

Building a Strong Foundation. With You.



2017-18
Annual Report

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Overview

We were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018, according to CRISIL (CRISIL Research, "Analysis of Life Insurance Industry in India", July 10, 2018). From Fiscal 2017 to Fiscal 2018, our total new business premium increased at a compounded annual growth rate of 24.23%, compared to the total new business premium for the Indian life insurance sector increasing at a compounded annual growth rate of 10.77% (Source: CRISIL). Our history and relationships with MetLife and PNB have enabled us to become a strong, professionally managed company with the capabilities necessary to take advantage of significant opportunities in the fast growing Indian life insurance market. We have a pan-India, multi-channel distribution network and a comprehensive product portfolio

and provide an end-to-end customer-centric service experience. We believe this positions us well to access a broad Indian customer base and address the diverse and evolving needs of Indian customers. We seek to leverage our capabilities through our scalable platform to generate profitable growth, particularly in underpenetrated segments of India's life insurance market.

The Indian life insurance market is the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premium in Fiscal 2017, according to Swiss Re Institute, sigma No 3/2017. Total new business premium in the Indian life insurance market grew at a compounded annual growth rate of 19.66% between Fiscal 2015 and Fiscal 2018 and 10.77% from Fiscal 2017 to Fiscal 2018 (Source: CRISIL). However, India continues to be an underpenetrated insurance market with a life insurance penetration of only 2.7% in Fiscal 2016, compared to a global average of 3.5% (Source: CRISIL). In

addition, the protection gap in India, which is the difference between the insurance protection cover required and the cover actually insured in a particular period, is amongst the highest globally at US\$8.5 trillion in 2014 (Source: CRISIL).

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

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

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

Our individual new business premium increased at a compounded annual growth rate of 20.25% from Fiscal 2015 through Fiscal 2018. In Fiscal 2018, our embedded value growth was 17.5%, our operating return on embedded value was 16.1% and our value of new business margin was 17.1%.



Our Competitive Strengths

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

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

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

We have established a pan-India, multi-channel distribution network that includes productive bancassurance relationships with our bancassurance partners, as well as strong direct sales and agency channels that we actively manage through a consolidated operating model. Our pan-India distribution presence enables us to access a geographically and demographically broad Indian customer base, including a wide set of under-penetrated customer segments. Our distribution network allows

us to have a balanced geographic business mix. In Fiscal 2018, we generated 42.47%, 39.30% and 18.23% of our individual new business premium from metro, urban and semi-urban, and rural geographies in India, respectively.

Bancassurance

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

- **PNB**

PNB is our largest bancassurance partner with 7,059 bank branches located across India and more than 100 million banking customers as of December 31, 2017. PNB has been exclusively distributing our life insurance products since October 2011. As of December 31, 2017, 18.8% of PNB's branches were located in metro areas, 44.8% were located in urban and semi-urban areas and 36.4% were located in rural areas, providing us access to a large number of India's geographic market segments (Source: CRISIL). In Fiscal 2018, 36.11%, 42.96% and

20.93% of our individual new business premium generated through PNB were from branches located in metro, urban and semi-urban and rural geographies, respectively. From Fiscal 2015 through Fiscal 2018, the total new business premium and individual new business premium that we generated through PNB grew at a compounded annual growth rates of 30.80% and 27.32%, respectively. We generated a total new business premium of ₹ 7,530.76 million and individual new business premium of ₹ 6,636.47 million through PNB in Fiscal 2018.



- **Other key bancassurance partnerships**

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

Direct sales and agency

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

- **Direct sales**

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

- **Agency**

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

through our agency sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

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

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

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

Comprehensive product portfolio

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

Within each product category, we target our products at attractive customer segments that we can effectively and efficiently access through each of our distribution channels. We offer savings products to a wide range

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

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

End-to-end customer-centric service experience

We complement our product portfolio with an end-to-end customer-centric service experience enhanced by digitization and technology and support processes. We have an integrated approach to on-boarding customers through simplified underwriting and "straight-through processing" of customer proposal forms, which does not involve any manual underwriting. Once an application is logged in, it is processed through an automated underwriting engine. One of our key initiatives has been to streamline our pre-sales and sales processes through "e-branch", our digital platform officially launched in 2016. Our e-branch platform aims to provide a seamless, user-friendly customer experience from the prospective customer stage to policy issuance. It also helps us enhance our customer relationships and improve customer retention through customer

From Fiscal 2015 through Fiscal 2018, the total new business premium and individual new business premium that we generated through PNB grew at a compounded annual growth rates of 30.80% and 27.32%, respectively.

interaction histories, calendars that manage customer engagement, analytics for customer funnel analysis, which analyzes the on-boarding process at various stages to target prospective customers, and alerts and notifications on various customer life events, policy anniversaries, birthdays and appointments. We have also created an online portal that provides customers access to their policy and fund information and allows them to pay their premium through their internet banking platform. We also have our Met Care Kit, which has the aim of simplifying the claims process by providing the customer with a comprehensive list of documents and forms required for processing a claim.

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

The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, has been a key contributor to improvements in our persistency ratios.

Scalable platform, well-positioned for profitable growth

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

In relation to our bancassurance distribution network, we have invested in technologies such as sales force automation tools and our e-branch platform, which are intended to integrate seamlessly with the systems and processes of PNB to improve productivity and realize scale in our business. Our investment in this technology supports deployment across additional PNB branches, as well as deployment in other bancassurance partners. We have also successfully implemented digitization of our training

content on PNB's internal portal, including our life insurance training program. This investment in training facilitates growth of the number of PNB bank sales persons, who are PNB employees qualified to sell our products in PNB's branch network, which will also increase sales productivity.

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

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

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

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

As a result of our initiatives, we have improved our operating expense ratio from 24.53% in Fiscal 2015 to 20.61% in Fiscal 2018, while growing total new business premium at a compounded annual rate of 19.85% during the same period. Similarly, we grew our individual new business premium at a compounded annual growth rate of 20.25% between Fiscal 2015 and Fiscal 2018, while our expenses have increased by only 10.52% during the same period. Our operating return on embedded value has increased from 14.0% for the 12 month period ended September 30, 2017, as reported by the Company, to 16.1% for Fiscal 2018. Our value of new business margin increased from

16.1% for the 12 month period ended September 30, 2017, as reported by the Company, to 17.1% in Fiscal 2018.

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

Experienced management team

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



Our Strategies

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

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

5,929

The number of PNB employees that are qualified to sell our insurance products increased from 2,821 as of March 31, 2015 to 5,929 as of March 31, 2018.

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

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

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

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

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

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

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

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

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

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

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

Limited, an insurance broker, to sell our life insurance products. In addition, we are currently in advanced stages of executing a distribution agreement with a financial services company. We will continue to look for similar opportunities while we seek to develop these new relationships.

Focus on key markets for direct sales and agency distribution:

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

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

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

Our product strategy is to deliver products that are aligned to the needs of the Indian customer base in each of our distribution channels and across different geographic market segments.



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

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

our bancassurance channel, enable us to increase the number of insurance managers, loyalty managers, individual agents and qualified bank sales persons across our key distribution channels to drive revenue growth with limited incremental investment. We plan to continue to improve efficiencies in customer on-boarding through process re-engineering and automation, including by increasing sales through our e-branch platform, auto-issuance of policies, risk-based underwriting and tele-medicals. Additionally, our investment in technologies enables us to continue to activate additional PNB branches efficiently, as well as deploy similar technology at our other bancassurance partners to realize scale in our business. As we realize the benefits of increased scale, we intend to continually calibrate our organizational structure and cost base in order to deliver profitable growth.

We also intend to achieve improvements in persistency by enhancing an end-to-end customer-centric service experience across the entire customer life cycle. In particular, we plan to drive persistency through targeted customer communications and by focusing on customer engagement and retention levels. We plan to increase customer engagement by increasing our responsiveness to them and through the use of a portal for accessing policy information and managing policies, a dedicated toll-free helpline for customers and services through short message service ("SMS"), and by providing multiple payment options to our customers, while increasing the use of auto-debit payments. In addition, we intend to increase the utilization of self-service transactions, which was 27% in Fiscal 2018, by managing the number of self-service options available to our customers, as well as of our customer engagement calendar to regularly reach out to our existing customers. In addition, increasing customer contactability, which we measure as the number of customers we were able to contact relative to the number of customers to whom we have sold our products for a given period, is a key factor in our ability to increase customer engagement with larger numbers of customers. In Fiscal 2018, our customer contactability was 94%. We also plan to continue to use analytics to improve our customer service and increase our renewal premium. For example, we have built propensity models that give lead

As we realize the benefits of increased scale, we intend to continually calibrate our organizational structure and cost base in order to deliver profitable growth.

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

Drive profitability by leveraging scale and improving persistency

We are focused on continually improving our financial results and delivering shareholder value by leveraging our scale and improving our persistency, which is the proportion of customers who continue to maintain their policies with us over certain defined periods as measured in terms of premium. A key aspect of our competitive strengths is the scalability of our platform and our strategy is aimed at enabling us to achieve the benefits of scale in order to drive profitability. In particular, the consolidated operating model we have implemented for our direct sales and agency channels, as well as our management structure for

indicators into customer preferences and segment the “insurability” of customers, which has helped to improve our customer engagement model and increase the productivity of our distribution and retention teams. In addition, we have increased the weight of subsequent premium persistency in our performance evaluation criteria of our management team and sales employees for incentives and career progression. With these initiatives, we aim to improve the satisfaction of our customers, the quality of our business and our persistency.

Utilize information technology and implement digitization to drive efficiencies

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

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



efforts are aimed at helping us to improve our sales productivity, operations and servicing through improved turnaround times, streamline processes and reduce our dependence on paperwork and physical infrastructure, as well as improve our end-to-end customer-centric service experience.

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

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

Our Products

Our product strategy is to deliver products that are aligned to the needs of our customer base in each of our distribution channels. With our product portfolio, our focus is on providing protection, savings and pension products that cater to customers' needs across various stages in their lives. Our product portfolio covers three principal customer needs—savings, protection and pension, which accounted for 82.10%, 14.89% and 3.01% of our total new business premium, respectively, and 93.41%, 4.09% and 2.51% of our individual new business premium, respectively, for Fiscal 2018. We feel this positions us well to access a broad Indian customer base and address the diverse and evolving needs of Indian customers.

As of March 31, 2018, we offered our customers 15 savings products, nine protection products and five pension products, along with eight optional product riders. The following table sets forth our new business premium for each of our savings, protection and pension product categories as a percentage of total new business premium by product category for the periods indicated:

Fiscal Year ended March 31,						
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
New business premium						
Savings	8,230.11	82.04%	9,368.71	81.55%	11,716.85	82.10%
Protection	1,719.53	17.14%	1,809.08	15.75%	2,124.67	14.89%
Pension	82.02	0.82%	310.06	2.70%	429.29	3.01%
Total	10,031.66	100.00%	11,487.85	100.00%	14,270.81	100.00%

Our savings and pension product portfolios comprise three principal product segments: participating, non-participating and unit-linked insurance segments, while all of our protection products fall in the non-participating product segment:

- **The participating segment** comprises insurance products in which policyholders participate in the profits and losses arising from an underlying participating fund. In accordance with IRDAI regulations, asset allocation in

participating funds is made by our investment team and any surplus generated from the participating fund is shared between policyholders and shareholders based on a 90:10 ratio. The objective of a participating product is to provide stable, medium to long-term returns, through a combination of guaranteed and non-guaranteed benefits. The profits shared in the participating products are called "bonuses", which are declared annually and are discretionary. Bonuses are payable only on maturity or earlier upon death or surrender of the policy. Once declared, bonuses get attached to the policy;

- **The non-participating segment** comprises products that provide guaranteed benefits to the customer. The policy provides guaranteed benefits on death, survival and maturity to the customer; and
- **The unit-linked insurance segment** comprises products that offer a combination of insurance and investment, where investment decisions and risks associated with such investments are borne by the policyholders, and non-investment risks, such as mortality and morbidity risks, are borne by us. Asset allocation in unit-linked funds are decided by policyholders, who may choose from specific types of funds, including equity funds, debt funds or hybrid funds.

Savings products

Our savings products offer a safe and stable avenue of investment with the added protection of life cover benefit. Through our savings products, our customers are able to manage their wealth creation objectives, such as for regular income, savings and child education support, through different product alternatives. Our savings portfolio comprised 42.39% participating, 36.36% non-participating and 21.25% unit-linked segments as a percentage of our total savings new business premium in Fiscal 2018.

As of March 31, 2018, we offered individual customers 15 savings products, comprising five participating savings products, four non-participating savings products and six

unit-linked savings products. The following table sets forth total new business premium generated from savings products by product segment for the periods indicated:

Savings portfolio	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
New business premium						
Participating	4,567.86	55.50%	4,950.82	52.84%	4,966.79	42.39%
Non-Participating	912.66	11.09%	3,403.72	36.33%	4,260.80	36.36%
Unit-Linked	2,749.59	33.41%	1,014.17	10.83%	2,489.27	21.25%
Total	8,230.11	100.00%	9,368.71	100.00%	11,716.85	100.00%

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

Protection products

Our protection products offer customers financial security at times of loss, such as death, critical illness, disability or an accident. They cater to the specific protection needs of customers during each stage of their lives—from young adult, unmarried, newly married, married with young children, married with grown-up children and elderly. Our protection products include individual term insurance plans that provide lump-sum benefits to the beneficiary on the occurrence of covered events like death, disability or illness and fixed-benefit health insurance plans that provide benefits on the occurrence of covered illness events during the period of the policy. We also offer protection products that are complementary to our bancassurance partners' products and services. These include income replacement products which can be paired with a bank savings account, as well as credit life products that provide coverage against loans. We also have direct agreements with 627 corporate groups to provide them with primarily group life insurance protection products to meet their employee benefit needs.

Although the majority of our protection policies expire without value at the end of the coverage period, there are policy variations that offer a refund of premium to the policyholder if the relevant covered event does not occur. All of our protection products fall into the non-participating product segment, where the benefits on death, disability or illness are guaranteed,

and include the following principal product categories:

- **Individual term products** offer a guaranteed lump-sum benefit or an income stream for specified periods on the occurrence of contingent event like death, disability or illness of an individual during the period of coverage.
- **Individual health insurance products** offer fixed benefit coverage against covered critical illnesses.
- **Credit life term products** offer liability protection to our customers by covering repayment of outstanding loan in the event of death of the individual borrower.
- **Group term products** offer life cover on a yearly renewable basis to both employer-employee and non-employer-employee groups.
- **Protection riders** offer supplementary cover that can be attached to individual and group insurance products, on payment of additional premium. Riders provide additional death, disability or critical illness benefits to beneficiaries.

As of March 31, 2018, we offered customers nine non-participating protection products, comprising five individual protection products and four group protection products. In addition, we offered eight optional protection product riders, comprising four individual insurance riders and four group insurance riders as of March 31, 2018. Since March 31, 2018, we have also launched one additional group credit life protection product. In Fiscal 2018, 24.12%,

56.39% and 19.49% of our total new business premium generated from the sale of protection products were from the sale of individual products, credit life and group term life products, respectively.

The following table sets forth total new business premium for our protection products and riders for the periods indicated:

Protection portfolio	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
New business premium						
Non-Participating	1,719.53	100.00%	1,809.08	100.00%	2,124.67	100.00%
Total	1,719.53	100.00	1,809.08	100.00	2,124.67	100.00

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

Pension products

Our pension products are designed to offer individuals financial support after retirement by supplementing their retirement income. Depending on their life-stage and financial planning priorities, our customers may choose from participating, non-participating and unit-linked pension products. Our participating pension products include deferred pension plans, which assist our customers to accumulate money in order to secure post-retirement income. Our non-participating pension products include products such as our immediate annuity product which provides immediate guaranteed income post payment of single lump-sum. We also offer fund-based group pension products, which our corporate customers use as investment vehicles to back their pension and gratuity liabilities towards their employees on both traditional and unit-linked platforms.

As of March 31, 2018, we offered five pension products, comprising three non-participating products, one participating product and one unit-linked product. The following table sets forth total new business premium for our pension products by product segment for the periods indicated:

Pension portfolio	Fiscal Year ended March 31,					
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
New business premium (Total)						
Participating	43.96	53.60%	194.56	62.75%	228.78	53.29%
Non-Participating	31.18	38.02%	105.65	34.07%	94.21	21.95%
Unit-Linked	6.87	8.38%	9.86	3.18%	106.29	24.76%
Total	82.02	100.00%	310.06	100.00%	429.29	100.00%

Note: Total new business premium for product segments include premium generated through sale of riders (if any).



Individual and group products

As of March 31, 2018, we offered 22 individual products, seven group products and eight optional product riders. Since March 31, 2018, we have also launched one additional group credit life protection product. In Fiscal 2018, participating, non-participating and unit-linked products comprised 36.41%, 45.41% and 18.19% of our total new business premium, respectively. The tables below set forth the products we offer by product category, product and rider type and primary customer need addressed as of March 31, 2018:

Individual Products

Product Category	Segment/rider type	Primary customer need addressed/ (number of products)
Savings	Participating	Wealth Creation (2)
		Income/Savings (1)
		Child Education (2)
	Non-Participating	Income/Savings (3)
		Wealth Creation (1)
	Unit-Linked	Wealth Creation (5)
Protection	Non-Participating	Child Education (1)
		Protection (Term) (2)
		Protection - Income replacement (1)
		Protection (Mass segment) (1)
		Protection (Term plus Health) (1)
		Protection (Individual) (1)*
Pension	Participating	Health (Individual) (3)*
		Deferred pension (1)
	Non-Participating	Immediate Annuity (1)

* Optional riders, which offer supplementary cover that can be attached to individual insurance products, on payment of additional premium.

Group Products

Product Category	Segment/rider type	Primary customer need addressed/ (number of products)
Protection	Non-Participating	Protection (Group Term) (3)
		Protection (Group Credit Life) (1)*
		Health (Group) (4)**
Pension	Non- Participating	Traditional EB (1)
		Superannuation (1)
	Unit-Linked	Unit-Linked EB (1)

* Since March 31, 2018, we have also launched one additional group credit life protection product.

** Optional riders, which offer supplementary cover that can be attached to group insurance products, on payment of additional premium.

The table below sets forth the first-year premium, single premium and renewal premium for our individual and group products for the periods indicated:

Pension portfolio	Fiscal Year ended March 31,			
	2015	2016	2017	2018
	₹ in millions			
First-year premium				
Individual products	7,144.55	9,138.10	10,115.02	12,173.93
Group products	984.45	443.41	543.15	437.08
Total	8,129.00	9,581.51	10,658.17	12,611.01
Single premium				
Individual products	70.00	103.17	194.49	370.20
Group products	91.62	346.98	635.19	1,289.60
Total	161.62	450.15	829.68	1,659.80
Renewal premium				
Individual products	15,136.52	16,581.05	19,457.08	23,816.35
Group products	1,184.71	1,665.63	1,415.87	1,447.95
Total	16,321.24	18,246.68	20,872.95	25,264.30
Total	24,611.86	28,278.34	32,360.80	39,535.11

Distribution

We have a pan-India multi-channel distribution network that includes productive bancassurance relationships and strong direct sales and agency channels that we manage through a consolidated operating model. Our distribution presence enables us to access a geographically and demographically broad Indian customer base, including a wide set of attractive, under-penetrated customer segments. As of March 31, 2018, our distribution network comprised the following channels:

- Our bancassurance channel, which includes our key partnerships with PNB, as well as JKB and KBL, which together with our other bancassurance partners, provided us access to 11,239 branches as of December 31, 2017.
- Our direct sales and agency channels, which complement our bancassurance channel by allowing us to target more affluent, metro- and urban-based customers through a sales process adapted to their needs:
 - Our direct sales channel, which included 4,048 insurance managers as of March 31, 2018, who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through

their own networks and 225 loyalty managers who focus on servicing existing policies and cross selling additional products to our existing customers with the support of our lead management systems as of March 31, 2018, as well as sales of individual products online through our website and group sales; and

- Our agency channel, which comprised 6,452 exclusive agents as of March 31, 2018. We compensate our agents based on their performance. We seek to ensure that our agents provide quality services to our customers and source business efficiently.
- Our other distribution channel, which includes insurance marketing firms, micro insurance and licensed insurance brokers.

Through our bancassurance, direct sales, agency and other distribution channels, we generated 65.02%, 27.53%, 4.80% and 2.65% of our total new business premium, respectively, and 64.59%, 29.48%, 5.43% and 0.51% of our individual new business premium, respectively, in Fiscal 2018.

The following table sets forth the contributions of each of our distribution channels to our individual new business premium for the periods indicated:

Fiscal Year ended March 31,						
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Bancassurance						
PNB	3,882.24	42.01%	5,069.51	49.17%	6,636.47	52.90%
JKB	686.38	7.43%	551.03	5.34%	686.04	5.47%
KBL	690.76	7.47%	749.15	7.27%	656.54	5.23%
Other banks	109.02	1.18%	144.42	1.40%	123.52	0.98%
	5,368.40	58.09%	6,514.11	63.19%	8,102.57	64.59%
Direct Sales						
Insurance Manager	2,484.43	26.88%	2,415.25	23.43%	2,908.05	23.18%
Loyalty Manager	386.97	4.19%	536.78	5.21%	621.95	4.96%
Direct Sales - others	70.65	0.76%	170.39	1.65%	167.47	1.34%
	2,942.06	31.84%	3,122.41	30.29%	3,697.47	29.48%
Agency	928.11	10.04%	646.16	6.27%	680.62	5.43%
Others	2.69	0.03%	26.82	0.26%	63.47	0.51%
Total	9,241.26	100.00%	10,309.51	100.00%	12,544.13	100.00%
Retail as % of total new business premium	-	92.12%	-	89.74%	-	87.90%

The following table sets forth the contributions of each of our distribution channels to our weighted received premium for the periods indicated. Weighted received premium is defined as 100% of first year premium plus 10% of single premium.

Fiscal Year ended March 31,						
	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Bancassurance						
PNB	3,924.27	40.77%	5,086.20	47.35%	6,544.33	51.22%
JKB	705.22	7.33%	567.16	5.28%	710.63	5.56%
KBL	691.93	7.19%	750.43	6.99%	659.99	5.17%
Other banks	130.24	1.35%	164.74	1.53%	127.43	1.00%
	5,451.67	56.63%	6,568.53	61.15%	8,042.38	62.94%
Direct Sales						
Insurance Manager	2,437.50	25.32%	2,345.94	21.84%	2,847.87	22.29%
Loyalty Manager	376.68	3.91%	509.11	4.74%	609.00	4.77%
Direct Sales - others	239.42	2.49%	369.95	3.44%	323.40	2.53%
	3,053.61	31.72%	3,225.01	30.02%	3,780.27	29.59%
Agency	917.41	9.53%	626.80	5.84%	618.97	4.84%
Others	203.84	2.12%	320.80	2.99%	335.36	2.62%
Total	9,626.53	100.00%	10,741.13	100.00%	12,776.99	100.00%

Geographic mix

Our distribution network provides us with a balanced geographic business mix. In Fiscal 2018, we generated 42.47%, 39.30% and 18.23% of our individual new business premium from metro, urban and semi-urban, and rural geographies in India, respectively.

We focus on targeting our products at the respective customer segments that we can access through each of our distribution channels. For example, we offer credit life and individual term products to bancassurance customers, individual term products to our direct sales and agency sales customers and group term products to our corporate customers. We do this in order to capture the growing need for protection products across various customer segments in India. Consequently, we have consistently written a high proportion of protection products, which accounted for 17.14%, 15.75% and 14.89% of our total new business premium in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. As of March 31, 2018, we offer 9 protection products aimed at helping to address India's growing protection needs.

Similarly, our unit-linked segments cater to the specific customer needs of the more affluent metro- and urban customers that we are able to access through our loyalty manager channel due to its focus on 18 key Indian cities and its strong presence in metro areas. In metro areas, unit-linked segments accounted for 25.57% of our individual new business premium in Fiscal 2018, while unit-linked segments accounted for 15.10% in urban and semi-urban areas and 16.73% in rural areas, respectively. In urban and semi-urban areas, our bancassurance channel is a high proportion of our distribution mix and we offer a balanced mix of participating and non-participating products while our unit-linked product mix is significantly lower in urban and semi-urban areas relative to our unit-linked segment in metro areas. In rural areas, our bancassurance channel is a relatively high proportion of our distribution mix and we offer a balanced mix of participating and non-participating products while our unit-linked product mix is low.

Average ticket size

For Fiscal 2016, Fiscal 2017 and Fiscal 2018, our average ticket size ("ATS") based on individual new business premium was ₹ 38,412.12, ₹ 47,589.97 and ₹ 57,105.48, respectively. Our ATS has increased at a compounded annual growth rate of 16.39% and our number of individual policies ("NOP") has increased at a compounded annual growth rate of 3.32% between Fiscal 2015 to Fiscal 2018.

The following table sets forth the NOP and ATS based on individual new business premium for our bancassurance, direct sales channel (including insurance managers, loyalty managers and others) and agency channels for the periods indicated:

Fiscal Year ended March 31,						
Channel	2016		2017		2018	
	NOP	ATS	NOP	ATS	NOP	ATS
Bancassurance	153,437	34,987.65	148,097	43,985.44	153,939	52,634.95
Direct Sales						
Insurance manager	43,845	56,664.00	37,669	64,117.58	38,538	75,459.41
Loyalty manager	5,073	76,281.20	5,182	103,584.95	5,990	103,831.18
Others	5,650	12,504.87	10,727	15,884.45	9,541	17,552.58
	54,568	53,915.49	53,578	58,277.93	54,069	68,384.34
Agency	32,423	28,625.05	13,658	47,309.86	9,940	68,472.43
Others	154	17,489.14	1,299	20,650.26	1,718	36,945.15
Total	240,582	38,412.12	216,632	47,589.97	219,666	57,105.48

Our average ticket sizes are highest in metro areas, followed by urban and semi-urban areas, while average ticket sizes in rural areas are the lowest. As of March 31, 2018, our average ticket sizes were ₹ 75,249.70, ₹ 58,661.84 and ₹ 35,275.95 in metro, urban and semi-urban, and rural areas, respectively.

Bancassurance channel

Bancassurance is our largest distribution channel, generating 58.09%, 63.19% and 64.59% of individual new business premium for Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. Individual new business premium generated by our bancassurance channel grew at a compounded annual growth rate of 22.40% between Fiscal 2015 and Fiscal 2018. As of December 31, 2017, we had the second largest bancassurance platform in India based on number of scheduled bank branches across India and our bancassurance platform was supported by PNB, the second largest bank in India based on total branches (Source: CRISIL).

Our key bancassurance partners include PNB, as well as JKB and KBL, which together with our other bank bancassurance partners, provided access to 11,239 branches as of December 31, 2017. In Fiscal 2018, savings, protection and pension products comprised 83.54%, 14.75% and 1.72% and participating, non-participating and unit-linked products comprised 29.60%, 54.34% and 16.06% of our product mix for our bancassurance partners based on total new business premium, respectively. The following table sets forth our product mix for PNB and our other bancassurance partners based on total new business premium for the periods indicated.

Fiscal Year ended March 31,						
Channel/Product	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Bancassurance						
PNB						
<i>Protection</i>						
Non-participating	648.40	11.24%	680.68	9.48%	982.22	10.59%
<i>Savings</i>						
Non-participating	531.39	9.21%	2,219.84	30.90%	2,893.66	31.19%
Participating	1,736.95	30.11%	2,263.51	31.51%	2,104.77	22.68%
Unit-linked	1,182.24	20.49%	276.15	3.84%	1,402.23	15.11%

Fiscal Year ended March 31,

Channel/Product	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
<i>Pension</i>						
Non-participating	10.77	0.19%	31.59	0.44%	29.78	0.32%
Participating	6.56	0.11%	91.96	1.28%	118.11	1.27%
Unit-linked	-	0.00%	-	0.00%	-	0.00%
Total (PNB)	4,116.32	71.36%	5,563.72	77.45%	7,530.76	81.16%
Other partners						
<i>Protection</i>						
Non-participating	323.28	5.60%	282.78	3.94%	386.29	4.16%
<i>Savings</i>						
Non-participating	214.01	3.71%	687.74	9.57%	749.28	8.08%
Participating	1,039.41	18.02%	620.11	8.63%	513.50	5.53%
Unit-linked	75.61	1.31%	19.82	0.28%	87.69	0.95%
<i>Pension</i>						
Non-participating	-	0.00%	-	0.00%	1.17	0.01%
Participating	-	0.00%	9.17	0.13%	10.19	0.11%
Unit-linked	(0.10)	0.00%	-	0.00%	-	0.00%
Total (Other partners)	1,652.22	28.64%	1,619.61	22.55%	1,748.12	18.84%
Total	5,768.53	100.00%	7,183.34	100.00%	9,278.87	100.00%

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

PNB

PNB is our largest bancassurance partner with 7,059 bank branches and more than 100 million banking customers as of December 31, 2017. PNB has been exclusively distributing our life insurance products since 2011. We generated total new business premium of ₹ 4,116.32 million, ₹ 5,563.72 million and ₹ 7,530.76 million and individual new business premium of ₹ 3,882.24 million, ₹ 5,069.51 million and ₹ 6,636.47 million through PNB in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. From Fiscal 2015 through Fiscal 2018, our total new business premium generated through PNB grew at a compounded annual growth rate of 30.80% and our individual new business premium generated through PNB grew at a compounded annual growth rate of 27.32%.

We benefit from PNB's pan-India operations and its diverse customer base, as well as its established brand equity in India. As of December 31, 2017, PNB's branches were located in every Indian state and each union territory except one, and 18.8% of PNB's branches were located in metro areas, 44.8% were located in urban and semi-urban areas

and 36.4% were located in rural areas, providing us access to virtually all of India's attractive geographic market segments (Source: CRISIL). In Fiscal 2018, 36.11%, 42.96% and 20.93% of our individual new business premium generated through PNB were branches located in metro, urban and semi-urban, and rural geographies, respectively.

We, together with PNB, are actively working to increase activation using a phased approach based on our assessment of the activation potential and geographic location of PNB's branches. We have established a steering committee with PNB to identify opportunities for further activation. We have divided PNB branches into "exceptionally large", "very large", "large", "medium" and "small" branch categories, where the larger a branch is, the higher its activation target is, based on our branch activation criteria. For Fiscal 2017 and Fiscal 2018, our PNB branch activation, which we measure as a PNB branch that sells one of our products each month of a fiscal year, was 34% and 38%, respectively, of all PNB branches. Our continued activation of PNB branches is aimed at enabling us to accelerate growth through the PNB distribution network.

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

We have also continually developed and adapted our products to complement PNB's products, such as by offering our protection products with PNB's savings accounts and our coverage against loan products with certain types of PNB's loans. We have also successfully implemented digitization of our training content on PNB's internal portal for our life insurance training program. This investment facilitates growth throughout PNB's branch network, which will enable us to continually increase the number of PNB bank sales persons qualified to sell our products in PNB's branch network, and assist us in increasing their sales productivity. As the number of PNB bank sales persons grows, we

aim to leverage our existing bancassurance relationship managers in order to drive productivity with limited incremental cost. In addition, we have invested in integrating technologies such as sales force automation tools and our e-branch platform with the systems and processes of PNB to improve productivity and realize scale in our business. Our investment in this technology supports continued deployment across additional PNB branches.

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

As a result of these and other measures, the sales productivity of PNB's branches, which we measure as our total new business premium generated through PNB divided by the number of PNB branches, increased at a compounded annual growth rate of 28.10%, from ₹ 0.51 million per annum in Fiscal 2015 to ₹ 1.08 million per annum in Fiscal 2018.

Other bancassurance partners

We have productive bancassurance relationships of more than 14 years with each of JKB and KBL that complement the PNB branch network, as well as relationships with five RRBs.

JKB

JKB is one of our shareholders. JKB holds 5.08% of our equity shares. JKB has 940 bank branches as of December 31, 2017 (Source: CRISIL). JKB had a 44.1% share of all bank branches in Jammu and Kashmir state, which is highest among all banks in that state (Source: CRISIL). The individual new business premium and total new business premium that we generated through JKB branches grew at a compounded annual growth rate of 11.13% and 20.71%, respectively, between Fiscal 2015 and Fiscal 2018. We generated 5.47% of our individual new business premium through JKB branches in Fiscal 2018.

The productivity of our bancassurance relationship managers at JKB branches, which we measure as our total new business premium divided by the average number of bancassurance relationship managers for the period, increased from ₹ 1.46 million per annum in Fiscal 2015 to ₹ 2.79 million per annum in Fiscal 2018. In Fiscal 2018, our JKB branch activation, which we measure as a JKB branch that sells one of our products in each month of a given period, was 59% of all JKB branches.

KBL

We also benefit from the strong presence of KBL in south India with a total of 806 branches as of December 31, 2017. In addition to a strong market position in the state of Karnataka, KBL also has balanced geographic mix with 29.4%, 49.9% and 20.7% branches in metro, urban and semi-urban, and rural areas as of December 31, 2017 (Source: CRISIL). Our

individual new business premium from KBL distribution grew at a compounded annual growth rate of 0.27% between Fiscal 2015 and Fiscal 2018. We generated 5.23% of our individual new business premium from KBL branches in Fiscal 2018.

The productivity of our bancassurance relationship managers at KBL branches, which we measure as our total new business premium divided by the average number of bancassurance relationship managers for the period, increased from ₹ 2.70 million per annum in Fiscal 2015 to ₹ 3.40 million per annum in Fiscal 2018. In Fiscal 2018, our KBL branch activation, which we measure as a KBL branch that sells one of our products in each month of a given period, was 55% of all KBL branches.

The following table sets forth our productivity from PNB, JKB and KBL bank branches, which we measure as total new business premium generated from a given bank divided by the number of its bank branches on March 31 of the relevant period.

Bancassurance partner	Fiscal Year ended March 31,		
	2016	2017	2018
Channel	₹ in millions		
PNB	0.61	0.80	1.08
JKB	0.97	0.81	1.03
KBL	0.95	0.98	0.87

We have also partnered with American Express Banking Corporation since July 2012 to distribute our life insurance products.

RRBs

We have relationships with five RRBs, which include Sarva Haryana Gramin Bank, Himachal Pradesh Gramin Bank, Sarva Uttar Pradesh Gramin Bank, Punjab Gramin Bank and Madhya Bihar Gramin Bank. Our relationships with RRBs are sponsored by PNB. In Fiscal 2018, we generated 0.98% of our individual new business premium through RRB branches. The products we sell through RRBs are primarily lower ticket size savings products.

New bancassurance partnerships

We are continually exploring new bancassurance partnerships and other new relationships. In July 2017, we entered into a memorandum of understanding with IPPB to provide group term life insurance cover to the account holders of IPPB pursuant to Pradhan Mantri Jeevan Jyoti Beema Yojna, a government-designed life insurance scheme in India, which was launched under a Gol initiative to offer affordable protection to the mass market segment of the Indian population. As of March 31, 2014, IPPB was backed by India’s postal network of over 154,882 post offices as of March 31, 2014, 89.86% of which were in rural areas (Source: Department of Posts (Ministry of Communications), CRISIL). Our relationship with IPPB represents an opportunity to offer our insurance products across India in the future. In November 2017, we also entered into a distribution arrangement with BBK for distribution of our products to their customers through BBK’s branches in India. We will continue to look for similar opportunities while we seek to develop these new relationships.

