

Price Waterhouse Chartered Accountants LLP

Chartered Accountants
252, Veer Savarkar Marg,
Opp Shivaji Park,
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G. M. Kapadia & Co.

Chartered Accountants
1007, Raheja Chambers,
213 Nariman Point,
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Auditor's Report on Financial Results for the quarter ended June 30, 2018 of HDFC Standard Life Insurance Company Limited

To The Board of Directors of
HDFC Standard Life Insurance Company Limited

1. We have audited the accompanying financial results of HDFC Standard Life Insurance Company Limited as at and for the quarter ended June 30, 2018 being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDA Circular reference: IRDAI/F&I/ REG/CIR/208/10/2016 dated 25th October 2016. ("Standalone financial results") which have been approved by the Board of Directors on July 20, 2018.
2. These financial results have been prepared on the basis of the interim condensed financial statements prepared in accordance with the measurement and recognition principles specified in paragraph 3 below, which is the responsibility of the Company's management. The management's responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation of the standalone financial results that is free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these quarterly financial results based on our audit of such interim condensed financial statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles laid down in Accounting Standard ('AS') 25, "Interim Financial Reporting", specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 issued thereunder, including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of quarterly financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") to the extent applicable.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants



of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

5. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results:

- I) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and IRDAI IRDA Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated 25th October 2016 in this regard; and
- II) give a true and fair view of the standalone net profit and other financial information for the quarter ended June 30, 2018.

Other Matter

6. The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at June 30, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as contained in the interim condensed financial statements of the Company.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.012754N/N500016



Anish P. Amin

Partner

Membership No. 040451

Place: Mumbai

Date: July 20, 2018

For G.M.Kapadia & Co.

Chartered Accountants

Firm Registration No.104767W



Rajen Ashar

Partner

Membership No. 048243



HDFC Standard Life Insurance Company Limited
Statement of Standalone Audited Results for the quarter ended June 30, 2018

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Audited)	(Audited)	(Audited)	(Audited)
POLICYHOLDERS' A/C					
1	Gross premium income				
	(a) First Year Premium	81,243	173,560	70,512	473,846
	(b) Renewal Premium	238,006	467,217	205,189	1,221,480
	(c) Single Premium	186,521	254,867	94,672	661,115
2	Net premium income ¹	500,128	890,002	366,153	2,337,096
