016, but there is a shortfall of around Rs. 1206 Crores in terms of IBNR/IBNER liabilities arising out of business earned till 31st March, 2016 which have to be provided for as at 31.12.2016 as per the IRDA direction. A suitable accounting note has been incorporated in this regard for the accounts as at 31.12.2016. Necessary Actuarial valuations of IBNR for the business earned till 31.03.2016 shall be again carried out as on 31.03.2017 and the shortfall in provisions, if any, will be provided for accordingly, in compliance with the IRDAI directions.

- The Issuer monitors all the significant factors impacting solvency. The Solvency Margin of the Company has fallen below the Regulatory level as on 31.03.2016 due to higher IBNR/IBNER provisions absorption, increase in underwriting losses and substantial increase in business without adequate capital infusion. The solvency ratio would be lower if all the liabilities arising out of all lines of business earned till 31st March, 2016 are taken into consideration instead of taking over a period of three years as given in the IRDA direction. The solvency ratio is calculated on a book value basis and thus does not give any due credit to the substantial market value of investment and real estate assets of the organisation. With due consideration to this substantial fair value of these assets, the solvency ratio would be much higher and there is no threat to the actual solvency position of the company. The management has taken certain initiatives like pricing correction of loss making segments, better claims management, raising of Subordinated debt, change in business portfolio mix, capital management, etc. to strengthen the Solvency Margin and is of the view that the Company's Solvency Margin will soon reach the Regulatory requirement.

- The Company is involved in litigations with the Income tax and Service tax authorities and the amount involved is shown as Contingent Liability in the books. The table below shows the contingent liabilities of the Company as on 31st December, 2016:-

Particulars	**Amount (in Rs. '000)**
Uncalled amount on partly paid shares	**4,181**
Claims (other than claims under the policies) against the company not acknowledged as debts	**7,87,519**
Disputed Income Tax	**62,53,962**
Disputed Service Tax	**43,09,660**

L. THE NAMES OF THE DEBENTURE TRUSTEE(S) SHALL BE MENTIONED WITH STATEMENT TO THE EFFECT THAT DEBENTURE TRUSTEE(S) HAS GIVEN HIS CONSENT TO THE ISSUER FOR HIS APPOINTMENT UNDER REGULATION 4(4) AND IN ALL THE SUBSEQUENT PERIODICAL COMMUNICATIONS SENT TO THE HOLDERS OF DEBT SECURITIES:

In accordance with the provisions of (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time (ii) Section 71 of the Companies Act, 2013, (iii) the Companies (Share Capital and Debentures) Rules, 2014 and (iv) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Issuer has appointed SBICAP Trustee Company Limited to act as Trustees ("Trustees") for and on behalf of the holder(s) of the Debentures. The Trustee has given its consent vide its consent letter no. 0258/2016-2017/CL-1804 dated 16th March, 2017 to act as the trustee to the issue under Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time. The address and contact details of the Trustees are as under:

DEBENTURE TRUSTEE:

Name	:	SBICAP TRUSTEE COMPANY LIMITED
Address	:	Apeejay House, 6th Floor, 3, Dinshaw Waccha Road, Churchgate, Mumbai - 400020
Tele No	:	022-4302 5502
Fax No	:	022- 2204 0465
Email	:	helpdesk@sbicaptrustee.com
Website	:	www.sbicaptrustee.com

The Company hereby undertakes that a Trust Deed shall be executed by it in favour of the Trustees within 60 days from the closure of the Issue. The Trust Deed shall contain such clauses as may be prescribed under Companies Act, 2013, Companies (Share Capital and Debenture) Rules, 2014 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further the Trust Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Company in relation to any rights or interests of the holder(s) of the Debentures, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and circulars or guidelines issued by SEBI, (iii) indemnifying the Trustees or the Company for loss or damage caused by their act of negligence or commission or omission.

The Debenture holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Debentures. Any payment made by the Company to the Trustees on behalf of the Debenture holder(s) shall discharge the Company pro-tanto the Debenture holder(s). The Trustees shall protect the interest of the Debenture holders in the event of default by the Company in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Company. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so. In the event of Company defaulting in payment of interest on Debentures or redemption thereof, any distribution of dividend by the Company shall require approval of the Trustees.

The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, the Deed of Hypothecation, Disclosure document and all other related transaction documents, with due care, diligence and loyalty.

The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Debentures including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Debentures. The Trustees shall ensure disclosure of all material events on an ongoing basis and shall supervise the implementation of the conditions regarding creation of security for the Debentures.

The consent letter by the Debenture Trustee is given in Annexure – 3

M. THE DETAILED RATING RATIONALE (S) ADOPTED (NOT OLDER THAN ONE YEAR ON THE DATE OF OPENING OF THE ISSUE)/ CREDIT RATING LETTER ISSUED (NOT OLDER THAN ONE MONTH ON THE DATE OF OPENING OF THE ISSUE) BY THE RATING AGENCIES SHALL BE DISCLOSED:

CRISIL: AAA/Negative
ICRA: AA+ with Stable outlook

Other than the credit ratings mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency (ies) for the Debentures offered for subscription under the terms of this Disclosure Document

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

Copies of Rating Letter(s) and Rating rationale(s) are enclosed in Annexure- 1 & 2 respectively

N. IF THE SECURITY IS BACKED BY A GUARANTEE OR LETTER OF COMFORT OR ANY OTHER DOCUMENT/LETTER WITH SIMILAR INTENT, A COPY OF THE SAME SHALL BE DISCLOSED. IN CASE SUCH DOCUMENT DOES NOT CONTAIN DETAILED PAYMENT STRUCTURE (PROCEDURE OF INVOCATION OF GUARANTEE AND RECEIPT OF PAYMENT BY THE INVESTOR ALONG WITH TIMELINES):

Nil

O. COPY OF CONSENT LETTER FROM THE DEBENTURE TRUSTEE SHALL BE DISCLOSED.

Copy of letter dated 16.03.2017 conveying their consent to act as Debenture Trustee for the proposed issue of subordinated debt is enclosed in Annexure- 3

P. NAMES OF ALL THE RECOGNISED STOCK EXCHANGES WHERE THE DEBT SECURITIES ARE PROPOSED TO BE LISTED CLEARLY INDICATING THE DESIGNATED STOCK EXCHANGE.

The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange (NSE)/Bombay Stock Exchange Limited (BSE). The Company shall obtain an in-principle approval from the NSE and BSE for listing of said Debentures on its Wholesale Debt Market (WDM) Segment.

Q. OTHER DETAILS:

(i) DRR CREATION

The Issuer shall maintain the debenture redemption reserve as per section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, and circulars issued by Government of India in this regard.

(ii) ISSUE/INSTRUMENT SPECIFIC REGULATIONS - RELEVANT DETAILS (COMPANIES ACT, IRDAI GUIDELINES, ETC).

The Company has obtained the approval of IRDAI for the Issue under Regulation 6 of the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015. The approval letter dated 22nd February, 2017 from IRDAI is enclosed as Annexure- 5 to this Information Memorandum. However, specific attention of investors is invited to the statement of Risk Factors mentioned in this Information Memorandum. The issue has not been recommended by IRDAI nor does IRDAI guarantee the accuracy or adequacy of this Information Memorandum.

Note: This Information Memorandum prepared under the Companies Act, 2013 and the rules made thereunder (including the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended from time to time ("PAS Rules") and the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time ("Share Capital and Debenture Rules"), the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time ("ILDS Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("LODR Regulations") (hereinafter the ILDS Regulations and LODR Regulations shall be collectively referred to as "SEBI Regulations"), and the Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015, as amended from time to time ("IRDAI Regulations"), for private placement of the Debentures is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by the Issuer.

This is only an information brochure intended for private use.

(iii) APPLICATION PROCESS

WHO CAN APPLY

As per Insurance Regulatory and Development Authority of India (Other forms of Capital) Regulations, 2015 and as mentioned in the Term Sheet.

The following categories are eligible to apply for this private placement of debentures:

Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means:

- Company formed under the Companies Act, 2013 which is not a subsidiary as defined under the Act;
- Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011);
- Banking company (Banking Regulation Act, 1949), but does not include a foreign bank or branch thereof functioning in India;
- Provident funds/ Superannuation funds or gratuity funds, private trusts, as may be permitted by respective rules and guidelines of such funds/ trusts.
- Mutual Funds
- Portfolio Manager registered with SEBI
- Application under Power of Attorney
- Public financial institution (as per Companies Act);
- Co-operative society registered under any relevant law for the time being in force;
- a person, who is an Indian citizen or a combination of persons who are Indian citizens;
- a limited liability partnership formed under the Limited Liability Partnership Act, 2008 with no partner being a non-resident entity/person resident outside India as defined under the Foreign Exchange Management Act, 1999 and not being a foreign limited liability partnership registered there under;
- Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time.
- Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015 means i.e. all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through

foreign direct investment and foreign portfolio investment windows under FEMA Regulations.

- Provident funds/ Superannuation funds or gratuity funds, private trusts, as may be permitted by respective rules and guidelines of such funds/ trusts.
- Other persons as may be approved by IRDAI.

All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of debentures.

SUBMISSION OF DOCUMENTS

Investors need to submit the certified true copies of the following documents, along-with the Application Form, as applicable:

- Copy of Permanent Account Number Card ("PAN Card") issued by the Income Tax Department;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority.
- Acceptance from Investor for Investment.

WHO CAN NOT APPLY

As per Insurance Regulatory and Development Authority of India (Other forms of Capital) Regulations, 2015 and as mentioned in the Term Sheet

R. PROCEDURE FOR APPLYING FOR DEMAT FACILITY:

1. The applicant must have a beneficiary account with NSDL / CDSL prior to making the application.
2. The applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's ID appearing in the Application Form under the heading 'Details for Issue of Debentures in Electronic/ Dematerialized Form'.)
3. Debentures allotted to an applicant will be credited directly to the applicant's respective Beneficiary Account(s) with the DP.
4. For subscribing the Debentures names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders the names should necessarily be in the same sequence as they appear in the account details in the depository.
5. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrars to the Issue.
6. If incomplete/incorrect details are given under the heading 'Details for Issue of Debentures in Electronic/ Dematerialized Form' in the application form it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
7. For allotment of Debentures the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the application form vis-à-vis those with his/her DP. In case the information is incorrect or insufficient the Issuer would not be liable for losses, if any.
8. It may be noted that Debentures will be issued in electronic form. The same can be traded only having electronic connectivity with NSDL / CDSL Payment of interest or repayment of principal would be made to those Debenture holders whose names appear on the list of beneficial owners given by the

Depositories to the Issuer as on Record Date/ Book Closure Date. In case of those Debenture for which the beneficial owner is not identified by the Depository as on the Record Date/ Book Closure Date, the issuer would keep in abeyance the payment of interest or repayment of principal, till such time that the beneficial owner is identified by the Depository and conveyed to the Issuer, whereupon the interest or principal would be paid to the beneficiaries, as identified, within a period of 30 (thirty) days.

9. The Debentures shall be directly credited to the Beneficiary Account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Debentures to the applicants Depository Account will be provided to the applicant by the Depository Participant of the applicant.

S. HOW TO APPLY:

This being a private placement offer, investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

1. The remittance of application money is to be made through Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder:

Name of the Bank	**HDFC Bank Limited**
Branch	**Stephen House, Kolkata**
IFSC Code	HDFC0000008
MICR Code	700240002
Name of the Beneficiary	**National Insurance Company Limited**
Account Number	00080350004034
Narration	**Current Account**

2. Cash, Money Orders, Postal Orders shall not be accepted. The Issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs. 10 lakhs (Rupees Ten lakh) per Debenture is payable on application.