Direct sales and agency channels

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

• **Direct sales**

As of March 31, 2018, our direct sales channel included 4,048 insurance managers, who are experienced



insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks, and 225 loyalty managers who focus on servicing existing policies and cross selling additional products to our existing customers with the support of our lead management systems. Our insurance managers are generally located across urban areas and are present in 92 cities in India. Our loyalty managers focus on 18 key Indian cities and have a strong presence in metro areas. Our direct sales channel also comprises our group sales channel and our online sales channel.

- **Agency**

Our agency sales channel comprised 6,452 exclusive agents as of March 31, 2018. We compensate our agents based on their performance. We seek to ensure that our agents provide quality services to our customers and source business efficiently. As of March 31, 2018, our agency force is present in 92 cities.

We actively manage our insurance managers, loyalty managers and our exclusive agents under a consolidated operating model with a common group of sales managers to manage our insurance managers, loyalty managers and our exclusive agents in order to drive sales productivity and efficiency. For Fiscal 2018, we had an average of 890 sales managers dedicated to this operating

model. Our sales manager productivity, which we measure as total new business premium divided by the average number of sales managers for the period, increased from ₹ 1.79 million in Fiscal 2015 to ₹ 4.74 million in Fiscal 2018.

Direct sales channel

Direct sales channel is our second largest channel, and we generated 31.16%, 29.03% and 27.53% of our total new business premium and 31.84%, 30.29% and 29.48% of our individual new business premium through our direct sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively. From Fiscal 2015 through Fiscal 2018, our total new business premium generated through our direct sales channel grew at a compounded annual growth rate of 18.53% and our individual new business premium generated through our direct sales channel grew at a compounded annual growth rate of 25.72%.

In Fiscal 2018, savings, protection and pension products comprised 84.16%, 11.19% and 4.64% and participating, non-participating and unit-linked products comprised 50.80%, 25.65% and 23.55% of our product mix for our direct sales channel based on total new business premium, respectively. The following table sets forth our product mix across our direct sales channel based on total new business premium for the periods indicated.

Fiscal Year ended March 31,

Channel/Product	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Direct Sales						
Insurance Manager						
<i>Protection</i>						
non-participating	190.63	6.10%	142.86	4.28%	116.63	2.97%
<i>Savings</i>						
non-participating	124.00	3.97%	330.07	9.90%	426.54	10.86%
participating	1,241.98	39.73%	1,572.30	47.15%	1,879.75	47.84%
unit-linked	889.01	28.44%	279.31	8.38%	388.40	9.89%
<i>Pension</i>						
non-participating	11.88	0.38%	24.90	0.75%	23.46	0.60%
participating	26.94	0.86%	65.81	1.97%	73.28	1.87%
Total (insurance managers)	2,484.43	79.48%	2,415.25	72.43%	2,908.05	74.01%

Fiscal Year ended March 31,

Channel/Product	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Loyalty Manager						
Protection						
non-participating	5.46	0.17%	3.95	0.12%	2.35	0.06%
Savings						
non-participating	2.72	0.09%	80.48	2.41%	102.94	2.62%
participating	34.02	1.09%	35.26	1.06%	32.46	0.83%
unit-linked	332.05	10.62%	376.59	11.29%	464.95	11.83%
Pension						
non-participating	8.28	0.26%	22.85	0.69%	8.65	0.22%
participating	4.44	0.14%	17.65	0.53%	10.61	0.27%
Total (loyalty managers)	386.97	12.38%	536.78	16.10%	621.95	15.83%
Others¹						
Protection						
non-participating	248.13	7.94%	365.35	10.96%	320.87	8.17%
Savings						
unit-linked	-	0.00%	1.83	0.05%	11.84	0.30%
Pension						
non-participating	0.12	0.00%	6.08	0.18%	6.21	0.16%
unit-linked	6.34	0.20%	9.22	0.28%	60.15	1.53%
Total (Others)	254.59	8.14%	382.47	11.47%	399.07	10.16%
Total	3,126.00	100.00%	3,334.49	100.00%	3,929.07	100.00%

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

⁽¹⁾ Includes our direct group sales channel and our online channel.

Insurance manager channel

Our insurance manager channel comprises a productive employee force spread across 92 cities as of March 31, 2018. As of March 31, 2018, we had 4,048 insurance managers who are experienced insurance sales professionals employed by the Company to market and sell our products to new customers through their own networks. Insurance managers have a wide geographical reach and a higher non-unit-linked savings mix than our other channels. For Fiscal 2018, our insurance managers generated 86.64% of their individual new business premium from the sale non-unit-linked products. For Fiscal 2018, 51.95%, 32.33% and 15.72% of our individual new business premium generated by our insurance manager channel was in metro, urban and semi-urban, and rural, respectively.

Our insurance manager distribution channel generated 23.18% of our individual new business premium in Fiscal 2018. Individual new business premium generated from our insurance manager channel grew at

a compounded annual growth rate of 17.18% between Fiscal 2015 and Fiscal 2018. We are focused on continuing to grow this channel through quality hiring and increasing productivity.

Loyalty manager channel

Our loyalty manager channel is focused on 18 key Indian cities with a strong presence in metro areas. Loyalty managers typically have a higher unit-linked mix to cater to more affluent customer segments with more sophisticated insurance needs. They focus primarily on follow-up sales to, and generating leads from, our existing customer base. Our loyalty manager team also works closely with our branch operations units to identify and recommend appropriate products for walk-in customers and their referrals. For Fiscal 2018, 81.34%, 14.83%, and 3.83% of our individual new business premium generated by our loyalty manager channel was in metro, urban and semi-urban, and rural, respectively. Our loyalty manager team had 225 front line sales staff as of March 31, 2018 and is also supported by a lead management system.

Our loyalty manager channel generated 4.96% of our individual new business premium in Fiscal 2018. Individual new business premium generated from our loyalty manager channel grew at a compounded annual growth rate of 126.53% between Fiscal 2015 and Fiscal 2018.

Group sales channel

Our direct sales channel also comprises group sales channel where our employees market and distribute our group products, which include primarily group term insurance products. Our group sales channel is a proprietary channel in which our employees directly solicit business from corporations seeking to provide for their employee benefit needs. Our employees in this channel are typically located across larger cities within our network. We also actively seek opportunities to partner with banks, housing finance companies and non-banking financial companies to offer credit-linked life insurance and other products to their customers through our group sales channel. In Fiscal 2018, protection products comprised 71.35% of our group sales channel business.

Our digital marketing team utilizes various tools (including search engine optimization and email, content and mobile marketing) to attract new customers.

Online channel

Our direct sales channel also comprises our online channel through which our customers

can purchase our products directly through our website. Since Fiscal 2016, we have been gradually increasing the number of policies we sell and process online. Sales through our online channel comprised 1.33% of the individual new business premium that we generated in Fiscal 2018. In Fiscal 2018, protection products comprised 92.94%, respectively, of our online channel business. We also have an online presence for our key product segments. Our digital marketing team utilizes various tools (including search engine optimization and email, content and mobile marketing) to attract new customers.

Agency channel

We generated 9.30%, 5.65% and 4.80% of our total new business premium and 10.04%, 6.27% and 5.43% of our individual new business premium through our agency sales channel in Fiscal 2016, Fiscal 2017 and Fiscal 2018, respectively.

In Fiscal 2018, savings, protection and pension products comprised 87.20%, 7.10% and 5.70% and participating, non-participating and unit-linked products comprised 58.05%, 22.28% and 19.66% of our product mix for our agency channel based on total new business premium, respectively. The following table sets forth our product mix across our agency channel based on total new business premium for the periods indicated.

Fiscal Year ended March 31,						
Channel/Product	2016		2017		2018	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
Agency						
<i>Protection</i>						
non-participating	101.06	10.83%	42.35	6.53%	48.62	7.10%
<i>Savings</i>						
non-participating	39.80	4.27%	78.61	12.12%	81.70	11.92%
participating	515.69	55.27%	441.56	68.07%	381.23	55.63%
unit-linked	270.17	28.96%	62.09	9.57%	134.65	19.65%
<i>Pension</i>						
non-participating	0.14	0.01%	14.03	2.16%	22.39	3.27%
participating	6.02	0.65%	9.97	1.54%	16.60	2.42%
unit-linked	0.10	0.01%	0.11	0.02%	0.09	0.01%
Total	932.98	100.00%	648.72	100.00%	685.27	100.00%

Note: Total new business premium for product segments include premium generated through sale of riders (if any).

We are focused on selling individual non-unit-linked savings, term and health insurance products through this channel, with a wider geographical reach leading to higher non-unit-linked savings mix.

Other distribution channel

Our other distribution channel includes Insurance Marketing Firms ("IMFs"), micro insurance and licensed insurance brokers through which we sell our products. As of March 31, 2018, we had agreements with 45 IMFs through which we sell our products and 103 insurance brokers.

Our individual new business premium generated by our other distribution channel was 0.51% of our total individual new business premium in Fiscal 2018. In Fiscal 2018, savings, protection and pension products comprised 16.23%, 70.89% and 12.87% and participating, non-participating and unit-linked products comprised 14.59%, 73.34% and 12.07% of our product mix for our other distribution channel based on total new business premium, respectively.

New relationships

We have recently entered into insurance brokering arrangements with Marsh India Insurance Brokers Private Limited, a global insurance broker, and Coretree Insurance Brokers (India) Private Limited, an insurance broker, to sell our life insurance products.

Geographical Distribution of Premium

The following table sets forth the distribution of our individual new business premium across the metro, urban and semi-urban, and rural regions for the periods indicated.

	Fiscal Year ended March 31, 2018	
	(₹ in millions)	%
Metro	5,327.23	42.47
Urban and semi-urban	4,929.82	39.30
Rural	2,287.08	18.23
Total	12,544.13	100.00

The following table sets forth the geographical distribution of our individual new business premium by Indian states where our individual new business premium was the highest for the periods indicated.

Indian state	Fiscal Year ended March 31, 2018	
	(₹ in millions)	%
Uttar Pradesh	2,002.95	15.97%
Delhi	1,848.64	14.74%
Punjab	1,348.46	10.75%
Karnataka	883.47	7.04%
Maharashtra	801.77	6.39%
Jammu & Kashmir	667.36	5.32%
West Bengal	661.24	5.27%
Himachal Pradesh	604.16	4.82%
Bihar	512.78	4.09%
Haryana	461.44	3.68%
Total	9,792.28	78.06%



The following tables set forth the distribution of our individual new business premium across the metro, urban and semi-urban, and rural regions by distribution channel for the periods indicated.

	Fiscal Year ended March 31, 2018					
	₹ in millions)			%		
	Metro	Urban and semi-urban	Rural	Metro	Urban and semi-urban	Rural
Bancassurance						
PNB	2,396.10	2,851.23	1,389.14	36.11	42.96	20.93
Bancassurance – others	370.40	813.58	282.12	25.26	55.49	19.24
	2,766.49	3,664.82	1,671.26	34.14	45.23	20.63
Direct Sales						
Insurance Managers	1,510.62	940.22	457.21	51.95	32.33	15.72
Loyalty Managers	505.65	92.18	23.82	81.34	14.83	3.83
Direct Sales - others	108.41	44.53	14.83	64.62	26.54	8.84
	2,124.69	1,076.93	495.86	57.46	29.13	13.41
Agency	406.80	175.61	98.20	59.77	25.80	14.43
Others	29.24	12.47	21.76	46.07	19.64	34.28
Total	5,327.23	4,929.82	2,287.08	42.47	39.30	18.23

The following table sets forth the distribution of our individual new business premium across the metro, urban and semi-urban, and rural regions by product segment for Fiscal 2018.

	Fiscal Year ended March 31, 2018					
	₹ in millions)			%		
	Metro	Urban and semi-urban	Rural	Metro	Urban and semi-urban	Rural
Non-participating	1,754.81	2,137.32	966.72	32.94	43.35	42.27
Participating	2,210.39	2,047.87	937.67	41.49	41.54	41.00
Unit-linked	1,362.03	744.63	382.68	25.57	15.10	16.73
Total	5,327.23	4,929.82	2,287.08	100	100	100

Information Technology and Digitization

Information technology and our investments in digitization are key drivers of efficiencies within our business. We have invested in advanced technologies to develop a resilient and scalable information technology architecture. Our service-oriented technology architecture helps us interact with our customers, bancassurance partners, agents, employees and other intermediaries. Technology and innovation are key aspects of our efforts to provide a quality service experience to our customers.

In addition, we integrate technologies such as sales force automation tools and our e-branch platform with the systems and processes of our bancassurance partners to improve productivity and realize scale in our business. We expect these capabilities to become increasingly important as new technologies within our industry evolve and traditional ways of selling insurance and servicing customers become less relevant. Our information technology systems and our commitment to continue to improve and utilize new technologies are aimed at providing us with competitive advantages and serving as an important driver to

achieving targeted performance goals. Our information technology architecture is structured around three key concepts: "Data", "Digitize" and "Disrupt".

- **Data**

One of our key business objectives is to improve our ability to use and process internal and external data effectively. Being able to analyze a large amount of data to generate meaningful and actionable insights is key to us building a strong tech-driven distribution structure. We use data analytics to develop strategies to improve our persistency rates, reduce policy surrenders, help mitigate frauds and manage mortality experience. Together with our business teams, we have developed propensity scoring models that use statistics to predict the behaviour of our existing and prospective customer base and to segment our customers and business. We use these scores to adapt our approach to each customer segment in order to tailor targeted communications to different customer segments. We have also used propensity scoring models to segment the "insurability" of customers, ranking them from high to low risk, and to assist underwriters to segment risk and adopt the appropriate underwriting methodologies for different risk segments. We also use a similar scoring model to identify potential claims fraud. We have created an enterprise data warehouse in order to refine data, eliminate excess or redundant information and improve the overall quality of our data.

- **Digitize**

We have invested in digitization across our business to improve operational efficiencies, productivity and the scalability of our operations. These efforts have helped us to improve our turnaround times, simplify processes and reduce our dependence on paperwork and physical infrastructure. In addition, we have used digitization to make our customer experience more user-friendly and deliver a quality customer service experience. One of our key information technology initiatives has been to digitize our pre-sales and sales processes. Our digital platform, e-branch, aims to provide a seamless, user-friendly customer experience from the prospective customer stage to policy issuance. Our

e-branch provides a customized and simplified customer on-boarding process. In addition, it helps to facilitate need-based selling by analysing the products that customers select and uses a financial planning module to aid customers in selecting the most appropriate insurance solution based on their needs. It also nurtures prospective sales through customer interaction histories, calendars that manage customer engagement, analytics for customer funnel analysis and alerts and notifications on various customer life events, policy anniversaries, birthdays and appointments. These help us to enhance our customer relationships. Our e-branch has a scalable platform that can be extended to our distribution partners quickly, as required. It is also integrated with our other core systems to enable real time data transfer and information exchange, which helps to improve our overall sales productivity by reducing processing time. It also interfaces with our bancassurance partners and government authorities to facilitate data pre-population and e-KYC.

- **Disrupt**

Life insurance providers in the Indian life insurance industry are increasingly looking to increase sales and increase operational efficiencies (Source: CRISIL). This creates potential challenges and opportunities for us and the industry. We aim to develop disruptive technology in order to differentiate our business from our competitors. In 2016, we partnered with MetLife's innovation center for Asia, LumenLab, to launch conVRse, a service application that provides a differentiated, immersive and personalized experience to customers through a virtual reality platform. ConVRse is an award winning and pioneering virtual reality service platform that has been well received by our customers. We are currently piloting Khushi, which is based on an artificial intelligence framework. Khushi is a virtual assistant that can chat with an existing or prospective customer and help respond to queries related to their policies. It has real-time access to policy-related information and is generally available online at any time. This is a pre-emptive, proactive and predictive application that aims to understand customers' requirements in order to provide customized responses to their queries.

We are gradually increasing our use of digital platforms. For example, in the month of April 2017, 35% of new policies were sourced through our digital platforms, compared to 67% in the month of March 2018. In Fiscal 2018, 57% of new policies were sourced through our digital platforms. We plan to continue our digitization efforts through innovating digital platforms, as well as by utilizing artificial intelligence, machine learning, blockchain technology, robotic process automation, chatbot platforms and natural language processing.

We have received and maintain the following international accreditations with respect to information technology:

Accreditation	Scope	Expiration
ISO 9001:2015	Operation of quality management system.	April 19, 2019 (renewed annually)
Payment Card Industry Data Security Standard	Security standards relating to accepting, processing, storing and transmitting credit card information in a secure environment.	2018 (renewed annually)

Accreditation	Scope	Expiration
ISO/IEC 27001:2013	Management of information security of information technology services and datacenter services in accordance with the statement of applicability version number 2.0 dated December 2017	May 5, 2021 (renewed every three years)
ISO 22301:2012	Business continuity management systems covering information systems, datacenter services and IT support services	February 5, 2021 (renewed every three years)
ISO/IEC 20000-1:2011	Information technology service management covering the provision of application maintenance, production support and IT infrastructure management as per the latest service catalog	January 25, 2021 (renewed every three years)

We have also integrated our operations team with our sales team through our online communication platform, e-bandhan, where feedback from our sales team is gathered and made available to our management team. Our e-branch platform is also a critical part of our operations, providing an enhanced customer on-boarding experience.

We entered into a master services agreement dated May 13, 2014 (“MSA”) with MetLife Global Operations Support Centre Private Limited (“MGOSC”), wherein MGOSC agreed to provide certain business process management services. As per the Company’s outsourcing policy, the Company issued a request for proposals and in connection with that, also issued a termination notice with respect to the MSA on January 31, 2018 by giving six months’ prior written notice to MGOSC. The Company has since selected a new service provider for these services.

Operations

Our operations unit focuses on customer on-boarding, underwriting, customer service management, retention, claims management, customer value management and advocacy and business excellence and innovations. Critical organization initiatives, such as crisis management, sanctions screening and regulatory compliance, Privacy and PCI (Payment Card Industry) / CRS (Common Report Standards) / FATCA (Foreign Asset Tax Compliance Act) compliance are also an integral part of our operations.

We have received and maintain the following international accreditations with respect to operations:

Customer on-boarding and underwriting

We have streamlined and integrated our customer on-boarding and policy issuance processes to facilitate customer convenience, increase productivity, provide superior customer service, improve customer retention and create value for customers. We have an integrated approach to on-boarding customers through simplified underwriting and “straight-through processing” of customer proposal forms, which does not involve any manual underwriting. Once an application is logged in, it is processed through an automated underwriting engine. In Fiscal 2018, 73% of cases were issued as straight-through processing. As part of enhancing the ease

and convenience of our integrated on-boarding process, we have also initiated digitization of our policy login and issuance process, allowing our distribution partners and sales employees to complete customer on-boarding and the policy issuance process entirely through our digital platforms at any time and in any location.

As part of our underwriting operations, we evaluate the type and the amount of risk that we are willing to accept during the customer on-boarding stage through a centralized underwriting process. We conduct periodic reviews of our underwriting procedures and policies to ascertain mortality risk exposures and to align with market conditions, customer preferences and the pricing bases of relevant products. Our qualified underwriters, who are specialized in specific products and distribution channels, perform qualitative and fair risk assessments, which includes assessments of the customer’s mortality risk and risk of insurance fraud.

We have developed a risk scoring model that uses predictive analytics, which has been integrated into our underwriting module to identify high-risk customers for enhanced assessment. Such initiatives have assisted in both reducing the time needed to issue policies to low-risk customers and in conducting additional due diligence on high-risk customers, thereby improving the quality of our underwriting. We have also implemented the use of tele-medicals, where a team of qualified medical professionals assesses customers over the telephone. Tele-medicals enhance the customer experience by eliminating in-person medical examinations, the costs associated with medical tests and speed up policy issuance. Additionally, we have implemented a final verification process where, immediately after a policy is issued, our operations teams call the customer as a method of reducing the risk of mis-selling and also to ensure that customers are aware of product features and benefits. These controls have helped improve qualitative parameters such as our persistency ratios and claim experience.

Customer service

An important part of providing quality customer service experience to our customers is responding to their queries promptly and efficiently. In order to do this, we have set up a nationwide service helpline, with an

interactive voice response system. In Fiscal 2016, Fiscal 2017 and Fiscal 2018, our service helpline handled more than 2.15 million customer queries. In Fiscal Year 2018, 81% of calls received by our nationwide service helpline were answered within 20 seconds. As of March 31, 2018, we also had customer service centers at each of our branches. In Fiscal 2018, approximately 27% of customer queries and requests were resolved through self-service modes of access. We intend to continue to enhance the internet-based self-service capabilities that we offer customers by implementing upgrades to our interactive voice response system and customer policy portal and new digital modes such as artificial intelligence.

The number of complaints is the key metric for evaluating our business processes and the quality of our customer engagement. In Fiscal 2018, our average resolution rate for the turnaround time of customer complaints was 10.42 calendar days, compared to the 15 calendar day turnaround time prescribed by the IRDAI (Source: IRDAI).

The following table provides further details on the number of new customer complaints compared to the number of new policies issued for the periods indicated.

	Fiscal Year ended March 31,		
	2016	2017	2018
Number of new customer complaints	4,477	4,447	4,470
New policies issued	240,582	216,632	219,666
Complaints per 10,000 new policies	186	205	203

The tables below set forth (i) the types of complaints we have received and (ii) details of the number of complaints by policyholders (whether by customers or third-party intermediaries) and the complaint resolution periods for each of the periods indicated. The types of complaints

We have developed a risk scoring model that uses predictive analytics, which has been integrated into our underwriting module to identify high-risk customers for enhanced assessment.

have been classified into five categories as follows:

- “sales related”, which includes complaints such as those related to mis-selling, misrepresentation of facts, fraud and forgery of documents.
- “new business related”, which includes complaints such as those related to issuance of policy, proposal processing, policy dispatch, decline and refunds.
- “policy servicing related”, which includes post-issuance servicing related complaints, such as surrender not processed and pay-out not done.
- “claims related”, which includes complaints such as death and survival claims; and
- “others”, which includes a mix of sales and service complaints, including spurious calls and unit-linked product-related concerns, such as those related to policy value and net asset value.

Fiscal Year 2016	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Particulars						
Sales related	16	2,699	951	0	1,742	22
New business related	1	749	641	0	105	4
Policy servicing related	0	282	213	0	63	6
Claims related	2	454	349	0	102	5
Others	0	293	204	0	88	1
Total	19	4,477	2,358	0	2,100	38

Fiscal Year 2016	Complaints made by customers	Complaints made by intermediaries	Total
Duration pending			
Less than 15 days	38	0	38
More than 15 days	0	0	0
Total	38	0	38

Fiscal Year 2017	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Particulars						
Sales related	22	3,022	1,218	0	1,788	38
New business related	4	328	274	0	57	1
Policy servicing related	6	633	433	0	204	2
Claims related	5	364	268	0	98	3
Others	1	100	56	0	45	0
Total	38	4,447	2,249	0	2,192	44

Fiscal Year 2017	Complaints made by customers	Complaints made by intermediaries	Total
Duration pending			
Less than 15 days	43	0	43
More than 15 days	1	0	1
Total	44	0	44

Fiscal Year 2018	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Particulars						
Sales related	38	3,216	1,411	0	1,781	62
New business related	1	224	150	0	74	1
Policy servicing related	2	561	313	0	246	4
Claims related	3	299	185	0	114	3
Others	0	170	120	0	48	2
Total	44	4,470	2,179	0	2,263	72

Fiscal Year 2018	Complaints made by customers	Complaints made by intermediaries	Total
Duration pending			
Less than 15 days	72	0	72
More than 15 days	0	0	0
Total	72	0	72

We continually refine our customer engagement calendar in order to engage with our existing customers at regular intervals.

Customer retention

We have undertaken a number of customer retention initiatives in order to increase our persistency ratios. These initiatives have included:

- **Customer engagement:** Our focus on customer engagement has enabled us to increase our persistency, which is the proportion of customers who continue to maintain their policies with us over certain defined periods as measured in terms of premium. We also intend to increase the utilization of self-service transactions with the addition of more self-service options. Further, we continually refine our customer engagement calendar in order to engage with our existing customers at regular intervals.
- **Data analytics:** We continue to use analytics to increase our renewal premium. We have built propensity models which give lead indicators into customer preferences. Propensity models also help improve our customer engagement model and increase the productivity of our distribution and retention teams.
- **Linkage to Performance:** Persistency is a key parameter in the performance criteria of our management team and sales employees. We continue to strengthen our focus on persistency in our performance evaluation criteria.

- **Payment follow-up:** Structured payment reminders are sent to customers to pay their renewal premium. Our retention team also assists customers to revive policies that have lapsed.
- **Online portal access:** Our website offers customers an online portal with immediate access to their policy and fund information and allows them to pay their premium through the internet banking platform.
- **Diverse payment options:** Customers can make payments in a variety of other ways, including national electronic funds transfers, digital e-wallets, auto debit facilities and standing instruction mandates, as well as paying by cheque, credit card or direct deposit. With this, we aim to make the payment of renewal premium more convenient for customers and reduce instances of policy lapse.

Our continued efforts to provide superior service experience across the entire customer life cycle has resulted in an overall improvement in our persistency ratio. Our 13th month persistency ratio increased from 67.99% in Fiscal 2016 to 71.78% in Fiscal 2017 and 77.03% in Fiscal 2018.

The following table sets forth the persistency ratios (based on original annualized premium) for our individual business for the periods indicated:

Persistency (by premium)	Fiscal Year ended March 31,		
	2016	2017	2018
13th month	67.99%	71.78%	77.03%
25th month	47.85%	53.15%	58.30%
37th month	41.38%	41.62%	46.00%
49th month	36.67%	37.84%	37.10%
61st month	20.20%	27.34%	27.72%

The following tables set forth our individual persistency ratios by the product categories saving, protection and pension for the periods indicated:

Persistency (by premium)	Fiscal Year ended March 31,		
	2016	2017	2018
Saving products			
13th month	68.27%	71.47%	76.88%
25th month	47.86%	53.05%	57.76%
37th month	41.43%	41.66%	45.92%
49th month	37.59%	37.88%	37.05%
61st month	20.34%	27.10%	27.69%
Protection products			
13th month	65.60%	74.90%	79.14%
25th month	56.81%	54.35%	63.46%
37th month	41.11%	46.32%	46.61%
49th month	35.77%	38.05%	42.00%
61st month	26.22%	33.52%	35.20%
Pension products⁽¹⁾			
13th month	N.A.	66.80%	79.20%
25th month	N.A.	N.A.	51.21%
37th month	N.A.	N.A.	N.A.
49th month	24.77%	N.A.	N.A.
61st month	10.11%	6.34%	N.A.

(1) Periods for which no premium was due to be collected have been indicated with "N.A."



The following tables set forth our individual persistency ratios by our distribution channels for the periods indicated:

Persistency (by premium)	Fiscal Year ended March 31,		
	2016	2017	2018
Bancassurance			
13th month	67.44%	71.25%	76.09%
25th month	51.30%	56.53%	59.19%
37th month	44.85%	45.63%	49.65%
49th month	37.78%	41.36%	40.80%
61st month	22.57%	26.96%	30.96%
Direct Sales			
13th month	69.11%	72.60%	78.71%
25th month	39.16%	46.68%	56.88%
37th month	31.01%	32.52%	39.13%
49th month	62.65%	28.23%	28.33%
61st month	17.50%	59.53%	20.71%
Agency			
13th month	68.24%	72.46%	79.02%
25th month	46.01%	50.96%	57.91%
37th month	38.41%	38.55%	43.10%
49th month	35.34%	34.53%	34.14%
61st month	19.57%	25.84%	25.12%
Others			
13th month	75.20%	75.75%	79.66%
25th month	71.36%	65.42%	66.54%
37th month	61.21%	58.56%	57.90%
49th month	50.34%	58.75%	53.36%
61st month	20.50%	39.66%	46.96%

Claims management

We are committed to providing our customers with a superior claims settlement experience. Claims that we receive are processed and investigated in a standardized manner. We have established claims settlement procedures and formulated various claims settlement guidelines, which we update on a regular basis. In order to streamline these procedures and guidelines for customers, we also have our Met Care Kit, which has the aim of simplifying the claims process by providing the customer with a comprehensive list of documents and forms required for processing a claim.

Claimants can submit claims through various channels, including our existing branches, the branches of our distribution partners, through our call center and by direct courier. We use a data analytics-based

model to categorize claims for processing investigative claims, assisting in detecting and reducing the risk of fraudulent claims. We have implemented a tiered authorization system to manage claims of differing value and to facilitate rapid claims processing.

The efficiency of our claims settlement improved from Fiscal 2017 to Fiscal 2018, with the average turnaround time for death claims decreasing from four days in Fiscal 2017 to two days in Fiscal 2018, upon receipt of all supporting documentation. Our overall claims settlement ratio for Fiscal 2018 was 92.36%.

The following table sets forth our settlement ratio (representing the number of claims that are settled as a percentage of the number of claims received) for the periods indicated.

Claims occurring after issuance	Fiscal Year ended March 31,								
	2016			2017			2018		
	Individual	Group	Total	Individual	Group	Total	Individual	Group	Total
Less than one year	68.43%	99.22%	84.78%	77.48%	96.66%	85.30%	81.19%	95.20%	85.81%
One to three years	92.30%	99.63%	94.35%	89.62%	96.49%	91.99%	91.35%	96.10%	92.73%
Over three years	99.48%	100.00%	99.57%	98.20%	98.37%	98.22%	99.04%	99.53%	99.10%
Total	85.36%	99.38%	90.74%	87.14%	96.79%	90.20%	91.12%	96.19%	92.36%

We are currently piloting our “Claims Promise” initiative, which we launched in April 2018. Under the “Claims Promise” initiative, we aim to process all “non-early” death claims, which are claims that fall after three years from issuance of a relevant life insurance policy or from the date of declaration of good health reinstatement, within a turnaround time

of five days upon receipt of all supporting documentation.

Customers

The following table sets forth the number of lives insured (individual and group) and the number of new business policies held by our individual customers as of the dates indicated:

	Fiscal Year ended March 31,		
	2016	2017	2018
Number of individual lives insured	235,001	210,133	215,455
Number of lives insured (Group customers)	1,022,530	1,433,642	743,110
Number of new business policies (individual customers)	240,582	216,632	219,666

The following table sets forth the number of individual lives insured, number of individual new business policies, number of unique customers with more than one policy since inception and cross-sell percentage for individual customers for the periods indicated:

	Fiscal Year ended March 31,		
	2016	2017	2018
Number of individual lives insured	235,001	210,133	215,455
Number of individual new business policies	240,582	216,632	219,666
Unique customer with more than one policy since inception	13,342	18,976	14,213
Cross sell ratio	5.68%	9.03%	6.60%

Reinsurance

Reinsurance is the insurance cover that is purchased by an insurance company (the “cedant”) in order to share risks such as mortality and morbidity with another insurer (the “reinsurer”). Such arrangements help insurers manage their risk profile by limiting the financial impact

of claims fluctuation, minimizing exposure to large individual claims, expanding their underwriting capacity and managing their capital efficiently. We have surplus risk and proportional reinsurance arrangements on a risk premium basis with varying retention levels by product classes. These retention levels are determined in accordance

with IRDAI regulations and take into consideration our experience. We also enter into catastrophe reinsurance arrangements on an excess-of-loss basis, which mitigates the potential concentration risks that may arise if a localized event affects the workplace of one or more of our group insurance customers. We review these arrangements on a regular basis.

Our total reinsurance ceded, in terms of sum at risk, to third-party reinsurers in Fiscal 2016, Fiscal 2017 and Fiscal 2018 was ₹ 1,768,070 million, ₹ 1,427,544 million, ₹ 1,519,356 million, respectively. The share of total reinsurance ceded on sum assured in Fiscal 2016, Fiscal 2017 and Fiscal 2018 was 51.09%, 41.94% and 42.96%, respectively. As of March 31, 2018, our proportion of reinsurance ceded based on the sum at risk, with our largest reinsurance counterparty, Munich Re and its subsidiaries was ₹ 613,544

million, which accounted for 40.38% of our total reinsurance ceded.

Our criteria for selecting reinsurers are based on relevant regulations and the assessment of the reinsurer's financial strength, terms of arrangement including limits for underwriting and claims, capacity of the reinsurer to write the risk, expertise provided by the reinsurer and past claims payment history. We also strategically diversify our reinsurance book to minimize third party credit risk. We monitor the financial condition of our third-party reinsurers on a regular basis and have not experienced any third-party reinsurer default since our inception.

The following table sets out the Standard & Poor's ("S&P") ratings for the periods indicated therein for the reinsurers with whom we have reinsurance arrangements:

		Rating As of March 31,		
Reinsurer	Rating Agency	2016	2017	2018
Munich Re	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
RGA	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
AXA Vie	S&P	A+	AA-	AA-
Swiss Re	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
Gen Re	S&P	AA+	AA+	AA+
Hannover Re	S&P	AA- (Very Strong)	AA- (Very Strong)	AA- (Very Strong)
GIC Re	A.M. Best	A- (Excellent)	A- (Excellent)	A- (Excellent)
HCC	S&P	AA-	AA-	AA-
Arch Re	S&P	A+	A+	A+

S&P's "AA" range ("AA+", "AA", "AA-") is the second highest of nine ratings ranges and applies to an insurer that S&P regards as having very strong financial security characteristics that outweigh any vulnerabilities and likely to have the ability to meet financial commitments, differing only slightly from those rated higher. The "A" range ("A+", "A", "A-") is the third highest of nine ratings ranges and applies to an insurer that S&P regards as having strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are higher rated insurers. A plus (+) or minus (-) shows relative standing in a rating

category. S&P and other agency ratings are not designed to be, and do not serve as, measures of protection or valuation offered to investors and such financial strength ratings are not to be relied upon with respect to making any investment.

The following table sets out the nature of our reinsurance arrangements with each reinsurer as well as the reinsurance premium paid to them in Fiscal Year 2018.

Reinsurer	Type of reinsurance arrangement (surplus / quota share)*	Type of reinsurance arrangement (obligatory / facultative)**	Reinsurance premium ceded for Fiscal 2018 (₹ millions)
Munich Re	Surplus and quota share	Obligatory and facultative	359.85
RGA	Surplus and quota share	Obligatory and facultative	214.16
AXA Vie	Surplus	Facultative	211.67
Swiss Re	Surplus and quota share	Obligatory and facultative	106.86
Gen Re	Surplus	Obligatory and facultative	13.36
Hannover Re	Surplus	Obligatory and facultative	16.98
GIC Re	Surplus and quota share/Catastrophe	Obligatory and facultative	1.87
HCC	Surplus/Catastrophe	Obligatory	4.52
Arch Re	Surplus/Catastrophe	Obligatory	0.70

* A quota share arrangement is an arrangement under which the reinsurer covers a specified percentage of the sum at risk. A surplus reinsurance arrangement is an arrangement under which the reinsurer covers the surplus of the sum at risk exceeding the ceding company's retention limits as laid out in the agreement between the reinsurer and the ceding company.