3	Income from investments (Net) ²	179,674	(93,679)	277,220	859,463
4	Other income	4,592	1,730	5,121	11,182
5	Transfer of funds from Shareholders' A/c	1,352	15,408	241	15,665
6	Total (2 to 5)	685,746	813,461	648,735	3,223,406
7	Commission on				
	(a) First Year Premium	14,183	32,534	12,915	87,023
	(b) Renewal Premium	3,402	5,882	2,508	15,497
	(c) Single Premium	2,234	2,451	204	4,973
8	Net Commission ³	19,819	40,867	15,627	107,493
9	Operating Expenses related to insurance business (a+b)				
	(a) Employees remuneration and welfare expenses	32,494	39,851	25,933	129,177
	(b) Other operating expenses ⁴	39,964	70,131	30,446	186,753
10	Expenses of Management (8+9)	92,277	150,849	72,006	423,423
11	Provisions for doubtful debts (including bad debts written off)	-	-	-	-
12	Provisions for diminution in value of investments	1,015	2,028	(3)	(93)
13	Goods & Services Tax/Service Tax charge on linked charges	7,893	8,678	5,648	29,692
14	Provision for taxes	2,345	13,881	1,869	17,555
15	Benefits Paid ⁵ (Net) ¹	294,245	441,105	261,544	1,311,142
16	Change in actuarial liability	254,086	157,245	277,552	1,332,225
17	Total (10+11+12+13+14+15+16)	651,861	773,786	618,616	3,113,944
18	Surplus/Deficit (6-17)	33,885	39,675	30,119	109,462
19	Appropriations				
	(a) Transferred to Shareholders A/c	31,997	39,651	25,463	100,220
	(b) Funds for Future Appropriations	1,888	24	4,656	9,242
20	Details of Surplus / Deficit				
	(a) Interim bonus paid	666	1,166	486	2,313
	(b) Terminal bonus paid	4,869	6,681	3,888	19,341
	(c) Allocation of bonus to policyholders	-	70,835	-	70,835
	(d) Surplus shown in the Revenue Account	33,885	39,675	30,119	109,462
	Total Surplus	39,420	118,357	34,493	201,951
SHAREHOLDERS' A/C					
21	Transfer from Policyholders' Account	31,997	39,651	25,463	100,220
22	Total income under Shareholders' Account				
	(a) Investment Income	7,881	9,735	6,746	28,026
	(b) Other income	932	-	1,302	1,302
23	Expenses other than those related to insurance business	243	63	621	1,254
24	Transfer of funds to Policyholders' Account	1,352	15,408	241	15,665
25	Provisions for doubtful debts (including write off)	-	-	-	-
26	Provisions for diminution in value of investments	33	20	(17)	(45)
27	Profit before tax	39,182	33,895	32,666	112,674
28	Provisions for tax	1,164	(789)	1,029	1,774
29	Profit after tax and before Extraordinary items	38,018	34,684	31,637	110,900
30	Profit after tax and Extraordinary items	38,018	34,684	31,637	110,900
31	Dividend per share (₹) (Nominal value ₹ 10 per share)				
	(a) Interim Dividend	-	-	-	1.36
	(b) Final Dividend	-	-	-	-
32	Profit carried to Balance Sheet ⁶	277,382	239,365	192,985	239,365
33	Paid up equity share capital	201,252	201,174	199,885	201,174
34	Reserve & Surplus (excluding Revaluation Reserve)	309,283	270,640	212,733	270,640
35	Fair Value Change Account and Revaluation Reserve (Shareholders)	1,440	3,016	3,486	3,016
36	Total Assets:				
	(a) Investments:				
	- Shareholders'	412,957	407,033	336,002	407,033
	- Policyholders Fund excluding Linked Assets	4,795,644	4,534,714	3,646,479	4,534,714
	- Assets held to cover Linked Liabilities (Linked Assets)	5,754,764	5,718,539	5,492,122	5,718,539
	(b) Other Assets (Net of current liabilities and provisions)	(65,835)	(76,779)	(23,735)	(76,779)