3. All Application Forms duly completed (along with all necessary documents as detailed in this Disclosure document) must be delivered before the closing of the issue to the Arranger(s) to the Issue. While forwarding the application form, applicants must ensure that the relevant UTR number/ or any other evidence of having remitted the application money is obtained. Detailed instructions for filling up the application form are provided elsewhere in this Disclosure document.

4. Applications for the Debentures must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications should be for the number of Debentures applied by the Applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

5. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. if the investor does not submit Form 15G/15AA/other evidence, as the case may be for non-deduction of tax at source. In case neither the PAN nor the GIR Number has been allotted, the applicant shall mention "Applied for" and in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons

for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

6. All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/Private/Religious/Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments. No separate receipts shall be issued for the application money. However, Arranger(s) to the Issue at their Designated Branch(es) receiving the duly completed Application Form(s) will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant. Applications shall be deemed to have been received by the Issuer only when submitted to Arranger(s) to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

7. For further instructions about how to make an application for applying for the Debentures and procedure for remittance of application money, please refer to the Summary Term Sheet and the Application form carefully.

***INVESTOR GRIEVANCE AND REDRESSAL SYSTEMS**

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Issuer endeavors to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Debentures applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the Issuer. All investors are hereby informed that the Issuer has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ Debenture certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

Investor Relations Officer	Smt. Rina Madia
Designation/ Department	Company Secretary
Address	3, Middleton Street, Kolkata – 700 071
Ph. No.	(033) 2283-1705, (033) 2283-1752
Fax	(033) 2283-1717
Email	rina.madia@nic.co.in
Website	www.nationalinsuranceindia.com

TERM SHEET: ISSUE DETAILS

Security Name	8.35% National Insurance Company Limited 2027
Issuer	National Insurance Company Limited
Type, Nature and Seniority of Instrument	Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures (NCD)
Mode of Issue	Private Placement
Issue Series	I/NIC/NCD/2016-17
Issue Size	Upto Rs. 895 crore
Option to Retain Oversubscription	None
Face Value	Rs.10,00,000 per debenture
Issue Price	At par
Minimum Application	10 Debentures and in multiple of 1 Debenture thereafter
Tenor	10 years
Redemption Date	10 years from the Deemed Date of Allotment
Redemption Premium / Discount	Nil (Redeemed at par i.e. Rs.10,00,000)
Redemption Amount	Rs.10,00,000 per debenture
Coupon Rate	8.35% per annum
Step Up / Step Down Coupon Rate	Not applicable
Put/Call Option	Call Option: At the end of five years from the deemed date of allotment. Such call option may be exercised by the Issuer with the prior approval of IRDAI and in accordance with the IRDAI Regulations. Put Option: None
Call Option Date	Five years from the Deemed Date of Allotment
Call Option Price	Rs.10,00,000 per Debenture
Put Option Date	Not applicable
Put Option Price	Not applicable
Put Notification Time	Not applicable
Call Notification Time	In the event that the Issuer is desirous of exercising the Call Option, the Issuer shall provide notice to the Debenture Holders (with a copy marked to the Debenture Trustee) in relation to exercise of the Call Option at least 15 (Fifteen) calendar days prior to the relevant Call Option Date. Upon issuance of the notice, the Issuer shall compulsorily redeem the Debentures identified in

P. Vijaya Kumar
पी. विजय कुमार / P. Vijaya Kumar
उप महाप्रबंधक / Dy. General Manager
नेशनल इन्श्योरेन्स कम्पनी लिमिटेड
NATIONAL INSURANCE CO. LTD.
प्रधान कार्यालय / Head Office

	the notice on the relevant Call Option Date along with accrued interest, if any.
Coupon Payment Frequency	Annual and on maturity
Coupon Payment Dates	Refer "Indicative Cash flow Schedule "
Coupon Type	Fixed
Coupon Reset Process	None
Day Count Basis	Actual/Actual
Interest Payment Clause	As per IRDAI Regulations, payment of interest on the coupon payment dates shall be governed by the following conditions: • Where the impact of payment of interest may result in net loss or increase the net loss of the Issuer, prior approval of IRDAI shall be required for payment of interest. • In case the solvency of the Issuer has fallen below the minimum regulatory requirements prescribed by IRDAI or any interest payment would result in its solvency falling below or remaining below the minimum regulatory requirement specified by IRDAI, the issuer shall not be liable to pay interest for that financial year. • The interest due for a particular year shall not be cumulative i.e. interest missed in a year will not be paid in future years. However, any interest due and remaining unpaid may be paid in the subsequent financial years subject to the Issuer being in compliance with Regulation 3(vii) of the IRDAI Regulations. • Any unpaid interest being paid on a future date shall be compounded at the coupon rate. **Note**: IRDAI has given relaxation to National Insurance Company Limited for Regulation 3(vii) & 5(vii) of the IRDAI (Other Forms of Capital) Regulations 2015 dated 22nd February, 2017 and the relaxation is applicable throughout the tenor of the debt instrument.

Seniority of Claims	The claims of the holders of the subordinated debt shall be superior to the claims of the investors in preference shares and equity shares in that order but shall be subordinated to the claims of the policyholders and all other creditors. The instruments issued under these Regulations shall neither be secured nor covered by a guarantee of the Insurer or other arrangements that legally enhance the seniority of the claims as against the claims of the insurer's policyholders and creditors.
Interest on Application Money	Interest on application money is payable at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any statutory modification or re-enactment thereof), will be paid on the entire application money on all valid applications. The same will be released within 30 days from the date of allotment. Such interest shall be paid for the period commencing from the date of receipt of funds up to one day prior to the date of allotment. No interest on application money would be payable in cases of invalid applications.
Eligible Investors	These categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures. Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means: o Company formed under the Companies Act, 2013 which is not a subsidiary as defined under the Act; o Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011); o Banking company (Banking Regulation Act, 1949), but does not include a foreign bank or branch thereof functioning in India; o Public financial institution (as per Companies Act); o Provident funds/ Superannuation funds or gratuity funds, private trusts, as may be

	permitted by respective rules and guidelines of such funds/ trusts. o Mutual Funds o Portfolio Manager registered with SEBI o Co-operative society registered under any relevant law for the time being in force; o a person, who is an Indian citizen or a combination of persons who are Indian citizens; o a limited liability partnership formed under the Limited Liability Partnership Act, 2008 with no partner being a non-resident entity/person resident outside India as defined under the Foreign Exchange Management Act, 1999 and not being a foreign limited liability partnership registered there under; o Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time. o Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015 means i.e. all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through foreign direct investment and foreign portfolio investment windows under FEMA Regulations. o Other persons as may be approved by IRDAI. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of debentures.
Objects of the Issue	Further strengthening the Issuer's solvency by way of augmenting its capital under 'Other Forms of Capital' to facilitate growth of the Issuer.
Details of Utilization of the Proceeds	The issue is being made pursuant to applicable regulations and would help the Issuer in meeting its long-term growth plan objectives.
Issuance Mode	In demat mode only
Trading Mode	In demat mode only
Credit Rating	CRISIL: AAA/Negative

	ICRA: AA+ Stable outlook
Listing	The Debentures are proposed to be listed on the WDM segment of BSE & NSE in accordance with the terms of the applicable laws. Further, in the case of investment by FIIs investors, it shall be ensured by the company that the Debentures are Listed within 15 days of allotment. In case, debentures are not listed within 15 days, company shall refund the allotment money to investor.
Trustees	SBICAP Trustee Company Limited
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to be appointed.
Registrars	RCMC Share Registry Private Limited
Settlement Mode	All cheques/drafts must be made payable to "**National Insurance Company Limited**" and crossed "A/c Payee Only". Alternatively, payment can be made through RTGS transfer as per the banking details given in the term sheet. Eligible Investors to note that no payment shall be accepted in cash.
Business Day Convention	Business Day/Working Day means a day (other than a Sunday and Saturday or a Bank holiday on which banks are open for general business in Mumbai*. 1. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. 2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures until but

	excluding the date of such payment. *In terms of the SEBI Circular No. CIR/MD/DF-1/122/2016 dated 11th November, 2016, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.
Record Date	15 calendar days before the Coupon Payment Date/Redemption Date.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following in connection with the issue: • This Information Memorandum issued in accordance with the SEBI Regulations, Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and IRDAI Regulations; • Debenture Trusteeship Appointment Agreement • Debenture Trust Deed • Listing Agreement with BSE & NSE
Conditions Precedent to Subscription of Debenture	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: • IRDAI approval dated 22nd February, 2017 for raising subordinated debt under 'Other forms of Capital'; • Rating letter(s) from credit rating agencies; • Letter from the Trustee conveying their consent to act as Debenture Trustees for the Debenture Holder(s); and • Letter from BSE/NSE conveying its in-principle approval for listing of Debentures.
Conditions Subsequent to Subscription of Debenture	The Issuer shall ensure that the following documents are executed/activities are completed as per time frame mentioned elsewhere in this Information Memorandum: • Credit of demat account(s) of the allottee(s) by number of debentures allotted within two Business Days from the deemed date of allotment and • Listing the debentures within 15 days from the deemed date of allotment. Besides, the issuer shall perform all activities,

	whether mandatory or otherwise, as mentioned elsewhere in this Information Memorandum.
Events of Default	If the issuer commits a default in making payment of any instalment of interest or repayment of principal amount of the debentures on the respective due date(s), the same shall constitute an "Event of Default" by the issuer.
Cross Default	Not applicable
Role and Responsibilities of Trustees	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Companies Act 2013, the Debenture Trusteeship Agreement, this Information Memorandum and all other related transaction documents and applicable laws with due care, diligence and loyalty.
Governing Law and Jurisdiction	The debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Kolkata.
Additional Covenants	**Security creation**: Not applicable **Default in payment**: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% per annum over the coupon rate will be payable by the Company for the defaulting period. **Delay in listing**: In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of at least 1% per annum over the coupon rate from the expiry of 30 days from the deemed

	date of allotment till the listing of such debt securities to the investor. The Company will make available adequate funds for this purpose.
Default Coupon Rate	Same as Coupon Rate.
Issue Opening Date	24th March, 2017
Issue Closing Date	24th March, 2017
Pay-in Date(s)	27th March, 2017
Deemed Date of Allotment	27th March, 2017
Relevant Guidelines	In addition to the IRDAI Regulations, this issuance would adhere to the following guidelines/ regulations: • The Companies Act, 2013 • SEBI (LODR) Regulations, 2015 • Foreign Exchange Management Act, 1999 read with rules and regulations made there under; and • Any other guidelines/regulations applicable for private placement of listed debt securities

** Subject to deduction of Tax at source as applicable*

** * The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. Incase if the Issue Closing Date/ Pay in Date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Put/ Call Option due Date and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.*

U. **DISCLOSURE OF CASH FLOWS:** In pursuance of SEBI circular no. CIR/IMD/DF/18/2013 dated October 29 2013 read with SEBI Circular no. CIR/IMD/DF-1/122/2016 November 11, 2016, set forth below is an illustration for guidance in respect of the day count convention and effect of holidays on payments.