** An obligatory arrangement is an arrangement under which both the insurer and reinsurer are obliged to place and accept the risk. A facultative arrangement is an arrangement under which the insurer is free to place the reinsurance with any reinsurer. Similarly, the reinsurer may accept or reject the reinsurance offered.

Investments

Our total assets under management ("AUM") were ₹ 172.4 billion as of March 31, 2018, of which 39.9% was held in participating policyholders investments, 17.6% was held in non-participating policyholder investments, 36.4% was held in unit-linked policyholders' fund and 6.1% was held in shareholders' fund. As of March 31, 2018, 76.8% of total AUM was invested in fixed income instruments, 22.6% was invested in equities and ETF mutual funds and 0.6% in other investments.

Our investment function plays a crucial role in creating value for policyholders and shareholders. We invest the premium we receive from policies sold and income generated from existing investments in various asset classes. This is done with the objective of meeting future liabilities of the business underwritten as well as to generate superior risk-adjusted returns over the medium to long-term. Strong investment performance has the potential to lead to wealth creation for policyholders and shareholders in the medium to long-term. Additionally, it also enhances the competitiveness of our product offerings.

Investment Objectives and Processes

Our investment management is governed by an investment policy that is approved by our Board of Directors. We established

an Investment Committee on January 5, 2002, which assists the Board of Directors in fulfilling its oversight responsibility for the investment assets. Our Investment Committee formulates the investment policy and establishes a framework for investment management and operations with adequate risk management controls. Our Investment Committee is responsible for ensuring adherence to our investment policies and other matters covered under the Investment Procedures Manual and reviewing modifications from time to time.

Our investment team, led by our Chief Investment Officer, performs day-to-day investment activities, such as developing and implementing strategies for managing our fixed income and equity portfolios based on the current market environment. The Chief Investment Officer is responsible for presenting investment performance to the Investment Committee and reporting on all credit-related and investment-related issues. The team consists of experienced fund managers, research analysts and dealers. Every investment is analyzed rigorously from a company, sector, as well as portfolio perspective before we make such an investment. There is a strong focus on ethics, compliance and risk management at every stage of the investment process. Regulatory compliance and risk limits are independently monitored by the investment team's middle-office function.

Investment Funds

Our investments are divided into two categories: policyholders' funds and shareholders' funds. The policyholders' funds are further divided into three categories: (a) participating funds, (b) non-participating funds and (c) unit-linked funds. In participating and non-participating funds, the decision on asset allocation is made by the investment team,

in compliance with IRDAI guidelines. In unit-linked products, (i) the asset allocation is decided by policyholders through their choice of specific funds (equity fund, debt fund or hybrid funds) and (ii) the investment risk is directly borne by the policyholder.

The AUM of each of our policyholders' and shareholders' funds (as of the dates mentioned) are set out in the table below:

Claims occurring after issuance	Fiscal Year ended March 31,					
	2016		2017		2018	
	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
	(₹ in billions, except percentages)					
Policyholders' funds						
Unit-linked funds	66.8	49.6%	67.7	44.7%	62.8	36.4%
Non-participating funds	19.2	14.2%	23.0	15.2%	30.4	17.6%
Participating funds	42.2	31.3%	53.9	35.5%	68.7	39.9%
Shareholders' funds	6.6	4.9%	7.0	4.6%	10.5	6.1%
Total	134.8	100.0%	151.6	100.0%	172.4	100.0%

Unit-linked funds

The objective of unit-linked funds is to create wealth for policyholders over the medium-to long-term, without taking undue risks, while meeting the specific objectives of individual fund. The investments in each fund are made in compliance with the fund mandate and exposure norms defined by the IRDAI.

Participating funds

The objective of participating funds is to generate returns that meet the reasonable expectation of policyholders regarding bonuses and benefits. This is achieved through appropriate asset-liability matching, as well as suitable investments to achieve returns for policyholders.

Non-participating funds

The objective of non-participating funds is to meet the projected benefits through appropriate investments while ensuring the safety and liquidity of funds. This is achieved through appropriate asset-liability matching.

Shareholders' funds

The primary objective of shareholders' fund is to maximize risk-adjusted returns while ensuring the safety of assets.

Investment Fund Performance

We base our investment philosophy on making investment decisions from a long-

term perspective with an aim to generate higher risk-adjusted returns. Based on the fund objective of unit-linked funds, we identify a performance benchmark index (wherever a suitable benchmark is available). Additionally, we have used Morningstar Rating ("Morningstar"), an investment research and investment management firm, for performance assessment of unit-linked funds.

Morningstar rates funds using the Morningstar Risk-Adjusted Return Rating ("MRAR") framework, which provides quantitative assessment of a fund's past performance on a risk-adjusted basis using a scale of one-to-five stars, with five stars being the highest rating and one star being the lowest. As indicated in the table below, Morningstar has rated our key open unit-linked funds, except one, in the equity, debt and hybrid bond fund categories as three-stars and above over the five-year period ending March 31, 2018.

The following table sets forth the performance of our key open unit-linked funds with respect to the benchmark returns over each of the five-year and seven-year periods ended March 31, 2018. In addition, the table also sets forth the Morningstar rating, using the MRAR framework, of our key open unit-linked funds for the five-year period ending March 31, 2018.

Our total assets under management ("AUM") were ₹ 172.4 billion as of March 31, 2018

Fund	Five-year performance			Seven-year performance	
	Fund returns (annualized)	Benchmark returns (annualized)	Morningstar rating (MRAR Rating)	Fund returns (annualized)	Benchmark returns (annualized)
Flexi Cap	14.6%	14.1%	*** (3-star)	10.0%	9.3%
Balancer II	10.6%	10.5%	*** (3-star)	8.6%	8.4%
Protector II	7.6%	8.6%	** (2-star)	8.6%	8.6%
Virtue II	17.4%	N.A.	***** (5-star)	11.6%	N.A.

N.A. = Benchmark not available.

Note: Morningstar Rating is based on MRAR, which is a measure of a fund's past performance after adjusting for risk. Morningstar sets the distribution of funds across the rating levels, assigning five-year star ratings as follows:

1. All funds in the category are sorted by MRAR % Rank for the respective time period in descending order.
2. Starting with the highest MRAR % Rank, those in the top 10% of such funds receive a 5-star rating.
3. The next 22.5% (i.e., ranking below the top 10% and up to the top 32.5%) of funds receive a 4-star rating, and the following 35% (i.e., ranking below the top 32.5% and up to the top 67.5%) of funds receive a 3-star rating.
4. The next 22.5% (i.e., ranking below the top 67.5% and up to the top 90%) of funds receive a 2-star rating.
5. The remaining funds (i.e., the bottom 10% of the category) receive a 1-star rating.

The following table sets forth the net investment income yield by fund category for the periods indicated:

	As of March 31,					
	2016		2017		2018	
	With unrealized gains	Without unrealized gains	With unrealized gains	Without unrealized gains	With unrealized gains	Without unrealized gains
Policyholders' funds						
Unit-linked funds	(4.1)%	9.6%	13.6%	12.7%	8.1%	15.8%
Non-participating funds	7.8%	8.9%	11.6%	8.4%	5.3%	8.3%
Participating funds	8.0%	9.0%	12.4%	8.9%	5.2%	9.0%
Shareholders' funds	8.2%	8.8%	11.2%	8.7%	5.8%	8.4%

Note: Yield is computed using Time Weighted Rate of Return as per modified dietz method.

Investment Portfolio

Our diversified investment portfolio primarily comprises of equities, government securities and corporate debt. Additionally, we also invest in fixed deposits, exchange traded funds (ETFs), liquid mutual fund units and 'other investments'.

As of March 31, 2018, the total AUM was ₹ 172.4 billion, including 37.2% in government securities, 34.0% in corporate debt and 22.6% in equities (including ETFs).

The following table sets forth, as of March 31, 2018, the composition of AUM across different asset classes:

	Linked	% of total	Non-participating	% of total	Participating	% of total	Shareholders	% of total	Total	% of total
(₹ in billions, except percentages)										
Government securities	5.6	8.9%	16.6	54.7%	35.7	51.9%	6.3	60.4%	64.2	37.2%
Corporate bonds										
AAA	10.5	16.7%	12.5	41.1%	30.0	43.7%	2.9	27.8%	55.9	32.4%
AA+/AA	1.1	1.7%	0.4	1.5%	0.3	0.4%	0.1	0.5%	1.9	1.1%
AA- or below	0.0	0.0%	0.2	0.5%	0.4	0.6%	0.3	2.8%	0.8	0.5%
Equity Shares ⁽¹⁾	36.5	58.1%	0.3	0.9%	2.1	3.1%	0.0	0.1%	39.0	22.6%
Money market instruments	8.1	13.0%	0.4	1.3%	0.2	0.3%	0.9	8.4%	9.6	5.6%
Others ⁽²⁾	1.0	1.6%	0.0	0.0%	0.0	0.0%	0.0	0.0%	1.0	0.6%
Total	62.8	100.0%	30.4	100.0%	68.7	100.0%	10.5	100.0%	172.4	100.0%

(1) Equity shares include listed equity, exchange traded funds and additional tier-one bonds.

(2) Others include net current assets for linked funds.

As required by the Insurance Regulatory and Development Authority in India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, as amended, all our investments in debt securities are considered as "held to maturity".

The following table sets forth, as of the dates mentioned, the book value and market value of these investments.

	As of March 31,					
	2016		2017		2018	
	(₹ in billions)					
	Balance sheet value	Market value	Balance sheet value	Market value	Balance sheet value	Market value
"Held to maturity" investments in non-linked and shareholder funds	67.9	70.5	83.4	88.6	107.6	109.9

Equity investments

Our equity portfolio is well diversified and consists of investments in high-quality stocks with an adequate blend of growth and value stocks. The stock selection is based on rigorous and thorough research and analysis, in accordance with the investment framework. As per IRDAI regulations, we are not permitted to invest in equity derivatives.

As of March 31, 2018, 91% of our equity investment was in companies forming part of the NIFTY 50 Index. The following table sets forth, as of March 31, 2018, the breakdown of equity investments by sectors that accounted for more than 5% of total equity investments:

	As of March 31,					
	2016		2017		2018	
	Equity investment*	% of total	Equity investment*	% of total	Equity investment*	% of total
Sector**	(₹ in billions, except percentages)					
Financial and insurance activities	10.3	25.7%	10.5	25.7%	10.4	29.0%
Computer programming, consultancy and related activities	7.1	17.7%	4.8	11.8%	4.6	12.9%
Manufacture of motor vehicles, trailers and semi-trailers	3.7	9.2%	4.0	9.9%	3.5	9.8%
Manufacture of coke and refined petroleum products	3.4	8.4%	3.7	9.1%	3.5	9.7%
Infrastructure sector	1.6	3.9%	2.7	6.7%	2.2	6.1%
Civil engineering	2.1	5.3%	1.8	4.3%	2.1	5.9%
Manufacture of tobacco products	2.6	6.5%	2.8	6.8%	1.9	5.2%
Manufacture of pharmaceuticals, medicinal, chemical and botanical products	2.5	6.2%	2.7	6.5%	1.5	4.1%
Manufacture of chemicals and chemical products	1.3	3.2%	2.1	5.1%	1.3	3.6%

(*) Equity investments include listed equity securities and additional tier-1 (AT1) bonds.

(**) Industrial sectors as defined under National Industrial Classification (NIC) 2008.

Fixed income investments

Our fixed income portfolio consists of government securities, corporate debt and money market instruments. We aim to maintain a fixed income portfolio of high asset quality. As of March 31, 2018, sovereign debt and AAA bonds constituted 98% of the AUM of our fixed income portfolio, based on ratings provided by SEBI-registered rating agencies. We have not had any defaults or delayed payments in our fixed income portfolio.

The following table shows the breakdown of fixed income portfolio by credit rating:

As of March 31,						
	2016		2017		2018	
	Carrying value	% of total	Carrying value	% of total	Carrying value	% of total
(₹ in billions, except percentages)						
Government securities	49.3	61.7%	52.3	53.2%	64.2	52.3%
Corporate bonds						
AAA	28.6	35.7%	42.7	43.5%	55.9	45.5%
AA+/AA	2.0	2.5%	3.2	3.3%	1.9	1.5%
AA- or below	0.0	0.1%	0.0	0.0%	0.8	0.7%
Total	79.9	100.0%	98.2	100.0%	122.9	100.0%

Our corporate debt portfolio constituted 22.8%, 30.3% and 34.0% of the total AUM as of March 31, 2016, March 31, 2017 and March 31, 2018, respectively. Our corporate bond investments are diversified across industries as well as issuers. All investments are in compliance with the IRDAI prescribed limits with

respect to single company, group and sector exposure.

The following table sets forth, as of March 31, 2018, the breakdown of our corporate debt holdings by sectors that constituted more than 5% of total investments in corporate debt:

As of March 31,						
	2016		2017		2018	
	Corporate debt investment	% of total	Corporate debt investment	% of total	Corporate debt investment	% of total
(₹ in billions, except percentages)						
Financial and insurance activities	8.6	27.2%	15.3	33.4%	22.8	38.8%
Infrastructure sector	13.6	43.1%	18.5	40.3%	22.3	38.0%
Housing sector	7.6	23.9%	10.3	22.3%	11.4	19.4%

Risk Management

We are exposed to different types of internal and external risks. Our Lines of Businesses assess our risks, together with advisory review from Enterprise Risk Management, Ethics & Compliance, Internal Audit, Legal and Information Security functions

(collectively, "Control Functions"). All the Heads of Control Functions have direct reporting relationship to the Managing Director to maintain the autonomy of these functions. Process Risks are identified through:

- Standards Operating Procedures (“SOP”) review and assessment by the Risk, Compliance, and Legal Management teams before implementation;
- Self-Risk and Control assessment carried out by each Line of Business function for appropriate Risk Identification Treatment and Mitigation; and
- Compliance reviews, which include regulatory compliance checks across enterprise and Branch Office reviews and which are included in our Enterprise Risk Management reports.

Our Enterprise Risk Management Policy sets out our approach to risk management, recognizing that each individual member of our businesses has a role to play in risk management. It specifically defines the roles and respective accountabilities of our Board of Directors, Audit Committee, Management Risk committees, Control Functions, Management and Internal Audit teams. The policy outlines the businesses risk criteria and appetite which is to be applied when assessing adverse events and considering the impact of these on the businesses ability to achieve their objectives.

We base our risk appetite on a set of criteria defined in relation to a set of consequences and the likelihood of these events occurring. We assess risks as critical, high, medium or low in significance and such risks are subsequently managed according to these ratings. The assigned risk criteria is approved by the Board of Directors and reviewed to reflect any changes in the internal and external environment, which may alter our tolerance to risk events.

Our risk mitigation plan is continuously tracked through a risk register. The risk register indicates the level of risks faced by the organization identified through functional key risk indicators for areas exposed to critical and high risks, as well as the consequences, exposure and identified mitigants of the risks, in order to control the risks. These risks are derived from our discussions with various stakeholders and internal reviews. Our Enterprise Risk function continuously monitors these risks and also presents these risks to our Board of Directors in the quarterly held board meetings.

Our approach to risk management includes three “lines of defense”. Firstly, we have functional teams that have ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. Secondly, we have functional governance and advisory teams, such as our Enterprise Risk Management and other Control Functions, that provide oversight and assist management in implementing, monitoring and reporting on operational risk programs. Thirdly, we conduct internal audits that provide an independent review of the efficacy of our risk assessment and management.

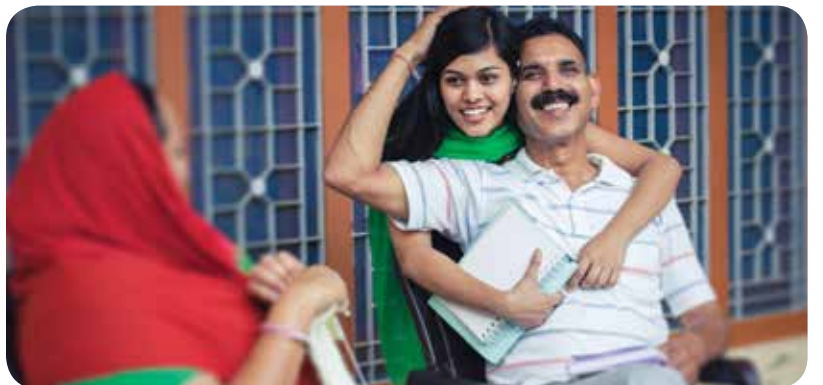
Risk Management Committees

Our Investment Committee of our Board of Directors monitors the suitability of assets and liabilities under traditional lines of business, and our Asset Liability Management and Risk Management (“ALMR”) Committee of our Board of Directors reviews, on at least a quarterly basis, the ALM position of each of the funds under our general account and provides advice regarding possible measures to be taken to minimize any duration mismatch between assets and liabilities. Our Board has approved an ALM policy in accordance with the guidelines issued by the IRDAI and in view of the nature of our liabilities and invested assets.

Additionally, our ALMR Committee reviews on a quarterly basis the completeness of the risk assessments performed at Company level and advises our senior management on the appropriateness of the management action plans developed to mitigate the top and emerging risks at an enterprise level.

Our Executive Risk Management Committee (“RMC”), which meets on a quarterly basis,

Our Enterprise Risk Management Policy sets out our approach to risk management, recognizing that each individual member of our businesses has a role to play in risk management.



reviews and assesses the risk impact on the Company's defined risk tolerance limit, approves the Company's risk management structure and operational framework within the Enterprise Risk Management scope and framework and approves implementation of strategies to be undertaken to reduce risk exposures over time. The RMC also considers emerging risks across the industry and reviews the appropriateness of new mitigation programs. Various sub-committees, including our Information Security Committee, Underwriting and Claims Committee, Outsourcing Committee, Investment Monitoring Committee have been set up for specific risk assessment and mitigation plans.

Competition

The Indian insurance industry is highly competitive, with 24 public and private life insurance companies operating in India as of March 31, 2018, according to CRISIL. We track the progress of the top ranked private life insurance companies in India across key metrics.

The key metrics on which we compare ourselves with our competition are growth, product mix, expense efficiency, quality (as measured by persistency), value of new business margin and operating return on embedded value.

According to CRISIL, we were one of the top 10 private life insurance companies in India based on total new business premium in Fiscal 2018 and are growing rapidly with a compounded annual growth rate of 19.85% in total new business premium from Fiscal 2015 to Fiscal 2018. In addition, our product mix had a higher share of non-linked products amongst our primary competitors (Source: CRISIL).

The following table sets forth total new business premium growth, individual new business premium growth, non-linked product mix based on new business premium, expense ratio based on new business premium, persistency, operating return on embedded value and value of new business margin for the top 10 private sector life insurance companies, based on individual new business premium, in India for Fiscal 2018. However, the order in which PNB MetLife and the other top 10 private sector life insurance companies are presented in the table below is not meant to reflect their ranking among private sector life insurance companies, either based on individual new business premium or with respect to any of the metrics presented in the table below.

Company	Fiscal Year ended March 31, 2018						
	Total new business premium growth	Individual new business premium growth	Non-Linked Product Mix based on new business premium	Operating Expense Ratio based on new business premium	Persistency (13th month based on premium)	Operating Return on Embedded Value	Value of new business margin
PNB MetLife	24.2%	21.7%	81.8%	57.1%	77.0%	16.1%	17.1%
SBI Life	8.1%	29.9%	44.1%	15.7%	83.0%	17.9%	16.2%
ICICI Prudential	17.1%	20.4%	23.6%	22.0%	86.8%	22.7%	16.5%
HDFC Standard	30.5%	41.5%	65.7%	27.8%	87.1%	21.5%	23.2%
Max Life	18.6%	20.4%	67.3%	37.0%	81.0%	20.6%	20.2%
Kotak Mahindra Life Insurance Company*	19.5%	37.3%	55.9%	32.6%	85.5%	N.A.	N.A.
Bajaj Allianz	30.4%	36.6%	59.4%	28.1%	77.2%	N.A.	N.A.
Tata AIA	31.5%	33.4%	N.A. %	56.0%	81.2%	N.A.	N.A.
Birla Sunlife	5.1%	19.9%	N.A. %	30.7%	75.3%	N.A.	N.A.
Canara HSBC OBC Life	24.9%	32.5%	N.A.	29.8%	77.9%	N.A.	N.A.

* Formerly known as Kotak Mahindra Old Mutual Life Insurance Ltd.

Note: N.A.: not available

Source: IRDAI, company reports, CRISIL, except with respect to operating return on embedded value and value of new business margin for PNB MetLife, which are contained in the Embedded Value Report

Brand Strength and Marketing

We benefit from the brand equity of PNB, which is the second largest bank in India by number of branches, and MIHL, which is a subsidiary of MetLife. MetLife, including its subsidiaries and affiliates, is a leading global insurance company with a presence in more than 40 countries.

We believe the PNB MetLife brand name is associated with attributes such as trust and empathy. Through continued marketing activities and need-based media campaigns, our marketing function aims to reinforce these attributes and position us as the most trustworthy and customer-centric brand choice for life insurance products in India. For example, we promoted need-based selling through our “Circle of Trust” campaign across our bancassurance partners’ branches and in 2016 we launched a film called Magician, which focuses on the uncertainty of life and the need to be insured. The film was widely viewed and won a Bronze at the Spikes Asia 2016 Awards. In 2018, we also launched a film called Joy Da, which promotes extending life insurance coverage to the age of 99 years, which has generated 8 million views through digital platforms.

In addition, in our view there is a strong link between health, fitness and the well-being of individuals and the growth of our business. We actively promote and support various sporting events, including badminton and marathons in India, which we associate with the promotion of healthy living. For example, in conjunction with MetLife, we have been sponsors of the badminton BWF Superseries for the past four years and have conducted other nation-wide badminton events to promote health and fitness among consumers, including the PNB MetLife Junior Badminton Championship, which is the largest national badminton program for school children in India. The third season of our PNB MetLife Junior Badminton Championship marked the launch of our “3D Pro Badminton Challenge” app, which had more than 1 million downloads. In addition, we have promoted numerous walkathons and marathons through our ‘#RunForHappiness’ platform, including the Satara Hill Half Marathon, which draws participants from across India and around the world.



As part of our efforts to offer superior customer experience and promote our products through digital platforms, in 2016 we launched the PNB MetLife Infinity application. The PNB MetLife Infinity application is a secure digital hub that allows users to create a digital legacy by enabling them to share important documents, images, videos and memories with their nominees in case something were to happen to them. To drive awareness and get people to experience the application, we launched a campaign called #AnythingCanHappen which focuses on the unpredictability of life and reinforces the need for insurance and the importance of safeguarding important documents and memories. This application won the Finnoviti award for innovation in the Banking, Financial Services and Insurance sector in 2017.

We believe the PNB MetLife brand name is associated with attributes such as trust and empathy.

We have also actively aimed at increasing our promotion of various products online. For example, in order to promote our critical illness plan PNB MetLife Mera Heart and Cancer Care, we introduced “Dr. Jeevan”, an artificial intelligence-powered interactive chatbot solution on the Facebook Messenger platform for a limited time.

Accreditations, Awards and Achievements

Various industry organizations and other bodies have conferred awards to us in recognition of our achievements across several domains. The following table sets forth examples of the awards we have won in the categories of innovation, products and marketing, beyond business, digital, website and training:

Category	Award
Innovation	Banking Frontiers Finnoviti Award (2018) for our conVRse platform
	Best Use of Technology to Enhance Customer Experience, for conVRse customer service platform at the Zendesk Customer Experience Awards (2018)
	Innovation of the Year, 21st Annual Asia Insurance Industry Awards (2017) for conVRse customer service platform (together with LumenLab)
	Best Technology Innovation, Fintelekt Insurance Awards (2017) for conVRse
	Digital Innovation Award, in the Virtual Reality category at the BFSI Digital Innovation Awards (2017) hosted by Indian Express Group for our conVRse platform
Products and Marketing	Best Use of Social Media in Marketing, Global Marketing Excellence Awards (2017) for our #MakeTime social media campaign
	Best Product Innovation Award for Mera Heart and Cancer Care (MHCC), National Awards for Excellence in Insurance (2017)
	Best Product Innovation, Life Insurance Leadership Awards (2017) for Mera Heart and Cancer Care (MHCC)
	Spikes Asia Bronze Award (2016) for our Life Mein Twist campaign
	Best Use of Social Media in Marketing, ABP News (2016) for #AnythingCanHappen social media campaign
Beyond Business	Best Employee Diversity & Inclusion Company, Employee Engagement Leadership Awards (2018)
	100 Best Companies for Women, Working Mother and AVTAR (2017 and 2016)
	ACEF for the CSR programme, CSR Excellence Awards (2016)
	Most Sustainable Company of India, India Sustainability Leadership Summit (2015)
Digital/ Information Technology	CIO Crown (2017), Digital Innovation – Inclusive Awards for our Next Gen IT backbone
	Dell EMC Transformer Award (2016) for IT transformation
	Express Intelligent Enterprise Award (2016) for data center
Website	Celent Model Insurer Asia Award (2016) as a model insurer in Asia
	Website of the Year, E-Commerce Summit (2016)
Training	National Award for Best Use of Technology in Training and Development, World HRD Congress (2017)
	Best Education Training Campaigns, Asia Training & Development Excellence Awards (2016)
	Best Sales Development Program, Asia Training & Development Excellence Awards (2016)
Risk Management	Special Commendation for Golden Peacock Award for Risk Management (2016)



Employees

As of March 31, 2018, we had 9,845 employees, including 4,052 part-time employees, in over 100 cities in India. Our individual agents are not our employees. We have competitive financial rewards in line with our philosophy of pay for performance. Our compensation program differentiates pay increases based on performance. We aim to differentiate ourselves with an open, ethical and performance based culture and pride ourselves with rewarding talent through principles of meritocracy. In addition to a fixed salary, all employees have an opportunity to earn variable pay, such as performance bonuses or sale incentives. We have an annual variable incentive program that is applicable to all roles in the company that are not sales related, while all sales roles have sales incentive programs. The annual variable incentive program is calculated based on a combination of organizational performance and individual performance criteria. Both of these programs are directly linked to achievement of key business targets and regulatory requirements. Annual pay increases are also based on employee performance and market benchmarking,

designed to provide fair compensation while also encouraging productivity and self-motivation. We have also instituted an employee stock option plan.

We promote learning and leadership by our employees and emphasize thought leadership, with the aim of strengthening our Company and the “PNB MetLife” brand. We also offer our employees an opportunity for long-term career development by providing a platform for their learning and growth based on merit. We also seek to foster an inclusive, supportive work environment for our employees, with diversity and inclusion key to our core values. We continue to work with our stakeholders to improve our talent management framework and strengthen our organizational capabilities.

Intellectual Property

PNB MetLife India Insurance Company Limited has pending applications with the Trade Marks Registry in India for the following trademarks:

As of March 31, 2018, we had 9,845 employees, including 4,052 part-time employees, in over 100 cities in India.

Mark	Application Number	Class	Date filed
CIRCLE OF TRUST and Logo in English	2641386	36-INSURANCE AND FINANCIAL SERVICES	Dec 12, 2013
CIRCLE OF TRUST and Logo (in Hindi)	2638052	36-INSURANCE AND FINANCIAL SERVICES	Dec 5, 2013
CIRCLE OF TRUST	2581134	36-INSURANCE AND FINANCIAL SERVICES	Aug 16, 2013

Pursuant to the PNB Trademark Agreement, PNB has granted us a non-exclusive right to use the term “PNB” in the corporate name and brand of our Company. Pursuant to the IPLA, our Company has been granted a royalty free, non-exclusive and non-transferable right to use the “MetLife” trademark and logo, along with other intellectual properties covered under the agreement, in India.

Corporate Governance

Our Board of Directors is at the center of our Corporate Governance and oversees the management’s efforts to serve and safeguard the interest of our stakeholders. The Board requires that we make timely disclosures and share accurate information regarding our financials and performance, as

well as our leadership and governance. We have also put in place various policies which aid us in ensuring effective governance and which help us achieve our Corporate Governance objectives.

Ethics and Compliance

Our Board of Directors, through our Audit Committee, oversees our compliance framework. We have implemented various internal policies, such as our employee code of conduct, general administrative policy on ethical sales practices, policy to prevent and redress sexual harassment at work, employee grievance management policy, anti-bribery and anti-corruption policy, privacy policy, whistle-blower policy, actuarial development program

policy, policy on Anti-Money Laundering (“AML”) and code of conduct for personal investments to ensure compliance with relevant laws and regulations issued. We have an Ethics and compliance team and a Chief Compliance Officer who reports to the Board Audit Committee on various compliance matters.

Our compliance team identifies, and disseminates to all relevant functions, all relevant and applicable laws, regulations and circulars issued by the IRDAI and monitors the adequacy of our compliance framework. We have a well-defined Compliance Risk Management Program (“CRMP”), which monitors Compliance risks associated with our business and addresses any such risks through implementing our Compliance policies and procedures. Our Compliance function has also established a certification process, whereby the head of each Company department certifies, on a quarterly basis, that their department is in compliance with statutory and regulatory guidelines and our internal policies. Our Compliance function also conducts Branch Office reviews, to monitor the compliance activities at the branch level. On a quarterly basis, our Chief Compliance Officer updates the Audit Committee on any compliance failures, regulatory actions, key regulatory developments and key steps taken to ensure compliance.

Complaints or grievances of malpractice against both sales and non-sales persons, employees or agents are investigated by the relevant functional teams, such as our human resources or Compliance function. The investigating team makes a determination and then proposes an appropriate response by the Company. Any disputed cases are presented to our Malpractice Actioning Committee. Our Malpractice Actioning Committee, which consists of the head of each of our human resources department and our compliance and legal departments, is authorized to make the final decision with regard to the recommendations on each disputed case made by the relevant functional team.

Our compliance efforts are further supported through a risk-based internal audit approach, which is aimed to provide reasonable assurance to the Audit Committee and the senior management regarding the adequacy and effectiveness of

the Company’s risk management and control framework. Key internal audit observations and recommendations are reported to the Audit Committee on a quarterly basis and implementation of such recommendations is actively monitored.

Legal Proceedings

We are a party to certain legal actions and regulatory proceedings, including criminal matters related to contested insurance claims, allegations of mis-selling, disputes with customers on sale practices and related disputes.

Properties

We have three corporate offices, located in Lower Parel in Mumbai, Goregaon in Mumbai and Gurgaon. We are headquartered in Mumbai, India.

As of March 31, 2018, we own one property in Bangalore (our registered office in Bangalore) and one property in Mumbai (Lower Parel) and have leased 108 properties across India.

Corporate Social Responsibility Initiatives

We have constituted a Corporate Social Responsibility (“CSR”) Committee in accordance with the Companies Act requirements. The duties and responsibilities of the CSR Committee include formulating and recommending our CSR Policy to our Board of Directors, monitoring the implementation of the CSR Policy and setting the budget for our CSR activities. In addition, we have a CSR Management Committee, which monitors the progress and completion of CSR projects, reviews CSR plans and goals, determines whether proposed additional CSR spending will be presented to our Board of Directors for approval, audits CSR spending and presents progress reports to our Board of Directors.

The key focus areas of our CSR Program are:

- **Financial Inclusion:** Providing low-income families and individuals with the financial tools to improve their lives in identified segments, including (a) unorganized sector – daily wage earners, (b) women’s rights and (c) small-scale farmers.
- **Health Initiatives:** Undertaking initiatives on preventative healthcare, raising awareness and working with relevant

partners and Swachh Bharat Abhiyan, a cleanliness campaign by the GoI.

- **Education and Vocational Training:** Providing opportunities for children in identified locations to get access and help in getting education in schools, helping those who have withdrawn from the school system with skills training.
- **Disaster Relief and Rehabilitation activities:** Providing medical aid, food supply, supply of clean water, rebuilding of houses or any other activity that can be aligned to relief and rehabilitation efforts.
- **Promotion of nationally recognized sports, such as badminton:** Providing scholarships for talented underprivileged children to pursue their dream of excelling in the sport.
- **Insurance awareness initiatives**

We have undertaken a number of insurance awareness initiatives across India in order to demystify insurance, including workshops for customers, publishing insurance awareness leaflets and thought pieces and digital initiatives and campaigns such as #DoubleSureForTomorrow and #KhushiyonKiSuraksha.

In line with our CSR objectives, we focus on women's health and skill development, child education and sports. We have undertaken a number of initiatives across India to improve access to education and children's rights. For example, working with Child Rights and You ("CRY"), an Indian non-profit, and in conjunction with the Jammu Kashmir Association of Social Workers, we have helped facilitate the creation of youth



activity centers and computer labs to provide opportunities for children to gain access to education and learn computer skills. Through our association with CRY, we have provided opportunities, through annual scholarships for training and coaching, to underprivileged children to learn to play badminton and participate in the PNB MetLife Junior Badminton Championship. The PNB MetLife Junior Badmintonship tournaments are being conducted in 10 cities across India. In the city of Varanasi, we launched, in partnership with Drishtee, a non-governmental organization, a project called "Sakhi Swavlamban", which aims to help rural women and widows bridge the opportunity gap by teaching them practical skills. The program is intended to improve the financial capacity and access to opportunities of marginalized women, allowing them to become self-reliant and entrepreneurial.

Board of Directors

Mr. Lyndon Emanuel Oliver is the Chairman and Non-Executive Director of our Company. He holds a bachelor's degree in science and a master's degree in business administration from the University of Alabama, USA. He has qualified with the Board of Accountancy as a Certified Public Accountant in the State of Florida, USA. He has been on the Board since August 10, 2016 and was re-appointed as a Director on August 10, 2017. He was appointed as our Chairman pursuant to a board resolution dated January 28, 2018, with effect from January 9, 2018. He has held a number of executive, managerial and financial management roles in various companies, with financial, product pricing, tax, financial planning and management analysis experience.

Mr. Ashish Kumar Srivastava is the Managing Director and Chief Executive Officer ("MD and CEO") of our Company. He holds a post graduate diploma in personnel management from Xavier Institute of Social Service, Ranchi. He has also attended advanced certificate courses from Richard Ivey School of Business, Michigan Ross School of Business and Cornell University. He joined our Company as Head of Human Resources in 2013. He was then associated as Vice President, Head of Human Resources with MetLife for Middle East and Africa from October 1, 2015 to December 31, 2016. He was then re-appointed as our Managing Director and Chief Executive Officer on October 1, 2017. He has over 26 years of experience in a range of industries including banking and financial services sector in Asia, Middle East and Africa, with experience in building sustainable strategies, change management, transforming and enhancing leadership capabilities. He has also been with the IBL Group, Mauritius as its head of human resources and communications between December 2012 and June 2013. Prior to joining our Company, he was working with Canara HSBC Life Insurance from April 2008 to November 2012. He has also worked at Hindustan Coca Cola Beverages and the Taj Group. He has also served as a director on the board of HSBC Operations & Processing India Private Limited from June 28, 2004 to May 30, 2008.