*Details of Expenses contributing more than 10% of the expense of management are as below -

Advertisement and publicity	14,846	25,936	7,229	71,598
Business development expenses	8,363	23,189	9,529	49,140

Foot notes :

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Inclusive of interim and terminal bonus
- 4 Represents accumulated surplus



HDFC Standard Life Insurance Company Limited
Statement of Standalone Audited Results for the quarter ended June 30, 2018

(₹ in Lakhs)

Particulars	Three Months ended / As at			Year ended / As at
	June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
	(Audited)	(Audited)	(Audited)	(Audited)
Analytical Ratios:				
(i) Solvency Ratio	197%	192%	198%	192%
(ii) Expenses of Management Ratio	18.2%	16.8%	19.4%	18.0%
(iii) Policyholder's liabilities to shareholders' fund	2012.1%	2115.4%	2159.8%	2115.4%
(iv) Earnings per share (in ₹):				
a) Basic EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.89	1.73	1.58	5.53
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period (not annualized for three months)	1.88	1.72	1.57	5.50
(v) NPA ratios: (for Policyholders' fund)				
a) Gross NPAs				
- Non Linked				
Par	NIL	NIL	1000.0	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
Net NPAs				
- Non Linked				
Par	NIL	NIL	417.6	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
b) % of Gross NPAs				
- Non Linked				
Par	NIL	NIL	0.0%	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
% of Net NPA				
- Non Linked				
Par	NIL	NIL	0.0%	NIL
Non Par	NIL	NIL	NIL	NIL
- Linked				
Non Par	NIL	NIL	NIL	NIL
(vi) Yield on Investments (on Policyholders' fund)				
A. Without unrealised gains				
- Non Linked				
Par	1.7%	1.7%	2.2%	8.9%
Non Par	2.0%	1.9%	2.0%	8.4%
- Linked				
Non Par	2.2%	2.2%	2.5%	9.4%
B. With unrealised gains				
- Non Linked				
Par	0.0%	0.4%	2.8%	5.7%
Non Par	-1.1%	1.7%	3.5%	5.8%
- Linked				
Non Par	1.3%	-3.3%	3.4%	8.5%
(vii) NPA ratios: (for Shareholders' fund)				
a) Gross NPAs	NIL	NIL	1,000.0	NIL
Net NPAs	NIL	NIL	417.6	NIL
b) % of Gross NPAs	NIL	NIL	0.3%	NIL
% of Net NPAs	NIL	NIL	0.1%	NIL
(viii) Yield on Investments (on Shareholders' fund)				
A. Without unrealised gains	1.9%	2.6%	2.1%	8.2%
B. With unrealised gains	-0.7%	-0.1%	2.6%	5.8%
(ix) Persistency Ratio				
13th month	85.0%	85.5%	82.5%	87.1%
25th month	77.8%	76.9%	74.7%	77.4%
37th month	71.2%	72.0%	65.7%	70.9%
49th month	63.6%	63.2%	59.1%	62.2%
61st month	49.5%	47.6%	52.3%	51.0%
(x) Conservation Ratio				
Participating life- Individual & group	89.9%	90.7%	90.9%	90.0%
Participating pension- Individual & group	82.0%	86.8%	93.7%	93.2%
Non Participating life- Individual & group	82.7%	84.7%	90.9%	85.1%
Non Participating pension- Individual & Group	93.7%	88.7%	99.7%	92.3%
Non Participating - Life Group Variable	NA	NA	NA	NA
Non Participating - Pension group variable	NA	NA	NA	NA
Non Participating fund - Annuity	NA	NA	NA	NA
Non Participating fund - Individual & Group Health	53.1%	68.2%	73.4%	74.8%
Unit Linked - Individual life	85.7%	80.1%	81.2%	79.5%
Unit Linked - Individual pension	81.1%	82.6%	94.0%	86.3%
Unit Linked - Group life	NA	NA	NA	NA
Unit Linked - Group pension	NA	NA	NA	NA

Notes:

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The persistency ratios are calculated in accordance with the IRDAI circular no. IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014 and hence are with a lag.
- Group business, where persistency is measurable, has been included in the calculations. Rural business is excluded in the calculation of the persistency ratios.
- The persistency ratios for the quarter ended June 30, 2018 have been calculated for the policies issued in the March to May period of the relevant years. E.g. the 13th month persistency for the current quarter is calculated for the policies issued from March 2017 to May 2017. The persistency ratio for quarter ended March 31, 2018 and June 30, 2017 have been calculated in a similar manner.
- The persistency ratios for the year ended March 31, 2018 have been calculated for the policies issued in the March to February period of the relevant years. E.g. the 13th month persistency for the current year is calculated for the policies issued from March 2016 to February 2017.



HDFC Standard Life Insurance Company Limited
Segment Reporting (Standalone) for the quarter ended June 30, 2018

(₹ in Lakhs)