Cash Flows	Interest Payment Date	Actual Date of Payment	No. of days in Coupon Period	Amount (in Rupees)
1st Coupon	Tuesday, 27 March, 2018	Tuesday, 27 March, 2018	365	83,500
2nd Coupon	Wednesday, 27 March, 2019	Wednesday, 27 March, 2019	365	83,500
3rd Coupon	Friday, 27 March, 2020	Friday, 27 March, 2020	366	83,500
4th Coupon	Saturday, 27 March, 2021	Monday, 29 March, 2021	365	83,500
5th Coupon	Sunday, 27 March, 2022	Monday, 28 March, 2022	365	83,500
6th Coupon	Monday, 27 March, 2023	Monday, 27 March, 2023	365	83,500
7th Coupon	Wednesday, 27 March, 2024	Wednesday, 27 March, 2024	366	83,500
8th Coupon	Thursday, 27 March, 2025	Thursday, 27 March, 2025	365	83,500

P. Vijaya Kumar

पी. विजय कुमार/P. Vijaya Kumar
उप महाप्रबंधक / Dy. General Manager
नेशनल इन्श्योरेन्स कम्पनी लिमिटेड
NATIONAL INSURANCE CO. LTD.
प्रधान कार्यालय / Head Office

9th Coupon	Friday, 27 March, 2026	Friday, 27 March, 2026	365	83,500
10th Coupon	Friday, 26 March, 2027	Friday, 26 March, 2027	364	83,271
Principal	Friday, 26 March, 2027	Friday, 26 March, 2027		10,00,000
TOTAL				18,34,771

Notes:

- *The Cash Flow displayed above is calculated per Debenture (face value of Rs. 10, 00,000).*
- *The Cash Flow assumes that the call option(s) available on this debenture (if applicable) have not been exercised by the Issuer.*
- *The Cash Flow is calculated considering year 2016, 2020 as Leap year. Hence number of days taken as 366 days for interest calculations. (Actual/ Actual - as per SEBI Circular no: CIR/IMD/DF/18/2013 dated 29th Oct 2013 and SEBI Circular no CIR/IMD/DF-1/122/2016 dated 11th November 2016).*
- *In case of Interest Payment of debenture if the date happens to be holiday, the payment will be made on the next working day.*
- *In case of Redemption of debenture if the date happens to be holiday, the payment will be made on the previous working day.*
- *The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.*
- *For the purpose of the above table, the Date of Allotment is considered as 27.03.2017*
- *Redemption payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.*

V. TERMS OF OFFER (DETAILS OF DEBT SECURITIES PROPOSED TO BE ISSUED, MODE OF ISSUANCE, ISSUE SIZE, UTILIZATION OF ISSUE PROCEEDS, , REDEMPTION AMOUNT, PERIOD OF MATURITY, YIELD ON REDEMPTION, DISCOUNT AT WHICH OFFER IS MADE AND EFFECTIVE YIELD FOR INVESTOR)

ISSUE SIZE

The Issuer proposes to raise an amount aggregating to Rs. 895 Crores.

PRESENT ISSUE

National Insurance Company Limited (NIC) (hereinafter referred to as the 'Company'/'Issuer') proposes to raise Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable and Non-Convertible Debentures (NCD) of Rs.10.00 Lacs each for cash at par Rs. 895 Crore.

NATURE OF THE INSTRUMENT

Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable and Non-Convertible Debentures (NCDs)

FACE VALUE, ISSUE PRICE, EFFECTIVE YIELD FOR INVESTOR

Each Debenture has a face value of Rs.10,00,000/- (Rupees Ten Lakhs only) per Debenture and is issued at par i.e. for Rs.10,00,000/- (Rupees Ten Lakhs only) per Debenture.

LISTING

Proposed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited & BSE Ltd.

ELIGIBILITY TO COME OUT WITH THE ISSUE

The Issuer or the person in control of the Issuer, or its promoter, has not been restrained or prohibited or debarred by SEBI/ any other Government authority from accessing the securities market or dealing in securities and such direction or order is in force.

AUTHORITY FOR THE ISSUE

The present placement of Debentures is being made pursuant to the following:

- Resolution passed by the Board of Directors of the company at its meeting held on 13th February, 2017
- Resolution passed by the Shareholders of the Company at its meeting held on 3rd March, 2017

UNDERWRITING

The present Issue of Debentures on private placement basis has not been underwritten.

AN UNDERTAKING THAT THE ISSUER SHALL USE A COMMON FORM OF TRANSFER

The Debentures shall be transferred subject to and in accordance with the rules/procedures as prescribed by the NSDL/CDSL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

The Company undertakes that it shall use a common form/procedure for transfer of Debentures issued under terms of this Disclosure Document.

TERMS AND CONDITIONS OF THE ISSUE

This is a confidential Disclosure Document setting out the terms and conditions pertaining to issue of Unsecured, Subordinated, Fully Paid-Up, Listed, Redeemable And Non-Convertible Debentures (NCD) of Rs.10.00 Lacs each for cash at par aggregating to Rs.895 Crore denominated as **SERIES I/NIC/NCD/2016-17**, with tenure of 10 years on Private Placement basis to be issued by NIC (hereinafter referred to as the 'Company'/'Issuer'). Your participation is subject to the completion and submission of Application Form along with application money and acceptance of the offer by the Company.

TERMS OF PAYMENT

The full face value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the NEFT/RTGS for the full face value of the Debentures applied for.

Face Value Per Debenture	Amount Payable on Application per Debenture
Rs.10,00,000/- (Rupees Ten Lakhs only)	Rs.10,00,000/- (Rupees Ten Lakhs only)

DEEMED DATE OF ALLOTMENT

Interest on Debentures shall accrue to the Debenture holder(s) from the Deemed Date of Allotment. All benefits relating to the Debentures will be available to the investors from the Deemed Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/deemed date(s) of allotment at its sole and absolute discretion without any notice. In case the issue closing date is changed (preponed/postponed), the Deemed Date of Allotment may also be changed (preponed/postponed) by the Company at its sole and absolute discretion.

MINIMUM SUBSCRIPTION

As the current issue of Debentures is being made on private placement basis, the requirement of minimum subscription for the overall issuance shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/proceed(s) in the event of the total aggregate issue collection falling short of issue size or certain percentage of issue size.

BASIS OF ALLOCATION / ALLOTMENT

The issuer reserves the right to reject any/all applications fully or partially at its sole discretion, without assigning any reason whatsoever.

MARKET LOT

The market lot will be one Debenture ("Market Lot"). Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of Debentures.

The market lot will be 1 Debenture of the face value of Rs.10 lacs (Rupees Ten Lakhs Only).

TRADING OF DEBENTURES

The marketable lot for the purpose of trading of Debentures shall be 1 (one) Debenture of face value of Rs.10 Lacs each. Trading of Debentures would be permitted in demat mode only in standard denomination of Rs. 10Lacs and such trades shall be cleared and settled in recognized stock exchange(s) subject to conditions specified by SEBI. In case of trading in Debentures which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

INTEREST ON APPLICATION MONEY

Interest at appropriate Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to all the applicants on the application money for the Debentures.

Such interest on application money shall be paid from the date of realization of application money upto one day prior to the Deemed Date of Allotment. The interest on application money will be computed on an Actual day basis. Such interest would be paid on all the valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on application money will be paid along with the Refund Orders. Where an applicant is allotted lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.

In case of any delay in allotment beyond 15 working days from the date of closure of issue, interest would be payable at the contracted rate for the period of delay, subject to a maximum of 15 (fifteen) days.

The interest cheque(s)/ demand draft(s) for interest on application money (along with Refund Orders. in case of refund of application money, if any) shall be dispatched by the company within 15 (fifteen) days from the Deemed Date of Allotment and the relative interest warrant(s) along with the Refund Order(s) as the case may be will be dispatched by registered post to the sole/ first applicant at the sole risk of the applicant.

INTEREST ON THE DEBENTURES

The Debentures shall carry interest at appropriate coupon rate p.a. payable Annually (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof for which a certificate will be issued by the Company) on the outstanding principal amount of Debentures. The interest shall be serviced annually throughout the tenure of the Debentures till final redemption. The Final interest payment would be made on redemption date along with the redemption of principal amount. Interest on Debentures will cease on the date of final redemption in all events.

The Debentures shall carry interest at the Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the Redemption Date, as the case may be, payable on the "Coupon Payment Dates", on the outstanding principal amount of Debentures till Redemption Date, to the holders of Debentures (the "Holders" and each, a "Holder") as of the relevant Record Date. Coupon Rate on Debentures will cease from the Redemption Date,

Payment of interest shall be made by way of credit through direct credit/ RTGS/NEFT/Fund Transfer/NECS mechanism.

If any interest payment date falls on a day which is not a Business Day, then payment of interest will be made on the next day that is a business day.
In case the Deemed Date of Allotment is revised (preponed/postponed) then the Interest Payment Dates may also be revised preponed/postponed) accordingly by the Company at its sole & absolute discretion.

PAYMENT OF INTEREST/ PRINCIPAL

Payment of interest and repayment of principal shall be made by way of RTGS/ NEFT mechanism.

COMPUTATION OF INTEREST

Interest for each of the interest periods shall be computed as per Actual/Actual day count convention on the face value amount of Debentures outstanding at the Coupon Rate rounded off to the nearest Rupee. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis, on the face value amount of Debentures outstanding.

EFFECT OF HOLIDAYS: - As per SEBI Circular Dated November 11, 2016

1. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.

2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures until but excluding the date of such payment.

RECORD DATE

The "Record Date" for the Debentures shall be 15 days prior to each Coupon Payment Date. In case of redemption of Debentures, the trading in the Debentures shall remain suspended between the Record Date and the Redemption Date. Interest payment and principal repayment shall be made to the person whose name appears as beneficiary with the Depositories as on Record Date. In the event of the Issuer not receiving any notice of transfer at least 15 days before the respective Coupon Payment Date, and Redemption Date, the transferees for the Debentures shall not have any claim against the Issuer in respect of amount so paid to the registered Debenture Holders.

In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

PUT & CALL OPTION

Put Option: None

Call Option: At the end of five years from the deemed date of allotment. Such call option may be exercised by the Issuer with the prior approval of IRDAI and in accordance with the IRDAI Regulations.

REDEMPTION

The face value of the Debentures shall be redeemed at par, on the Redemption Date. The Debentures will not carry any obligation, for interest or otherwise, after the Redemption Date. The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on the Redemption Date to the registered Debenture Holders whose name appear in the Register of Debenture Holders on the Record Date. Such payment will be a legal discharge of the liability of the Issuer towards the Debenture Holders.

PAYMENT ON REDEMPTION

Payment on redemption will be made by fund transfer/RTGS/NEFT/Fund Transfer/NECS in the name of the Debenture holder whose name appears on the List of Beneficial owners given by Depository to the Company as on the Record Date. On the Company dispatching the redemption warrants to such Beneficiary (ies) by registered post/courier, the liability of the Company shall stand extinguished.

The Debentures shall be taken as discharged on payment of the redemption amount by the Company on maturity to the list of Beneficial Owners as provided by NSDL/CDSL Depository Participant. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders. On such payment being made, the Company will inform NSDL/CDSL Depository Participant and accordingly the account of the Debenture holders with NSDL/CDSL Depository Participant will be adjusted.

The Company's liability to the Debenture holders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Company will not be liable to pay any interest or compensation from the date of redemption. On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

DEPOSITORY ARRANGEMENTS

The Company has appointed RCMC Share Registry Pvt. Ltd., as Registrars & Transfer Agent for the present Debenture issue. The Company shall make necessary depository arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services Limited (CDSL) for issue and holding of Debenture in dematerialized form. In this context the Company shall sign tripartite agreement as under:

- Tripartite Agreement between Issuer Company, RTA and National Securities Depository Ltd. (NSDL) for offering depository option to the investors.
- Tripartite Agreement between Issuer Company, RTA and Central Depository Services Limited (CDSL) for offering depository option to the investors.

Investors can hold the Debentures only in dematerialized form and deal with the same as per the provisions of Depositories Act, 1996 as amended from time to time.

LIST OF BENEFICIAL OWNERS

The Company shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount on maturity, as the case may be.