Mr. Bharat Raj Kannan is a Non-Executive Director of our Company. He holds a bachelor's degree in business administration from Temple University, Philadelphia, Pennsylvania, USA and a master's of science degree in human resources from Kellstadt Graduate School of Business, DePaul University, Chicago, Illinois, USA. He has also attended INSEAD's Management Acceleration Program. He has been on our Board since August 2, 2017. He has many years of experience in employee management and distribution. He was the head of Employee Benefits for Asia, focused on enhancing MetLife's employee benefits capabilities across the region, before being appointed as the senior vice president, chief distribution officer of Asia from September 1, 2015. Prior to joining our Company, Mr. Bharat Raj Kannan spent over 11 years at Aon from February 2004 to March 2015. He also served as director, Aon Risk Solutions Japan Limited where he lead their foreign local client division while directly managing their large scale international relationships and was also the chief executive officer of Aon Insurance Brokers (Malaysia), Kuala Lumpur.

Mr. Sunil Mehta is a Non-Executive Director of our Company. He holds a master's degree in business administration in finance. He has been on our Board since August 2, 2017. He has many years of experience in administrative and functional capacities in offices for agriculture, retail, credit and planning and development. Prior to joining our Company, he was an executive director at Corporation Bank. He has served as the general manager of Allahabad Bank and is currently the chief executive officer and managing director on the board of PNB. He has participated in a seminar on 'Economic Challenges by developing Economics' in Turkey.

Mr. Lingam Venkata Prabhakar is a Non-Executive Director of our Company. He has been on our Board since July 19, 2018. He has many years of professional experience. He is an executive director of PNB.

Mr. Pheroze Kersasp Mistry is a Non-Executive Director of our Company. He holds a bachelor's degree in science from University of California and a master's degree in business administration from Cornell University. He is also a fellow of the Institution of Engineers (India). He has been on our Board since April 20, 2001 and was reappointed for a period of one year with effect from August 10, 2017. He has many years of experience in business administration. He is the director of M. Pallonji & Co. Private Limited, which is engaged in providing logistics, industrial coating and painting on a contract basis and setting up wind turbines.

Mr. Surbhit Dabriwala is a Non-Executive Director of our Company. He holds a bachelor's degree in arts from University of Pennsylvania. He has been on our Board since August 1, 2004, and was reappointed for a period of one year with effect from August 10, 2017. He is a promoter and non-executive non-independent director on the board of EIL. He has many years of experience in manufacturing and real estate sectors.

Mr. Erach Kotwal is a Non-Executive Director of our Company. He holds a master's degree in law from University of Cambridge. He has been on our Board since November 23, 2016, and was reappointed for a period of one year with effect from August 10, 2017. He is an Advocate, practicing in the High Court at Mumbai since 1984 and has 31 years of legal experience.

Ms. Anisha Motwani is an Independent Director of our Company. She holds a bachelor's degree in science from University of Rajasthan, Jaipur and a master's degree in business administration from University of Rajasthan. She has many years of experience in marketing, brand and digital strategies, management and financial services. Prior to joining our Company, she worked with McCann Erickson from 1991 to 1993 and Leo Burnett from December 1, 2000 to December 31, 2003. She is also associated with marketing for several known companies. She has won many awards for her creative excellence. She is also a columnist at Huffington Post and regularly publishes her point of view on many subjects including gender diversity, social marketing, business and consumer trends in leading publications.

Board of Directors

Dr. Archana Niranjana Hingorani is an Independent Director of our Company. She holds a bachelor's degree in arts from the University of Mumbai, a master's degree in business administration from the Graduate School of Business, University of Pittsburgh, USA and a doctorate degree in philosophy from the Joseph M. Katz Graduate School of Business, University of Pittsburgh, USA. She has 23 years of experience in financial services and private equity fund investment. Prior to joining our Company, she was associated with the IL&FS Group for 22 years, in various capacities, including being the CEO of IL&FS Investment Managers Limited. She has been the recipient of various awards such as 'Ten most influential women in private real estate investing' by PERE in 2010, 'Most Powerful Women' in 2014, 2015, 2016 and 2017 by Fortune India, 'Most Powerful Women' in 2011, 2012 and 2013 by Business Today, '25 Most Influential Women in Asia Asset Management' by Asian Investor in May, 2014, and 'Distinguished International Alumnus' in the year 2016 by the Katz Graduate School of Business, University of Pittsburgh, USA.

Mr. Neeraj Swaroop is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Indian Institute of Technology, Delhi and a post graduate diploma in business administration from Indian Institute of Management, Ahmedabad. He also holds a post-graduation degree in retail bank management from University of Virginia. He has many years of experience in financial services and consumer goods industry. Prior to joining our Company, he was the country head for India of the Singapore Exchange from January 2017 to June 2018. Mr. Neeraj Swaroop has been associated with Standard Chartered Bank, in various capacities, including being the chief executive officer of its Singapore franchise from 2014 to 2015, the chief executive officer for nine south-east Asian countries from 2012 to 2013 and the chief executive officer for its India, Bangladesh, Sri Lanka, Nepal and Afghanistan franchise from 2005 to 2011.

Mr. Sunil Gulati is an Independent Director of our Company. He holds a bachelor's degree in electrical engineering from the Indian Institute of Technology, Delhi and a master's degree in business administration from the Indian Institute of Management, Ahmedabad. He also completed a course on 'Governing the Corporation: Global Perspectives in the Indian Context' from The Wharton School, University of Pennsylvania. He has 29 years of experience in the banking industry across investment banking, corporate finance, relationship management, risk management and corporate strategy. He is the non-executive chairman of Merisis Advisors, a boutique investment bank. He is an advisor to Ambit Finvest, Insense Analytics and WEH Ventures. Prior to joining our Company, he was working with the RBL Bank for six years, from 2010 to 2016 as the chief risk officer, held various positions at Yes Bank between 2006 and 2010, and was the chief operating officer for GE Capital Services India from 2004. He was also designated as the head of investment banking and managing director in the corporate finance department at ING Bank. He was also the executive vice president in ING Vysya Bank Limited. He was also on the board of trustees for ING Investment Management in India between 2012 and 2014 and was associated with Bank of America, in India and Hong Kong from 1989 to 2001. Mr. Sunil Gulati is also a charter member of TIE and their fintech special interest group. He is also a member of the advisory board of S.P. Jain Global Management School and a visiting faculty to Goa Institute of Management.

Mr. Nitin Chopra is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Kanpur and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has many years of experience in the financial services industry. Prior to joining our Company, he was associated with RBL Bank from 2010 to 2015, as its head of retail and consumer banking, where he oversaw business banking, retail branch banking, retail assets and liabilities, credit cards, HNI business and marketing functions. Mr. Nitin Chopra was also associated with Bharti AXA Life Insurance, as its chief executive officer from May 2006 to April 2010. He has been an independent director on the boards of various companies, including Vodafone m-pesa Limited and Vodafone Business Services Limited.

Ms. Sonu Bhasin is an Independent Director of our Company. She holds a bachelor's degree of science in mathematics from St. Stephen's College, Delhi University and a master's degree in business administration from Faculty of Management Studies, Delhi University. She has many years of experience in business, retail and banking. Prior to joining our Company, she has worked with various Tata companies such as Tata Housing Development Company Limited, Rallis India Limited and Tata Press Limited. She was also the chief operating officer of Tata Capital Limited. Ms. Sonu Bhasin was also the group president, branch banking at Yes Bank between August 2011 and October 2012, president, retail banking and business head at Axis Bank between July 2005 and July 2011. She is also the author of the book 'The Inheritors – Stories of Entrepreneurship and Success'.

Mr. Abhaya Prasad Hota is an Independent Director of our Company. He holds a bachelor's and master's degree in English literature from Sambalpur University and is a Certified Associate of the Indian Institute of Bankers. He has many years of experience in banking technology and regulatory compliance. He is currently on the boards of Federal Bank, IDBI Intech and Motilal Oswal Asset Management Company. Mr. Abhaya Prasad Hota is also a part time consultant to World Bank, as an expert on national payment system to World Bank missions. Prior to joining our Company, he has worked for 28 years with the Reserve Bank of India in the areas of operating payments system platforms and payment system policy and for eight years as the managing director and chief executive officer of National Payments Corporation of India.

Mr. Joginder Pal Dua is an Independent Director of our Company. He holds a bachelor's degree in law from Meerut University and a master's degree in economics from Punjab University. He has many years of experience in banking, finance and financial reconstruction. He has served as a member of the governing board of Indian Institute of Banking and Finance and Xavier Institute of Management, Bhubaneswar. Prior to joining our Company, he was the member of the Board of Industrial and Financial Reconstruction between January 2013 and May 2015 and its chairman from May 2015 to January 2016. He was also the executive director of Allahabad Bank between November 2007 and December 2009 and chairman and managing director between December 2009 and August 2012. Prior to joining Allahabad Bank, he was the general manager at Oriental Bank of Commerce.

Management Team

Mr. Niraj Ashwin Shah, aged 43 years, joined our company on May 4, 2015 and was appointed as the Chief Financial Officer on July 21, 2016. He holds a post graduate diploma in management from Indian Institute of Management, Bangalore and is a chartered accountant, registered with the Institute of Chartered Accountants of India. He has 20 years of experience in insurance and banking industries in areas including finance, strategy, products, marketing, business analytics, investment banking and audit. Prior to joining our Company he was associated with ICICI Prudential Life Insurance Company Limited.

Mr. Sameer Bansal, aged 44 years, joined our company on February 1, 2007 and was designated as the Director & Head - Bancassurance on May 18, 2016. He holds a bachelor's degree in engineering from Mangalore University and post graduate diploma in management from the International Management Institute, New Delhi. He has 19 years of experience in management.

Mr. Bhawani Singh Pathania, aged 43 years, joined our company on April 1, 2015 and was designated as the Director & Head – Direct, Agency and Alternate on May 18, 2016. He holds a post graduate diploma in business management from the Institute of Management and Technology, Ghaziabad. He has 19 years of experience in sales.

Vijaya Sanjay Nene, aged 51 years, joined our company on January 12, 2006 and was designated as the Director & Head - Operations and Services of our Company on May 18, 2016. She holds an advanced diploma in management from ICFAI University. She has 27 years of experience in the life insurance industry in the areas of regulatory, compliance, risk, underwriting, claims and operations. Prior to joining our Company she was associated with Birla Sun Life Insurance Company Limited.

Mr. Samrat Ashim Das, aged 47 years, joined our company on April 18, 2016 and was designated as the Chief Information Officer of our Company on May 18, 2016. He holds a master's degree of business administration from Pune University. He has 22 years of experience across industries like pharmaceuticals, IT consulting, insurance and investment management and mutual funds.

Mr. P. K. Dinakar, aged 52 years, joined our company on July 31, 2013 and was appointed as the Appointed Actuary on August 23, 2013. He holds a bachelor's degree in science from Calicut University and a master's degree in statistics from Cochin University of Science and Technology and is a fellow of the Institute of Actuaries of India. He has 28 years of experience in life insurance industry and handling actuarial functions.

Mr. Sanjay Kumar, aged 48 years, joined our company on February 1, 2008 and was appointed as the Chief Investment Officer on June 3, 2015. He holds a bachelor's degree in chemical engineering from Jadavpur University and master's degree in business administration from Faculty of Management Studies (FMS), University of Delhi. He has 22 years of experience in financial services.

Mr. Khalid Ahmad, aged 38 years, joined our company on September 1, 2015 and was appointed as the Head – Products on December 1, 2016. He holds a bachelor's degree in science from University of Calcutta and a post graduate diploma in management studies from Management Development Institute, Gurgaon. He has 15 years of experience in insurance, banking and logistics. Prior to joining our company, he was associated with ICICI Prudential Life Insurance Company Limited. He has also been associated with Reliance Nippon Life Insurance Company Limited from May 2013 to August 2015.

Mr. Hemant Khara, aged 46 years, joined our company on December 3, 2012 and was designated as the Head – Employee Benefits, Alliances and Sales Training of our Company on May 18, 2016. He is a chartered accountant, and has many years of experience in institutional business including public relations, NBFCs and life insurance.

Mr. Nipun Kaushal, aged 43 years, joined our company on March 7, 2018 and was appointed as Chief Marketing Officer. He holds a bachelor's degree in mechanical engineering from Karnataka University and a post graduate diploma in management from International Management Institute, Delhi. He also holds a master's degree in leadership and strategy from London Business School. He has 18 years of experience in marketing and corporate communications.

Mr. Agnipushp Singh, aged 43 years, joined our company on May 5, 2017 and was appointed as Head – Legal & Board Affairs. He holds a bachelor's degree in commerce from University of Delhi and a bachelor's degree in law from Symbiosis School of Law, Pune. He has 18 years of experience in legal advisory.

Mr. Sarang Kamalkishore Cheema, aged 37 years, joined our company on April 1, 2016 and was appointed as the Chief Compliance Officer on April 20, 2016. He holds a bachelor's degree in commerce and is a qualified chartered accountant. He has also cleared the Certified Information Systems Auditor examination. He has more than 13 years of experience in compliance, internal audit, risk management and forensics. Prior to joining our Company, he was associated with SBI Life Insurance Company Limited, KPMG India and ICICI Prudential Life Insurance Company Limited.

Mr. Anjan Bhattacharya, aged 37 years, joined our company on October 15, 2013 and was appointed as the Chief Risk Officer. He holds a bachelor's degree in science from University of Delhi and a post graduate diploma in management from International Management Institute, Delhi. He has 17 years of experience in internal audit, enterprise risk management, governance and controls, forensics and business advisory.

Ms. Viraj Taneja, aged 40 years, joined our company on February 8, 2016 and was appointed as the Head – Internal Audit. She holds a bachelor's degree in commerce from University of Mumbai and is a chartered accountant, registered with the Institute of Chartered Accountants of India. She has 17 years of experience in strategic audit planning, internal auditing methodologies, risk assessment and assurance.

Mr. Shishir Vijaykumar Agarwal, aged 48 years, was appointed as the Director and Head - Human Resources of our Company on May 2, 2018. He holds a bachelor's degree in engineering in industrial electronics from University of Pune and a post graduate diploma in personnel management and industrial relations from XLRI, Jamshedpur. He has 22 years of experience in human resource management, employee relations and talent management.

Ms. Yagya Turker, aged 37 years, joined our company on July 12, 2017 and was appointed as the Company Secretary on August 10, 2017. She is a company secretary, registered with the Institute of Company Secretaries of India. She has 14 years of experience in company secretarial services.

Statutory Reports

Directors' Report

Dear Shareholders, PNB MetLife India Insurance Company Limited

Your Directors take pleasure in presenting the Seventeenth Annual Report for the year ended March 31, 2018 along with audited financial statements for the year ended March 31, 2018.

INDUSTRY PERFORMANCE

The Indian life insurance market is the tenth largest life insurance market in the world and the fifth largest in Asia in terms of total premium in Fiscal 2017, according to Swiss Re Institute, sigma No 3/2017. However, India continues to be an underpenetrated insurance market with a life insurance penetration of only 2.7% in Fiscal 2016, compared to a global average of 3.5% (Source: CRISIL). In addition, the protection gap in India, is amongst the highest globally at US\$8.5 trillion in 2014 (Source: CRISIL).

The key drivers of growth for the Indian life insurance industry are strong GDP growth and rising incomes, low insurance penetration and density, increasing household and financial savings, increasing insurable population, rise in urbanization, increasing demand from urban, semi-urban and rural areas and digitization.

In Fiscal 2018, the life insurance industry grew by 10.77% year-on-year on total new business premium (NBP) basis to ₹ 1,938.7 billion and by 18.58% year-on-year on individual NBP basis to ₹ 921.1 billion.

COMPANY PERFORMANCE

We were one of the top 10 private life insurance companies in India based on total NBP in Fiscal 2018 and grew at an annual growth rate of 24.23% in total NBP from Fiscal 2017 to Fiscal 2018.

Our history and relationships with MetLife and PNB have enabled us to become a strong, professionally managed company with the capabilities necessary to take advantage of significant opportunities in the fast growing Indian life insurance market. MetLife, including its subsidiaries and affiliates, is a leading global insurance company with a presence in more than 40 countries. MetLife International Holdings, LLC, a subsidiary of MetLife, has been our shareholder since August 2001. PNB is the second largest bank in India based on total branches as of December 31, 2017 (Source: CRISIL). PNB has been our distribution partner since October 2011 and our shareholder since January 2013.

We have a pan-India, multi-channel distribution network, a comprehensive product portfolio and provide an end-to-end customer-centric service experience. We believe this positions us well to access a broad Indian customer base and address the evolving needs of Indian customers. We seek to leverage our capabilities through our scalable platform to generate profitable growth, particularly in underpenetrated segments of India's life insurance market.

Key performance metrics	Fiscal 2017	Fiscal 2018
Value		
Operating return on embedded value	Not published	16.1%*
VNB margin		17.1%*
Shareholders' profit	103.42	141.69 (37.00)**
Growth		
Individual NBP	1,030.95	1,254.41 (21.68)**
Total NBP	1,148.78	1,427.08 (24.23)**
Total premium	3,236.08	3,953.51(22.17)**
Efficiency and quality		
Operating expenses to total premium	23.07%	20.61%
13 th month persistency	71.78%	77.03%

All numbers in crore; *

* As per Independent Actuary's Report on Indian Embedded Value as at March 31, 2018 by Willis Towers Watson Actuarial Advisory LLP

** Growth over previous year

In Fiscal 2018, we had the fourth highest individual product mix based on total NBP in India (Source: CRISIL). Our individual NBP accounted for 87.90% of our total NBP in Fiscal 2018. Our individual NBP increased at an annual growth rate of 21.68% in Fiscal 2018. Our total premium increased by 22.17% in Fiscal 2018. We have improved our operating expense ratio from 23.07% in Fiscal 2017 to 20.61% in Fiscal 2018. In Fiscal 2018, our embedded value growth was 17.5%, our operating return on embedded value was 16.1% and our value of new business margin was 17.1%. Our shareholders' profits increased by 37.00% in Fiscal 2018.

Our distribution network consists of our bancassurance, direct sales, agency and other distribution channels, through which we generated 65.02%, 27.53%, 4.80% and 2.65% of our total NBP, respectively, and 64.59%, 29.48%, 5.43% and 0.51% of our individual NBP, respectively, in Fiscal 2018. Our product portfolio covers three principal customer needs – savings, protection and pension, which in Fiscal 2018 accounted for 82.10%, 14.89% and 3.01% of our total NBP, respectively, and 93.41%, 4.09% and 2.51% of our individual NBP, respectively. In Fiscal 2018, we launched 4 new products and modified 9 products.

The alignment between our broad product portfolio and the diversity of our customers' needs, combined with our approach to customer service, has been a key contributor to improvements in our persistency ratios. Our 13th month persistency ratio has improved from 71.78% in Fiscal 2017 to 77.03% in Fiscal 2018. We expect that our product portfolio and our customer services will continue to drive improvements in our persistency ratios over the longer-term, including for subsequent premium. Our overall claims settlement ratio for Fiscal 2018 was 92.36%; 91.12% for individual segment and 96.19% for group segment.

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

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

Our strategy is to leverage our competitive strengths to drive profitable growth. We will seek to achieve this by:

- Increasing the activation of the PNB branch network and deepening our penetration of the PNB customer base.
- Growing and diversifying our multi-channel distribution footprint to strengthen our position in various geographies and customer segments.
- Delivering products aligned to the diverse needs of Indian customers supported by an end-to-end customer-centric service experience.

- Driving profitability by leveraging scale and increasing persistency.
- Utilizing information technology and implementing digitization to drive efficiencies.

DIVIDEND & RESERVES

The Company reported profits during the year. However, the directors did not recommend any dividend in view of the accumulated losses.

PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES

The provisions of Section 186(4) of the Companies Act, 2013 (CA2013) requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security, are not applicable to an insurance company.

SUBSIDIARY / ASSOCIATE COMPANY / JOINT VENTURE COMPANY

Your Company does not have any subsidiary or associate or Joint Venture company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There are no material orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DIRECTORS AND OTHER KEY MANAGERIAL PERSONNEL

Directors

The Directors on the Board of the Company have been appointed in accordance with the provisions of the Companies Act and in line with the provisions contained in the Articles of Association of the Company. As on March 31, 2018, Your Board comprised thirteen directors, with three being Independent Directors, one being the Managing Director & Chief Executive Officer and others being representatives of various shareholder groups. The criterion for selection of Independent Directors as well as the desired skill set, experience and competency profile is set and discussed by the Nomination & Remuneration Committee ("NRC") and the Shareholders' Directors Committee and thereafter by the Board. Further, the NRC evaluates the candidature of all the directors by scrutinizing the declarations received from the directors before their appointment. None of the directors are related to each other. All Independent directors have given declarations that they meet the criteria of independence as laid down under Section 149 of Companies Act, 2013.

Change in composition of the Board of directors during the year 2017-18:

Name of the Director	Appointment/Resignation/Cessation of Tenure/ Withdrawal of Nomination/vacation of office	With effect from
Mr. M Balachandran	Vacated his office as Director on his retirement as Director at Punjab National Bank	April 23, 2017
Ms. Usha Ananthasubramanian	Vacated her office as Director on her retirement as Director at Punjab National Bank	May 05, 2017
Mr. Sanjiv Sharan	Appointment	May 08, 2017
Ms. Kastity Ha	Vacated her office as Director on her retirement as Director at MetLife International Holding LLC	May 19, 2017
Dr. Archana Hingorani	Appointment as Independent Director	June 30, 2017
Mr. Bharat Kannan	Appointment as Nominee Director	August 02, 2017
Mr. Sunil Mehta	Appointment as Nominee Director	August 02, 2017
Mr. V K Chopra	Vacated his office as Independent Director	August 05, 2017
Mr. Doulat Raj Mohnot	Appointment	September 12, 2017
Mr. Ashish Kumar Srivastava	Managing Director & CEO	October 01, 2017
Mr. Neeraj Swaroop	Appointment as Independent Director	October 10, 2017
Mr. Christopher Townsend	Vacated his office as Director on his retirement as Director at MetLife International Holding LLC	January 08, 2018
Mr. Sanjiv Sharan	Nomination withdrawal by Punjab National Bank	May 30, 2018
Mr. Doulat Raj Mohnot	Nomination Withdrawal by Punjab National Bank	May 29, 2018
Mr. Gaurav Deepak	Resignation	May 28, 2018

The Board places on record their sincere appreciation for the valuable services and guidance provided by the Directors during their tenure as Directors of the Company and welcome on the Board the Directors appointed during the year to guide us going forward.

Further, the following changes in the Board occurred post March 31, 2018 but before the date of the Report:

Name of the Director	Appointment	With Effect from
Mr. Abhaya Prasad Hota	Appointed as Independent Director and appointed as a Chairperson of Investment Committee and member of Nomination and Remuneration Committee	May 28, 2018
Mr. Sunil Gulati	Appointed as Independent Director and as a Chairperson of Corporate Social Responsibility Committee and member of Nomination and Remuneration Committee	May 28, 2018
Mr. Nitin Chopra	Appointed as Independent Director and appointed as a Chairperson of With Profits Committee and member of ALM and Risk Management Committee	May 28, 2018
Ms. Sonu Halan Bhasin	Appointed as Independent Director and appointed as a Chairperson of Stakeholders Relationship Committee and customer representative of Policyholders Protection Committee	May 28, 2018
Mr. Joginder Pal Dua	Appointed as Independent Director and appointed as a Chairperson of ALM and Risk Management Committee and member of With Profits Committee	May 28, 2018
Mr. Lingam Venkat Prabhakar*	Appointment as Nominee Director and a member of Investment Committee, ALM and Risk Management, Policyholders Protection Committee and Audit Committees	Approval by the Board by circular resolution dated July 07, 2018

*subject to the IRDAI approval and approval of the members at the Company's ensuing Annual General Meeting, whichever is later

None of the Directors of the Company is disqualified to hold office of a Director under the provisions of Section 164 of the Companies Act 2013. The Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Company does not pay any remuneration to any of its Directors other than the Managing Director and payment of sitting fee to the Independent Directors. The Non-Executive directors of the Company do not hold any shares and convertible instruments of the Company. The Company has a well-defined compensation policy and performance management philosophy for its employees. It believes in developing talented and motivated employees, with clear objectives, driven to achieve superior results and giving them opportunities for personal growth. Equal attention is applied to the results achieved and the behaviours exhibited when determining the overall assessment. The compensation philosophy is transparent, market aligned and driven by the values of the Company.

The details of sitting fees paid to the Directors are provided in the Corporate Governance report of the Company that forms part of this report.

Separate Meeting of Independent Directors:

As stipulated by the Code for Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on February 7, 2018 to review the performance of the Board as a whole, all Directors, including the Managing Director and the Chairman of the Board and its various Committees. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The evaluation was undertaken by way of a questionnaire in line with the performance evaluation policy approved by the Board.

The manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors

For the FY 2018, in accordance with Section 134(3)(p) of the Companies Act, 2013, formal annual performance evaluation of the Board, its Committee and the Directors individually has been carried out in the following manner:

- a) Questionnaires were circulated and sheets were filled by each of the Directors with regard to evaluation of performance of the Board, its Committees and Individual Directors (except for the Director being evaluated) for the year under review.
- b) A consolidated summary of the ratings given by each of the Directors was prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors individually.

- c) The report of performance evaluation so arrived at was then discussed by the Nomination & Remuneration Committee and Board at their meetings held on February 7, 2018

Further, the Independent Directors met separately, in absence of non-independent Directors and Members of the Management, to discuss and review the performance of non-independent Directors, Board and of the Chairperson. They further assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

Retirement by Rotation

As per Article 7.26 of the Articles of Association of the Company, the term of office of all the Directors, other than the Managing Director and the Independent Directors expire at the ensuing Annual General Meeting and all the retiring directors are eligible for re-appointment.

Key Managerial Personnel

1. Mr. Tarun Chugh, Ex-CEO and Managing Director of the Company resigned from the services of the Company w.e.f March 31, 2017 and Mr. Ashish Kumar Srivastava was appointed in his place as Interim CEO and Principal Officer of the Company from March 31, 2017 till September 30, 2017. Mr. Ashish Kumar Srivastava was appointed as MD & CEO of the company w.e.f. October 1, 2017 pursuant to the approval from IRDAI.
2. Rashmi Sharma, Ex-Company Secretary of the Company resigned from the services of the Company w.e.f. April 13, 2017 and Ms. Yagya Turker was appointed as a Company Secretary w.e.f August 10, 2017 under the provisions of the Companies Act, 2013.
3. Mr. Niraj Shah, Chief Financial Officer is the designated Key Managerial Person as per the provisions of the Companies Act 2013 and is continuing his office.

AUDITORS

STATUTORY AUDITORS

Thakur Vaidyanath Aiyar & Co., Chartered Accountants and K S Aiyar & Co, Chartered accountants, are the joint statutory auditors of the Company.

The joint statutory auditors have not made any qualification, reservation or adverse remark in their audit report for FY 2017-18 except "Matter of Emphasis" relating to the absorption of the accumulated deficit of ₹ 1,300.35 crore as at March 31, 2017 in the Revenue Account (Policyholder's Account) pertaining to non-par segments in the Shareholder's Funds, Reserves and Surplus, Balance of Profit at the year end and in the balance sheet as at March 31, 2018 in the auditor's report for the year ended on March 31, 2018

The report of the joint statutory auditors is attached to this report and there has been no revision of financial statements or Board Report during the FY 2018-19.

Thakur Vaidyanath Aiyar & Co and K.S. Aiyar & Co, statutory auditors, retire at the ensuing Annual General Meeting, and being eligible, have offered themselves for reappointment to hold office from the conclusion of the ensuing annual general meeting until the next annual general meeting of the Company. The Audit Committee has recommended the re-appointment of Thakur Vaidyanath Aiyar & Co. and K.S. Aiyar & Co., being eligible, as the statutory auditors of the Company to hold office from the conclusion of the ensuing annual general meeting until the conclusion of the next annual general meeting of the Company.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed BMP & Co. LLP, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as **"Annexure A"**. There is no qualification made by the Secretarial Auditors in their Report.

MANAGEMENT REPORT

Pursuant to the provisions of Regulation 3 of The Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation 2000, the Management Report is placed separately and forms part of this Annual Report.

EXTRACT OF ANNUAL RETURN

As per the provisions of the Companies Act, 2013, an extract of the Annual Return in prescribed form MGT 9 is annexed herewith as **"Annexure B"**.

PARTICULARS OF EMPLOYEES

The Company's employee strength was 9845 employees including 5793 full-time employees and 4052 part-time employees as on March 31, 2018. As required by the provisions of Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are available with the Company Secretary. The detailed list of Key Managerial Personnel along with their remuneration is as attached as per **"Annexure C"**.

RURAL AND SOCIAL BUSINESS

The Company complied with the Rural and Social Sector obligations as prescribed under the IRDAI Regulations.

SHARE CAPITAL

The Authorised Share Capital of the Company has remained at the same level as that of previous year at ₹ 3,000 crore. The Issued, Subscribed and Paid-up share capital of the Company, has also remained at the same level as that of previous year at ₹ 2,012.88 crore.

PUBLIC DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

INITIAL PUBLIC OFFERING PROPOSAL

During the period under review the Board of Directors of the Company approved taking steps to initiate the process for an initial public offering of the Company by way of an offer for sale.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

We strongly believe that an organisation's long-term success depends on the progress of the communities and the people it serves. At PNB MetLife, Corporate Social Responsibility (CSR) is a vital pillar which will help us establish a bond between our community and our stakeholders.

Our CSR journey began in the year 2014, when we undertook initiatives, on multiple thrust areas of education, health, livelihood, sanitation, nutrition and sports. After three years of successful and satisfactory completion of the CSR programmes. We have taken the opportunity to move towards 'Shared Value,' based projects. This would mean, not just taking a pure philanthropy route but working to create deeper impact on the communities we serve.

The key focus areas of our CSR Program have been:

- **Financial Inclusion:** Providing low-income families and individuals with the financial tools to improve their lives in identified segments, including (a) unorganized sector – daily wage earners, (b) women's rights and (c) small-scale farmers.
- **Health Initiatives:** Undertaking initiatives on preventative healthcare, raising awareness and working with relevant partners and *Swachh Bharat Abhiyan*, a cleanliness campaign by the Gol.
- **Education and Vocational Training:** Providing opportunities for children in identified locations to get access and help in getting education in schools, helping those who have withdrawn from the school system with skills training.
- **Disaster Relief and Rehabilitation activities:** Providing medical aid, food supply, supply of clean water, rebuilding of houses or any other activity that can be aligned to relief and rehabilitation efforts.
- **Promotion of nationally recognized sports, such as badminton:** Providing scholarships for talented underprivileged children to pursue their dream of excelling in the sport.
- **Insurance awareness initiatives:** We have undertaken a number of insurance awareness initiatives across India in order to demystify insurance, including workshops for

customers, publishing insurance awareness leaflets and thought pieces and digital initiatives and campaigns such as #DoubleSureForTomorrow and #KhushiyonKiSuraksha.

We revamped our CSR approach in the year 2017-18 to focus on a few areas to create deeper impact and have sustainable focus on women's health and skill development, child education and sports. Basis this, we have undertaken a number of initiatives across India to improve access to education, sports and children's rights.

We have, in conjunction with CRY (Child Rights and You), an Indian non-profit, and the Jammu Kashmir Association of Social Workers (JKASW), helped facilitate the creation of youth activity centers and computer labs to provide opportunities for children to gain access to education and learn computer skills.

Through our association with CRY, we have also helped provide opportunities, through annual scholarships for training and coaching, to underprivileged children to learn to play badminton and participate in the PNB MetLife Junior Badminton Championship, held in 8 cities across India.

Keeping in mind women empowerment, we have launched a project called "Sakhi Swavlamban" in the city of Varanasi, in partnership with Drishtee, an NGO, which aims to help rural women and widows bridge the opportunity gap by teaching them practical skills. The program is intended to improve the financial capacity and access to opportunities of marginalized women, allowing them to become self-reliant and entrepreneurial.

CSR spend:

- An amount of ₹ 0.87 crore has been paid / provided for on various CSR activities during the year, as against the budgeted amount of ₹ 2.74 crore.
- Out of the budget, ₹ 0.87 crore has been charged to the Profit and Loss Account in FY 2017-18 based on the services rendered during the current financial year.

During the year Company was unable to spend the budgeted amount on CSR as per Section 135 the unspent budget amount of ₹ 1.87 crore on account of:

- Rationalizing the education project with Child Activity centers (CACs) bringing them down from 28 to 16 center's in Jammu & Kashmir which considerably reduced the budget allocation for the project.
- Simultaneously, the Company had to exit the Crèche project in Karnataka, as the state government had stepped up to take full responsibility of the project.

At PNB MetLife, we will continue to embrace our corporate social responsibility with a focused approach thereby integrating ourselves into the very fabric of our society.

Being engaged with projects that empower those not in the mainstream of society, working with underprivileged children, trying to change their lives, has been, and continues to be pivot of our CSR initiatives.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contracts or arrangements with related parties in the prescribed Form AOC -2 are annexed herewith as "Annexure E". All the related party transactions have been entered into in the ordinary course of business of the Company and on arms-length basis.

The Company has a Board approved policy on Related party transactions, which has been hosted on the website of the Company.

STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has established a governance framework and a control environment, commensurate with the size, scale and complexity of its operations. The corporate governance framework of the Company is based on an effective independent Board, separation of Board's supervisory role from the executive management and constitution of Board Committees, generally comprising a majority of independent/non-executive directors and chaired by independent directors to oversee critical areas. The Board committees are supported by executive committees to oversee at an operational level. All employees are bound by the Code of business conduct and ethics approved by the Board of Directors.

The Company has a reporting and review framework comprising quarterly reporting and review of audited financials and investment returns to regulators and shareholders. The financials prepared are audited by joint statutory auditors, and are reviewed by Audit Committee on a quarterly basis. They are also submitted to IRDAI. The Company has in place adequate internal financial controls across all major processes with respect to financial statements. There are processes in place to continuously monitor the adequacy of such controls. These controls were also tested for operating effectiveness and no material weaknesses were observed. The results of review were placed before the Audit Committee. The Company follows a strong 3 lines of defence model, wherein the business functions form the first line of defence, the compliance and risk functions form the second line of defence and the internal audit function forms the third line of defence. Internal audit team exercises independent control over operational and financial processes and significant internal audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Investment operations are subject to concurrent audit certification on a daily basis.

INTERNAL AUDIT AND CONTROLS

The Company has in place an internal audit framework with a risk based audit approach. The basic philosophy of risk based internal audit is to provide reasonable assurance to the Audit Committee and top management about the adequacy and effectiveness of the risk management and control framework in the Company. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain

its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Control System of the company is commensurate with the size, scale and complexity of its operations. Review of controls is undertaken by internal audit through execution of internal audits as per risk based audit plan. The internal audit covers auditing of processes, transactions and systems, monitoring and evaluating the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations made and corrective actions thereon are presented to the Audit Committee of the Board every quarter. Implementation of the recommendations is actively monitored.