Sr. No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Income				
A)	Policyholders :				
	Segment A - Participating - Individual & Group Life :				
	Net Premium	103,840	215,741	91,531	563,505
	Income from Investments ²	40,787	40,117	46,493	194,231
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	1,272	476	973	2,362
	Segment B - Participating - Individual & Group Pension :				
	Net Premium	3,485	8,111	3,862	23,117
	Income from Investments ²	3,766	3,316	3,547	13,941
	Transfer of Funds from shareholders' account	-	352	-	352
	Other Income	26	14	16	74
	Segment C - Non Participating - Individual & Group Life :				
	Net Premium	118,168	150,539	74,219	425,930
	Income from Investments ²	16,403	14,881	11,551	52,970
	Transfer of Funds from shareholders' account	-	13,500	-	13,500
	Other Income	127	62	79	325
	Segment D - Non Participating - Life Group Variable :				
	Net Premium	23,087	28,080	11,088	51,197
	Income from Investments ²	3,409	2,799	2,329	10,206
	Transfer of Funds from shareholders' account	86	101	-	101
	Other Income	-	(0)	(0)	(0)
	Segment E - Non Participating - Individual & Group Pension :				
	Net Premium	15,139	22,368	4,307	65,678
	Income from Investments ²	4,935	5,324	4,374	19,215
	Transfer of Funds from shareholders' account	-	-	107	-
	Other Income	9	14	10	63
	Segment F - Non Participating - Pension Group Variable :				
	Net Premium	9,975	21,810	7,181	67,018
	Income from Investments ²	3,657	3,273	2,381	11,345
	Transfer of Funds from shareholders' account	942	200	135	457
	Other Income	-	-	-	-
	Segment G - Non Participating - Annuity :				
	Net Premium	40,895	64,844	7,349	106,554
	Income from Investments ²	5,472	4,155	2,760	17,990
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	25	24	7	70
	Segment H - Non Participating - Individual & Group Health :				
	Net Premium	3,075	3,445	1,589	9,150
	Income from Investments ²	102	75	73	305
	Transfer of Funds from shareholders' account	324	1,255	-	1,255
	Other Income	10	10	4	30
	Segment I - Unit Linked - Individual Life :				
	Net Premium	157,683	316,959	131,839	829,478
	Income from Investments ²	69,463	(146,116)	154,247	415,720
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	3,118	1,119	4,015	8,172
	Segment J - Unit Linked - Individual Pension :				
	Net Premium	17,130	35,026	19,063	103,191
	Income from Investments ²	28,976	(23,403)	34,767	89,506
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	4	12	17	97
	Segment K - Unit Linked - Group Life :				
	Net Premium	4,935	20,912	11,331	81,200
	Income from Investments ²	1,204	20	11,744	26,797
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	0	0	(0)
	Segment L - Unit Linked - Group Pension :				
	Net Premium	2,717	2,166	2,795	11,079
	Income from Investments ²	489	(137)	2,954	6,746
	Transfer of Funds from shareholders' account	-	-	-	-
	Other Income	-	-	-	-
B)	Shareholders :				
	Income from Investments ²	7,848	9,708	6,763	28,067
	Other Income	932	-	1,302	1,302



HDFC Standard Life Insurance Company Limited
Segment Reporting (Standalone) for the quarter ended June 30, 2018

(₹ in Lakhs)