LETTER OF ALLOTMENT AND DEBENTURE CERTIFICATE

The beneficiary account of the investor(s) with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) Depository Participant will be given initial credit within 3 days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of

Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Debenture Certificate.

ISSUE OF DEBENTURE CERTIFICATE(S)

Subject to the completion of all statutory formalities within time frame prescribed in the relevant regulations/act/rules etc, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the investor would be replaced with the number of Debentures allotted. The Debentures since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL and CDSL from time to time and other applicable laws and rules notified in respect thereof. The Debentures shall be allotted in dematerialized form only.

DISPATCH OF REFUND ORDERS

The Company shall ensure dispatch of Refund Order(s) by Registered Post only and adequate funds for the purpose shall be made available to the Registrar to the Issue by the Issuer Company.

JOINT-HOLDERS

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to other provisions contained in the Articles.

SHARING OF INFORMATION

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company or its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

MODE OF TRANSFER OF DEBENTURES

Debentures shall be transferred subject to and in accordance with the rules/procedures as prescribed by the NSDL/CDSL Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Transfer of Debentures to and from NRIs/OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Company.

SUCCESSION

In the event of the demise of the sole/first holder of the Debenture(s) or the last survivor, in case of joint holders for the time being, the Company shall recognize the executor or administrator of the deceased

Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debenture(s). The Company shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Company may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debenture (s) standing in the name of the deceased Debenture holder on production of sufficient documentary proof or indemnity.
Where a non-resident Indian becomes entitled to the Debenture by way of succession, the following steps have to be complied with:

- Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Debenture was acquired by the NRI as part of the legacy left by the deceased holder.
- Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis and all the payment will be made through proper banking channel and the payments will be made only in Indian National Rupee.

RIGHT TO ACCEPT OR REJECT APPLICATIONS

The Company reserves it's full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of realization of application money till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- Number of Debentures applied for is less than the minimum application size;
- Applications exceeding the issue size;
- Bank account details not given;
- Details for issue of Debentures in electronic/ dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
- In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc relevant documents not submitted;

In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

FICTITIOUS APPLICATIONS

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."

FUTURE BORROWINGS

The Company shall be entitled, from time to time, to make further issue of Debentures and/or Debentures and other such instruments to the public/members of the Company/ banks/financial institutions/bodies corporate/mutual funds and/or any other person(s) and /or to raise further loans, advances and/or avail of further financial and/or guarantee facilities from all or any of the above without obtaining the approval of the Debenture Holders and/or the Trustee.

RIGHTS OF DEBENTURE HOLDER(S)

The Debenture holders will not be entitled to any rights and privileges of share holders other than those available to them under statutory requirements. The Debentures shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Company. The principal amount and interest, if any, on the Debentures will be paid to the sole holder only, and in the case of joint holders, to the one whose name stands first in the Register of Debenture holders. The Debentures shall be subject to other usual terms and conditions incorporated in the Debenture certificate(s) that will be issued to the allottee(s) of such Debentures by the Company and also in the Trustee Agreement/Trust Deed.

MODIFICATION OF RIGHTS

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture Holders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

DEBENTURE HOLDER NOT A SHAREHOLDER

The Debenture Holders will not be entitled to any of the rights and privileges available to the shareholders. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Company, such resolution will first be placed before the Debenture Holders through the Trustees for their consideration.

NOTICES

All notices required to be given by the Issuer or by the Trustees to the Debenture Holders shall be deemed to have been given if sent by ordinary post/courier to the original sole/first allottees of the Debentures and/or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Debenture Holder(s), including notices referred to under "Payment of Interest", "Put/Call option" and "Payment on Redemption" shall be sent by registered post or by hand delivery to the Issuer or to such persons at such address as may be notified by the Issuer from time to time.

PAN/GIR NUMBER

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

TAX DEDUCTION AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/document, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the registered office of the Company or at such other place as may be notified by the company in writing, at least 30 (thirty) calendar working days before the interest payment dates.

Tax exemption certificate/declaration of non-deduction of tax at source on interest on application money, should be submitted along with the application form. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture Holder(s) a Certificate of Tax Deduction at Source. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Tax Deducted at source will paid to Income tax authorities on accrual or payment whichever is earlier basis.

TAX BENEFITS TO THE DEBENTURE HOLDERS OF THE COMPANY

The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor/counsel.

CLOSURE OF DEBENTURE ISSUE

In case the Company subscribes the entire money i.e. to the extent of total issue size including oversubscription, as mentioned in this document, much before the Issue closure date, as mentioned in this Disclosure document, NIC reserves the right to close the Debenture Issue from further subscription even before the Issue Closure date, extend the issue beyond the closure date mentioned in this Disclosure document and consequently deemed date of allotment at the sole discretion of the Company.

SIGNATURES

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/Notary Public under his/her official seal.

ACKNOWLEDGEMENTS

No separate receipts will be issued for the application money. However, the Bankers to the Issue receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form.

DISPUTES & GOVERNING LAW

The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the jurisdiction of the Courts at the city of Kolkata only.

FORCE MAJEURE

The Company reserves the right to withdraw the issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. The Company reserves the right to change the Issue Schedule.

THE DISCOUNT AT WHICH SUCH OFFER IS MADE AND THE EFFECTIVE PRICE FOR THE INVESTOR AS A RESULT OF SUCH DISCOUNT

The Debentures are being issued at face value and not at discount to offer price.

W. MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, the Issuer is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Issuer. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Issuer) which are or may be deemed to be material have been entered into by the Issuer. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Registered Office of the Issuer between 1.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

A. MATERIAL CONTRACTS:

(a) Copy of letter appointing Registrar and Transfer Agents.

(b) Copy of letters appointing Arranger(s) to the Issue.

(c) Copy of letter appointing Trustees to the Debenture Holders.

B. DOCUMENTS:

(a) Memorandum and Articles of Association of the Company as amended from time to time.

(b) Board Resolution dated 13th February, 2017 and Shareholders Resolution dated 3rd March, 2017 authorizing issue of Debentures offered under terms of this Disclosure document.

(c) Letter of acceptance to the SBICAP Trustee Company Limited to be appointed as trustees for current Debentures issue.

(d) Letter of consent from the RCMC Share Registry Pvt. Ltd. for acting as Registrars to the Issue.

(e) Tripartite Agreement between the Issuer, NSDL and Registrars for issue of Debentures in dematerialised form.

(f) Tripartite Agreement between the Issuer, CDSL and Registrars for issue of Debentures in dematerialised form.

(g) In principle Approval for listing of Debentures.

X. FORM PAS-4

FORM NO. PAS -4

PRIVATE PLACEMENT OFFER LETTER

[Pursuant to section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014]

नेशनल इंश्योरेन्स कंपनी लिमिटेड
(भारत सरकार का उपक्रम)
पंजीकृत एवं प्रधान कार्यालय : 3, मिडिलटन स्ट्रीट, पो. बा. नं., 9229 कोलकाता-700 071

NATIONAL INSURANCE COMPANY LIMITED
(A Govt. of India undertaking)
Registered & Head Office : 3, Middleton Street, P O Box No 9229, Kolkata-700 071

Trusted Since 1906

CIN:U10200WB1906GOI001713

Tel. No.: (033) 2283-1705, (033) 2283-1752, **Fax No.**: (033) 2283-1736
Website:www.nationalinsuranceindia.com

1. GENERAL INFORMATION

a. **Name, address, website and other contact details of the company indicating both registered office and corporate office:**

SR. No	PARTICULARS	:	DETAILS
(i)	REGISTERED OFFICE OF THE ISSUER		
•	Name	:	NATIONAL INSURANCE COMPANY LIMITED
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1705, (033) 2283-1752
•	Fax No	:	(033) 2283-1736
•	Email	:	ncd.coordinator@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(ii)	CORPORATE OFFICE OF THE ISSUER		
•	Name	:	NATIONAL INSURANCE COMPANY LIMITED
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1705, (033) 2283-1752
•	Fax No	:	(033) 2283-1736
•	Email	:	ncd.coordinator@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(iii)	COMPLIANCE OFFICER OF THE ISSUER		
•	Name	:	SMT. RINA MADIA

•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1705, (033) 2283-1717
•	Fax No		(033) 2283-1717
•	Email	:	rina.madia@nic.co.in
•	Website	:	www.nationalinsuranceindia.com
(iv)	**CHIEF FINANCIAL OFFICER OF THE ISSUER**		
•	Name	:	SMT. SASHIKALA MURALIDHARAN
•	Address	:	3, Middleton Street, Kolkata – 700 071
•	Tele No	:	(033) 2283-1730
•	Fax No	:	(033) 2290-4026
•	Email	:	m.sashikala@nic.co.in
•	Website	:	www.nationalinsuranceindia.com

b. Date of incorporation of the company: 5th December, 1906

c. Business carried on by the company and its subsidiaries with the details of branches or units, if any:

The Company is a wholly owned Government of India undertaking and one of the leading Public Sector General Insurance Companies in India. It was incorporated under the Companies Act, 1956 (at present the Companies Act, 2013) and is registered as a General Insurance Company with the Insurance Regulatory and Development Authority of India (IRDAI) under the Insurance Act, 1938, vide Registration Number 58.

The total number of offices in India is 1995 as on 31.03.2016.

The Company also has operations in Nepal.

The Company was also operating in Hong Kong till 18th February, 2002, after which the operations were run off and placed to New India Assurance Co. Ltd. subject to settlement of all outstanding claims.

d. Brief particulars of the management of the company as on 28th February, 2017

Name and DIN	Designation
Shri K. Sanath Kumar (DIN: 03444096)	Chairman-cum-Managing Director
Shri M. Vasantha Krishna (DIN: 06960731)	Whole-time Director and Financial Advisor
Shri Warendra Sinha (DIN: 03518403)	Whole-time Director
Ms. Bhumika Verma (DIN:07597313)	Government Nominee Director
Shri Ravi Krishan Takkar (DIN: 07734571)	Independent Director (MD & CEO of UCO Bank)
Smt. M. Sashikala	General Manager & Chief Financial Officer
Smt. Rina Madia	Company Secretary

e. Names, addresses, DIN and occupations of the directors as on 28th February, 2017

Name, Designation, DIN	Age	Address	Directors of the company since	Details of other directorship
Shri K. Sanath Kumar, Chairman-cum-Managing Director (DIN: 03444096)	58 years	3, Middleton Street, Kolkata - 700 071	18.02.2016	(1) Health Insurance TPA of India Limited (2) GIC Housing Finance Limited (3) India International Insurance Pte. Ltd. Singapore* (4) Agriculture Insurance Company of India Limited
Shri M. Vasantha Krishna, Whole-time Director (DIN: 06960731)	58 years	3, Middleton Street, Kolkata - 700 071	04.02.2015	Nil
Shri Warendra Sinha, Whole-time Director (DIN: 03518403)	58 years	3, Middleton Street, Kolkata - 700 071	08.11.2016	Nil
Ms. Bhumika Verma, Government Nominee Director (DIN:07597313)	33 years	Ministry of Finance, Department of Financial Services, Government of India, New Delhi 110 001	22.07.2016	Nil
Shri Ravi Krishan Takkar, Independent Director (DIN: 07734571)	58 years	UCO Bank, 10, BTM Sarani, Kolkata - 700 001	03.02.2017	MD & CEO, UCO Bank

*As India International Insurance Pte. Ltd. Singapore is a foreign company registered in Singapore, therefore company is not reflected on Ministry of Corporate Affairs (MCA) website in other directorship details.

f. Management's perception of risk factors:

The Issuer's exposure to potential loss from its insurance and reinsurance and investment activities primarily emanates from **Insurance Risk, Asset Risk, Operational Risk, Strategic Risk** and **Solvency Risk.**

Balancing risk and reward is achieved through identifying risk appropriately and comprehensively, aligning risk tolerances with business strategy, diversifying risk, pricing adequately for risk, mitigating risk through preventive controls and transferring risk.