IND AS IMPLEMENTATION

The Ind AS implementation for insurance sector in India has been deferred for a period of two years (to be implemented from FY 2020-21). In the interim, the pro-forma Ind AS financial statements continue to be submitted to IRDAI on a quarterly basis in the prescribed format.

Update on the Ind AS implementation is submitted to the Board on a quarterly basis. The frequency of the Ind AS steering committee meeting to discuss on the Ind AS implementation progress has been changed from quarterly to half yearly considering the deferment of the Ind AS implementation timelines.

The Company has filed its pro-forma financial statements on a quarterly basis within prescribed timelines upto March 31, 2018, in compliance with Para 4 of IRDAI circular no. IRDA/F&A/ CIR/ IFRS/038/03/2016 dated March 01, 2016. The pro-forma financial statements were prepared in accordance with guidance and format available in "Report of the Implementation group of Ind AS in Insurance Sector" issued by IRDAI through its circular no. IRDA/F&A/CIR/ACTS/ 262/12/2016 dated December 30, 2016.

Exposure draft on Ind AS 117 - Insurance Contracts has been released by ICAI for comments from industry.

ENTERPRISE RISK MANAGEMENT

The Company is committed to integrate and strengthen the role of risk management in business processes and decisions.

In compliance with the Corporate Governance Guidelines issued by IRDAI, the risk governance structure of the Company consists of

- i) the Board
- ii) the Asset Liability Management and Risk Management Committee of the Board (ALMR)
- iii) the Executive level Risk Management Committee (RMC) and its supporting committees.

The Charter of the ALMR is twofold

- i) This is a supervisory body to set up the Company's risk/reward objectives to formulate and implement optimal ALM strategies so as to meet these objectives,
- ii) Lay down the Company's Risk Management Strategy

The Board approved Enterprise Risk Management policy ("the Policy") details assessment and control standards relating to the various individual risks. The Policy is aligned with COSO® framework and covers aspects related to:

- i) Financial Risk Management or Asset Liability Management ('ALM'): covering market risk, credit risk, liquidity risk and insurance risk
- ii) Operational Risk Management

The key objectives of the Policy are as follows:

- Determining the risk profile of the Company i.e. the aggregate level of risks that the Company has undertaken in pursuit of profitable business.
- Identification, measuring, monitoring and control of risk for the purpose of protecting the interests of key stakeholders.
- Enhancing the Company's ability to identify and pursue opportunities that offer attractive risk-adjusted returns by providing transparent, accurate and timely risk information.
- Embedding risk-based decision making in key management processes and fostering a culture of risk awareness.
- Limiting the Company's exposure to adverse outcomes through risk limits. The Company has established a comprehensive Risk Appetite Statement to achieve its strategic objectives operating within the agreed risk limits.
- Ensuring compliance with regulatory requirements.
- Focusing on ensuring that it possesses the appropriate capabilities and experience in managing and transferring risks.
- Minimizing reputational risk.

The risk management function is headed by the 'Chief Risk Officer' and is responsible for establishing sound risk management practices by proactively identifying, measuring, mitigating and monitoring the organization's risk exposures. The risk management framework of the Company is based on four guiding principles viz. 'Controlled Risk-Taking', 'Ownership, Accountability & Authority', 'Specialization' & 'Change Management'.

The Company's risk exposure could also be in the areas of adverse claims experience, shortfall in investment performance and high expense levels. Mitigation steps in each of these areas have been taken as below:-

- The Company's underwriting policy and implementation of the same are subject to continuous monitoring and review. Adequate and suitable reinsurance treaties are in force with internationally reputed and highly rated reinsurers.

- The investments of the Company are in accordance with IRDAI guidelines and as per the Investment Policy approved by the Investment Committee of the Board which stipulates appropriate risk exposures. For achieving the objectives, Credit, Liquidity and Market risks are evaluated on a continuous basis. The assets of the Company are invested in accordance with the requirements prescribed by the IRDAI.
- Expenses are continuously monitored to ensure that the expense levels are commensurate with the level of operations of the Company.

KEY POLICIES & FRAMEWORK

A. Whistle Blower Policy/Vigil Mechanism

The Company has a Whistle Blower policy in place which encourages its employees to report matters without the risk of subsequent victimisation. It provides a mechanism to employees and other persons dealing with the Company to report any instance of actual or suspected fraud, raise concerns internally about possible irregularities, governance weakness, financial reporting issues or other such matters. Access to the Chairman of the Audit Committee is also provided to the employees under the policy to report any matter as well as a direct hotline number to raise any concerns. During the time period April 2017 to March 2018, the Company received 10 whistle blower complaints of which 7 have been disposed of and actions have been recommended as per company's policies and 3 complaints are under investigations.

B. Policy On Directors' Remuneration

The remuneration and compensation for Directors, Key Managerial personnel and other employees is guided by the provisions of Section 178 (4) of the Companies Act, 2013 and the requisite Policy.

The Policy on remuneration of Non-executive Directors, Managing Director, CEO and Whole Time Directors ("Policy") has been framed in line with the requirement under Section 179 of the Companies Act, 2013 and has been recommended by the Nomination and Remuneration Committee, and approved by the Board of Directors.

The Company has formulated this policy in terms of the IRDAI Guidelines on remuneration of Non-executive Directors, Managing Director, CEO and whole time Directors and also in compliance with the provisions of the Companies Act 2013. The philosophy for remuneration is based on the commitment of fostering a culture of leadership with trust, and the policy is aligned to this philosophy. The policy clearly defines the design and structure of remuneration processes and governs the overall remuneration structure for the MD & CEO of the Company, including processes for performance based pay structure as determined by the Nomination & Remuneration Committee and the Board of the Company.

The details of components of the remuneration paid to the MD & CEO of the Company is as produced under MGT-9.

C. Prevention of Sexual Harassment at Workplace Policy

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at work place and has communicated to all its employees about the same. The Company believes in providing a safe working environment at the workplace. On an ongoing basis, the Company creates education & awareness amongst employees through training program/seminars, e-mail campaigns.

Disclosure under the sexual harassment of women at workplace (prevention prohibition and redressal) act, 2013

As an Organisation, PNB MetLife is committed to provide a safe and conducive work environment for all employees. We have our Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. PNB MetLife has a robust process in place to provide protection against sexual harassment at workplace for both women and men. This also includes points on unwelcome sexually determined behaviours, defined responsibilities of Individual and Manager at workplace, Redressal procedure and the enquiry process and the detail on constituents of Internal Complaints Committee (IC) members. Zonal committees have been constituted and members have been provided mandatory annual training by External Counsel.

Regular communications are shared/ distributed amongst all employees educating them about what amounts to SH, who they can reach out to in case they observe/ are subject to SH and actions that will be initiated by the Organisation, if case is proven correct/ malicious complaint is raised.

The following is a summary of sexual harassment complaints received and disposed of during the year FY 2017-18:

- No. of complaints received : 5
- No of complaints disposed of : 4
- No of complaints Open / in process : 1 (The investigation for the case reported in Mar'18, was closed and report was circulated to the Internal committee for further action)

ADDITIONAL INFORMATION

CERTIFICATE OF REGISTRATION

Pursuant to the provisions of the Insurance Laws Amendment Act, 2015, the process of annual renewal of Certificate of

Registration issued to Insurers u/s 3 of the Insurance Act, 1938 has been dispensed with and Certificate of Registration issued in 2014, pursuant to our payment of relevant fees for FY 2018-19, continues to remain valid.

DEMATERIALIZATION OF EQUITY SHARES

The Company's equity shares are admitted on the records of National Securities Depository Limited and Central Depository Services (India) Limited ("CDSL"). Members may note that the Company, being an unlisted Company and considering the provisions of the Articles of Association read with the Insurance Act, 1938, as amended, has kept its ISIN with CDSL and NSDL under frozen/ suspended status.

AMENDMENT IN THE ARTICLES OF ASSOCIATION

In light of the proposed initial public offering of the Equity Shares of the Company by way of offer for sale, the Articles of Association of the Company was amended by the shareholders at their Extra Ordinary General Meeting held on May 26, 2018, to reflect the requirements of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other regulations applicable to the Company post listing. The AOA currently consists of two parts - Part A covers the provisions which will be applicable to the Company post listing and Part B, is the current set of Articles that would continue to be applicable until listing of the shares on the Stock Exchanges.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

In view of the nature of business activity of the Company, the requirements of disclosure in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, do not apply to the Company. Since the Company does not own any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable and hence are not provided.

FOREIGN EXCHANGE EARNING & OUTGO

There is a foreign exchange outgo of ₹ 51.71 crore during the year under review (including expenditure of earlier years). The outgo consists of ₹ 20.72 crore on account of reinsurance premium, ₹. 25.90 crore on account of outsource service, ₹ 2.13 crore on account of Information technology expenses, ₹ 0.15 crore on account of training expenses and ₹ 2.80 crore on account of consultancy & others.

EVENTS AFTER BALANCE SHEET

There have been no material changes and commitments, if any, affecting the financial performance of the Company which have occurred between the end of the financial year to which the Balance Sheet relates to and date of this report.

SOLVENCY

The IRDAI requires life insurers to maintain a minimum Solvency Ratio of 150%. The Solvency Ratio is calculated as prescribed

under Section 64VA of the Insurance Act, 1938 and the IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000. As compared to the minimum requirement of 150%, the Company's Solvency Ratio, as on March 31, 2018, was at 202%.

ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOP

The Shareholders of the Company have, in their meeting dated December 13, 2017, approved the Employee Stock Option Plan for the Company to create, offer, and grant not more than 19,927,554 (One Crore Ninety Nine Lacs Twenty Seven Thousand Five Hundred And Fifty Four) employee stock options to the eligible employees of the Company, as determined in terms of ESOP 2017, from time to time, in one or more tranches, exercisable in aggregate into not more than 19,927,554 (One Crore Ninety Nine Lacs Twenty Seven Thousand Five Hundred And Fifty Four) equity shares of the Company, with each such option would be exercisable for one equity share of a face value of ₹ 10/- each fully paid-up on payment of the requisite exercise price to the Company, and on such terms and conditions as may be determined by the Board or a delegated Committee thereof in accordance with the provisions of the ESOP 2017 and provisions of applicable law as may be prevailing at that time. As per the said ESOP 2017, 19,140,000 employee stock options have been granted to the eligible employees of the Company on January 01, 2018 and an additional 500,000 stock options on May 2, 2018. None of the option was vested as on the date of this Report.

COMPENSATION POLICY AND PRACTICES

The appointment and remuneration of managerial personnel was made in accordance with the requirements of Section 34A of the Insurance Act, 1938 as amended from time to time including amendment brought by the Insurance laws (Amendment) Act, 2015 and has been approved by the IRDAI.

The Managerial remuneration details form part of financial statement for the financial year ended March 31, 2018 and included in MGT-9.

Information relating to the design and structure of remuneration processes:

QUALITATIVE MEASURES

- (i) **Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy**

The Nomination & Remuneration Committee of the Board (NRC) oversees the remuneration aspects and the functions of NRC include reviewing and approving, on an annual basis, measures to carry out evaluation of Board and Director's performance; to determine, review and formulate on behalf of the Board the Company's policy on remuneration for the CEO, Executive Directors and Key Management Persons (KMPs); to scrutinize application and details for appointment as KMPs including doing independent reference checks and recommending their appointment; to review the talent management and

succession process to ensure business continuity and roll out and administer any Share based employee benefit scheme including ESOP, ESOS etc. as may be approved by the Shareholders of the Company and further subject to statutory and regulatory approvals including that of the Insurance Regulatory and Development Authority or such other body or authority as may be applicable.

The key principles guiding the design of the Company's compensation program are as follows:

Performance: Rewards are linked to organizational and individual performance against both qualitative and quantitative goals and objectives.

Values: Rewards are also linked to how employees go about their work or, more specifically, their demonstration of the PNB MetLife Values which are essentially the behaviours expected of the company's employees.

Market aligned: Reward opportunities are competitive with the external labour market in order to ensure parity. Market analysis should involve comparing jobs in the Company to similar jobs in similar companies in a recognized market survey.

Internal Equity: Reward opportunities are internally equitable, subject to the individual's experience, performance and other relevant factors.

Prudent Risk: Rewards, particularly in the form of incentive compensation, must not encourage excessive risk and should be based in part on the long-term performance outcomes of risks taken. Risk should always be taken within approved policies, limits and Organisation's ability to effectively identify and manage such risk.

Also, while designing the remuneration policy / processes, it is ensured that it is not only a proper balance between fixed pay and variable pay but is also based on performance as evaluated by the Board or the NRC and approved by the Board. The deterioration in the financial performance of PNB MetLife and the other parameters would be considered by the NRC/ Board while deciding on the total amount of variable remuneration to be paid.

(ii) Description of the ways in which current and future risks are taken into account in the remuneration processes

PMLI policy ensures that the remuneration is in line with the overall enterprise risk framework of the organisation

and also the variable pay schemes are designed to ensure applicability over a time period thereby covering the associated risks.

- The annual compensation is linked to achievement of predefined and Board approved financial parameters covering the Growth, Value metrics, Efficiency and Quality parameters of the organisation
- Significant component of the remuneration like Short term and Long Term incentives (including ESOPs) are spread across a certain time period and linked to financial performance of the company to take care of the inherent risk

Additionally, Incentive compensation awards (either cash or equity based) provided to any current or former employee may be reduced prospectively and/ or retrospectively in the event of one or more of the following circumstances:

- It is determined that an employee has engaged in conduct, detrimental to PNB MetLife either through direct action or failure to act in carrying out his/her responsibilities;
- There is evidence of a serious breach of internal risk management or compliance procedures on the part of the employee;
- There is evidence of a serious breach of internal risk management or compliance procedure

(iii) Description of the ways in which the insurer seeks to link performance during a performance measurement period with levels of remuneration

PNB MetLife follows a compensation philosophy of pay for performance and aligns the company's compensation plans with its short and long term business strategies. Our compensation philosophy reinforces the company's pay for performance culture by making a material portion of total compensation variable and differentiating awards based on individual and company performance. Our performance management process requires goals to be defined on an annual basis with the evaluation having equal emphasis on 'What is achieved' and 'How it is achieved'. For senior management, the variable payouts are largely dependent upon the achievement of company's financial performance where each manager considers the performance during the annual pay for performance process and makes recommendations for each element of pay.

QUANTITATIVE MEASURES

Disclosure	Interim CEO	CEO
Number of MD/CEO/WTDs having received a variable remuneration award during the financial year	Nil	Nil
Number and total amount of sign on awards made during the FY	Nil	Nil
Details of guaranteed bonus, if any, paid as joining /signing bonus	Nil	One (₹ 68.56 laKh)
Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms	LTI Units : 1579 (MetLife LTI Units)	ESOPs ⁴ : 3,273,000 (ESOP Units) LTI Cash ^{1*} : ₹ 22.68 Lakh Annual Bonus ^{2*} : ₹ 134.79 Lakh
Total amount of deferred remuneration paid out in the FY	Nil	Nil
Breakup of amount of remuneration awarded for the FY to show fixed and variable, deferred and non-deferred	Fixed ³ : ₹ 66.82 Lakh Variable : Nil Non-deferred : ₹ 68.56 Lakh	Fixed : ₹ 90.35 Lakh Variable : Nil Deferred : Nil Non-deferred : ₹ 68.56 Lakh

¹ Has not yet been paid. Was to be paid in March 2018, however on hold for requirement of IRDA approval

² Has not yet been paid. Was to be paid in March 2018, however on hold for requirement of IRDA approval

³ Fixed pay includes basic salary, Special Allowance, Taxable Reimbursements, Per diem, Special bonus, contribution to National Pension Scheme, Employer contribution to PF, Non-taxable reimbursement and value of perquisites

⁴ ESOPs are options granted by PNB MetLife India Insurance under the PMLI ESOP scheme.

Note: The above total compensation also includes information for the period when Ashish was Interim CEO

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met five times during the year. Detailed information about dates of meetings and attendance of Directors thereat is given in the annexed Corporate Governance Report in **Annexure F**. Further, post March 31, 2018 but before the date of the Report the Board of Directors constituted the Stakeholders Relationship Committee (SRC) as a Committee of the Board to assist the Board and the Company to oversee the existing redressal mechanisms in relation to Stakeholders of the Company. The term "Stakeholder" shall include shareholders, debenture holders, other security holders, vendors, customers, other persons and employees.

The Committee shall receive reports from designated personnel responsible for each of these mechanisms, and from any other Company personnel that the Committee deems necessary. The Committee shall also review the number of unresolved issues during the course of a quarter. The Committee shall have the authority to make recommendations to resolve any such issues.

The Committee consist of 2 Independent Directors and a Managing Director & CEO of the Company.

Functions & Responsibilities of Stakeholders Relationship Committee:

- The Committee shall consider and oversee the implementation of the objectives stated in this Charter.

- The Committee shall resolve complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, issue of duplicate certificates and new certificates on split/consolidation / renewal etc., transfer / transmission, dematerialization and rematerialization of equity shares and oversee the performance of the Register and Transfer Agents and recommend measures for overall improvement in the quality of investor services.
- The Committee shall review the Company's obligations towards meeting environment, health and safety requisites for the benefit of Stakeholders.
- The Committee shall periodically provide updates to the Board.
- To Committee may consult with other committees of the Board, if required, while discharging its responsibilities.
- The Committee shall monitor and review on an annual basis the Company's performance in dealing with Stakeholder grievances.
- The Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- The Committee shall have access to any internal information necessary to fulfill its role.
- The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

CORPORATE GOVERNANCE REPORT

The Corporate Governance philosophy of the Company was to comply with not only the statutory requirements, but also to voluntarily formulate and adhere to a strong set of corporate governance practices which includes code of business conduct, corporate ethics, values, risk management etc. It has been our constant endeavour to enhance the economic value, trust and confidence of all the stakeholders through good corporate governance practices. A report on compliance with Corporate Governance Guidelines issued by IRDAI is contained as **Annexure F** along with the Certificate from the Company Secretary of the Company.

ADDITIONAL DISCLOSURES UNDER CORPORATE GOVERNANCE GUIDELINES

In response to point no. 9 “Disclosure Requirements” of CORPORATE GOVERNANCE GUIDELINES FOR INSURANCE COMPANIES, following are the additional disclosures:

(i) **Quantitative & qualitative information on the insurer’s financial and operating ratios, namely, incurred claim, commission and expenses ratios:-**

Particulars	Year ending March, 2018	Year ending March, 2017
(1) Claims Ratio :		
a. Claims as % of Gross Premium (Claims does not include Surrender, Annuity, Maturity, Health and Survival Benefits)	8.0%	10.7%
b. Surrender, Annuity, Maturity, Health, Survival and other benefits as % of Gross Premium	47.5%	46.6%
(2) Commission Ratio :		
a. New Business Commission as a % of New Business Premium	11.2%	12.1%
b. Total Commission as a % of Gross Premium	5.5%	5.6%
(3) Expenses Ratio :		
a. Operating Expenses (excluding commission) as a % of Gross Premium	20.6%	23.1%
b. Ratio of expenses of management (Commission + Operating Expenses) /Gross Premium	26.1%	28.6%

(ii) **Actual Solvency margin details vis-à-vis the required margin:-**

Particulars	Year ending March, 2018	Year ending March, 2017
Actual	2.02	2.03
Required	1.50	1.50

(iii) **Policy Lapse ratio:-**

Particulars	Year ending March, 2018	Year ending March, 2017
Lapse Ratio	15.0%	12.5%
Conservation Ratio = Current Year Renewals / (Previous Year New Business + Previous year Pure Renewal)	80.1%	75.0%

(iv) **Financial performance including growth rate and current financial position of the insurer:-**

Covered under Financial Results section of this Report.

(v) **A description of the risk management architecture:-**

Forms part of the Management Report

(vi) **Details of number of claims intimated, disposed of and pending with details of duration:-**

Death Claims Summary	March 2018	March 2017
Claims Outstanding at start of year	112	27
Claims intimated	5291	5663
Claims settled	5021	5177
Claims repudiated	368	401
Claims Written Back	-	-
Claims Outstanding from date of intimation at end of the year	14	112
Ageing of Claims O/S from date of inception at end of year		
Less than 3 month	6	100
3 months and less than 6 months	7	10
6 months and less than 1 year	1	2
1 year and above	-	-
Total	14	112

(vii) **Elements of Remuneration (including incentives) for Key Managerial Personnel as per Corporate Governance guidelines 2016**

Elements of Remuneration#	CEO	KMP*	Total
Basic	14,104,530	105,708,768	119,813,298
Non-taxable Reimbursement	33,200	1,069,462	1,102,662
Bonus	13,712,590	86,842,699	100,555,289
Retirals (PF + NPS)	838,878	6,737,203	7,576,081
Allowances (CCA)/ Perq / Per diem	740,704	839,592	1,580,296
LTI	-	5,941,620	5,941,620
Total	29,429,902	207,139,344	236,569,246

* KMP numbers excluding the CEO remuneration

* KMP details included as defined in IRDAI Corporate Governance guidelines 2016

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, the Board of Directors confirm the following:

- that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31,2018 and of the profit or loss of the Company for the year ended March 31,2018;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the annual accounts on a going concern basis;

- The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Directors are grateful for the support, guidance and the co-operation received from the Insurance & Regulatory Authority of India and Life Council. The Directors also wish to express their gratitude to its shareholders for their continued trust and support.

The Directors also take this opportunity to thank all Financial Advisors, Corporate Agents, Bank partners, Brokers and other business associates and the employees for their continued support during the year.

The Directors would also like to take this opportunity to express sincere thanks to its valued customers and policyholders for their continued patronage.

For and on behalf of the Board of Directors

Place : Mumbai
Date : July 12, 2018

Lyndon Oliver
Chairman

ANNEXURE A**SECRETARIAL AUDIT REPORT**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT 2013 AND RULE NO 9 OF THE COMPANIES ACT (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,
The Members,
PNB METLIFE INDIA INSURANCE COMPANY LIMITED
Registered Office : Unit No. 701, 702 & 703,
7th Floor, West Wing Raheja Towers,
26/27 M G Road, Bangalore - 560001

FORM MR-3

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to the good corporate secretarial practices by PNB MetLife India Insurance Company Limited (herein after called "**The Company**"). Secretarial Audit [hereinafter referred to as **Audit**] was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances expressing our opinion thereon.

Based on our verification of the Company's books, registers, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the **Audit**, We hereby report that our my opinion, **the company** has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, registers, papers, minute books, forms and returns filed and other record maintained by **the company** for the financial year ended on March 31, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent of its applicability to unlisted Company;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the regulations framed thereunder to the extent of its applicability to unlisted Company;
- (vi) The Insurance Act, 1938

- (vii) Insurance Regulatory and Development Authority Act, 1999 and the regulations framed thereunder;
- (viii) Reserve Bank of India Act, 1934 and the rules, regulations, directions and orders made thereunder;
- (ix) The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules.

We have also examined compliance with respect to the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India: -The secretarial Standards applicable to the Company has been duly complied.
- ii. The Listing Agreements entered into by the Company with Stock Exchange : - Not Applicable as unlisted Company

We further report that

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining the further information and clarification on the agenda items before the meeting and for meaning full participation at the meeting.
- c. Majority decisions is carried through by consent of all the members of the Board and are captured and recorded as part of the minutes including the recording of the names of director/s who had dissented/ not concurred with the resolution.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws rules, regulations and guidelines.

- We noted that IRDAI, in its onsite inspection conducted in November 2013, covering the period April 2011 to March 2013, had made certain observations, including reinstatement of policies after the date of maturity, and use of external service providers. The Company had furnished its responses to IRDAI on all observations including the aforementioned observations. In March 2017, IRDAI asked the Company to pay ₹ 10,00,000/- (Rupees Ten Lakh Only), in compliance with its decisions per the applicable regulations and guidelines. The Company complied with IRDAI's decision and paid the amount in April 2017.

We further report that Company has not carried out any major actions / events viz., Public issue, Rights issue, redemption/ buy back of shares, merger/ amalgamation/ reconstruction or foreign collaboration.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

For BMP & Co.,
Company Secretaries

Pramod S M

Partner

FCS No: 7834

CP No: 13784

Place : Bangalore
Date : June 01, 2018

Annexure A

To,
The Members,
PNB METLIFE INDIA INSURANCE COMPANY LIMITED
Registered Office : Unit No. 701, 702 & 703,
7th Floor, West Wing Raheja Towers,
26/27 M G Road, Bangalore - 560001

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that the compliance by the Company of applicable financial laws like Direct & Indirect tax laws and Service Tax has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co.,
Company Secretaries

Pramod S M

Partner

FCS No: 7834

CP No: 13784

Place : Bangalore
Date : June 01, 2018

ANNEXURE - B
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U66010KA2001PLC028883
Registration Date	11/04/2001
Name of the Company	PNB METLIFE INDIA INSURANCE COMPANY LIMITED
Category / Sub-Category of the Company	Company limited by Shares/ Indian Non-Govt company
Address of the Registered office and contact details	Unit No. 701, 702 & 703, 7th Floor, West Wing Raheja Towers, 26/27 M G Road, Bangalore - 560001, Karnataka
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd. C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai- 400083.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC code of the Product/ service	% to total turnover of the company
1	Life Insurance	6511	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	-	-	-	-

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
A. Promoters*									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	35,42,25,142	42,92,54,754	78,34,79,896	38.92	-	-	-	-	38.92
e) Banks/FI	70,60,54,474	-	70,60,54,474	35.08	60,38,65,285	-	60,38,65,285	30.00	5.08
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total(A)(1)	1,06,02,79,616	42,92,54,754	1,48,95,34,370	74.00	60,38,65,285	-	60,38,65,285	30.00	44.00
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
c) Bodies Corp.	52,33,49,913	-	52,33,49,913	26.00	52,33,49,913	-	52,33,49,913	26.00	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other.....	-	-	-	-	-	-	-	-	-
Sub-total(A) (2)	-	-	-	-	52,33,49,913	-	52,33,49,913	26.00	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1,06,02,79,616	42,92,54,754	2,01,28,84,283	100.00	1,12,72,15,198	-	1,12,72,15,198	56.00	44.00
B. Public Shareholding									
1. Institutions									
i) Mutual Funds	-	-	-	-	-	-	-	-	-
ii) Banks/FI	-	-	-	-	-	-	-	-	-
iii) Central Govt	-	-	-	-	-	-	-	-	-
iv) State Govt(s)	-	-	-	-	-	-	-	-	-
v) Venture Capital Funds	-	-	-	-	-	-	-	-	-
vi) Insurance Companies	-	-	-	-	-	-	-	-	-
vii) FIs	-	-	-	-	-	-	-	-	-
viii) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
ix) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	45,64,14,331	42,92,54,754	88,56,69,085	44.00	44.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
iii) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	-	-	-	-	45,64,14,331	42,92,54,754	88,56,69,085	44.00	44.00
Total Public Shareholding (B)= (B)(1)+ (B)(2)	-	-	-	-	45,64,14,331	42,92,54,754	88,56,69,085	44.00	44.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,06,02,79,616	42,92,54,754	2,01,28,84,283	100.00	1,58,36,29,529	42,92,54,754	2,01,28,84,283	100.00	44.00

*The Board vide its resolution passed on February 7, 2018 and as subsequently amended by circular resolution no. 02/2018-19 dated May 18, 2018, has identified Punjab National Bank Limited and MetLife International Holdings LLC to be the Promoters of the Company, going forward.

ii) Shareholding of Promoters*

SI No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. Of Shares	% of total Shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares pledged/encumbered to total shares	
1.	Punjab National Bank	60,38,65,285	30.00	0.00	60,38,65,285	30.00	0.00	0.00
2.	MetLife International Holding LLC	52,33,49,913	26.00%	0.00	52,33,49,913	26.00%	0.00	0.00
3.	Elpro International Limited	25,66,33,397	12.75%	0.00	-	-	-	-
4.	M. Pallonji & Company Private Limited	20,08,35,377	9.98%	0.00	-	-	-	-
5.	IGE (India) Ltd	17,26,21,357	8.57%	0.00	-	-	-	-
6.	M. Pallonji Enterprises Private Limited	14,44,04,821	7.17%	0.00	-	-	-	-
7.	The Jammu & Kashmir Bank Limited	10,21,89,189	5.08%	0.00	-	-	-	-
8.	Manimaya Holdings Private Limited	89,84,944	0.45%	0.00	-	-	-	-
	Total	2,01,28,84,283	100.00	0.00	1,12,72,15,198	56.00	0.00	0.00

*The Board vide its resolution passed on February 7, 2018 and as subsequently amended by circular resolution no. 02/2018-19 dated May 18, 2018, has identified Punjab National Bank Limited and MetLife International Holdings LLC to be the Promoters of the Company, going forward.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. Of shares	% of total shares of the company	No. Of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/transfer/bonus/sweat equity etc):	There has been no change in the Promoters' shareholding during the year under review. However, the Board of Directors has vide its resolution passed on February 7, 2018 and as subsequently amended by circular resolution no. 02/2018-19 dated May 18, 2018, identified Punjab National Bank Limited and MetLife International Holdings LLC to be the Promoters of the Company, going forward.			
	At the end of the year				

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. Of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	88,56,69,085	44%

v) **Shareholding of Directors and Key Managerial Personnel:**

SI No.	For Each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. Of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

Sl. No.	Particulars of Remuneration (Ashish Kumar Srivastava)	Total Amount
1.	Gross Salary	
	(a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	1,53,44,099
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41,416
	(c) Reimbursement	14,100
	(d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2.	Stock Option*	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- Others, specify...	-
5.	Others, please specify (including contribution to PF) - Employer Contribution to PF and NPS	4,92,000
	Total (A)	1,58,91,615
	Ceiling as per the Act#	

* During the FY 2018, Company has granted 32,73,000 units of stock option to Mr. Ashish Kumar Srivastava. Perquisite value of stock options will be calculated at the time of exercise.

The remuneration paid to the MD & CEO is within the limits prescribed under section 197 of the Companies Act, 2013.

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. Vijay Kumar Chopra	Dr. Archana Niranjan Hingorani	Mr. Neeraj Swaroop	Ms. Anisha Motwani	
1.	Independent Directors					
	• Fee for attending board / committee meetings	5,00,000	12,00,000	4,00,000	14,50,000	34,50,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	5,00,000	12,00,000	4,00,000	14,50,000	35,50,000
2.	Other Non-Executive Directors			Mr. Doulat Raj Mohnot		
	• Fee for attending board / committee meetings			3,00,000		
	• Commission			-		
	• Others, please specify			-		
	Total (2)			3,00,000		3,00,000
	Total (B)=(1+2)					38,50,000
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Interim CEO	CFO (Niraj Shah)	Company Secretary (Yagya Turker)	
1	Gross Salary				
	(a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	1,31,30,893	2,63,14,836	22,75,297	5,70,98,325
	(a.2) Reimbursement	19,100	0	0	33,200
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	41,416			82,832
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option	1579 (MetLife LTI Units)	22,27,000 units		55,00,000 units
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify..				
5	Others, (including contribution to PF) - employer contribution to PF and NPS	3,46,878	10,77,972	98,554	20,15,404
	Total (A)	1,35,38,287	2,73,92,808	23,73,851	5,91,96,561

*During the FY 2018, Company has granted 1579 (MetLife LTI units) of stock option to Mr. Ashish Kumar Srivastava. Perquisite value of stock options will be calculated at the time of exercise.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
	CS (Rashmi Sharma) until April 13, 2017	
1	Gross Salary	
	(a) Salary as per provision contained in section 17(1) of the Income-tax Act, 1961	3,40,685
	(a.2) Reimbursement	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- others, specify..	
5	Others, (including contribution to PF) - employer contribution to PF and NPS	15,820
	Total (A)	3,56,505

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES*:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	NIL	-	-
Punishment	-	-	NIL	-	-
Compounding	-	-	NIL	-	-
D. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	NIL	-	-
Punishment	-	-	NIL	-	-
Compounding	-	-	NIL	-	-

* IRDAI has vide its Order dt. March 29, 2017, covering the period from April 2011 to March 2013, imposed a penalty of ₹ 10 lakhs, which was duly complied with by remitting to the Authority of the said amount on April 12, 2017.

For and on behalf of the Board of Directors

Place : Mumbai
Date : July 12, 2018

Lyndon Oliver
Chairman

Annexure – C

Particulars of Employees as per provisions of Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Emp ID	Name	Designation	Last Fiscal Year total remuneration	Nature of employment	Educational Qualification	Experience (Years)	Date of Joining	Age	Last Employment
3067872	Ashish Kumar Srivastava	Managing Director & CEO	28,594,992	Full time	PGPM	26	1-Jul-13	52	Ireland Blyth Limited, Mauritius
3158963	Niraj Ashwin Shah	Chief Financial Officer	26,804,820	Full time	PGDBM + CA	20	4-May-15	43	ICICI Prudential Life Insurance Company Limited
1018668	Sameer Bansal	Director & Head - Bancassurance	23,823,121	Full time	PGDM	21	1-Feb-07	44	Bharti Axa Life Insurance
3156299	Bhawani Singh Pathania	Director & Head - Direct, Agency & Alternate	20,495,628	Full time	PGDBM	19	1-Apr-15	43	ICICI Prudential Life Insurance Company Limited
1027625	Sanjay Kumar	Chief Investment Officer	19,259,169	Full time	MBA	22	1-Feb-08	48	KPMG
1020334	Dinakar P K	Appointed Actuary	19,071,984	Full time	Post Graduate and Fellow	27	31-Jul-13	51	Aegon Religare Life Insurance Company Ltd.
1007913	Vijaya Sanjay Nene	Director & Head - Operations & Services	18,937,318	Full time	PGDM	27	12-Jan-06	51	Birla Sunlife Insurance
3233420	Agnipushp Singh	Head - Legal & Board Affairs	13,059,884	Full time	LLB	18	5-May-17	43	DBOI Global Services Private Limited
3198256	Samrat Ashim Das	Chief Information Officer	12,954,480	Full time	MBA	21	18-Apr-16	47	TATA AIA Life Insurance Co. Ltd.
3045472	Hemant Kherra	Head - Employee Benefits, Alliances & Sales Training	12,048,070	Full time	CA	22	3-Dec-12	46	Aviva Life Insurance Company India Ltd.
3172472	Khalid Ahmad	Head - Products	10,296,200	Full time	PGDM	14	1-Sep-15	38	Reliance Nippon Life insurance Co. Ltd.

ANNEXURE D

ANNUAL CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR THE FY 2017-18

1) CSR POLICY

PNB MetLife believes in corporate citizenship and is committed towards development of the disadvantaged and underprivileged communities in the needy locations of the country. The company began its CSR initiatives in the year 2014 with its programmes in Education, Healthcare, Nutrition, Sanitation and Promotion of Sports in alignment with the CSR mandate under Section 135 of the Companies Act 2013.

Post three years of successful CSR implementation the company decided to revamp its CSR approach to take up focused programmes in few thrust areas, which are impactful and sustainable. Thus, it was decided by the board in the years 2017-18 to have programmes in Livelihood, Financial Inclusion, Education and Promotion of Sports.