Sr No.	Particulars	Three Months ended / As at			Year ended / As at
		June 30, 2018	March 31, 2018	June 30, 2017	March 31, 2018
		(Audited)	(Audited)	(Audited)	(Audited)
2	Segment Surplus/ Deficit (net of transfer from Shareholders' A/c) :				
	Segment A - Participating - Individual & Group Life	341	4,760	3,847	11,187
	Segment B - Participating - Individual & Group Pension	1,547	5,189	809	7,979
	Segment C - Non Participating - Individual & Group Life	14,107	7,571	11,978	46,315
	Segment D - Non Participating - Life Group Variable	(86)	(242)	39	(101)
	Segment E - Non Participating - Individual & Group Pension	1,112	2,242	(107)	4,949
	Segment F - Non Participating - Pension Group Variable	(942)	(200)	(135)	(457)
	Segment G - Non Participating - Annuity	1,972	616	422	2,012
	Segment H - Non Participating - Individual & Group Health	(324)	377	234	1,427
	Segment I - Unit Linked - Individual Life	10,378	(88)	8,068	3,589
	Segment J - Unit Linked - Individual Pension	3,469	3,691	3,684	14,195
	Segment K - Unit Linked - Group Life	836	256	614	1,870
	Segment L - Unit Linked - Group Pension	123	96	425	831
	Total	32,533	24,268	29,878	93,796
	Shareholders	7,372	10,441	6,415	26,345
	Grand Total	39,905	34,709	36,293	120,141
3	Segment Assets:				
	Segment A - Participating - Individual & Group Life	2,591,717	2,490,433	2,101,540	2,490,433
	Segment B - Participating - Individual & Group Pension	241,595	233,775	213,661	233,775
	Segment C - Non Participating - Individual & Group Life	844,881	785,863	583,261	785,863
	Segment D - Non Participating - Life Group Variable	173,008	162,244	120,693	162,244
	Segment E - Non Participating - Individual & Group Pension	269,247	255,866	222,892	255,865
	Segment F - Non Participating - Pension Group Variable	191,892	183,605	123,179	183,605
	Segment G - Non Participating - Annuity	274,206	235,493	135,095	235,493
	Segment H - Non Participating - Individual & Group Health	5,245	4,329	2,881	4,329
	Segment I - Unit Linked - Individual Life	4,372,001	4,325,623	4,123,533	4,325,623
	Segment J - Unit Linked - Individual Pension	880,017	878,830	902,977	878,830
	Segment K - Unit Linked - Group Life	426,388	436,988	387,286	436,988
	Segment L - Unit Linked - Group Pension	90,105	92,807	94,910	92,807
	Total	10,360,302	10,085,856	9,011,908	10,085,855
	Shareholder	503,309	467,177	409,161	467,177
	Unallocated ³	33,920	30,474	29,798	30,475
	Grand Total	10,897,531	10,583,507	9,450,867	10,583,507
4	Segment Policy Liabilities⁴ :				
	Segment A - Participating - Individual & Group Life	2,528,316	2,448,310	2,069,448	2,448,310
	Segment B - Participating - Individual & Group Pension	227,219	222,961	207,142	222,961
	Segment C - Non Participating - Individual & Group Life	842,610	783,273	578,655	783,273
	Segment D - Non Participating - Life Group Variable	173,336	161,136	119,433	161,136
	Segment E - Non Participating - Individual & Group Pension	269,344	255,675	222,637	255,675
	Segment F - Non Participating - Pension Group Variable	192,263	182,479	122,792	182,479
	Segment G - Non Participating - Annuity	275,796	236,287	135,269	236,287
	Segment H - Non Participating - Individual & Group Health	5,210	4,294	2,807	4,294
	Segment I - Unit Linked - Individual Life	4,391,834	4,343,422	4,143,883	4,343,422
	Segment J - Unit Linked - Individual Pension	880,013	878,826	902,977	878,826
	Segment K - Unit Linked - Group Life	426,315	436,915	387,175	436,915
	Segment L - Unit Linked - Group Pension	90,105	92,807	94,910	92,807
	Total	10,302,361	10,046,386	8,987,128	10,046,386
	Shareholders	512,013	474,919	416,104	474,919
	Unallocated	-	-	-	-
	Grand Total	10,814,374	10,521,305	9,403,232	10,521,305

Note:

1. Segments include:

a. Linked Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable

b. Non-Linked

1. Non-Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable

2. Participating Policies: (i) Life (ii) General Annuity and Pension (iii) Health (iv) Variable

c. Variable insurance shall be further segregated into Life and Pension

2. Net of provisions for diminution in value of investment

3. Unallocated row in the segmental assets above includes income tax deposited with tax authorities which is contested by the company and Advance Tax (net of provision for taxation). As per Accounting Standard 17, tax asset cannot be allocated across reporting segments.

4. Segment policy liabilities includes fund for future appropriations



HDFC Standard Life Insurance Company Limited

Other disclosures :

Status of Shareholders Complaints for the quarter ended June 30, 2018

Sr No.	Particulars	Number of Complaints
1	Investor complaints pending at the beginning of the quarter	2
2	Investor complaints received during the quarter	11
3	Investor complaints disposed of during the quarter	13
4	Investor complaints remaining unresolved at the end of the quarter	NIL



Notes:

1. The above results of the company for the quarter ended June 30, 2018 were reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on July 20, 2018.
2. These financial results have been prepared in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, and IRDAI Circular IRDA/F&I/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance companies.
3. In view of seasonality of industry, the results of interim period are not necessarily indicative of the results that may be expected of any other interim periods or for the full year.
4. During the quarter ended June 30, 2018, the Company has allotted 777,654 equity shares of face value of ₹ 10 each pursuant to exercise of employee stock options.
5. Figures of the previous period have been regrouped wherever necessary, in order to make them comparable.
6. In accordance with the requirements of IRDAI Master Circular on "Preparation of Financial Statements and Filing Returns of Life Insurance Business" dated December 11, 2013, the Company will publish the financials on the company's website not later than August 14, 2018.
7. The above standalone financial results have been audited by joint statutory auditors of the Company.

For and on behalf of the Board of Directors



Amitabh Chaudhry
Managing Director & CEO
(DIN: 00531120)

Mumbai
July 20, 2018