There are a number of risks, both specific to the Issuer and of a general nature, which may either individually, or in combination, materially and adversely affect the future operating and financial performance of the Issuer.

A. Insurance Risk

Insurance risk is the risk of loss due to either inadequate pricing or inadequate claims handling or inadequate reinsurance protection or inadequate reserving. As a nature of business, there are inherent uncertainties as to occurrence, amount and timing of insurance liabilities which arises due to adverse experience in amount or frequency of claims or in their aggregation from a single occurrence or series of occurrences arising from a single originating cause.

1. Pricing Risk

There is a possibility that the premium charged for insurance is not adequate to cover the losses generated from that insurance over time as insurance pricing is dynamic in nature, leading to pricing risk.

To manage its exposure to pricing risk, the Issuer has established underwriting policy which articulates the approach of the Issuer towards product offering, selection and evaluation of risks, pricing and delegation of underwriting authority. Company has adopted risk based pricing across various product lines (except Motor Third Party) and identified preferred segments for acceptance of risk through use of analytics and segmentation of portfolio. There is a risk retention framework adopted to contain the risk exposure levels and concentration of risk.

2. Underwriting Risk

Underwriting risk is the risk of a change in value due to a deviation of the actual claims payment from the expected amount of claims payment. Underwriting risk encompasses risk of concentration and insufficient diversification.

Underwriting Guidelines are in place for all classes of business which outlines the acceptance criteria, escalation process and referral guidelines along with clear delegation of underwriting mandates. The Issuer's reinsurance program is designed to mirror the underwriting philosophy whilst ensuring optimal protection from best reinsurance securities.

3. Reserving Risk

There is a possibility that an insurance company's estimates of future claims payment, will be inadequate to cover the claims when they are eventually paid. This is reserving risk which is determined primarily on the basis of reserve utilization and corresponding reserve made for each class of business. This means setting an adequate reserve for each claim that is reported and allowing for claims that have not yet been notified. Establishing an appropriate level of claim reserves is an inherently uncertain process. Variables in the reserve estimation process can be affected by both internal and external events, such as changes in claims handling procedures, economic and social inflation, legal trends and legislative changes. Many of these items are not directly quantifiable, particularly on a prospective basis.

Issuer maintains reserves to cover estimated ultimate unpaid liability for losses and loss adjustment expenses with respect to reported and unreported claims incurred as at the end of each accounting period. Reserves do not represent an exact calculation of liability, but instead represent estimates at a given point in time involving actuarial and statistical projections of our expectations of the ultimate settlement and administration costs of claims incurred. Issuer utilizes actuarial methods, as well as historical loss development patterns, to assist in the establishment of appropriate claim reserves. The Issuer reviews the adequacy of reserves on a quarterly basis certified by an appointed actuary and has in place multiple oversight mechanism including regulatory oversight.

The company's book is made up of substantial long tailed Motor Third Party liability business which by virtue of its nature takes substantial time to pay off the related claims. By carefully examining this aspect, IRDAI has allowed the Company to fully provide for these long tailed liabilities in terms of Incurred but not reported/Incurred but not enough reported (IBNR/IBNER) claims, arising out of Motor Third Party business earned till 31st March, 2016, over a period of three years i.e. by the end of 31st March, 2019. This ensures full protection of policyholder's interests along with the expectation of convergence of actuarial estimate and the management estimate of the IBNR/IBNER liabilities by the end of 31st March, 2019.

The IBNR/IBNER liabilities arising from all lines of business earned after 1st April, 2016, have been fully provided for as per the IRDA direction as at 31.12.2016, but there is a shortfall of around Rs. 1206 Crores in terms of IBNR/IBNER liabilities arising out of business earned till 31st March, 2016 which have to be provided for as at 31.12.2016 as per the IRDAI direction. A suitable accounting note has been incorporated in this regard for the accounts as at 31.12 2016. Necessary Actuarial valuations of IBNR for the business earned till 31.03.2016 shall be again carried out as on 31.03.2017 and the shortfall in provisions, if any, will be provided for accordingly, in compliance with the IRDAI directions.

4. Catastrophic Risk

Issuers' insurance operations are exposed to claims arising out of catastrophes. Issuer has experienced, and will in the future experience, catastrophe (CAT) losses which may materially reduce profitability or harm financial condition. Catastrophes can be caused by various events, including natural events such as hurricanes, windstorms, earthquakes, tornadoes, hailstorms, severe winter weather, floods and unnatural events such as terrorist attacks and riots. The incidence and severity of catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event.

The issuer has continued with buying its catastrophe reinsurance and will continue to do so to protect the net account against the large losses and CAT losses. However catastrophic risk continues to be one of the major risk for all insurance companies.

B. Asset Risk

1. Market Risk

Market risk is the risk of loss or adverse change in financial situation, resulting directly or indirectly, from fluctuation in the market price of assets.

The investments of the Issuer are in classes of assets as prescribed under the IRDA (Investment) Regulations, 2016. Market risk is mitigated by limiting exposure to equity and debt within the limits set out in the Investment Policy and guidelines there under.

2. Credit Risk

Credit risk is the risk of loss or adverse change in financial situation, resulting from fluctuation in the credit standing of the issuer of securities, counterparties, reinsurers or debtors to which the Issuer is exposed to in the form of counterparty default risk, or spread risk.

Credit risk is mitigated by investing predominantly in sovereign and AA and above rated securities.

On the reinsurance portfolio, a reinsurance program is reviewed and approved by the Board of Directors annually. The program provides for the minimum Financial Security Rating (FSR) of the reinsurers with whom the Issuer shall place its risk.

3. Liquidity Risk

Liquidity risk is the risk that the insurance undertaking is unable to realize investments and other assets in order to settle their financial obligations when they fall due. Liquidity risk arises due to Asset and Liability mismatches and inability of the Issuer to liquidate assets to meet obligations when they fall due.

Liquidity risk is mitigated by maintaining certain portion of the investment portfolio in money market instruments so as to cover claims and expenses. Also, liquidity risk is addressed within the Asset Liability Management (ALM) Policy of the Issuer.

C. Operational Risk

Operational risks are the execution risks of the company. Operational risks include, for example, information technology and security, human resources, outsourcing, tax, legal, fraud and compliance.

The failure in the system used to process the day to day activity of an insurer along with cyber security is a risk. Today cyber-crime has emerged as a top concern and a systemic threat to the financial services industry. Process risk is probability of loss inherent in the business process like underwriting & claims, financials and taxation, agent's management, payroll process and IT systems.

Fraud risk also plays a significant role in negatively affecting the insurance sector which affects both the parties- insurers as well as policyholders.

The current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards exposes the Issuer to Compliance risk.

Insurers are also subject to litigation and other legal proceedings as part of the claims process, the outcomes of which are uncertain. In the event of an unfavourable outcome in one or more legal matters, the ultimate liability may be in excess of amounts that have been currently reserved for and such additional amounts may be material to the insurer's results of operations and financial condition.

The Issuer has an 'Information Security Policy' which has been approved by its Board that addresses the information technology risk emerging for its business activity. The Issuer on an ongoing basis continues to capture risk incidents for different functional units.

D. Strategic Risk

Changes in financial services and taxation laws, economic environment, regulations and government policies could have an adverse effect on the business environment. The insurer may have to set up systems to ensure that they are in sync with business strategy, customer expectations, competition, reputation and compliance with all stated regulatory and legal requirements.

The potential that negative publicity, whether true or not, will result in loss of customers, severing of corporate affiliations, decrease in revenues and increase in costs of an insurer exposes the company to reputation risk.

Insurance business in India is highly regulated with broad administrative powers vested in the Regulator to regulate many aspects which include premium rates, marketing practices, advertising, policy forms and capital adequacy. Hence, changes in regulations pose a significant regulatory risk.

While monitoring of key day to day business risks, the Issuer maintains oversight on key strategic risks like market share, growth in premiums, return on equity etc.

The Issuer has set up systems to ensure that they are in compliance with all stated regulatory and legal requirements and has ensured that it has access to competent lawyers. Regulatory risks are also being regularly monitored. The Issuer also has a methodology to monitor reputation risk on an ongoing basis.

Competition could affect the Issuer's market share, business, results or financial condition. However, the Issuer continues to monitor major market movements with regard to its competitors including new licenses to entrants and has successfully maintained its leadership position.

E. Solvency Risk

The Issuer's ability to comply with solvency requirement stipulated by IRDAI is affected by number of factors like adequate reserving, return on investments, profit margins on products, shareholder dividends and future growth in business.

The Issuer monitors all the significant factors impacting solvency. The Solvency Margin of the Company has fallen below the Regulatory level as on 31.03.2016 due to higher IBNR/IBNER provisions absorption, increase in underwriting losses and substantial increase in business without adequate capital infusion. The solvency ratio would be lower if all the liabilities arising out of all lines of business earned till 31st March, 2016 are taken into consideration instead of taking over a period of three years as given in the IRDA direction. The solvency ratio is calculated on a book value basis and thus does not give any due credit to the substantial market value of investment and real estate assets of the organisation. With due consideration to this substantial fair value of these assets, the solvency ratio would be much higher and there is no immediate threat to the actual solvency position of the company. The management has taken certain initiatives like pricing correction of loss making segment, better claims management, raising of Subordinated debt, change in business portfolio mix, capital management, etc. to strengthen the Solvency Margin and is of the view that the Company's Solvency Margin will soon reach the Regulatory requirement.

RISKS RELATED TO THE DEBENTURES

The Issuer's ability to access capital depends on the Issuer's credit ratings. Any downgrade of the Issuer's credit ratings would increase borrowing costs and constrain the Issuer's access to capital and lending markets and, as a result, would negatively affect the Issuer's business.

The cost and availability of capital is, amongst other factors, also dependent on the Issuer's short term and long term credit ratings. Ratings reflect a rating agency's opinion of the Issuer's financial strength, operating performance, strategic position and ability to meet its obligations. The rating agencies reserve the right to suspend, withdraw or revise ratings at any time based on new information or other circumstances. Any downgrade of the Issuer's credit ratings would increase borrowing costs and constrain the Issuer's access to capital and lending markets and, as a result, would adversely affect the Issuer's business. In addition, downgrades of the Issuer's credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements in the future. Any such adverse development could adversely affect the Issuer's business, financial condition, cash flows and results of operations, which could in turn adversely affect the ability of the Issuer to fulfil its obligations under the Debentures.

1. The Debentures bear certain regulatory risks

Future government policies and changes in laws and regulations in India and comments, statements or policy changes by any regulator, including but not limited to IRDAI or SEBI or Reserve Bank of India, may adversely affect the rights of the Debenture Holders. The timing and content of any new law or regulation is not within Issuer's control and any such new law, regulation, comment, statement or policy change could have an adverse effect on the market for and the price of the Debentures. Further, the exercise by the Debentures Trustee of the powers and remedies conferred on it respectively under the Debentures, and the related transaction documents, otherwise vested in them by law, will be subject to general equitable principles, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders. In the event any dispute arises between the Issuer and a Debenture Holder, the holder may need to take judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may also be subject to various delays including as a result of multiple levels of appellate adjudication.

The Debentures provide that the Issuer will only be liable for increased costs as a result of a change in Indian law or regulation. In the event that increased costs are imposed as a result of a change in law or regulation in a jurisdiction other than India, then such costs must be borne by the Debenture Holder.