We continued our support to promote Badminton to nurture fresh talent through JBC 3 (PNB MetLife Junior Badminton Championships) which has given exposure and training to underprivileged children, who are promising players for competing in national and international tournaments.

We continued our support for education of underprivileged children in 16 Child Activity Centres (CAC) across Bandipora and Baramulla in Jammu & Kashmir. The goal was to ensure mainstreaming of the children who are drop outs or have never been to school, enhancing enrolment, retention and participation.

We also launched our third computer Lab in the Achan region of Pulwama district in our continued effort to drive digital literacy in the state.

Furthering our CSR goal of livelihood and financial inclusion, the PNB Metlife CSR team identified the project 'Sakhi Swavalmban' in association with Drishtee Foundation for empowerment of underprivileged rural women, with special focus on widows, through skill training, livelihood generation and establishing micro enterprises in Varanasi district.

2) CSR COMMITTEE MEMBERS

As on March 31, 2018, the Company's CSR Committee comprised of Four (4) Committee Members including Two Independent Directors, including the chairperson of the Committee. The composition of the Committee as of March 31, 2018 is as below:

- a) Ms Anisha Motwani (Independent Director and Chairman of the CSR Committee)
- b) Mr. Erach Kotwal
- c) Mr. Surbhit Dabriwala
- d) Ms. Archana Hingorani

3) Average net profit of the company for last three financial years: ₹ 77.88 crore

4) Prescribed CSR expenditure (2 percent of last three years average profit): 1.56 crore

5) Carry forward from last budget – 1.18 crore

6) Total CSR budget for 2017-18 – (what got approved)- ₹ 2.74 crore

7) Details of the CSR expenditure during the financial year:

- a) Total amount to be spent: ₹ 2.74 crore
- b) Amount spent: ₹ 0.87 crore (approx.)

c) Manner in which the amount was spent during FY2017-18 is detailed below:

Amount in ₹

Sr. Nos.	Project/Activities	Sector	Locations (States and Districts)	Amount Outlay (Budget) Project or program wise	Amount spent on the project or programs	Cumulative expenditure upto reporting period
1.	Education & Development of underprivileged children (CRY)	Literacy	Jammu & Kashmir	39,24,467	39,24,467	39,24,467
2.	Education & Development of underprivileged children-Digital Literacy (CRY)	Literacy	Achan – Pulwama District in Jammu & Kashmir	7,35,800	7,35,800	7,35,800
3.	Promotion of Badminton in India (CRY)	Sports	All India Initiative	17,47,689	17,47,689	17,47,689
4.	Comprehensive Livelihood programme for Marginalised Women (Drishtee)	Financial Inclusion	Varanasi	18,38,706	18,38,706	18,38,706
5.	Charges for Management of CSR programme capped at 5% (Soulace)*	NA	NA	10,55,125	4,64,470	4,64,470
	TOTAL			93,01,787	87,11,132	87,11,132

8) EXPLANATION FOR THE UNSPENT AMOUNT

PNB MetLife began its CSR activities in the year 2014 on multiple thrust areas of education, health, livelihood, sanitation, nutrition and sports. After three years of successful and satisfactory completion of the CSR programmes, the company revamped the CSR approach in the year 2017-18 to focus on few thrust areas which are impactful and sustainable.

Taking up a long term approach with focus, the company decided to cut down the Education project with Child Activity centers (CACs) in Jammu & Kashmir being brought down from 28 to 16 centers which considerably reduced the budget allocation for the project. Simultaneously PNB MetLife had to exit from the Creche project in Karnataka as the state government took the entire responsibility of the project.

Boarding on a long term project on Financial Inclusion 'Sakhi Swalamvan' took more than six months due to finalization of NGO partner, contractual delay and time taken in funds disbursement.

9) RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE

The implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the company.

Ms Anisha Motwani
Chairman – CSR Committee

Mr. Ashish Kumar Srivastava
Managing Director & CEO

ANNEXURE - E
FORM AOC – 2

Related Party Transactions Statement for the year ended March 31, 2018

1. **Contracts or arrangements or transactions NOT at arm's length basis - NIL**
2. Material contracts or arrangement or transactions at arm's length basis and in ordinary course of business

A) MetLife International Holdings, LLC – Shareholder

Name of the related party and nature of relationship	MetLife International Holdings, LLC – Shareholder
Nature of contracts / arrangements / transactions	<ol style="list-style-type: none"> a) License Fee for usage of trademark "Snoopy" b) Reimbursement of expenses such as employee cost, Information technology, travel, etc.
Duration of the contracts/arrangements/ transactions	<ol style="list-style-type: none"> a) From January 2008 till December 2019. Agreement renewed from January 2018 to December 2019
Salient terms of the contracts or arrangements or transactions including the value and date of approval by the Board, if any	<ol style="list-style-type: none"> a) License Fee for usage of trademark "Snoopy" <ul style="list-style-type: none"> - Worldwide license availed by MetLife enabling MetLife, its affiliate and associate companies to use the peanut characters in their branding and marketing activities. - license fee is apportioned amongst various entities appropriately. From January 2018 onwards, the license fee is not being charged to PNB MetLife - License fee expenses: ₹ 0.27 crore b) Reimbursement of expenses such as employee cost, Information technology, travel, etc. <ul style="list-style-type: none"> - Employee cost: ₹ 9.68 crore - Information technology: ₹ 1.41 crore - Travel & Others: ₹ 0.53 crore
Amount paid as advances, if any:	NIL

B) Punjab National Bank – Shareholder & Corporate Agent

Name of the related party and nature of relationship	Punjab National Bank – Shareholder & Corporate Agent
Nature of contracts / arrangements / transactions	<ul style="list-style-type: none"> a) Payment of commission as per Corporate Agency agreement b) Investment in the ordinary course of business in the Equity shares/Fixed Deposit (FD) / Bonds in line with the investment philosophy of the Company and dividend earned thereon. c) Current account balance/FD with the bank and interest earned thereon. d) Bank charges levied in the normal course of business e) Receipt of premiums/payment of claims in respect of group policies f) Bank Guarantee issued on behalf of PNB MetLife
Duration of the contracts/arrangements/ transactions	<ul style="list-style-type: none"> a) From October 14, 2011 onwards, unless terminated by either party as per the terms & conditions of the agreement. b) Ongoing c) Ongoing d) Ongoing e) Ongoing f) Ongoing
Salient terms of the contracts or arrangements or transactions including the value and date of approval by the Board, if any	<ul style="list-style-type: none"> a) Commission as per the Corporate Agency Agreement <ul style="list-style-type: none"> - Agreement entered into in ordinary course of business - Commission terms as per product File and Use documents filed with IRDAI - Expenses incurred: ₹146.32 crore b) Investment in equity shares / FD / Bonds <ul style="list-style-type: none"> - In line with the investment philosophy of the Company - purchased from the market at market rates in the ordinary course of business - Amount invested in Equity shares: NIL - Amount invested in FD/Bonds: ₹25.02 crore c) FD/current account balance with the bank and interest earned thereon. <ul style="list-style-type: none"> - Current account/FD balance: ₹130.59 crore - Interest /Dividend earned: ₹ 2.12 crore d) Bank charges levied in the normal banking transactions <ul style="list-style-type: none"> - Expenses incurred: ₹ 1 crore e) Receipt of premium/ payment of claims in respect of group policies <ul style="list-style-type: none"> - Premium received: NIL - Claims settled: ₹ 0.02 crore f) Bank guarantee issued <ul style="list-style-type: none"> - Bank guarantee of ₹ 25 lakh has been issued by PNB to UIDAI towards availment of Aadhar authentication services
Amount paid as advances, if any:	NIL

C) Jammu & Kashmir Bank Limited – Shareholder & Corporate Agent

Name of the related party and nature of relationship	Jammu & Kashmir Bank Limited – Shareholder & Corporate Agent
Nature of contracts/arrangements/transactions	<ul style="list-style-type: none"> a) Payment of commission as per the Corporate Agency Agreement b) Receipt of premium / payment of claims in respect of mortgage protection plans for the customers of Jammu & Kashmir Bank Limited offered under a group policy. c) FD / current account balance with the Bank / interest earned thereon d) Bank charges levied in the normal course of business
Duration of the contracts/arrangements/transactions	<ul style="list-style-type: none"> a) From 01/04/13 till 31/03/19 b) Ongoing c) Ongoing d) Ongoing
Salient terms of the contracts or arrangements or transactions including the value and date of approval by the Board, if any	<ul style="list-style-type: none"> a) Commission as per the Corporate Agency agreement <ul style="list-style-type: none"> - Agreement entered into in ordinary course of business - Commission terms as per product File and Use document filed with IRDAI - Expenses incurred : ₹ 19.37 crore b) Receipt of premium/ payment of claims in respect of mortgage protection plans for the customers of Jammu & Kashmir Bank Limited offered under a group policy. <ul style="list-style-type: none"> - Agreement entered into in ordinary course of business - Premium received: ₹ 2.66 crore - Claims settled: ₹ 2.52 crore c) Fixed Deposits/current account balance with the bank and interest earned thereon. <ul style="list-style-type: none"> - Current account balance: ₹ 12.79 crore - Interest / dividend earned: ₹ 0.17 crore d) Bank charges levied in the normal banking transactions <ul style="list-style-type: none"> - Expenses incurred: ₹ 0.008 crore
Amount paid as advances, if any:	NIL

Note: During the year ended March 31, 2018, the Company has incurred expenditure of ₹ 3.39 crore towards proposed Initial Public Offering (IPO) of PNB MetLife through an offer for sale. Such expenditure would be recovered from the selling shareholder's in FY 2018-19.

ANNEXURE F**REPORT ON CORPORATE GOVERNANCE**

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company remains committed to transparency in all its dealings and places high emphasis on business ethics and principles. It strongly believes that good governance goes beyond working results and financial propriety and is a pre-requisite for attainment of excellence in performance. Your company adheres to the philosophy of ethical corporate behaviour and fairness in its dealings with all its stakeholders, comprising policyholders, banks, regulatory authorities, employees and society at large. Your Company and your Board of Directors are committed to following the best corporate governance practices in all their dealings.

GOVERNANCE STRUCTURE

PNB MetLife's Governance structure broadly comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

BOARD OF DIRECTORS

The PNB MetLife Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge

its fiduciary duties of safeguarding the interests of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealings with its Members and other stakeholders.

COMPOSITION OF THE BOARD

The Composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013 and Clause 5.1 of the Corporate Governance Guidelines issued by the IRDAI. The Board of Directors of the Company are from diverse backgrounds and enjoy a wide range of experience and expertise in various fields. The Board oversees the Company's overall business affairs, its strategic direction, reviews corporate performance, authorizes and monitors investments, keeps an oversight on regulatory compliance and corporate governance matters. The Board is responsible for overall corporate strategy and other responsibilities as laid down by the IRDAI under the Corporate Governance guidelines and the Companies Act, 2013. The Board's actions and decisions are aligned with the Company's best interests. It oversees implementation of strategy, achievement of the business plan and day-to-day operations.

BOARD STRUCTURE

The Board of Directors of the Company represents an optimum combination of Executive and Non-Executive Directors for its independent functioning. The Board of Directors are eminent personalities with significant expertise in the fields of finance, insurance, strategy etc. As on March 31, 2018, the Board has strength of Thirteen (13) Directors comprising of One (1) Managing Director & CEO, Three (3) Independent Directors and Nine (9) Non-Independent Non-Executive Directors.

The Chairman of the Board, Mr. Lyndon Oliver, is a Non-Executive Director. The composition of the Board of Directors as on March 31, 2018 is as under:

Composition, Brief Profile of the Board of Directors as on March 31, 2018

Names of directors	Designation	Qualification	Specialisation	Category	No. of other Directorship (Indian & Foreign)	DIN
Mr. Lyndon Emanuel Oliver	Chairman	MBA from University of Alabama	Financial Management	Non-Executive, Non-Independent Director	5	07561067
Mr. Ashish Kumar Srivastava	Managing Director and CEO	PGPM	Insurance & Business Management	Executive, Director	0	00355075
Mr. Bharat Raj Kannan	Director	Bachelor of Business Administration & Master of Science	Distribution channels	Non-Executive, Non-Independent Director	3	07893143
Mr. Sunil Mehta	Director	M.Sc. (Agri), MBA, CAIIB	Banker	Non-Executive, Non-Independent Director	5	07430460
Mr. Sanjiv Sharan	Director	CAIIB	Banker	Non-Executive, Non-Independent Director	2	07340257
Mr. Doulat Raj Mohnot	Additional Director	FCA, B.Com	Chartered Accountant	Non-Executive, Non-Independent Director	0	06468778
Mr. Surbhit Dabriwala	Director	Bachelor of Arts & Science	Businessman.	Non-Executive, Non-Independent Director	5	00083077
Mr. Gaurav Deepak	Director	B. Tech (IIT) & PGDM (IIM)	Investment Banking.	Non-Executive, Non-Independent Director	2	00153524
Mr. Pheroze Kersasp Mistry	Director	MBA	Businessman	Non-Executive, Non-Independent Director	13	00344590
Mr. Erach Homi Kotwal	Director	LLB & LLM (Cambridge, England)	Law	Non-Executive, Non-Independent Director	0	07617479
Ms. Anisha Motwani	Independent Director	MBA, BSc	Marketing & Investment.	Non-Executive, Independent Director	4	06943493
Dr. Archana Niranjana Hingorani	Independent Director	PhD in Corporate Finance	Financial Markets	Non-Executive, Independent Director	5	00028037
Mr. Neeraj Swaroop	Independent Director	B. Tech, MBA	Financial Services	Non-Executive, Independent Director	1	00061170

Details of Change in Directorship during the year 2017-18:

Sr. No.	Name of Director	Change
1.	Mr. M Balachandran	Resigned as Director w.e.f. April 23, 2017
2.	Ms. Usha Ananthasubramanian	Resigned as Director w.e.f. May 5, 2017
3.	Mr. Sanjiv Sharan	Appointed as Additional Director w.e.f. May 8, 2017 Change in Designation as Director w.e.f. August 10, 2017
4.	Ms. Kastity Ha	Resigned as Director w.e.f. May 19, 2017
5.	Dr. Archana Niranjan Hingorani	Appointed as Additional Independent Director w.e.f. June 30, 2017. Change in Designation as Director w.e.f. August 10, 2017
6.	Mr. Bharat Kannan	Appointed as Additional Director w.e.f. August 2, 2017 Change in Designation as Director w.e.f. August 10, 2017
7.	Mr. Sunil Mehta	Appointed as Additional Director w.e.f. August 2, 2017 Change in Designation as Director w.e.f. August 10, 2017
8.	Mr. Vijay Kumar Chopra	Resigned as Independent Director w.e.f. August 5, 2017
9.	Ms. Anisha Motwani	Change in Designation as Director w.e.f. August 10, 2017
10.	Mr. Erach Kotwal	Change in Designation as Director w.e.f. August 10, 2017
11.	Mr. Doulat Raj Mohnot	Appointed as Additional Director w.e.f. September 12, 2017
12.	Mr. Ashish Kumar Srivastava	Resigned as Interim CEO and Principal Officer w.e.f. September 30, 2017 Appointed as Additional Director w.e.f. October 1, 2017 Appointed as Managing Director and CEO w.e.f. October 1, 2017
13.	Mr. Neeraj Swaroop	Appointed as Additional Independent Director w.e.f. October 10, 2017 Change in Designation as Director w.e.f. December 13, 2017
14.	Mr. Christopher Townsend	Resigned as Director w.e.f. January 8, 2018

BOARD MEETINGS**Notice, Agenda and Minutes**

The Board meets 4 times during the year. Additional meetings are held as and when necessary. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The proceedings of each meeting of the Board and its Committees are conducted in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The Companies Act, 2013 read with rules issued thereunder, allows conducting of meetings through audio-visual means or video-conferencing. Accordingly, the Directors are given an option to participate at the meetings through video conferencing mode. In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the next Board Meeting. The Company Secretary is responsible for collation, review, preparation and distribution of the Agenda papers submitted to the Board and preparation of minutes. The Head of Legal & Board Affairs and the Company Secretary attend all the meetings of the Board and its Committees.

MEETINGS OF THE BOARD:**Board Meetings held during the Year**

The dates on which the Board Meetings were held is given below:

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors present
May 9, 2017	12	8
August 10, 2017	12	9
October 10, 2017	12	12
November 15, 2017	14	12
February 7, 2018	13	12

The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2018, and at the last AGM is as under:-

Name of Director	Category	No. of Board Meetings attended during the year	Attendance at Last AGM
Mr. Christopher George Townsend	Chairman of the Board & Non-Executive Director	3/4	Yes
Mr. Lyndon Emanuel Oliver	Chairman of the Board & Non-Executive Director	5/5	Yes
Mr. Ashish Kumar Srivastava	Managing Director & CEO	2/2	Yes*
Mr. Bharat Raj Kannan	Non-Executive Director	4/4	Yes
Mr. Sunil Mehta	Non-Executive Director	4/4	Yes
Mr. Sanjiv Sharan	Non-Executive Director	4/5	No
Mr. Doulat Raj Mohnot	Non-Executive Director	3/3	NA**
Mr. Surbhit Dabriwala	Non-Executive Director	5/5	Yes
Mr. Gaurav Deepak	Non-Executive Director	3/5	No
Mr. Pheroze Kersasp Mistry	Non-Executive Director	5/5	No
Mr. Erach Homi Kotwal	Non-Executive Director	3/5	Yes
Ms. Anisha Motwani	Independent Director	5/5	Yes
Dr. Archana Niranjana Hingorani	Independent Director	4/4	Yes
Mr. Neeraj Swaroop	Independent Director	2/2	NA**
Mr. Vijay Kumar Chopra	Non-Executive Director	1/1	NA**
Ms. Kastity Ha	Non-Executive Director	0/1	NA**

* in the capacity of Interim CEO of the Company

** They were not directors on the Board as on the date of AGM

Induction & Training of Board Members:

The Company has a robust process for induction of new members on the Board. As per the requirements of the Companies Act 2013, the Independent Directors are issued Letters of Appointment upon their appointment, setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director & CEO on the Company's important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. The induction for Independent Directors include interactive sessions with Management Committee Members, Business and Functional Heads, etc.

COMMITTEES OF THE BOARD

The Committees constituted by the Board play a very important role in the governance structure of the Company and they deal in specific areas/ activities that need closure review. The Committees have been set up under the formal approval of the Board to carry out pre-defined roles and responsibilities. The terms of reference of these Committees are in line with the requirements of the Companies Act, 2013 and Corporate Governance Guidelines issued by the IRDAI. The minutes of all the Committee meetings are placed before the Board of Directors and the Chairperson of each Committee briefs the Board on the important deliberations and decisions of the respective Committees

In line with the regulatory requirements and with a view to have more focused attention on various aspects of business and for

better accountability, the Board has constituted the following committees viz. Audit Committee, ALM & Risk Management Committee, Corporate Social Responsibility Committee, Investment Committee, IPO Committee, Nomination and Remuneration Committee, With Profits Committee, Policyholders Protection Committee. Each of these Committees has been mandated to operate within a given framework through its Charter.

(A) AUDIT COMMITTEE

Audit Committee is established as a sub-committee of the Board in compliance with the Corporate Governance Guidelines issued by IRDA and the provisions of section 177 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014.

Functions and Responsibilities:

- Overseeing and examination of the financial statements and the Auditors report thereon, financial reporting and disclosure processes.
- Oversight on the procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having a bearing on the financial position of the insurer, whether raised by the auditors or by any other person.
- To recommend the appointment, remuneration and terms of appointment of the auditors (internal/statutory/concurrent/secretarial/any other Auditor required to be appointed as per applicable regulations).

- To review and monitor the Auditors independence and evaluate performance and effectiveness of Audit process, and to provide oversight to the work of the Auditors.
- Any additional work other than statutory/internal audit that is entrusted to the auditor or any of its associated persons or companies shall be specifically approved by the Board after recommendation by the audit committee.
- Discussions with the statutory auditors, the nature and scope of the audit and shall have post audit discussions to address areas of concern.
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls,
- Evaluation of risk management systems (may rely on review made by the ALM & Risk Management Committee), and vigil mechanism framework;
- Monitoring the end use of funds raised through public offers and related matters.
- Any other matter, as may be stipulated under the Companies Act 2013 / IRDA regulations / such other regulations as may be applicable from time to time.

Number of Audit Committee Meetings held during FY 2017-18

During the year under review, five (5) Audit Committee Meetings were held on the following dates –

- May 9, 2017
- July 28, 2017
- August 9, 2017
- November 15, 2017
- February 6, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the Audit Committee held during the financial year 2017-18

Name of Member	Category	No. of Meetings attended during the year
Mr. Vijay Kumar Chopra	Chairman of the Committee & Non-Executive Director	2/2 (Resigned w.e.f. August 5, 2017)
Dr. Archana Niranjana Hingorani	Chairman of the Committee & Non-Executive Independent Director	4/4 (Appointed w.e.f. June 30, 2017)
Mr. Neeraj Swaroop	Non-Executive Independent Director	2/2 (Appointed w.e.f. October 10, 2017)
Mr. Sanjiv Sharan	Non-Executive Director	1/3* (Appointed w.e.f. May 8, 2017)
Mr. Lyndon Oliver	Non-Executive Director	4/5
Ms. Anisha Motwani	Non-Executive Independent Director	5/5*

* Includes attendance through video conferencing

Further, there have been no instances during the year where the recommendations of the Audit Committee are not accepted by the Board.

(B) ALM & RISK MANAGEMENT COMMITTEE

Assets & Liabilities Management and Risk Management Committee (ALMR) is established as a sub-committee of the Board in compliance with the Corporate Governance Guidelines issued by the IRDAI. The Committee shall oversee the Company's entire Risk Management Strategy and will also act as a supervisory body to set up and review Company's implementation of optimal AML strategies so as to meet appropriate risk/reward objectives.

Functions and Responsibilities:

a) Risk Management:

The Committee shall:

- Establish effective and strong Risk Management framework and recommend to the Board the

Risk Management policy and processes for the organization.

- Approve the risk tolerance limits and assess the cost and benefits associated with risk exposure.
- Review the Company's risk-reward performance to align with overall policy objectives.
- Discuss and consider best practices in risk management in the market and advise the management;
- Assist the Board in effective operation of the risk management system by performing specialized analysis and quality reviews; and for this purpose, to monitor, review and approve the recommendations made by the Management regarding appropriate mitigation strategies.
- Maintain an aggregated view on the risk profile of the Company for all categories of risk

including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.

- Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.
- Report to the Board, details on the risk exposures and the actions taken to manage the exposures; review, monitor and challenge where necessary, risk mitigation undertaken by the Company.
- Review the solvency position of the Company on a regular basis.
- Monitor and review regular updates on business continuity.
- Formulation of a Fraud monitoring policy and framework for approval by the Board.
- Monitor implementation of Anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.
- Review compliance with the guidelines on Insurance Fraud Monitoring Framework as may be issued by the IRDAI from time to time.
- Such other matters as may be delegated by the Board from time to time.

b) **Assets Liabilities Management**

ALM is an ongoing process of formulating, implementing, monitoring and revising strategies related to assets and liabilities to achieve an organization's financial objectives, given the organization's risk appetite, risk tolerances, and business profile. It lays down the framework to ensure that the insurer invests in a manner which would enable it to meet its cash flow needs and capital requirements at a future date to mitigate liquidity risk and solvency stipulations. As part of its ALM responsibilities, the functions of the Committee shall include:-

- Setting the insurer's risk/reward objectives and access policyholder expectations.
- Quantifying the level of risk exposure and assessing the expected rewards and costs associated with the risk exposure.
- Formulating and implementing optimal ALM strategies and meeting risk/reward objectives.
- The strategies must be laid down both at product level and enterprise level.
- Ensuring that liabilities are backed by appropriate assets and manage mismatches between assets and liabilities to ensure they remain within

acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity.

- Monitoring risk exposure at periodic intervals and revising ALM Strategies where required.
- Reviewing, approving and monitoring systems, controls and reporting used to manage balance sheet risks including any mitigation strategies.
- Regular review and monitoring of mismatch between assets and liabilities and the acceptable tolerance limits for mismatch, if any.
- Ensuring that management and valuation of all assets and liabilities comply with standards, prevailing legislation and internal and external reporting requirements.
- Submitting the ALM information before the Board at periodic intervals. Annual review of strategic asset allocation.
- Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities.
- Managing capital requirements at the company level using the regulatory solvency requirements
- Reviewing, approving and monitoring capital plans and related decisions over capital transactions (e.g. dividend payments, acquisitions, disposals, etc.)
- Such other matters as may be delegated by the Board from time to time.

- c) For discharging its responsibilities, the Committee shall formulate, review and recommend various Policies and processes as may be directed and delegated to it by the Board such as Outsourcing Policy, Financial Condition Report, Report on data errors and Boundary conditions, System Certifications before product launches, Annual Persistency Report, Underwriting and Reinsurance Policies, Anti-Fraud Policy, Policy on Expense of Management, Policies on ALM and Capital Management, various IT, Risk Management and Security Policies etc.

Number of ALM & Risk Management Committee Meetings held during FY 2017-18

During the year under review, five (5) ALM & Risk Management Committee Meetings were held on the following dates –

- May 8, 2017
- June 29, 2017
- August 9, 2017
- November 6, 2017
- February 6, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the ALM & Risk Management Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Ms. Kastity Ha	Chairperson of the Committee & Non-Executive Director	0/1 (Resigned w.e.f. May 19, 2017)
Mr. Vijay Kumar Chopra	Chairman of the Committee & Non-Executive Independent Director	2/2 (Resigned w.e.f. August 5, 2017)
Mr. Bharat Kannan	Chairman of the Committee & Non-Executive Director	3/3* (Appointed w.e.f. August 2, 2017)
Ms. Anisha Motwani	Non- Executive Independent Director	5/5*
Mr. Erach Kotwal	Non-Executive Director	4/5*
Mr. Gaurav Deepak	Non-Executive Director	0/5
Dr. Archana Niranjana Hingorani	Non- Executive Independent Director	3/3 (Appointed w.e.f. June 30, 2017)
Mr. Doulat Raj Mohnot	Non-Executive Director	2/2 (Appointed w.e.f. September 12, 2017)
Mr. Ashish Kumar Srivastava	Managing Director and CEO	1/2 (Appointed w.e.f. October 1, 2017)

* Includes attendance through video conferencing

(C) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board has been set up in compliance of the provisions of Section 135 of the Companies Act 2013 read with the IRDAI Guidelines on Corporate Governance that mandates forming this Committee for Companies earning a Net Profit of ₹ 5 crore or more during the preceding financial year. The Net Profits for this purpose will be calculated as mentioned in the IRDAI Guidelines read with Companies Act 2013 as may be amended from time to time.

Functions and Responsibilities:

- Formulation and recommendation to the Board, of the "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

- Monitoring the Corporate Social Responsibility Policy of the Company from time to time;
- Reviewing the progress made in each of the CSR areas identified by the company and impact created and updating the Board on a regular basis;
- Ensuring that the CSR activities and the calculation of CSR expenditure are in line with the IRDAI regulatory Guidelines and the Companies Act 2013, and rules framed therewith;
- Any other item, as may be directed by the Board from time to time.

Number of Corporate Social Responsibility Management Committee Meetings held during FY 2017-18

During the year under review, three (3) Corporate Social Responsibility Committee Meetings were held on the following dates –

- May 8, 2017
- August 9, 2017
- February 6, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the Corporate Social Responsibility Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Ms. Anisha Motwani	Chairperson & Non-Executive Independent Director	3/3*
Mr. Vijay Kumar Chopra	Non-Executive Independent Director	1/1 (Resigned w.e.f. August 5, 2017)
Mr. Surbhit Dabriwala	Non-Executive Director	3/3*
Mr. Erach Kotwal	Non-Executive Director	2/3
Dr. Archana Niranjana Hingorani	Non-Executive Independent Director	2/2 (Appointed w.e.f. June 30, 2017)

* Includes attendance through video conferencing

D) INVESTMENT COMMITTEE

Investment Committee is established as a mandatory sub-committee of the Board in line with the requirements prescribed under the IRDAI (Investment) Regulations 2000, and Corporate Governance Guidelines issued by IRDAI.

Functions and Responsibilities:

The Committee plays a crucial role in managing investments out of policyholders' funds and shareholders' funds of the Company, and shall be responsible for :-

- a) Recommending the investment policy and laying down and monitoring the operational framework for the investment operations of the Company. The policy should focus on a prudential Asset Liability Management (ALM) supported by robust internal control systems.

The Investment Policy and operational framework should, inter alia, encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management / mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.

- b) Implementing the Investment Policy duly approved by the Board, and to review it from time to time based on the performance of investments and evaluation of dynamic market conditions.

- c) Formulation of an effective reporting system to ensure compliance with the policy set out by it apart from Internal /Concurrent Audit mechanisms for a sustained and ongoing monitoring of Investment Operations.
- d) Such other matters as may be specified by the IRDAI and as directed by the Board from time to time.

For assessment of credit risk and market risk, the members of the Committee should not be influenced only by the credit rating. The Committee should independently review their investment decisions and ensure that support by the internal due diligence process is an input in making appropriate investment decisions.

Number of Investment Committee Meetings held during FY 2017-18

During the year under review, four (4) Investment Committee Meetings were held on the following dates –

- May 8, 2017
- August 9, 2017
- November 6, 2017
- February 6, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the Investment Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Mr. Lyndon Oliver	Chairman of the Committee & Non-Executive Director	4/4*
Mr. Vijay Kumar Chopra	Non-Executive Independent Director	1/1 (Resigned w.e.f. August 5, 2017)
Mr. Surbhit Dabriwala	Non-Executive Director	4/4**
Mr. Sanjiv Sharan	Non-Executive Director	0/2 (Appointed w.e.f. May 8, 2017)
Dr. Archana Niranjana Hingorani	Non-Executive Independent Director	2/2 (Appointed w.e.f. June 30, 2017)
Mr. Niraj Shah	Chief Financial Officer	4/4
Mr. Sanjay Kumar	Chief Investment Officer	4/4
Mr. P K Dinakar	Appointed Actuary	4/4
Mr. Anjan Bhattacharya	Head- Risk Management	4/4
Mr. Ashish Kumar Srivastava	Managing Director and CEO	2/3*** (Appointed w.e.f. October 1, 2017)

* Includes attendance through video conferencing

** present by electronic mode on August 9, 2017 and November 6, 2017

*** member in the capacity of Interim CEO & Principal officer on August 9, 2017

(E) NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013 and the IRDAI Guidelines on Corporate Governance and shall also act as Compensation Committee under the SEBI Regulations.

Functions and Responsibilities:

- To identify persons who are qualified to become directors in accordance with laid down criteria (determining qualifications, positive attributes and independence of a director), to scrutinize their declarations before appointment / reappointment and recommend to the Board their appointment and removal.
- To scrutinize the applications and details submitted by the aspirants for appointment as the Key Managerial Persons (as defined under the IRDAI Guidelines and the Companies Act), make independent reference checks to verify the accuracy of their information and credentials and to recommend their appointment / termination to the Board for its approval and to ensure that such proposed appointments/ re-appointments of KMPs are in conformity with the Board approved policy on retirement/ superannuation.
- To determine, review and formulate on behalf of the Board and on behalf of the shareholders with agreed terms of reference, the Company's policy on remuneration packages and any compensation payment, for the CEO, the Executive Directors, Key Management Persons (KMPs) of the Company.

Further to ensure that the remuneration package is aligned appropriately with the performance objectives laid down and as per the Remuneration Policy of the Company.

- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To develop measures to carry out evaluation of Board and Directors performance, and for this purpose, to formulate the Performance Evaluation Policy for the Board as a whole, its various Committees and individual Directors.
- To review the talent management and succession process to ensure business continuity.
- To make available its terms of reference, its role, the remuneration policy / philosophy of the company, the authority delegated to the Committee by the Board, and what it has done for the year under review to the shareholders in the Annual Report.
- To formulate, review and recommend various Policies and processes as may be required under the IRDAI guidelines, the Listing regulations or under the

Companies Act or as may be directed and delegated to it by the Board from time to time.

- i) Roll out, Administration & Superintendence of any Share based employee benefits scheme including ESOP, ESPS, ESOS etc as may be approved by the Shareholders of the Company in line with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2015; IRDAI Regulations; and the provisions of the Companies Act and any rules made thereunder, as may be amended from time to time.
- j) To formulate the detailed terms and conditions of the schemes referred under i) as per the provisions specified by SEBI (including as amended from time to time) and frame suitable policies and procedures to ensure that there is no violation of securities laws, as amended from time to time, including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities

Market) Regulations, 2003 by the trust, the company and its employees, as applicable.

- k) To devise a policy on diversity of board of directors;
- l) To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- m) Other terms as may be delegated to it by the Board of Directors or as may be specified under the Companies Act 2013 or IRDAI regulations or SEBI Guidelines.

Number of Nomination & Remuneration Committee Meetings held during FY 2017-18

During the year under review, four (4) Nomination & Remuneration Committee Meetings were held on the following dates –

- May 9, 2017
- August 10, 2017
- October 10, 2017
- February 7, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the Nomination & Remuneration Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Mr. Vijay Kumar Chopra	Chairman of the Committee & Non-Executive Independent Director	1/1 (Resigned w.e.f. August 5, 2017)
Mr. Christopher Townsend	Non-Executive Director	3/3* (Resigned w.e.f. January 8, 2018)
Mr. Pheroze Mistry	Non-Executive Director	4/4*
Ms. Anisha Motwani	Chairperson & Non-Executive Independent Director	4/4
Mr. Surbhit Dabriwala	Non-Executive Director	3/3*
Dr. Archana Niranjan Hingorani	Non-Executive Independent Director	2/3 (Appointed w.e.f. June 30, 2017)
Mr. Neeraj Swaroop	Non-Executive Independent Director	1/1 (Appointed w.e.f. October 10, 2017)
Mr. Lyndon Oliver	Non-Executive Director	1/1

* Includes attendance through video conferencing

(F) WITH PROFITS COMMITTEE

The With Profits Committee has been constituted pursuant to Chapter XII of IRDAI (Non- Linked Insurance Products) Regulations, 2013 and other applicable provisions of the Insurance Act, 1938 & Regulations as amended from time to time.

Functions and Responsibilities:

- a) The Committee shall carry out the functions of determining the following:-
 - the share of assets attributable to the policyholders

- the investment income attributable to the participating fund of policyholders
- the expenses allocated to the policyholders

- b) The Committee will review and approve
 - manner in which asset shares are developed eg. Expense allocation, charges towards capital and taxes etc. and ensuring that the methods (allocation of expenses, investment income allocated, charges etc.), models and assumptions adopted by the Appointed Actuary are appropriate

- if the reserves set up in respect of par policies are appropriate and consistent with the Asset shares estimated
 - Bonus levels across different categories of policyholders and if the bonus declarations are in line with the policyholders' reasonable expectations
 - balance between regular and terminal bonuses
 - annual report prepared on the With Profits Business every year
 - any other related matters therein and as may be directed by the Board from time to time.
- c) The Committee shall ensure appropriate process control to ensure the safety of the par fund assets and its separation and independence from the life company funds, and that the par fund is managed equitably across the par policyholders and meets the policyholder reasonable expectations.
- d) The Committee will prepare a report on the With Profits business every year which will be attached to the Actuarial Report and Abstract furnished by the Insurers to IRDAI.
- e) The Committee will formulate various Policies and processes as may be required for discharging its responsibilities under this Charter.

Number of With Profits Committee Meetings held during FY 2017-18

During the year under review, three (3) With Profits Committee Meetings was held on the following date –

- May 8, 2017
- February 6, 2018
- March 8, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the With Profits Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Mr. Vijay Kumar Chopra	Chairman & Non-Executive Independent Director	1/1 (Resigned w.e.f. August 5, 2017)
Mr. Vivek Jalan	Independent Actuary	1/1**
Mr. P K Dinakar	Appointed Actuary	3/3
Dr. Archana Niranjana Hingorani	Chairperson & Non-Executive Independent Director	2/2 (Appointed w.e.f. June 30, 2017)
Ms. Padmaja R	Independent Actuary	2/2 (Appointed w.e.f. November 26, 2017)
Mr. Ashish Kumar Srivastava	Managing Director and CEO	2/2* (Appointed w.e.f. October 1, 2017)
Mr. Neeraj Swaroop	Non- Executive Independent Director	2/2 (Appointed w.e.f. October 10, 2017)

* Includes attendance via video conferencing

** Mr. Vivek Jalan was functioning as the Independent Actuary for the Financial Year 2016-17, however due to other obligations he was unable to continue for the Financial Year 2017-18. Ms. Padmaja R has been appointed in his place as the appointed Actuary on WPC for FY 2017-18.

(G) POLICYHOLDERS PROTECTION COMMITTEE

Policyholder Protection Committee (PPC) is established as a committee of the Board and also in compliance with the Corporate Governance Guidelines issued by IRDAI to protect the Policyholders Interest to address the various compliance issues relating to protection of their interests, as also relating to keeping the policyholders well informed of and educated about insurance products and complaint-handling procedures.

Functions and Responsibilities:

- a) Adoption of standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof.
- b) Establish effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- c) Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
- d) Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.

- e) Review the measures and take steps to reduce customer complaints at periodic intervals.
- f) Ensure compliance with the turn around time for servicing of Policyholders request and other regulatory requirements related to Policyholders as issued by the IRDAI from time to time and review the status of settlement of other customer benefit payouts like Surrenders, Loan, Partial withdrawal requests etc.
- g) Ensure adequacy of disclosure of “material information” to the policyholders. These disclosures shall comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.
- h) Provide details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
- i) Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims.
- j) Reviewing Repudiated claims with analysis of reasons.
- k) Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.
- l) The Committee shall recommend a policy on customer education for approval of the Board and ensure proper implementation of the same.
- m) The Committee is also to be apprised about the ageing analysis of unclaimed amount of Policyholders ('Form A'), progress of settlement of unclaimed amount of Policyholders ('Form B') and the steps taken to identify the claimants and create awareness.
- n) Such other matters as may be prescribed by the IRDAI and by the Board of Directors from time to time, including review and recommendation of various Policies and processes as may be directed and delegated to it by the Board.

Number of Policyholders’ Protection Committee Meetings held during FY 2017-18

During the year under review, four (4) Policyholder Protection Committee Meetings were held on the following dates –

- May 8, 2017
- August 9, 2017
- November 14, 2017
- February 7, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the Policyholder Protection Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Ms. Anisha Motwani	Chairperson & Non-Executive Independent Director	4/4
Ms. Kastity Ha	Non-Executive Director	0/1 (Resigned w.e.f. May 19, 2017)
Mr. Erach Kotwal	Non-Executive Director	3/4
Mr. Vijay Kumar Chopra	Customer Representative & Non-Executive Independent Director	1/1 (Resigned w.e.f. August 5, 2017)
Mr. Bharat Kannan	Non-Executive Director	3/3 (Appointed w.e.f. August 2, 2017)
Dr. Archana Niranjana Hingorani	Customer Representative & Non-Executive Independent Director	3/3 (Appointed w.e.f. June 30, 2017)
Mr. Sanjiv Sharan	Non-Executive Director	1/3* (Appointed w.e.f. May 8, 2017)
Mr. Ashish Kumar Srivastava	Managing Director and CEO	2/2 (Appointed w.e.f. October 1, 2017)

*Includes attendance through video conferencing

(H) IPO COMMITTEE

The IPO Committee has been constituted to explore liquidity options for the shareholders of the company in terms of the IPO agreement entered into between the shareholders.

Number of IPO Committee Meetings held during FY 2017-18

During the year under review, six (6) IPO Committee Meetings were held on the following dates –

- May 9, 2017
- August 10, 2017
- October 10, 2017
- November 14, 2017
- February 6, 2018
- March 26, 2018

Meetings, Composition & Attendance record of the members in the Meetings of the IPO Committee held during the year 2017-18

Name of the Member	Category	No. of Meetings attended during the year
Mr. Christopher Townsend	Chairman, Representing MetLife International Holdings LLC	4/4* (Resigned w.e.f. January 8, 2018)
Mr. Lyndon Oliver	Chairman, Representing MetLife International Holdings LLC	6/6
Ms. Usha Ananthasubramanian	Representing Punjab National Bank	0/1 (Resigned w.e.f. May 5, 2017)
Mr. Surbhit Dabriwala	Representing Elpro Group	6/6*
Mr. Pheroze Mistry	Representing Pallonji Group	6/6*
Mr. Sanjiv Sharan	Representing Punjab National Bank	0/1 (Appointed w.e.f. May 8, 2017)
Mr. Gaurav Deepak	Representing Elpro Group	0/1
Mr. Sunil Mehta	Representing Punjab National Bank	4/4 (Appointed w.e.f. August 2, 2017)

* Includes attendance through video conferencing

(I) STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee (SRC) is established as a Committee of the Board to assist the Board and the Company to oversee the existing redressal mechanisms in relation to Stakeholders of the Company. The term "Stakeholder" shall include shareholders, debenture holders, other security holders, vendors, customers, other persons and employees.

The Committee shall receive reports from designated personnel responsible for each of these mechanisms, and from any other Company personnel that the Committee deems necessary. The Committee shall also review the number of unresolved issues during the course of a quarter. The Committee shall have the authority to make recommendations to resolve any such issues.

FUNCTIONS AND RESPONSIBILITIES:

- The Committee shall consider and oversee the implementation of the objectives stated in this Charter.
- The Committee shall resolve complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, issue of duplicate certificates and new certificates on split/consolidation / renewal etc., transfer / transmission, dematerialization and rematerialization of equity shares and oversee the performance of the Register and Transfer Agents and recommend measures for overall improvement in the quality of investor services.
- The Committee shall review the Company's obligations towards meeting environment, health and safety requisites for the benefit of Stakeholders.
- The Committee shall periodically provide updates to the Board.
- To Committee may consult with other committees of the Board, if required, while discharging its responsibilities.
- The Committee shall monitor and review on an annual basis the Company's performance in dealing with Stakeholder grievances.

- The Committee shall review and reassess the adequacy of this Charter periodically and recommend any proposed changes to the Board for approval.
- The Committee shall have access to any internal information necessary to fulfill its role.
- The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

The Committee composes of four members constituting Ms. Sonu Bhasin as Chairperson, and Ms. Anisha Motwani and Mr. Ashish Kumar Srivastava as members.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, the Board of Directors on

the recommendation of the Nomination & Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and Committees was carried out for the financial year ending March 31, 2017. The evaluation was based on various areas which included Board Structure and Governance, Conduct of Board meetings, Board strategy, performance review and Risk Management, Board and Management relations and Board Constituted Committees and was undertaken using a questionnaire to review the performance of the Board as a whole, all Directors, including the Managing Director and the Chairman of the Board and its various Committees. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The evaluation was undertaken by way of a questionnaire in line with the performance evaluation policy approved by the Board.

DETAILS OF SITTING FEES PAID

The details of sitting fees paid, during the FY 2017-18, for attending Board and other Committee meetings are as under:

(Amount in ₹)

Meeting / Directors	Vijay Kumar Chopra	Archana Niranjana Hingorani	Anisha Motwani	Neeraj Swaroop	Doulat Raj Mohnot
Board Meeting	50,000	2,00,000	2,50,000	1,00,000	1,50,000
Audit Committee Meeting	1,00,000	2,00,000	2,50,000	1,00,000	-
ALM & Risk Management Committee Meeting	1,00,000	1,50,000	2,50,000	-	1,00,000
CSR Committee Meeting	50,000	1,00,000	1,50,000	-	-
Investment Committee Meeting	50,000	50,000	-	-	50,000
Nomination & Remuneration Committee Meeting	50,000	1,00,000	2,00,000	50,000	-
With Profits Committee Meeting	50,000	1,00,000	-	1,00,000	-
Policyholder Protection Committee Meeting	50,000	1,50,000	2,00,000	-	-
Independent Directors Meeting	-	50,000	50,000	50,000	-
Extra-Ordinary General Meeting	-	50,000	50,000	-	-
Annual General Meeting	-	50,000	50,000	-	-
TOTAL	5,00,000	12,00,000	14,50,000	4,00,000	3,00,000

GENERAL INFORMATION

General Body Meetings

Business transacted at the General Body Meetings during the last three years:

Financial Year	AGM/ EGM	Date & Time	Business Transacted
2015-16	14 th AGM	August 6, 2015 at 10.30 am	<ul style="list-style-type: none"> Adoption of Accounts for the period April 1, 2014 to March 31, 2015. Appointment of Directors retiring by rotation. Appointment M/s Thakur, Vaidyanath Aiyar & Co. as Statutory Auditors of the company. Appointment of M/s Fraser & Ross as the Joint Statutory Auditor of the Company. Appointment of Ms. Vibha Paul Rishi as an Independent Director of the company for a period of five years. Re-appointment of Mr. Vijay Kumar Chopra as Independent Director of the Company for next two years. Renewal of Directors' & Officers Indemnity Insurance Policy with ICICI Lombard.
2016-17	15 th EGM	April 16, 2016 at 12.30 pm	<ul style="list-style-type: none"> Alteration of Articles of Association of the Company. Approving the change in remuneration of Mr. Tarun Chugh, the Managing Director of the Company.
	15 th AGM	August 10, 2016 at 03.15 pm	<ul style="list-style-type: none"> Adoption of Accounts for the period April 1, 2015 to March 31, 2016. Appointment of Directors retiring by rotation. Appointment of M/s Kalyaniwalla & Mistry as Statutory Auditors for the period of 5 years (i.e. 2016-17 to 2020-21). Appointment of Mrs. Usha Ananthasubramanian as a Director representing Punjab National Bank. Appointment of Mr. Bhupinder Singh Passi as a Director representing Punjab National Bank. Appointment of Ms. Kastity Ha as a Director representing MetLife International Holdings LLC. Retirement of Mr. Toby Brown. Appointment of Mr. Lyndon Oliver as a Director representing MetLife International Holdings LLC. Revision in terms and conditions of appointment of Mr. Tarun Chugh, Managing Director. Change in remuneration of Mr. Tarun Chugh, Managing Director. Change in place of keeping Registers, Returns. Directors Indemnity Insurance Policy.
	16 th EGM	October 18, 2016 at 11.30 am	<ul style="list-style-type: none"> Alteration of Articles of Association of the company.

Financial Year	AGM/ EGM	Date & Time	Business Transacted
2017-18	16 th AGM	August 10, 2017 at 4.00 pm	<ul style="list-style-type: none"> Adoption of Accounts for the period April 1, 2016 to March 31, 2017. Appointment of Directors retiring by rotation. Appointment of M/s K.S. Aiyar & Company as Statutory Auditors for the period of 5 years (i.e. 2017-18 to 2020-21). Appointment of Ms. Anisha Motwani as Independent Director. Appointment of Dr. Archana Niranjana Hingorani as Independent Director. Appointment of Mr. Sanjiv Sharan as Director representing Punjab National Bank. Appointment of Mr. Erach Kotwal as Director representing M Pallonji and Company Private Limited. Appointment of Mr. Bharat Kannan as Director representing MetLife International Holdings LLC. Appointment of Mr. Sunil Mehta as Director representing Punjab National Bank. Directors Indemnity Insurance Policy
	17 th EGM	August 10, 2017 at 3.30 pm	<ul style="list-style-type: none"> Appointment of M/s K.S. Aiyar & Company as Statutory Auditors to fill the Casual Vacancy caused by resignation of M/s Kalyaniwalla & Mistry.
	18 th EGM	December 13, 2017 at 2.00 pm	<ul style="list-style-type: none"> Appointment of Mr. Ashish Kumar Srivastava as the Managing Director and CEO w.e.f. October 1, 2017. Alteration of Memorandum of Association of the company. Alteration of Articles of Association of the company. PNB MetLife India Insurance Co. Ltd.-Employee Stock Option Plan-2017. Appointment of Mr. Neeraj Swaroop as Independent Director w.e.f. October 10, 2017.

DISTRIBUTION OF SHAREHOLDING OF THE COMPANY

Name Of Shareholder	No. of Shares	%
MetLife International Holdings LLC	52,33,49,913	26.00%
The Jammu & Kashmir Bank Limited	10,21,89,189	5.08%
M. Pallonji & Company Private Limited	20,08,35,377	9.98%
M. Pallonji Enterprises Private Limited	14,44,04,821	7.17%
Elpro International Limited	25,66,33,397	12.75%
IGE (India) Pvt. Ltd.	17,26,21,357	8.57%
Manimaya Holdings Private Limited	89,84,944	0.45%
Punjab National Bank	60,38,65,285	30.00%
Total	2,01,28,84,283	100.00%

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Yagya Turker, Company Secretary hereby certify that the Company has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and formation as well as constitution of various committees, and nothing has been concealed or suppressed.

Date :
Place : Mumbai

Yagya Turker
Company Secretary

Financial Statements

Independent Auditors Report

On Financial Statements for the year ended March 31, 2018

To,
The Members of

PNB MetLife India Insurance Company Limited

1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of PNB MetLife India Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Revenue Account (also called the "Policyholders Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders Account" or the "Non-Technical Account") and the Receipts and Payments Account for the year ended on that date annexed thereto and a summary of the significant accounting policies and other explanatory information.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to preparation of these Financial Statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India and the Accounting Standards as specified under section 133 of the Act to the extent applicable, and in accordance with:

- (a) The Insurance Act, 1938 (Act 4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 read with IRDAI circular no. IRDAI/ F&A/ CIR/ FA/ 059/ 03/ 2015 dated March 31, 2015 (the "Insurance Act").
- (b) the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"),
- (c) IRDA (Preparation of Financial Statements and Auditor's report of Insurance companies) Regulations, 2002 (the "IRDA Financial Statements" Regulations),
- (d) Orders / Directions / Circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account provisions of the Act, the Insurance Act, the IRDA Act, the "IRDA Financial Statements Regulations" and Orders / Directions/ Circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"), the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder in this regard from time to time.

We conducted our audit of the financial statements in accordance with the standards on Auditing as specified u/s 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements comprising of the Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payment account read together with the significant accounting policies and notes thereon and attached thereto are prepared in accordance with the requirements of the Insurance Act, 1938 the IRDA Financial Statements Regulations, the orders/directions issued by the IRDAI and the Act, to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to the insurance companies:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) In the case of Revenue Account, of the surplus for the year ended on March 31, 2018;
- (c) In the case of the Profit and Loss account, of the profit for the year ended on March 31, 2018; and
- (d) In the case of the receipts and payments account, of the receipts and payment for the year ended on March 31, 2018,

5. MATTER OF EMPHASIS

Without modifying our opinion, we draw attention to Note No. 3.24(a) of Schedule 16 regarding the accumulated deficit of ₹ 13,003,351 thousands as at March 31, 2017 in the Revenue Account (Policyholders' Account) pertaining to non-par segments which is now absorbed in the Shareholders' funds- Reserves and Surplus- Balance of profit at the year-end in the Balance Sheet (Refer Schedule 6).

6. OTHER MATTER

Without modifying our opinion, we draw attention to Note No. 3.2 of Schedule 16 regarding the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 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 March 31, 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 IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon 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 in Financial Statements of the Company.

7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated June 01, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statements Regulations.
2. As required by the IRDA Financial Statements Regulations, read with Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books.
 - (c) As the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches of the Company.
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account.
 - (e) The actuarial valuation of liabilities is duly certified by the appointed actuary including to the effect that the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI (the Authority) and/or the Institute of Actuaries of India in concurrence with the Authority. In this regard, please refer to point no. 6 of this report i.e., Other matter.
 - (f) The accounting policies selected by the Company are appropriate, which along with the financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent not inconsistent with the accounting principles prescribed in the IRDAI Regulations and orders/directions issued by the IRDAI in this regard.
 - (g) on the basis of the written representations received from the directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

- (h) With respect to the adequacy the Internal Financial Controls Over Financial Reporting (IFCoFR) of the Company and the operating effectiveness of such controls Refer Annexure A annexed to this Report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (i) With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 3.1 of Schedule 16 to the financial statements
 - (b) The company does not have any long term contracts including derivative contracts wherein there were any material foreseeable losses.
 - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **K.S.AIYAR & Co.**
Chartered Accountants
FRN:100186W

Rajesh S Joshi
Partner
M. No.38526

Place: Mumbai
Date: June 01, 2018

For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
FRN: 000038N

K.N.Gupta
Partner
M. No. 09169

Place: Mumbai
Date: June 01, 2018

Annexure - A

Referred to in paragraph 7(2)(h) under Report on Other Legal and Regulatory Requirements of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **PNB MetLife India Insurance Company Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date. The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), and has been relied upon by us, as mentioned in "Other Matter" para of our audit report on the financial statements of the Company as at and for the year ended March 31, 2018. Accordingly, we have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDA/F&A/CIR/CPM/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

For **K.S.AIYAR & Co.**
Chartered Accountants
FRN:100186W

Rajesh S Joshi
Partner
M. No.38526

Place: Mumbai
Date: June 01, 2018

detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
FRN: 000038N

K.N.Gupta
Partner
M. No. 09169

Place: Mumbai
Date: June 01, 2018

Independent Auditor's Certificate

(Referred to in paragraph 7 (1) of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditor's Report dated June 01, 2018)

This certificate is issued to PNB MetLife India Insurance Company Limited (the Company) to comply with the provisions of paragraph 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ("the IRDAI Financial Statements Regulations") read with Regulation 3 of the IRDAI Financial Statements Regulations and is not intended to be used or distributed for any purpose.

The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDAI Act"), the IRDAI Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Our responsibility for the purpose of this certificate is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI'), which include the concepts of test checks and materiality.

For **K.S.AIYAR & Co.**
Chartered Accountants
FRN:100186W

Rajesh S Joshi
Partner
M. No.38526

Place: Mumbai
Date: June 01, 2018

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained the Company for the year ended March 31, 2018, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements as adopted by the Board of Directors and our Report thereon;
2. Based on the management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDAI;
3. We have verified the cash balances by the actual inspection, to the extent considered necessary or on the basis of certificate/confirmations received from the Branches and on the basis of subsequent deposit thereof in the Banks and Securities relating to the Company's investments as at March 31, 2018, on the basis of certificates/confirmations received from the Custodian and/or Depository Participants appointed by the Company, as at March 31, 2018, the Company does not have reversions and life interests;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 relating to the application and investments of the Policyholders' Funds.

For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
FRN: 000038N

K.N.Gupta
Partner
M. No. 09169

Place: Mumbai
Date: June 01, 2018

FORM A - BS

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration Number : 117 dated August 6, 2001 with IRDAI

Balance Sheet

As at March 31, 2018

(₹ in '000)

Particulars	Schedule	As at March 31, 2018	As at March 31, 2017
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS			
Share capital	5	20,128,843	20,128,843
Reserves and surplus	6	-	2,209,952
Credit/(Debit) Fair value change account		(128)	2,870
Total shareholders' funds		20,128,715	22,341,665
Borrowings	7	105,203	170,632
POLICYHOLDERS' FUNDS			
Credit/(Debit) Fair value change account		37,805	25,174
Policy liabilities		99,172,409	74,887,023
Insurance reserves		-	-
Provision for linked liabilities -Non unit		394,028	424,138
Provision for linked liabilities - Unit		57,092,706	61,802,491
Total policyholders' funds		156,696,948	137,138,826
Funds for discontinued policies			
- Discontinued on account of non- payment of premium		5,749,232	5,924,857
Funds for future appropriations (Refer: Note 2.19 of the Notes to Accounts)		1,790,875	1,522,729
TOTAL		184,470,973	167,098,709
APPLICATION OF FUNDS:			
Investments			
Shareholders'	8	10,532,432	7,032,825
Policyholders'	8A	99,038,814	76,830,413
Assets held to cover linked liabilities	8B	62,841,938	67,727,348
Loans	9	368,471	288,377
Fixed assets	10	795,047	716,566
Current assets			
Cash and bank balances	11	2,898,191	2,625,062
Advances and other assets	12	8,242,217	6,668,996
Total Current assets (A)		11,140,408	9,294,058
Less :			
Current liabilities	13	9,361,349	7,562,177
Provisions	14	261,263	232,052
Total Current Liabilities and Provisions (B)		9,622,612	7,794,229
Net current assets (C) = (A)-(B)		1,517,796	1,499,829
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and Loss Account (Shareholders' Account) - (Refer Schedule 6 and Note 3.24 (a) of Notes to Accounts)		9,376,475	-
Deficit in Revenue Account (Policyholders' Account) (Refer: Note 3.24(a) of the Notes to Accounts)		-	13,003,351
TOTAL		184,470,973	167,098,709

Significant accounting policies and notes to accounts

16

Schedules referred to herein form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board of Directors

 For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 100186W

 For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000038N

Lyndon Oliver
Chairman
DIN: 07561067

Ashish Kumar Srivastava
Managing Director & CEO
DIN: 00355075

Rajesh S. Joshi
Partner
Membership No.:038526

K.N. Gupta
Partner
Membership No.:009169

Pheroze K Mistry
Director
DIN: 00344590

Neeraj Swaroop
Director
DIN: 00061170

Niraj Shah
Chief Financial Officer

P K Dinakar
Appointed Actuary

 Place: Mumbai
Date: June 01, 2018

Yagya Turker
Company Secretary
M. No. 19493

FORM A - RA

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration Number : 117 dated August 6, 2001 with IRDAI

Revenue Account For the year ended March 31, 2018

Policyholders' Account (Technical Account)		(₹ in '000)	
Particulars	Schedule	March 31, 2018	March 31, 2017
Premiums earned - net			
(a) Premium	1	39,535,108	32,360,801
(b) Reinsurance ceded		(929,955)	(971,742)
(c) Reinsurance accepted		-	-
		38,605,153	31,389,059
Income from Investments			
(a) Interest, dividends and rent - net of accretion/amortisation of discount/ premium		9,580,866	8,108,623
(b) Profit on sale/redemption of investments		7,582,879	5,675,410
(c) (Loss) on sale/ redemption of investments		(815,765)	(513,220)
(d) Transfer/gain on revaluation/change in fair value *		(2,871,673)	1,935,283
Other Income			
(a) Interest on policy loans		34,359	28,756
(b) Miscellaneous income		185,430	143,683
Contribution from the Shareholders' Account (Refer :Note 3.24 of the Notes to Accounts)		484,308	-
Total (A)		52,785,557	46,767,594
Commission	2	2,154,760	1,796,521
Operating expenses related to Insurance business	3	8,148,395	7,466,339
Service tax /Goods and Services tax on charges		385,921	358,458
Provision for doubtful debts		-	-
Bad debts written off		-	-
Provision for Income Tax (Refer: Note 3.9 of the Notes to Accounts)		-	-
Provisions (other than taxation)		-	-
(a) For diminution in the value of investments (Net)		-	-
(b) Advances & Recoveries		(4,690)	48,463
Total (B)		10,684,386	9,669,781
Benefits paid (net)	4	21,084,349	17,690,827
Interim & Other bonuses paid		25,930	16,813
Change in valuation of liability in respect of life policies			
(a) Gross**		21,758,555	20,253,402
(b) Amount ceded in reinsurance		(2,388,689)	(1,269,189)
(c) Amount accepted in reinsurance		-	-
Total (C)		40,480,145	36,691,853
Surplus/(Deficit) (D) = (A) - (B) - (C)		1,621,026	405,960

FORM A - RA

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration Number : 117 dated August 6, 2001 with IRDAI

Revenue Account

 For the year ended March 31, 2018

Policyholders' Account (Technical Account)		(₹ in '000)	
Particulars	Schedule	March 31, 2018	March 31, 2017
Appropriations			
Transfer to shareholder's account		1,352,880	146,884
Transfer to other reserves		-	-
Balance being Funds for future appropriations		268,146	(136,429)
Surplus/(Deficit) after appropriation		-	395,505
Total (D)		1,621,026	405,960
Balance at the beginning of year		(13,003,351)	(13,398,856)
Surplus/(Deficit) after appropriation		-	395,505
Transfer from Reserves and Surplus of Shareholders' Funds for absorbing accumulated deficit of prior years of non-par segments (Refer Schedule - 6 and note 3.24 (a) of Notes to Accounts)		13,003,351	
Balance carried to balance sheet		-	(13,003,351)
Details of Total Surplus/(Deficit)			
(a) Interim bonuses paid		25,930	16,813
(b) Allocation of bonus to policyholders'		2,128,327	1,321,954
(c) Surplus shown in the Revenue Account		1,621,026	405,960
Total Surplus/(Deficit)		3,775,283	1,744,727

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

** Represents mathematical reserves after allocation of bonus.

Significant accounting policies and notes to accounts 16

Schedules referred to herein form an integral part of the Revenue Account

As per our report of even date attached

For and on behalf of the Board of Directors

 For **K.S. Aiyar & Co.**
 Chartered Accountants
 ICAI Firm Registration
 No.: 100186W

 For **Thakur Vaidyanath Aiyar & Co.** **Lyndon Oliver**
 Chartered Accountants
 ICAI Firm Registration
 No.: 000038N
 Chairman
 DIN: 07561067

Ashish Kumar Srivastava
 Managing Director & CEO
 DIN: 00355075

Rajesh S. Joshi
 Partner
 Membership No.:038526

K.N. Gupta
 Partner
 Membership No.:009169

Pheroze K Mistry
 Director
 DIN: 00344590

Neeraj Swaroop
 Director
 DIN: 00061170

Niraj Shah
 Chief Financial Officer

P K Dinakar
 Appointed Actuary

 Place: Mumbai
 Date: June 01, 2018

Yagya Turker
 Company Secretary
 M. No. 19493

FORM A - PL

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration Number : 117 dated August 6, 2001 with IRDAI

Profit and Loss Account For the year ended March 31, 2018**Shareholders' Account (Non-technical Account)**

(₹ in '000)

Particulars	Schedule	March 31, 2018	March 31, 2017
Amount transferred from the Policyholders' Account (Technical Account)		1,352,880	146,884
Income from Investments			
(a) Interest, dividends and rent - net of accretion/amortisation of discount/ premium)		645,983	566,901
(b) Profit on sale/redemption of investments		-	-
(c) Loss on sale/redemption of investments		-	-
Total		645,983	566,901
Other income		-	-
Total Income (A)		1,998,863	713,785
Expenses other than those directly related to the insurance business	3A	97,631	75,075
Bad debts written off		-	-
Transfer to Policyholders' fund		-	-
Provisions (other than taxation)			
(a) For diminution in the value of investments		-	-
(b) Provision for doubtful debts		-	-
(c) Others		-	-
Contribution to the Policyholder's Account		484,308	-
Total (B)		581,939	75,075
Profit / (Loss) before tax		1,416,924	638,710
Provision for taxation (Refer: Note 3.9 of the Notes to Accounts)		-	-
Profit / (Loss) after tax		1,416,924	638,710
Appropriations			
(a) Balance at beginning of the year		2,209,952	1,571,242
(b) Interim dividends paid during the year		-	-
(c) Proposed final dividend		-	-
(d) Dividend distribution tax		-	-
Profit / (Loss) carried forward to balance sheet		3,626,876	2,209,952
Earning / (Loss) Per Share (Basic)		0.70	0.32
Earning / (Loss) Per Share (Diluted)		0.70	0.32

Significant accounting policies and notes to accounts

16

Schedules referred to herein form an integral part of the Profit & Loss Account

As per our report of even date attached

For and on behalf of the Board of Directors

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 100186W

For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000038N

Lyndon Oliver
Chairman
DIN: 07561067

Ashish Kumar Srivastava
Managing Director & CEO
DIN: 00355075

Rajesh S. Joshi
Partner
Membership No.:038526

K.N. Gupta
Partner
Membership No.:009169

Pheroze K Mistry
Director
DIN: 00344590

Neeraj Swaroop
Director
DIN: 00061170

Niraj Shah
Chief Financial Officer

P K Dinakar
Appointed Actuary

Place: Mumbai
Date: June 01, 2018

Yagya Turker
Company Secretary
M. No. 19493

Name of the Insurer : PNB MetLife India Insurance Company Limited
Registration Number : 117 dated August 6, 2001 with IRDAI

Receipts and Payments Account For the year ended March 31, 2018

(₹ in '000)

Particulars	Schedule	March 31, 2018	March 31, 2017
Cash Flows from the Operating Activities:			
Premium received from policyholders, including advance receipts		40,150,438	33,678,690
Other receipts		219,646	196,088
Payments to the re-insurers, net of commissions and claims/ benefits		(122,820)	(162,205)
Payments of claims/benefits		(21,427,895)	(18,624,135)
Payments of commission and brokerage		(2,088,727)	(1,753,271)
Payments of other operating expenses		(7,917,529)	(9,767,255)
Preliminary and pre-operative expenses		-	-
Deposits, advances and staff loans		(49,351)	(25,928)
Income taxes paid (Net)		-	-
Service tax/Goods Services Tax paid		(1,282,786)	(1,232,226)
Other payments		-	-
Cash flows before extraordinary items		7,480,976	2,309,758
Cash flow from extraordinary operations		-	-
Net cash flow from operating activities (A)		7,480,976	2,309,758
Cash flows from Investing Activities:			
Purchase of fixed assets		(247,796)	(199,839)
Proceeds from sale of fixed assets		2,019	22,539
Purchase of Investments		(77,008,195)	(68,208,909)
Loans disbursed		(85,125)	(45,876)
Loans against policies		-	-
Sales/ Maturity of investments		59,334,522	53,625,202
Repayments received		-	-
Rents/Interests/ Dividends received		9,460,805	8,024,838
Investments in money market instruments and in liquid mutual funds (Net)		1,335,923	4,872,482
Expenses related to investments		-	-
Net cash flow from investing activities (B)		(7,207,847)	(1,909,563)
Cash flows from Financing Activities:			
Proceeds from issuance of share capital		-	-
Proceeds from borrowing		-	-
Repayments of borrowing		-	-
Interest/dividends paid		-	-
Net cash flow from financing activities (C)		-	-
Effect of foreign exchange rates on cash and cash equivalents, net		-	-
Net increase/(decrease) in cash and cash equivalents: (A+B+C)	11	273,129	400,195
Cash and cash equivalents at the beginning of the year	11	2,625,062	2,224,867
Cash and cash equivalents at the end of the year		2,898,191	2,625,062

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For and on behalf of the Board of Directors

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 100186W

For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000038N

Lyndon Oliver
Chairman
DIN: 07561067

Ashish Kumar Srivastava
Managing Director & CEO
DIN: 00355075

Rajesh S. Joshi
Partner
Membership No.:038526

K.N. Gupta
Partner
Membership No.:009169

Pheroze K Mistry
Director
DIN: 00344590

Neeraj Swaroop
Director
DIN: 00061170

Niraj Shah
Chief Financial Officer

P K Dinakar
Appointed Actuary

Place: Mumbai
Date: June 01, 2018

Yagya Turker
Company Secretary
M. No. 19493

SCHEDULE 1 - PREMIUMS

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
First year Premiums	12,611,007	10,658,166
Renewal Premiums	25,264,302	20,872,955
Single Premiums	1,659,799	829,680
Total Premiums	39,535,108	32,360,801
Premiums Income from business written:		
In India	39,535,108	32,360,801
Outside India	-	-
Total Premiums	39,535,108	32,360,801

SCHEDULE 2 - COMMISSION EXPENSES

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
Commission		
Direct		
- First year Premiums	1,543,092	1,388,999
- Renewal Premiums	550,296	404,746
- Single Premiums	61,372	2,776
Gross commission	2,154,760	1,796,521
Add: Commission on re-insurance accepted	-	-
Less: Commission on re-insurance ceded	-	-
Net Commission	2,154,760	1,796,521
Break-up of Gross commission expenses/ Referral fees		
Agents	224,474	210,910
Brokers	37,866	17,456
Corporate agency	1,892,527	1,577,861
Referral	(107)	(226)
Others (Direct Sales)	-	(9,480)
Total	2,154,760	1,796,521

Note: Commission expenditure is net of recovery on account of "customer default charges", if any.

SCHEDULE 3 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
Employees' remuneration and welfare benefits	5,410,699	4,704,224
Travel, conveyance and vehicle running expenses	123,882	103,906
Training expenses	39,074	17,419
Rents, rates and taxes	427,552	418,902
Repairs	58,283	47,967
Printing and stationery	39,885	40,758
Communication expenses	148,074	156,143
Legal & professional charges	99,725	114,893
Medical fees	54,691	49,785
Auditors' fees, expenses, etc.		
(a) as auditor	6,000	4,600
(b) other services	134	-
(c) out of pocket expenses	1,205	848
Advertisement and publicity	229,188	218,878
Business Development, Sales promotion & Sales conference	744,609	858,434

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
Interest and bank charges	73,400	59,191
Recruitment expenses	70,561	47,738
Information technology expenses	238,339	273,223
Office expenses	125,252	115,563
Others	36,736	18,113
Depreciation	226,225	220,007
Excess of expenses of management (EOM) transferred to Profit and Loss Account-(Refer: Note 3.33 of the Notes to Accounts)	(5,119)	(4,253)
Total	8,148,395	7,466,339

SCHEDULE 3A - EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
Employees' remuneration and welfare benefits	28,361	25,095
Travel, conveyance and vehicle running expenses	26	2
Training expenses	21	1
Rents, rates and taxes	-	-
Repairs	-	-
Printing and stationery	-	1
Communication expenses	5	5
Legal and professional charges	557	428
Medical fees	-	-
Auditors' Fees, expenses, etc.		
(a) as auditor	-	-
(b) other services	-	-
(c) out of pocket expenses	-	-
Advertisement and publicity	-	-
Business Development, Sales promotion & Sales conference	-	-
Interest and bank charges	350	284
Recruitment expenses	1	-
Information technology expenses	-	-
Office expenses	-	-
Others	54,480	31,691
Depreciation	-	-
Corporate Social Responsibility	8,711	13,315
Excess of expenses of management (EOM) transferred from revenue account-(Refer: Note 3.33 of the Notes to Accounts)	5,119	4,253
Total	97,631	75,075

SCHEDULE 4 - BENEFITS PAID (NET)

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
1. Insurance claims		
(a) Claims by death	3,168,596	3,470,445
(b) Claims by maturity	801,321	890,259
(c) Annuities/ Pension payment	201,838	235,604
(d) Other benefits -		
(i) Surrenders	16,258,559	13,213,633
(ii) Periodical benefit	1,344,666	618,959
(iii) Health	60,498	48,411
(iv) Others (Interest on unclaimed amount of policyholders)	116,523	73,710

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
2. (Amount ceded in reinsurance)		
(a) Claims by death	(834,942)	(822,486)
(b) Claims by maturity	-	-
(c) Annuities/ Pension payment	-	-
(d) Other benefits -		
(i) Surrenders	-	-
(ii) Periodical benefit	-	-
(iii) Health	(32,710)	(37,708)
3. Amount accepted in reinsurance		
(a) Claims by death	-	-
(b) Claims by maturity	-	-
(c) Annuities/ Pension payment	-	-
(d) Other benefits -		
(i) Surrenders	-	-
(ii) Periodical benefit	-	-
(iii) Health	-	-
Total	21,084,349	17,690,827

SCHEDULE 5 - SHARE CAPITAL

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised Capital	30,000,000	30,000,000
3,000,000,000 (Previous year - 3,000,000,000) equity shares of ₹10/- each		
Issued Capital	20,128,843	20,128,843
2,012,884,283 (Previous year - 2,012,884,283) equity shares of ₹10/- each		
Subscribed, Called-up and Paid up Capital	20,128,843	20,128,843
2,012,884,283 (Previous year - 2,012,884,283) equity shares of ₹10/- each fully paid up		
TOTAL	20,128,843	20,128,843

Note: No part of the capital is held by a holding company.