2. The Debentures are to be sold or redeemed if they are not listed within 15 days of the investment

Under Regulation 21(a) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI has allowed foreign portfolio investors to invest in 'to be listed' debt securities. Further, under Paragraph 1C of Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person Resident outside India) Regulations, 2000, as amended from time to time, foreign portfolio investors can invest in primary issues of non-convertible debentures only if a listing of such non-convertible debentures or bonds occurs within 15 days of such investment. Consequently, if the Debentures are not listed within 15 days of the issue thereof they will either be redeemed (to the extent permitted by IRDAI) or sold in the secondary market. If the debentures are to be sold, the Issuer will on a best efforts basis arrange to find a buyer for the debentures in the secondary market.

3. Exercise of powers by the Debenture Trustee is subject to equitable principles and supervisory powers of courts

The exercise by the Debenture Trustee of the powers and remedies conferred on it under the Debentures and the documents relating to Debenture or otherwise vested in it by law, will be subject to general equitable principles regarding the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorisations or orders.

4. The right of the Debenture Holders to receive payments under the Debentures will be subordinate to certain tax and other liabilities including policyholders' dues preferred by law on insolvency of the Issuer.

The Debentures will be subordinated to certain liabilities preferred by law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of the Issuer's business. Upon an order for winding-up in India, the assets of accompany are vested in a liquidator who has wide powers to liquidate such company to pay its debt and administrative expenses.

5. Delays in court proceedings in India may prevent timely enforcement against the Issuer

If any dispute arises between Issuer and any other party (whether under the documents relating to Debenture or any agreements which are material for the Issuer's business), the Issuer or such other party including any investor in the Debentures may need to take recourse to judicial proceedings before courts in India. It is not unusual for court proceedings in India to continue for extended periods. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication.

6. Taxation

Potential purchasers and sellers of the Debentures should be aware that they may be required to pay taxes in accordance with the laws and practices of India. Payment and/or delivery of any amount due in respect of the Debentures will be conditional upon the payment of all applicable taxes, duties and/or expenses.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

7. Interest Rate Risk

All securities where a fixed rate of interest is offered are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fluctuation in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Any increase in rates of interest is likely to have a negative effect on the price of the Debentures.

8. The Debentures may be illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. As specified in this Information Memorandum, an application has been made to list the Debentures on BSE and an in-principle approval has been obtained. If the Debentures are so listed or quoted or admitted to trading on BSE, no assurance is given by BSE that any such listing or quotation or admission to trading will be maintained. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading. The Issuer may, but is not obliged to, at any time purchase the Debentures at any price in the open market or by tender or private agreement. Any Debentures so purchased may be surrendered for cancellation. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

9. Downgrading in credit rating

The Debentures have been rated by CRISIL with rating of AAA with Negative outlook and ICRA with rating of AA+ with Stable outlook for the issuance of Debentures for an aggregate amount of up to Rs.895 crore.

Issuer cannot guarantee that this rating will not be downgraded. Such a downgrade in thec redit rating may lower the value of the Debentures and may also affect the Issuer's ability to raise further debt.

10. The Debentures may not be a suitable Investment for all Investors

Potential investors should ensure that they understand the nature of the Debentures and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers such as legal, tax, accounting and other advisers to make their own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Debentures and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. These risks may include, among others, equity market risks, bond market risks, interest rate risks, market volatility and economic, political and regulatory risks and any combination of these and other risks.

g. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –

i) Statutory dues: **No Outstanding Defaults**
ii) Debentures and interest thereon: **Not Applicable**
iii) Deposits and interest thereon: **Not Applicable**
iv) Loan from any bank or financial institution and interest thereon: **Not Applicable**

h. Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process:

Name	:	Smt. Rina Madia
Address	:	3, Middleton Street, Kolkata – 700 071
Tele No	:	(033) 2283-1705, (033) 2283-1717
Fax No		(033) 2283-1717
Email	:	rina.madia@nic.co.in
Website	:	www.nationalinsuranceindia.com

2. PARTICULARS OF THE OFFER

a. Date of passing of board resolution –

The present placement of Bonds is being made pursuant to the resolution passed by the Board of Directors of the company at its meeting held on 13th February, 2017.

b. Date of passing of resolution in the general meeting, authorizing the offer of

securities- Extra-ordinary General Meeting held on 3rd March, 2017.

c. **Kinds of securities offered (i.e. whether share or debenture) and class of security:**

Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures (NCDs)

d. **Price at which the security is being offered including the premium, if any, along with justification of the price:**

Face Value: Rs.10,00,000/- per Debenture
Issue Price: At par
Minimum Application: 10 Debentures and in multiple of 1 Debenture thereafter

e. **Name and address of the Valuer who performed valuation of the security offered:**

As this is an issuance of debentures at par value, there is no valuation for this Issue.

f. **Amount which the company intends to raise by way of securities:**

Upto Rs.895 crores.

g. **Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment:**

Duration	10 years
Rate of Interest	
Mode of Payment	a) Payment can be made through RTGS as per the banking details given in the term sheet, by the eligible Investors. b) Alternatively, cheques/drafts are also accepted and must be made payable to "National Insurance Company Limited" and crossed "Account payee only". c) Payment shall not be accepted in cash.
Mode of Repayment	Repayment shall be made through RTGS only.

h. **Proposed time schedule for which the offer letter is valid:**

Issue Opening Date	24th March, 2017
Issue Closing Date	24th March, 2017
Pay-in Date	27th March, 2017
Deemed Date of Allotment	27th March, 2017

i. **Purposes and objects of the offer:**

Strengthening the issuer's solvency by way of augmenting its capital under 'Other Forms of Capital' to facilitate growth of the issuer.

j. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:

Nil.

k. Principle terms of assets charged as security, if applicable:

The Debentures are unsecured.

Security Name	8.35% National Insurance Company Limited 2027
Issuer	National Insurance Company Limited
Type, Nature and Seniority of Instrument	Unsecured, subordinated, fully paid-up, listed, redeemable and non-convertible debentures (NCD)
Mode of Issue	Private Placement
Issue Series	I/NIC/NCD/2016-17
Issue Size	Upto Rs.895 crore
Option to Retain Oversubscription	None
Face Value	Rs.10,00,000 per debenture
Issue Price	At par
Minimum Application	10 Debentures and in multiple of 1 Debenture thereafter
Tenor	10 years
Redemption Date	10 years from the Deemed Date of Allotment
Redemption Premium / Discount	Nil (Redeemed at par i.e. Rs.10,00,000)
Redemption Amount	Rs.10,00,000 per debenture
Coupon Rate	8.35% per annum
Step Up / Step Down Coupon Rate	Not applicable
Put/Call Option	Call Option: At the end of five years from the deemed date of allotment. Such call option may be exercised by the Issuer with the prior approval of IRDAI and in accordance with the IRDAI Regulations. Put Option: None
Call Option Date	Five years from the Deemed Date of Allotment
Call Option Price	Rs.10,00,000 per Debenture
Put Option Date	Not applicable
Put Option Price	Not applicable
Put Notification Time	Not applicable

पी. विजय कुमार / P. Vijaya Kumar
उप महाप्रबंधक / Dy. General Manager
नेशनल इन्श्योरेन्स कम्पनी लिमिटेड
NATIONAL INSURANCE CO. LTD.
प्रधान कार्यालय / Head Office

Call Notification Time	In the event that the Issuer is desirous of exercising the Call Option, the Issuer shall provide notice to the Debenture Holders (with a copy marked to the Debenture Trustee) in relation to exercise of the Call Option at least 15 (Fifteen) calendar days prior to the relevant Call Option Date. Upon issuance of the notice, the Issuer shall compulsorily redeem the Debentures identified in the notice on the relevant Call Option Date along with accrued interest, if any.
Coupon Payment Frequency	Annual and on maturity
Coupon Payment Dates	Refer "Indicative Cash flow Schedule "
Coupon Type	Fixed
Coupon Reset Process	None
Day Count Basis	Actual/Actual
Interest Payment Clause	As per IRDAI Regulations, payment of interest on the coupon payment dates shall be governed by the following conditions: • Where the impact of payment of interest may result in net loss or increase the net loss of the Issuer, prior approval of IRDAI shall be required for payment of interest. • In case the solvency of the Issuer has fallen below the minimum regulatory requirements prescribed by IRDAI or any interest payment would result in its solvency falling below or remaining below the minimum regulatory requirement specified by IRDAI, the issuer shall not be liable to pay interest for that financial year. • The interest due for a particular year shall not be cumulative i.e. interest missed in a year will not be paid in future years. However, any interest due and remaining unpaid may be paid in the subsequent financial years subject to the Issuer being in compliance with Regulation 3(vii) of the IRDAI Regulations. • Any unpaid interest being paid on a future date shall be compounded at the coupon rate. **Note:** IRDAI has given relaxation to National Insurance Company Limited for Regulation

	3(vii) & 5(vii) of the IRDAI (Other Forms of Capital) Regulations 2015 dated 22nd February, 2017 and the relaxation is applicable throughout the tenor of the debt instrument.
Seniority of Claims	The claims of the holders of the subordinated debt shall be superior to the claims of the investors in preference shares and equity shares in that order but shall be subordinated to the claims of the policyholders and all other creditors. The instruments issued under these Regulations shall neither be secured nor covered by a guarantee of the Insurer or other arrangements that legally enhance the seniority of the claims as against the claims of the insurer's policyholders and creditors.
Interest on Application Money	Interest on application money is payable at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961 or any statutory modification or re-enactment thereof), will be paid on the entire application money on all valid applications. The same will be released within 30 days from the date of allotment. Such interest shall be paid for the period commencing from the date of receipt of funds up to one day prior to the date of allotment. No interest on application money would be payable in cases of invalid applications.
Eligible Investors	• These categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures. • Indian promoter as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time which means: o Company formed under the Companies Act, 2013 which is not a subsidiary as defined under the Act; o Core investment company (as per the Core Investment Companies (Reserve Bank) Directions, 2011); o Banking company (Banking Regulation Act,

	1949), but does not include a foreign bank or branch thereof functioning in India; o Public financial institution (as per Companies Act); o Co-operative society registered under any relevant law for the time being in force; o a person, who is an Indian citizen or a combination of persons who are Indian citizens; o a limited liability partnership formed under the Limited Liability Partnership Act, 2008 with no partner being a non-resident entity/person resident outside India as defined under the Foreign Exchange Management Act, 1999 and not being a foreign limited liability partnership registered there under; o Indian investor as defined under the Insurance Regulatory and Development Authority of India (Registration of Indian Insurance Companies) Regulations, 2000, as amended from time to time. o Foreign investors as defined under the Indian Insurance Companies (Foreign Investment) Rules, 2015 means i.e. all eligible non-resident entities or persons resident outside India investing in the equity share of an Indian insurance company, as permitted to do so through foreign direct investment and foreign portfolio investment windows under FEMA Regulations. o Other persons as may be approved by IRDAI. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of debentures.
Objects of the Issue	Further strengthening the Issuer's solvency by way of augmenting its capital under 'Other Forms of Capital' to facilitate growth of the Issuer.
Details of Utilization of the Proceeds	The issue is being made pursuant to applicable regulations and would help the Issuer in meeting its long-term growth plan objectives.

Issuance Mode	In demat mode only
Trading Mode	In demat mode only
Credit Rating	CRISIL: AAA/Negative ICRA: AA+ with Stable outlook
Listing	The Debentures are proposed to be listed on the WDM segment of BSE & NSE in accordance with the terms of the applicable laws. Further, in the case of investment by FIIs investors, it shall be ensured by the company that the Debentures are Listed within 15 days of allotment. In case, debentures are not listed within 15 days, company shall refund the allotment money to investor.
Trustees	SBICAP Trustee Company Limited
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to be appointed.
Registrars	RCMC Share Registry Private Limited
Settlement Mode	All cheques/drafts must be made payable to "**National Insurance Company Limited**" and crossed "A/c Payee Only". Alternatively, payment can be made through RTGS transfer as per the banking details given in the term sheet. Eligible Investors to note that no payment shall be accepted in cash.
Business Day Convention	Business Day/Working Day means a day (other than a Sunday and Saturday or a Bank holiday on which banks are open for general business in Mumbai*. 3. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. 4. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day

	that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures until but excluding the date of such payment. *In terms of the SEBI Circular No. CIR/MD/DF-1/122/2016 dated 11th November, 2016, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.
Record Date	15 calendar days before the Coupon Payment Date/Redemption Date.
Transaction Documents	The Issuer has executed/shall execute the documents including but not limited to the following in connection with the issue: • This Information Memorandum issued in accordance with the SEBI Regulations, Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and IRDAI Regulations; • Debenture Trusteeship Appointment Agreement • Debenture Trust Deed • Listing Agreement with BSE & NSE
Conditions Precedent to Subscription of Debenture	The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following: • IRDAI approval dated 22nd February, 2017 for raising subordinated debt under 'Other forms of Capital'; • Rating letter(s) from credit rating agencies; • Letter from the Trustee conveying their consent to act as Debenture Trustees for the Debenture Holder(s); and • Letter from BSE/NSE conveying its in-principle approval for listing of Debentures.
Conditions Subsequent to Subscription of Debenture	The Issuer shall ensure that the following documents are executed/activities are completed as per time frame mentioned elsewhere in this Information Memorandum: • Credit of demat account(s) of the allottee(s) by number of debentures allotted within two Business Days from the deemed date of

	allotment and • Listing the debentures within 15 days from the deemed date of allotment. Besides, the issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Information Memorandum.
Events of Default	If the issuer commits a default in making payment of any instalment of interest or repayment of principal amount of the debentures on the respective due date(s), the same shall constitute an "Event of Default" by the issuer.
Cross Default	Not applicable
Role and Responsibilities of Trustees	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Companies Act 2013, the Debenture Trusteeship Agreement, this Information Memorandum and all other related transaction documents and applicable laws with due care, diligence and loyalty.
Governing Law and Jurisdiction	The debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of Kolkata.
Additional Covenants	**Security creation**: Not applicable **Default in payment**: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of at least 2% per annum over the coupon rate will be payable by the Company for the defaulting period. **Delay in listing:** In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal

	interest of at least 1% per annum over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor. The Company will make available adequate funds for this purpose.
Default Coupon Rate	Same as Coupon Rate.
Issue Opening Date	24th March, 2017
Issue Closing Date	24th March, 2017
Pay-in Date(s)	27th March, 2017
Deemed Date of Allotment	27th March, 2017
Relevant Guidelines	In addition to the IRDAI Regulations, this issuance would adhere to the following guidelines/ regulations: • The Companies Act, 2013 • SEBI (LODR) Regulations, 2015 • Foreign Exchange Management Act, 1999 read with rules and regulations made there under; and • Any other guidelines/regulations applicable for private placement of listed debt securities

3. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

i. **Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons:**

Nil.

ii. **Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a Statutory Authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or Statutory Authority upon conclusion of such litigation or legal action shall be disclosed:**

Not applicable, as the issuer is wholly owned by the Government of India.

However, the contingent liabilities as on 31.12.2016 for the issuer is given below:

Particulars	Amount (in Rs. '000)
Uncalled amount on partly paid shares	**4,181**
Claims (other than claims under the policies) against the company not acknowledged as debts	**7,87,519**
Disputed Income Tax	**62,53,962**

P. Vijaya Kumar

पी. विजय कुमार / P. Vijaya Kumar
उप महाप्रबंधक / Dy. General Manager
नेशनल इन्श्योरेन्स कम्पनी लिमिटेड
NATIONAL INSURANCE CO. LTD.
प्रधान कार्यालय / Head Office

Disputed Service Tax	43,09,660

iii. **Remuneration of directors (during the current year and last three financial years);**

(Rs. in lakhs)

Name of the Director	2016-17 (till 31.12.2016)	2015-16	2014-15	2013-14
Shri K. Sanath Kumar	14.88	1.62	NA	NA
Shri M. Vasantha Krishna	15.34	20.48	9.50	NA
Shri Warendra Sinha	3.08	NA	NA	NA
Shri K.P. Brahma (Retd.)	NA	6.78	14.61	13.64
Shri A.V. Girija Kumar (Retd.)	NA	NA	12.10	13.64
Shri N.S.R. Chandra Prasad (Retd.)	NA	NA	NA	15.58
Shri Kuldip Singh (Retd.)	NA	NA	NA	4.37

iv. **Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.**

FINANCIAL YEAR	ASSOCIATES								
	INDIA INTERNATIONAL INSURANCE PTE LTD			KENINDIA ASSURANCE CO. LTD.			HEALTH INSURANCE TPA OF INDIA LTD.		
	NO. OF SHARES HELD (In 'lakhs)	BOOK VALUE OF SHARES (Rs. in 'lakhs)	DIVIDEND RECEIVED (Rs. in 'lakhs)	NO. OF SHARES HELD (In 'lakhs)	BOOK VALUE OF SHARES (Rs. in 'lakhs)	DIVIDEND RECEIVED (Rs. in 'lakhs)	NO. OF SHARES HELD (In 'lakhs)	BOOK VALUE OF SHARES (Rs. in 'lakhs)	DIVIDEND RECEIVED (Rs. in 'lakhs)
2015-16	100	285.76	351.75	NA	NA	NA	166.25	1662.50	NIL
2014-15	100	285.76	356.80	5.16	71.32	31.69	47.50	475	NIL
2013-14	100	285.76	233.65	5.16	71.32	17.72	NIL	NIL	NIL

(Rs. In Lakhs)

Key Management Personnel	2015-16		2014-15		2013-14	
	Remuneration received	Loans and Advan	Remuneration received	Loans and Advan	Remuneration received	Loans and Advan

		ces		ces		ces
Shri K. Sanath Kumar	1.62	-	-	-	0	-
Shri N. S. R. Chandra Prasad	-	-	-	-	15.58	-
Shri M. Vasantha Krishna	20.48	-	9.5	-	0	-
Shri Warendra Sinha	-	-	-	-	0	-
Shri A. V. Girija Kumar	-	-	12.1	16.72	13.64	15.95
Shri K. P. Brahma	6.78	-	14.61	-	13.64	-
Shri Kuldip Singh					4.37	
Smt. M. Sashikala	6.41	-	-	-	0	-
Shri P.C. Subudhi	12.19	-	12.99	-	0	-
Smt. Rina Madia	12.65	-	9.89	-	0	-

v. **Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark:**

Statutory Auditors:

F.Y.	RESERVATION/ QUALIFICATION/ ADVERSE REMARKS OF AUDITORS	IMPACT ON FINANCIAL STATEMENTS & FINANCIAL POSITION	CORRECTIVE STEPS TAKEN
2015-16	Liability for Deferred Revenue Expenditure for Pension and Gratuity arising on account of pay revision was not considered for calculation of Solvency Margin.	No impact on Financial Statements.	IRDAI had permitted us vide their letter dated 19th April, 2016 for deferring the Pension and Gratuity liability and the same to be amortized over a period of three years starting from Financial Year 2015-16. Consequently, the liability on account of the same was also not considered for calculation of Solvency Margin.

		Unexpired Risk Reserve (URR) for short term policies was also recognised in spite of the fact that such policies commence and lapse within the same accounting year.	No material impact on the Financial Statements and Financial Position.	Accounting for URR was done as per Clause 2 of part I of Schedule B of the IRDA (Preparation of Financial Statements & Auditors' Report of Insurance Companies) Regulations, 2002 (the Regulations) which provides that a reserve for unexpired risks shall be created as the amount representing that part of the premium written which is attributable to, and to be allocated to the succeeding accounting periods and shall not be less than as required under Section 64V(1)(ii)(b) of the Insurance Act which is: 100% of net premium for Marine Hull and 50% for all other class of business
		Premium for Rajiv Gandhi Jeevandayee Arogya Yojana (RGJAY) Scheme is accounted for on the basis of receipt of installment	No material impact on the Financial Statements and Financial Position.	The Accounting policy for recognition of premium was suitably disclosed in Schedule-16 - Significant Accounting policies.
		Expenses for Corporate Social Responsibility had been allocated to the three Revenue Accounts instead of directly charging it to P&L Account.	No impact on the Financial Statements and Financial Position.	Rectification was done in the First Quarter of 2016-17.
		Various Account balances are under process of reconciliation and confirmation.	Impact of adjustments arising out of reconciliation is not ascertainable.	The position has been suitably disclosed in Schedule 17 - Notes forming part of the Accounts - point no. 23.
		The Company has disclosed prescribed Segment wise (Product wise) revenue and results. However, the Segment Assets and Liabilities are not identified for the corresponding segments.	No impact on the Financial Statements and Financial Position.	Segment wise Assets and Liabilities are not ascertainable for the common assets and liabilities which are used/incurred for the respective Segments.
		Contribution to Employees Provident Fund has been treated as Defined Contribution plan instead of Defined	No material impact on the Financial Statements and Financial	The position has been suitably disclosed in Schedule 16 - Significant Accounting policies - point no. 12(a) and Schedule 17 - Notes forming part of the Accounts - point no. 28.3

	Benefit plan.	Position.	
	Composition of Policyholders' and Shareholders' Funds are not strictly in accordance with IRDAI Requirement and the Investments Schedule was not bifurcated into Schedule 8 - Investments Shareholders and Schedule-8A Investments Policyholders	No impact on the Financial Statements and Financial Position.	Compliance was done in the Third Quarter of 2016-17 pursuant to release of IRDA Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated 12th January, 2017
2014-15	No comment		
2013-14	Reconciliation of CMS Bank Accounts reflected: a) Cheques deposited but not credited - Rs. 986.57 crores b) Unidentified credits - Rs. 952.12 crores. Provision of Rs. 17 crores has been kept in the books but adequacy of the same cannot be commented upon.	Impact of adjustments arising out of reconciliation is not ascertainable.	Significant improvement in CMS Banks reconciliation has been achieved and the net difference (credit) as on 31.12.2016 has been reduced to Rs. 22.62 crores
2012-13	Deferment of Actuarially determined transitional liabilities in respect of dismantled Indian Motor Third Party Insurance Pool by Rs. 150 crores and consequent understatement of current liability to that extent.	Overstatement of profit by Rs. 150 crores	Accounting was done as per IRDA Order no. IRDA/F&A/ORD/MTPP/070/03-2012 dated 22.03.2012.

2011-12	Deferment of Actuarially determined transitional liabilities in respect of dismantled Indian Motor Third Party Insurance Pool by Rs. 997.16 crores and consequent understatement of current liability to that extent.	Overstatement of profit by Rs. 997.16 crores	Accounting was done as per IRDA Order no. IRDA/F&A/ORD/MTPP/070/03-2012 dated 22.03.2012.

Comptroller and Auditor General of India comments:

FINANCIAL YEAR	RESERVATION/QUALIFICATION/ ADVERSE REMARKS OF AUDITORS	IMPACT ON FINANCIAL STATEMENTS AND FINANCIAL POSITION	CORRECTIVE STEPS TAKEN
2015-16	Capital Expenditure was booked under Revenue expenditure for purchase of Fixed Assets	Understatement of profit by Rs. 8.94 crores	Rectification entry passed in first Quarter of 2016-17
	Non provisioning of Outstanding expenses	Overstatement of profit by Rs. 12.45 crores	Rectification entry passed in first Quarter of 2016-17
	Re-insurance recoveries not accounted for	Understatement of profit by Rs. 35.95 crores	Rectification entry passed in first Quarter of 2016-17
2014-15	Writing back of the surplus of transitional liability under the head "Indian Motor Third Party Insurance Pool"	Overstatement of profit by Rs.455.35 crore	The surplus of transitional liability was written back as per Fair value Accounting provisions of SA-540 and suitably disclosed in the Notes on Accounts.
2013-14	No comments		
2012-13	No comments		
2011-12	No comments		

vi. **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines**

imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries:

The Registrar of Companies, West Bengal had issued a show cause notice to the company and its directors in the matter of non-appointment of woman director and the company has submitted suitable reply to the office of the ROC and henceforth no further action has been taken by the ROC. At present, the Ministry of Finance has appointed a woman director pursuant to the provisions of Section 149(1) of the Companies Act, 2013.

Further, there are no inquiries, inspections or investigations initiated or conducted against the issuer pending under the Companies Act, 2013 or any previous company law in the last three years. Also there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years involving the Issuer.

vii. **Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company:**

There are no material frauds committed against the issuer during the last three years.

4. FINANCIAL POSITION OF THE COMPANY

A. **The capital structure of the company in the following manner in a tabular form:-**

(i) (a) **The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value):**

Particulars	Number of Shares	Description	Nominal Value Per share	Aggregate Nominal Value (Rs. in crores)
Authorised Capital	20 crore	Equity	Rs.10/-	200
Issued Capital	10 crore	Equity	Rs.10/-	100
Subscribed Capital	10 crore	Equity	Rs.10/-	100
Paid up Capital	10 crore	Equity	Rs.10/-	100

(b) Size of the present offer:

The issue comprises of 8950 unsecured, subordinated, fully paid-up, listed, redeemable, non-convertible debentures having face value of Rs.10,00,000/- each, at par, aggregating Rs.895crore, by the issuer on a private placement basis constituting the subordinated debt of the issuer.

(c) Paid-up Capital:

(i) After the offer:Rs.100 crore
(ii) After conversion of convertible instruments (if applicable): Not applicable

Since the issue is of debentures (which are non-convertible in nature), there would be no change in the authorised, issued, paid-up and subscribed capital and share premium account of the issuer post the issue.

As on date of this Information Memorandum, there are no convertible securities of the issuer which are issued and outstanding.

(d) Share Premium Account (before and after the offer): Not applicable

(ii) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case;

Statement of changes in Equity Share Capital: Nil

B. Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter;

(Rs. in crore)

Year	Profit before Tax	Provision for Tax (including adjustments for earlier years)	Profit after Tax
F.Y. 2015-16	150.50	1.27	149.23
F.Y. 2014-15	1196.73	226.62	970.11
F.Y 2013-14	1007.79	184.91	822.88

C. Dividends declared by the Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)

(Rs. in crore)

Year	Dividend	Interest Coverage Ratio (Cash Profit/ Interest Cost)
F.Y. 2015-16	45.15	**Not applicable** (As the Company's capital structure did not comprise of debt for the past three financial years, there was no interest outgo)
F.Y. 2014-15	193.53	
F.Y 2013-14	164.66	

D. A summary of the financial position of the Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter:

Statement of Profit & Loss

(Rs. in Lakhs)

Particulars	2015-16	2014-15	2013-14
Gross Direct Premium	12,01,898	11,28,263	10,26,098
Net Written Premium (Net of Reinsurance)	11,17,315	10,38,675	9,42,104
Change in Unexpired Risk Reserve	38,177	48,859	73,837

Net earned premium	10,79,138	9,89,816	8,68,267
Commission on reinsurance ceded	11,110	14,946	13,059
Total Income	**10,90,248**	**10,04,762**	**8,81,326**
Net Incurred Claims	10,28,240	7,67,518	7,04,861
Commission expenses	73,096	71,405	71,370
Operating Expenses	3,51,319	3,12,239	2,27,412
Total Expenses	**14,52,655**	**11,51,162**	**10,03,643**
Underwriting Result	**-3,62,407**	**-1,46,400**	**-1,22,317**
Investment Income	3,76,396	2,65,398	2,26,278
Other Income	2,487	689	1,099
Other expenses	1,426	13	4,281
Profit before tax	**15,050**	**1,19,674**	**1,00,779**
Provision for tax (including adjustments)	127	22,663	18,490
Profit after tax	**14,923**	**97,011**	**82,289**
Earnings per share (Rs.)			
Basic	14.92	97.01	82.29
Diluted	14.92	97.01	82.29
Solvency Ratio	**1.26**	**1.52**	**1.55**

Balance Sheet

(Rs. In lakhs)

Particulars	2015-16	2014-15	2013-14
SOURCES OF FUNDS			
Share Capital	10,000	10,000	10,000
Reserves And Surplus	3,88,670	3,79,125	3,04,842
Fair Value Change Account	5,18,250	8,73,863	7,78,893
Borrowings	-	-	-
TOTAL	**9,16,920**	**12,62,989**	**10,93,735**
APPLICATION OF FUNDS			
Investments	21,75,977	24,54,496	21,89,593
Loans	20,485	21,872	22,727
Fixed Assets	18,219	20,165	18,302
CURRENT ASSETS			
Cash and Bank Balances	1,38,057	1,31,645	1,48,900
Advances and Other Assets	5,01,235	4,02,049	3,25,497
Sub-Total (A)	**6,39,292**	**5,33,694**	**4,74,397**
Current Liabilities	13,84,606	12,04,950	11,00,127
Provisions	5,82,887	5,62,288	5,11,157
Sub-Total (B)	**19,67,493**	**17,67,238**	**16,11,284**
NET CURRENT ASSETS (C) = (A-B)	**-13,28,201**	**-12,33,544**	**-11,36,887**
Miscellaneous Expenditure (To The Extent Not Written Off Or Adjusted)	30,441	-	-

Debit Balance In Profit And Loss Account	-	-	-
TOTAL	**9,16,920**	**12,62,989**	**10,93,735**

E. Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter;

Cash Flow Statement

(Rs. in lakhs)

Particulars	2015-16	2014-15	2013-14
Cash flows from Operating Activities:			
Premium received from policyholders, (including advance receipts)	11,57,126	8,05,437	5,30,532
Other receipts	13,60,509	11,62,662	17,18,337
Payments to the re-insurers, net of commissions and claims	-44,063	-52,219	-53,036
Payments to co-insurers, net of claims recovery	-27,167	-30,223	-11,954
Payments of claims	-3,34,363	-2,76,289	-2,06,897
Payments of commission and brokerage	-49,539	-48,208	-45,065
Payments of other operating expenses	-1,58,862	-1,37,043	-1,11,529
Preliminary and pre-operative expenses	-	-	-
Deposits, advances and staff loans (including House building Loan)	-6,185	-7,000	-5,340
Income taxes paid (Net) (including Wealth Tax)	-29,806	-32,397	-256
Service tax paid	-1,44,352	-1,13,305	-1,08,682
Other payments	-19,76,502	-13,61,279	-17,03,219
Cash flows before extraordinary items	**-2,53,204**	**-89,863**	**2,891**
Cash flow from extraordinary operations	-	-	1,601
Net cash flow from operating activities (A)	**-2,53,204**	**-89,863**	**4,492**
Cash flows from Investing Activities:			
Purchase of fixed assets	-2,608	-2,344	-23,818
Proceeds from sale of fixed assets	355	21	157
Purchases of investments (Other than money market instruments & liquid mutual funds)	-3,19,946	-4,83,464	-10,19,419
Loans disbursed	-	-	-1,603
Sales of investments	5,11,971	4,68,984	28,59,707
Repayments received	576	468	33
Rents/Interests/Dividends received	1,38,582	1,30,989	1,13,844
Investments in money market instruments and in liquid mutual funds	-47,01	-22,419	-19,08,392
Expenses related to investments	-1	-377	-358
Net cash flow from investing activities (B)	**2,81,915**	**91,858**	**20,151**
Cash flows from Financing Activities:			

Proceeds from issuance of share capital	-	-	-
Proceeds from borrowing	-	-	-
Repayments of borrowing	-	-	-
Interest / dividends (including dividend distribution tax) paid	-22,642	-19,264	-16,279
Net cash flow from financing activities (C)	**-22,642**	**-19,264**	**-16,279**
Effect of Foreign Exchange rates on Cash & Cash Equivalents, net (due to translation of assets and liabilities)	**343**	**15**	-
Net increase in Cash & Cash Equivalents: (A+B+C+D)	**6,411**	**-17,255**	**8,364**
Cash and cash equivalents at the beginning of the year	1,31,645	1,48,900	1,40,536
Cash and cash equivalents at the end of the year	**1,38,057**	**1,31,645**	**1,48,900**

F. Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.

There has been no significant change in Accounting Policies during the preceding three financial years, materially impacting the profits and reserves of the Company.

Y. DECLARATION:

The issuer undertakes that this Disclosure document contains full disclosures in conformity with FORM PAS-4 prescribed under Section 42 and Rule(I) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide Circular No. LAD-NRO/GN/2012-13/19/5392 Dated October 12, 2012 and CIR/IMD/DF/18/2013 Dated October 29, 2013) and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide Circular No. LAD-NRO/GN/2013-14/43/207 Dated January 31, 2014 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 issued vide Circular No. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 issued vide Circular No. SEBI/ LAD-NRO/GN/2016-17/004 dated 25 may 2016 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued vide Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated September 02 2015 and Insurance Regulatory Development Authority of India (Other Forms of Capital) Regulations, 2015, issued vide Circular No. IRDAI/REG/20/110/2015 dated November 13, 2015.

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or repayment of redemption amount, is guaranteed by the Government of India.

The Company undertakes that the monies received under the issue shall be utilized only for the purposes and 'Object of the Issue' indicated in the Disclosure document.
The Issuer accepts no responsibility for the statements made otherwise than in the Disclosure document or in any other material issued by or at the instance of the issuer and that any one relying on such information from any other source would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the company vide resolution number **6.2** dated **13th February, 2017** to sign this Disclosure document and declared that all the requirements of the Companies Act, 2013, Securities Exchange Board of India (Issue and Listing of Debt Securities), Regulation, 2012 and Insurance Regulatory Development Authority of India (Other Forms of Capital) Regulations, 2015 rules, regulations, guidelines and circulars issued there under in respect of the subject matter of this form and matters incidental thereto have been complied with.

Whatever is stated in this Disclosure document and in the attachments thereto is true and correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Associations and Articles of Association of the Company.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Disclosure document.

Z. ANNEXURES:

Rating Letter	ANNEXURE 1
Rating Rationale	ANNEXURE 2
Debenture Trustee Consent Letter	ANNEXURE 3
R & T Agent Consent Letter	ANNEXURE 4
IRDAI Approval Letter	ANNEXURE 5
In-principle letter: NSE	ANNEXURE 6(a)
In-principle letter: BSE	ANNEXURE 6(b)
Banker Consent Letter	ANNEXURE 7

For National Insurance Company Limited

पी. विजय कुमार / P. Vijaya Kumar
उप महाप्रबंधक / Dy. General Manager
नेशनल इन्श्योरेन्स कम्पनी लिमिटेड
NATIONAL INSURANCE CO. LTD.
प्रधान कार्यालय / Head Office

Date: 23.03.2017
Place: Kolkata