SCHEDULE 5A - PATTERN OF SHAREHOLDING (AS CERTIFIED BY MANAGEMENT)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% of holding	Number of shares	% of holding
Promoters				
Indian	1,489,534,370	74%	1,489,534,370	74%
Foreign	523,349,913	26%	523,349,913	26%
TOTAL	2,012,884,283	100%	2,012,884,283	100%

SCHEDULE 6 - RESERVES AND SURPLUS

(₹ in '000)

Particulars		As at March 31, 2018	As at March 31, 2017
Capital Reserve		-	-
Capital Redemption Reserve		-	-
Share Premium		-	-
Revaluation Reserve		-	-
General Reserves		-	-
Less: Debit balance in Profit and Loss Account		-	-
Less: Amount utilized for Buy-back		-	-
Catastrophe Reserve		-	-
Other Reserves		-	-
Balance of profit in Profit and Loss Account		-	2,209,952
Opening balance	2,209,952	-	-
Add: Profit for the year	1,416,924	-	-
Total	3,626,876	-	-
Less: Transfer to Revenue Account (Policyholders' Account) for absorbing accumulated deficit of prior years of non-par segments (refer Note 3.24 (a) of Notes to Accounts)	(13,003,351)	-	-
Net balance in Profit and Loss Account*	(9,376,475)	-	-
TOTAL		-	2,209,952

* Negative balance in Reserves and Surplus is shown as Debit balance in Profit and Loss account (Shareholder's Account) in Balance sheet

SCHEDULE 7 - BORROWINGS

(₹ in '000)

Particulars		As at March 31, 2018	As at March 31, 2017
Debentures/Bonds		-	-
Banks		-	-
Financial Institutions		-	-
Others		105,203	170,632
For Information technology equipments and software [Borrowing for information technology equipments is secured against said assets. Net book value as at March 31, 2018 of these equipments is ₹97,854 (As at March 31, 2017- ₹130,472)]			
TOTAL		105,203	170,632

Note: Amount due within 12 months from balance sheet date is ₹ 42,989 (Previous year ₹51,704)

SCHEDULE 8 - INVESTMENTS - SHAREHOLDERS'

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury bills	5,956,577	3,093,390
Other approved securities	404,773	405,418
Other Investments		
(a) Shares		
(aa) Equity	13,350	16,348
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	1,092,466	1,037,368
(e) Other securities	-	-
(f) Subsidiaries	-	-
Investment properties - Real estate	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	1,404,599	1,184,881
Other than Approved investments	249,804	-
Total	9,121,569	5,737,405
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury bills	717,361	765,815
Other Approved Securities	-	-
Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	90,020	110,013
(e) Other securities - CP/CBLO/Bank Deposits	167,660	71,115
(f) Subsidiaries	-	-
Investment properties - Real Estate	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	385,822	348,477
Other than Approved Investments	-	-
- Debentures/ Bonds	50,000	-
- Mutual Funds	-	-
Total	1,410,863	1,295,420
Grand total	10,532,432	7,032,825

Note

The market value of the above total investment is ₹10,620,436 (As at March 31, 2017 - ₹7,301,673)

SCHEDULE 8A - INVESTMENTS - POLICYHOLDERS'

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury bills	52,154,659	41,461,662
Other Approved Securities	69,466	69,189
Other Investments		
(a) Shares		
(aa) Equity	2,301,105	385,428
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	16,882,852	11,382,813
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in infrastructure and social sector - Debt Securities (including Housing)	22,972,083	19,750,143
Other than approved investments	-	-
- Equity	15,912	-
- Debt	500,000	49,241
Total	94,896,077	73,098,476
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury bills	103,967	708,872
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	2,160,078	1,600,970
(e) Other Securities - CP/Bank Deposits/CBLO	482,749	1,128,983
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	1,346,153	293,112
Other than approved investments-Debenture / Bonds	49,790	
Total	4,142,737	3,731,937
Grand total	99,038,814	76,830,413

Note

The market value of the above total investment is ₹ 101,232,207 (As at March 31, 2017 - ₹ 81,741,131)

SCHEDULE 8B - ASSETS HELD TO COVER LINKED LIABILITIES

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury bills	5,568,596	6,421,007
Other Approved Securities	8,333	8,515
Other Investments	-	-
(a) Shares	-	-
(aa) Equity	30,734,028	36,217,394
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	3,349,681	2,831,227
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real estate	-	-
Investments in Infrastructure and Social Sector	-	-
- Debt Securities (including Housing)	7,480,959	6,575,475
- Equities	2,069,438	2,700,338
Other than Approved Investments	-	-
(a) Equity	592,656	1,435,436
(b) Mutual Fund (ETF)	3,121,769	-
(c) Bonds/Debentures	-	-
Total	52,925,460	56,189,392
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury bills	5,621,826	5,890,854
Other Approved Securities	-	-
Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	554,475	201,465
(e) Other securities	-	-
(f) Subsidiaries	-	-
(g) Fixed deposits	-	-
(h) Other securities - CP/CBLO/Bank Deposits	2,565,630	2,473,325
(i) Investment properties - Real Estate	-	-
Investments in Infrastructure and Social Sector - Debt Securities (including Housing)	152,532	627,934
Other than Approved Investments	-	-
(a) Mutual funds	-	1,076,424
(b) Debentures/Bonds	-	-
Total	8,894,463	10,270,002
Other net current assets	1,022,015	1,267,954
Grand total	62,841,938	67,727,348

SCHEDULE 9 - LOANS

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government securities etc.	-	-
(c) Loans against policies	368,471	288,377
(d) Others	-	-
Unsecured	-	-
Total	368,471	288,377
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	368,471	288,377
(f) Others	-	-
Total	368,471	288,377
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	368,471	288,377
(bb) Outside India	-	-
(a) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	368,471	288,377
MATURITY-WISE CLASSIFICATION		
(a) Short-Term	29,268	7,389
(b) Long-Term	339,203	280,988
TOTAL	368,471	288,377

SCHEDULE 10- FIXED ASSETS

(₹ in '000)

Particulars	Cost / Gross Block			Depreciation / Amortisation			Net Block		
	As at April 01, 2017	Additions	Deductions	As at March 31, 2018	As at April 01, 2017	For the Year	On sales / Adjustment	As at March 31, 2018	As at March 31, 2017
Intangible assets									
Computer Software	860,411	195,149	1,546	1,054,014	728,164	102,968	1,543	829,589	132,247
Computer Software - Leased	-	-	-	-	-	-	-	-	-
Other assets									
Building	244,310	13	-	244,323	9,978	4,081	1	14,058	234,332
Leasehold improvements	151,776	22,606	4,090	170,292	95,504	23,440	3,702	115,242	56,272
Furniture & Fittings	76,290	3,567	6,210	73,647	51,459	4,839	5,533	50,765	24,831
Information technology equipment - Owned	556,245	70,497	38,130	588,612	462,952	46,509	38,301	471,160	93,293
Information technology equipment - Leased	195,708	-	-	195,708	65,236	32,618	-	97,854	130,472
Vehicles	1,247	-	691	556	678	54	177	555	1
Office Equipment	114,249	8,844	11,645	111,448	80,335	11,716	11,180	80,871	33,914
TOTAL	2,200,236	300,676	62,312	2,438,600	1,494,306	226,225	60,437	1,660,094	705,930
Capital Work-in-Progress									
	-	-	-	-	-	-	-	-	10,636
Total Fixed Assets	2,200,236	300,676	62,312	2,438,600	1,494,306	226,225	60,437	1,660,094	716,566
Previous year	2,204,174	260,191	264,129	2,200,236	1,492,240	220,007	217,941	1,494,306	716,566

SCHEDULE 11 - CASH AND BANK BALANCES

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash (including cheques, drafts and stamps)	655,305	604,754
Bank Balances		
(a) Deposit accounts		
(aa) Short-term (due within 12 months of the date of Balance Sheet)	668,600	439,700
(bb) Others (Refer: Note 3.8 of the Notes to Accounts)	617	400
(b) Current Accounts	1,573,669	1,580,208
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
TOTAL	2,898,191	2,625,062
Balances with non-scheduled banks included above	-	-
CASH & BANK BALANCES		
(a) In India	2,898,191	2,625,062
(b) Outside India	-	-
TOTAL	2,898,191	2,625,062

SCHEDULE 12 - ADVANCE AND OTHER ASSETS

(₹ in '000)

Particulars	As at March 31, 2018		As at March 31, 2017	
ADVANCES				
Reserve deposits with ceding companies		-		-
Application money for investments		-		-
Prepayments		89,866		77,749
Advances to Directors/Officers		-		-
Advances to Suppliers	94,045		62,571	
Less: Provision for doubtful recoveries	5,009	89,036	10,067	52,504
Advances to Employees		16,418		32,350
Advance tax paid and taxes deducted at source (Net of provision for taxation)		586		424
Other Advances		58,273		53,093
TOTAL (A)		254,179		216,120
OTHER ASSETS				
Income accrued on investments and bank deposits		3,424,959		2,653,884
Outstanding Premiums		1,790,483		1,221,829
Agents' Balances	25,862		42,535	
Less: Provision for doubtful recoveries	25,862	-	42,535	-
Foreign Agencies Balances		-		-
Advance income tax/service tax		-		62,198
Due from other entities carrying on insurance business (including reinsurers)		316,950		241,062
Due from subsidiaries/ holding company		-		-
Service tax/ Goods and Services Tax unutilized credit		86,773		11,379
Deposits	195,513		218,604	
Less: Provision for doubtful recoveries	52,894	142,619	87,170	131,434
Other Receivables {includes assets held for unclaimed amount of policyholders ₹2,034,467 as at March 2018 (as at March 2017 ₹ 2,080,935)}	2,267,699		2,162,212	
Less: Provision for doubtful recoveries	41,445	2,226,254	31,122	2,131,090
TOTAL (B)		7,988,038		6,452,876
TOTAL (A) + (B)		8,242,217		6,668,996

SCHEDULE 13 - CURRENT LIABILITIES

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Agents' Balances	412,572	346,540
Balances due to other insurance companies	413,158	397,788
Deposits held on reinsurance ceded	-	-
Premiums received in advance	954,878	1,033,630
Unallocated premium	268,542	433,384
Sundry creditors	2,959,593	1,889,879
Due to subsidiaries/holding company	-	-
Claims Outstanding	1,578,868	959,859
Annuities Due	-	-
Due to Officers/Directors	-	-
Taxes deducted at source payable	214,470	155,482
Service tax/Goods and Services Tax payable	157,947	-
Unclaimed amount of policyholders	2,034,467	2,103,438
Litigated Claims & Other Liabilities	366,854	242,177
TOTAL	9,361,349	7,562,177

SCHEDULE 14 - PROVISIONS

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
For taxation	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
For gratuity	207,851	182,578
For compensated absences	53,412	49,474
TOTAL	261,263	232,052

SCHEDULE 15 - MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Allowed on issue of shares/debentures	-	-
Others	-	-
TOTAL	-	-

SCHEDULE – 16 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Corporate Information

PNB MetLife India Insurance Company Limited ('the Company') was incorporated in India on April 11, 2001 as a Private Limited Company and was converted into a Public Limited Company effective from January 9, 2008 under the Companies Act, 1956. On August 6, 2001, the Company obtained the certificate of registration to engage in the business of life insurance from the Insurance Regulatory and Development Authority of India ('IRDAI'). The certificate of registration continues to be in force as at March 31, 2018.

The Company offers life insurance, pension, health, retirement and investment products to individual and group segments. The products sold under these business segments comprise participating, non-participating, pension, health and unit linked products. Some of these products have riders attached to them such as Accident and Disability Benefit, Waiver of Premium, Level Term and Critical Illness.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The accompanying financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) in compliance with the applicable accounting standards as specified under section 133 of the Companies Act, 2013 (the 2013 Act) read with the Rule 7 of the Companies (Accounts) Rules 2014 and as prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI Financial Statements Regulations'), provisions of the Insurance Regulatory and Development Authority Act, 1999, the Insurance Act, 1938, the Insurance Laws (Amendment) Act 2015, to the extent applicable and the relevant provisions of the Companies Act, 2013.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the Company's management make estimates and assumptions that affect the reported amount of income and expense for the year, reported balances of assets and liabilities and disclosures related to contingent liabilities and contingent assets as at the date of the financial statements. Examples of such estimates include valuation of policy liabilities, provisions for doubtful debts, valuation of unlisted securities, if any, future obligations under employee retirement benefits plans and useful lives of fixed assets, etc. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of

the relevant facts and circumstances as at the date of the financial statements. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results may differ from the estimates and assumptions used in preparing the financial statements. Any differences of actual to such estimates are recognised in the year in which the results are known or materialised.

2.3 Revenue recognition

Premium:

New business premium in respect of non-linked policies including rider premium is recognised on acceptance of risk. For all the policies which are in force as at the Balance Sheet date, subsequent premium of the first year and renewal premium are recognised as income when due. In respect of linked policies, premium income including rider premium is recognised when the associated units are allotted.

Premium on lapsed policies are recognised as income when such policies are reinstated. Top up premiums are considered as single premium.

Income from unit linked policies:

Income from unit linked policies, which includes fund management charges, policy administration charges, mortality charges, etc., are recovered from the unit linked funds in accordance with the terms and conditions of policies issued and are recognized when due.

Income earned on Investments:

Interest income is recognized on an accrual basis for all funds.

Amortization of premium or accretion of discount at the time of purchase of debt securities is recognized over the remaining period of maturity on a straight line basis.

Dividend income is accounted for on "ex-dividend" date in case of listed equity and preference shares and in case of unlisted shares, income is recognized when the right to receive the dividend is established.

In case of linked business, profit or loss on sale / redemption of investment securities is calculated as the difference between net sale proceeds and weighted average cost on the date of sale. In case of other than linked business, profit or loss on sale / redemption of equity shares, preference shares and units of mutual fund includes the accumulated changes in the fair value previously recognized under "Fair Value Change Account" in the Balance Sheet. In case of Debt securities, the profit or loss on sale / redemption is calculated as the difference between net sales proceeds and weighted average amortized cost on the date of sale.

Unrealized gains and losses arising out of valuation of Linked – Policyholders' Investments are recognized in the respective fund's Revenue Account.

2.4 Income from loans against policies

Interest income on loans against policies is accounted for on an accrual basis.

2.5 Reinsurance premium

Reinsurance premium ceded is accounted for on due basis at the time of recognition of premium income basis the treaty arrangement with the reinsurers.

2.6 Acquisition costs

Acquisition costs are the expenses which are incurred to source and issue the insurance contract. These costs are expensed in the year in which they are incurred.

2.7 Benefits paid (including claims settlement costs)

Death, health and surrender claims are accounted for on receipt of intimation subject to eligibility as per policy terms and conditions. Maturity claims & periodical benefits are accounted when due for payment. Surrenders, lapses (after expiry of lock in period) and withdrawals under linked policies are accounted in the respective funds when the associated units are deallocated.

Reinsurance recoverable is accounted for when the corresponding claim expenditure is recognized

2.8 Liability for life policies in force and paid up policies

Liabilities for life policies in force and also policies in respect of which premium has been discontinued but a liability exists, is calculated by the Appointed Actuary on the basis of gross premium valuation method in accordance with accepted actuarial practice, professional guidance notes issued by the Institute of Actuaries of India, provisions of the Insurance Act, 1938 (as amended in 2015) and the relevant regulations notified by the IRDAI from time to time. The liabilities are calculated in a manner that together with estimated future premium income and investment income, the Company can meet estimated future claims (including bonus entitlements to policyholders) and expenses. The linked policies carry two types of liabilities – unit liability representing the fund value of policies and non-unit liability to meet any likely deficiencies in the charges under the policy which might arise on account of mortality, expenses and other elements.

Actuarial method and assumptions are given in note 3.2

2.9 Investments:

Investments are made in accordance with the Insurance Act, 1938 (as amended in 2015), the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, and other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recognised at cost on the date of purchase which includes brokerage and related taxes and excludes pre-acquisition interest accrued, if any.

Classification:

Investments maturing within twelve months from Balance Sheet date and investment made with the specific intention to dispose them off within twelve months from Balance Sheet date are classified as short term investments. Investments other than short term investments are classified as long term investments. Equity shares are classified as long term investment.

Valuation – Shareholders' investments and non-linked policyholders' investments:

All debt securities, including Government securities, are considered as 'held to maturity' and accordingly stated at amortized cost.

The difference between the acquisition price and the face value of treasury bills, certificate of deposits, commercial papers and Collateral Borrowing and Lending Obligation (CBLO) is amortised and recognized as income/expenses over the remaining term of these instruments, on a straight line basis. In case of zero coupon bonds, redemption value is considered as the face value.

As prescribed by IRDAI, for valuation of listed equity shares and equity exchange traded fund (ETF), the Company has selected National Stock Exchange (NSE) as the primary exchange and the Bombay Stock Exchange (BSE) as the secondary exchange. Accordingly, the closing price of NSE is used for the purpose of valuation of equity shares and equity ETF. If the security is not listed/not traded on NSE but traded on the BSE, then the closing price of BSE is used. Additional Tier I Bonds (AT-1 Bonds) are stated at market value, using applicable market yield rates published by SEBI registered rating agency (Credit Rating Information Services of India Ltd. (CRISIL)) Bond Valuer.

Mutual fund units as at the Balance Sheet date are valued at the previous business day's net asset values (NAV).

Unrealised gains/losses arising due to changes in the fair value of mutual funds, listed equity shares and AT-1 Bonds are taken to "Fair value change Account" in the Balance Sheet. In case of diminution, other than temporary, the amount of diminution is recognised as an expense in the Revenue/Profit and Loss Account, as applicable.

Fixed deposits with banks are valued at cost.

Valuation – Assets held to cover linked liabilities:

All debt securities, including Government securities, are valued at market value using CRISIL Bond Valuer / CRISIL Gilt Prices, as applicable.

Money market instruments – Treasury bills, certificate of deposits, commercial papers, CBLO are being stated at amortized cost.

As prescribed by IRDAI, for valuation of listed equity shares and equity ETF, the Company has selected NSE as the primary exchange and BSE as the secondary exchange. Accordingly, the closing price of NSE is used for the purpose of valuation of equity shares and ETF. If the security is not listed/not traded in NSE but traded in the BSE, then the closing price of BSE is used for valuation.

Mutual fund units as at the Balance Sheet date are valued at the previous business day's NAV.

Rights/Bonus entitlements, if any, are accounted on ex-rights/ex-bonus date of the principal stock exchange.

Fixed deposits with banks are valued at cost.

Transfer of Investments:

Transfer of investments from Shareholders to Policyholders to meet the deficit in the Policyholders fund account are effected at lower of cost (for debt securities net amortized cost) or market value on the previous day. The transfer of Investment between unit linked funds is done at the prevailing market price.

Impairment of Investment

The Company periodically assesses using internal and external sources and at each Balance Sheet date whether there is an indication of impairment of investment. In case of impairment, other than temporary, the carrying value of such investment is reduced to its fair value and the impairment loss is recognised in the Revenue/Profit and Loss Account, as applicable. However, at the Balance Sheet date if there is an indication that a previously recognised impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

Provision for Non-Performing Assets (NPA)

In accordance with the IRDAI regulations on "Prudential norms for income recognition, asset classification, provisioning and other related matters in respect of debt portfolio" vide circular no. 32/2/F&A/Circulars/169/Jan 2006-07 dated January 24, 2007, adequate provisions have been made to cover amounts outstanding in respect of all NPA and standard assets. All assets where the interest and / or instalment of principal repayment remain overdue for more than 90 days (i.e., one quarter) are classified as NPA at the Balance Sheet date.

2.10 Fixed assets and depreciation/amortisation

Tangible Assets:

An item of property, plant & equipment that qualifies for recognition as an asset is stated at cost less accumulated depreciation and impairment losses, if any. Cost includes the purchase price and any cost directly attributable in bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of asset is added to its book value only if such expenditure results

in an increase in the future economic benefit from the existing assets. All other expenditure on existing assets is charged to the Revenue Account/ Profit & Loss Account, as the case may be, for the period during which such expenditure is incurred. Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset.

Depreciation is charged on pro-rata basis from the date of such addition or, as the case may be, up to the date on which such asset has been sold or discarded.

Advances paid towards the acquisition of fixed assets as at the Balance Sheet date and cost of fixed assets, which are not ready for its intended use as at such date are disclosed as capital work in progress.

Depreciation is provided on the straight line method (SLM) as per the useful life of the assets as specified in Schedule II of the Companies Act, 2013. Any assets costing ₹5,000 or less are fully depreciated in the year of purchase. The estimated useful life of assets is as follows:

Asset class	Estimated useful life
Building	60 years
Leasehold improvements	Lease period, not exceeding 5 years
Furniture and fittings	10 years
Information technology equipment	3 years
Leased Information technology equipment	3 years
Information technology server and network equipment	6 years
Leased vehicles	Primary lease period, not exceeding 5 years
Office equipment	5 years

The residual value and the useful life of an asset is reviewed at each Balance Sheet date and if expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate in accordance with AS 5 - Accounting for net profit or loss for the period, prior period items and changes in accounting policies.

Intangible Assets:

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are added to its book value only when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably.

Software expenses are amortised using straight line method over license period not exceeding 3 years. Subsequent expenditures are amortised over the remaining useful life of the original software.

2.11 Leases:

Finance leases:

Leases where lessor effectively transfers, substantially all the risks and benefits incidental to ownership of the leased assets, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to the Revenue Account.

Operating leases:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset, are classified as operating leases. Operating lease rentals including escalations are recognized as an expense in the Revenue Account on a straight-line basis over the lease period.

2.12 Impairment of assets

The Company periodically assesses, using internal and external sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2.13 Policy Loans

The loans against policies are stated at historical cost (less repayments), subject to provision for impairment, if any.

2.14 Foreign currency transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate as at the Balance Sheet date. The resulting exchange gain or loss is reflected in the Revenue Account or Profit and Loss Account, as applicable.

2.15 Taxation

A. Direct Taxes:

(i) Current taxes:

Current tax expense is determined on estimated taxable income in accordance with the provisions of the Income-tax Act, 1961, as amended from time to time, applicable to life insurance companies.

(ii) Deferred taxes:

Deferred tax is recognised on timing differences, being the difference between the taxable income and the accounting income that originate in one period

and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisation.

B. Indirect Taxes

Service tax/GST liability is set-off against eligible tax credits available from tax paid on input services. Unutilized credits, if any, are carried forward for future set-off under "Advances and other assets".

2.16 Employee benefits

Short-term employee benefits:

All employee benefits payable within twelve months of rendering the service are classified as short-term employee benefits. These benefits include performance incentives, short term compensated absence, etc. The undiscounted amount of short-term employee benefits expected to be paid are recognised during the period when the employee renders the service.

Defined contribution plans:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made during the period when service is rendered by the employees.

Defined benefit plans:

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and/or losses are recognised in the Revenue Account in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation and

same is determined based on the actuarial valuation at the Balance Sheet date using the projected unit cost method.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. Actuarial gains and/or losses due to change in actuarial valuation of such employee benefit plans are recognised in the period of occurrence for all employee benefits.

Long term Incentive plan (LTIP):

Performance stock units (PSU) and restricted stock units (RSU) were granted to eligible employees' basis defined parameters until December 2016. The vesting of these stock units was based on common stock (share) price of MetLife Inc. as at the vesting date. The liability and corresponding expense is accounted for on the basis of actuarial valuation carried out by an independent actuary at the Balance Sheet date and is trued-up at the time of vesting/payment.

Basis the IRDAI guidelines on 'Indian Owned and Controlled' in 2016, a new LTI program was introduced effective January 2017. The said program is a deferred cash plan and the quantum of grant to eligible employees is based on performance of the Company. The proportionate liability and corresponding expense is accounted for in line with the vesting period.

ESOP & Cash LTI Scheme 2017:

The Company has introduced an ESOP scheme in December 2017 wherein certain eligible employees are granted options to subscribe to equity shares of the Company which vest in a graded manner. The vested options may be exercised within a specified period. The grant is conditional and contingent upon listing of shares of the Company by December 31, 2018.

In accordance with the Guidance Note on Accounting for Employee Share-based payments, the Company follows the intrinsic value method to account for its share based employee compensation plan. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and amortised over the vesting period.

A Cash LTI scheme was introduced for eligible employees who are not covered under the ESOP 2017 scheme. The scheme is also contingent upon listing of the shares of the Company by December 31, 2018. The proportionate liability and corresponding expense is accounted for in line with the vesting period.

2.17 Statement of Receipts and Payments

The statement of receipts and payments has been prepared in accordance with the direct method prescribed in Accounting Standard 3, 'Cash Flow Statement'.

2.18 Segment Reporting

As per Accounting Standard 17 on 'Segment Reporting' read with the IRDAI Regulations, the Company is required to report segment results separately for the participating, non-participating, health, unit linked and pension business segments ('the business segments'). Accordingly, the Company has provided primary segment information for the business segments, as disclosed in Annexure 4.

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

The following basis has been used for allocation of revenue, expenses, assets and liabilities to the business segments:

- (a) Premium income, commission, benefits paid, operating expenses, investments and policyholders' liabilities which are directly identifiable with business segments are disclosed under respective business segment.
- (b) Fixed assets, current assets, current liabilities and provisions, which cannot be directly attributable to the business segments, are allocated to the business segments on the basis of one of the below mentioned factors as deemed appropriate considering the nature of item:
 - Average in-force policies
 - New business premium
- (c) Expenses which are not directly attributable to the business segments are apportioned on the basis of following factors as deemed appropriate considering the nature of expenses.
 - Average in-force policies
 - New business premium
- (d) The method of allocation of operating expenses has been decided based on the nature of the expense and its logical correlation with various business segments as was done in the previous year.

2.19 Funds for Future Appropriations (FFA)

The Funds for Future Appropriations (FFA) represents the surplus in participating segment which is not allocated to policyholders or shareholders as at the Balance Sheet date. Transfers to and/or from the fund reflect the surplus/

deficit of income over expense of par segment. The cost of bonus to policyholders and shareholders is transferred to/from the FFA through a charge or credit to the Revenue Account at the year end.

The FFA in the linked business represents surplus on the lapsed policies unlikely to be revived. This surplus is required to be held within the policyholders' fund till the time policyholders are eligible for revival of their policies. After expiry of the revival period, the FFA would be appropriated towards the surplus.

2.20 Earnings per share (AS 20)

As required by AS 20, basic earnings per share are calculated by dividing the net profit or loss for the year available to equity shareholders by the weighted average number of equity shares outstanding during the year. Further, for the purpose of calculating diluted earnings per share, the weighted average number of shares outstanding during the year including that of subscription received against rights issue (pending allotment) is adjusted for the effects of all dilutive potential equity shares.

2.21 Provisions, Contingent liabilities and Contingent assets

The Company creates a provision for claims, litigation, assessment, fines, penalties, etc. when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements since they may result in the recognition of income that may never be received unless it becomes virtually certain that an inflow of economic benefits will arise and accordingly the asset and the related income shall be recognized in the financial statements of the period in which the change occurs.

3. NOTES TO ACCOUNTS

3.1 Contingent liabilities

Particulars	(₹ in '000)	
	March 31, 2018	March 31, 2017
(a) Partly paid up investments	Nil	Nil
(b) Claims, other than those under policies, not acknowledged as debts	69,108	58,722
(c) Claims under policies not acknowledged as debts	328,378	265,787
(d) Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil
(e) Guarantees given by or on behalf of Company	2,500	Nil
(f) Statutory demands/liabilities in dispute not provided for*	1,566,348	1,324,850
(g) Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
(h) Unclaimed amount of policyholders transferred to Senior Citizens' Welfare Fund	782	Nil

*represents statutory demands and liabilities in dispute, not provided for, relating to the show cause cum demand notices/assessment orders received by the Company from the various tax authorities.

- ₹ 1,457,208 thousands (₹ 1,307,875 thousands as at March 31, 2017) pertain to demand from Service Tax authorities towards disallowance of CENVAT credit,
- Demand towards Tax Deducted at Source not provided for ₹ Nil (₹ 16,975 thousands as at March 31, 2017)
- The Income Tax authorities have made an appeal of ₹ 109,140 thousands (₹ Nil as at March 31, 2017) for the assessment year 2010-11

3.2 Actuarial method and assumptions underlying the valuation of policy liabilities

The actuarial value of the policy liabilities as at March 31, 2018 has been estimated using actuarial assumptions and methods which are consistent with:

- generally accepted actuarial practices;
- the provisions of The Insurance Act, 1938 and any amendments thereof;
- regulations and guidelines issued by the IRDAI; and
- the relevant guidance notes issued by the Institute of Actuaries of India

The assumptions are based on prudent estimates of the future experience, and hence include margins for adverse deviations over and above the best estimate assumptions. A brief of the assumptions used in actuarial valuation is as below:

- Valuation of rate of interest: The valuation rate of interest has been taken as 6 per cent (previous financial year 6 per cent) per annum for participating products excluding below listed products where 6.25 per cent (previous financial year 6 per cent) per annum is used:
 - o Met Suvridha Par (UIN 117N017V01)
 - o Met Monthly Income 15 Pay (UIN 117N070V01)
 - o Met Monthly Income 7 Pay (UIN 117N064V01)
 - o Met Monthly Income Plan (UIN 117N050V01)

For non-participating products, valuation interest rate is set to 5.5 per cent (previous financial year 5.5 per cent) per annum. These interest rates reflect the expected long term yields on the investments backing these liabilities with a margin for adverse deviations.

- Mortality: Mortality assumptions are set in accordance with Clause 5(2) of Schedule II of the IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016. The mortality rates used are basis the published Indian Assured Lives Mortality (IALM) table (2006-08) in line with latest experience analysis of the business. In the case of annuity benefits for non-participating policies, mortality assumption is based on the LIC Annuitants (1996-1998) table including mortality improvement. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience.
- Expenses: The allowance for commissions is on the basis of the actual rates of renewal commission payable to the financial advisors. The renewal expenses are allowed in the valuation both as a percentage of premium and on per policy basis. Claim related expenses have also been factored for all the individual products. The expense inflation is taken as 5.8 per cent (previous financial year 5.5 per cent) per annum.

- **Persistence:** The expected persistence has been assumed based on the experience of the Company and varies by duration of the policy and by nature of products.
- **Future Bonuses:** Provision made for future bonuses based on the estimated expected bonus payouts, allowing for the reserving interest rate.

The policy liability for the Group one year renewable business has been calculated as the unexpired premium reserve. In case of group products with term more than one year, Gross Premium Valuation method has been used. For group products administered as cash accumulation account, the account values of the policies are considered as reserve.

In addition to the estimated policy liabilities based on the above methodology and assumptions, additional provision has been made for IBNR claims.

The reserves for unit-linked life and pension business comprise two parts - unit reserves and non-unit reserves. Unit reserves represent the value of units attached to the unit linked policies as on the valuation date. Non-unit reserves are calculated taking into consideration the future expected cash outgoes and incomes in respect of all in-force unit linked policies.

The reinsurance credit has been appropriately factored into the calculation of the reserves by projecting the expected mortality benefits that would arise on account of reinsurance net of the expected reinsurance premiums payable.

Other provisions include –

- Provisions for free look cancellations have been allowed for individual non-linked, linked and group credit life products based on experience.
- Provision has been made for any additional expenses that the Company may have to incur if it were to close the new business within twelve months from the valuation date.
- Reserves have been kept for lapsed and reduced paid up policies eligible for revivals.
- Extra mortality risk premiums charged for extra risk have been set aside as reserve.
- Adequate rider reserves have been set aside
- Additional reserves have been set where deaths have already occurred but liability continues to exist, like cases wherein waiver of premium option has been availed

Adequate margins for adverse deviations are taken in the valuation assumptions as per the regulations and guidelines issued by IRDAI and the guidance note issued by Institute of Actuaries of India. All in-force policies as per the policy administration database have been considered for the estimation of policy liabilities.

3.3 Encumbrances on assets

Assets of the Company are free from encumbrances. There are no assets including loans subjected to restructuring (as at March 31, 2017 – ₹ Nil).

3.4 Capital commitments

There are no commitments made and outstanding for loans and investments as at March 31, 2018 (as at March 31, 2017 – ₹ Nil). The estimated amount of commitments made by the Company and not provided (net of advances) for fixed assets as at March 31, 2018 aggregate to ₹83,870 thousands (as at March 31, 2017 - ₹115,803 thousands).

3.5 Lease commitments

As stated in paragraphs 2.11 above, the Company acquired information technology equipment and computer software under finance lease. The minimum amounts payable in future on finance leases and their present value are as follows:

	Total (₹ '000)	Not later than 1 year (₹ '000)	1 to 5 years (₹ '000)	Later than 5 years (₹ '000)
March 31, 2018				
Minimum lease payments ('MLPs') outstanding	115,295	49,412	65,883	-
Less: Finance charges	10,093	6,423	3,669	-
Present value of MLPs outstanding	105,202	42,989	62,214	-
March 31, 2017				
Minimum lease payments ('MLPs') outstanding	197,649	65,883	131,766	-
Less: Finance charges	27,017	14,179	12,838	-
Present value of MLPs outstanding	170,632	51,704	118,928	-

The Company has acquired premises (office and residential), fit outs, computers and motor vehicles on operating lease. Lease payments on cancellable and non-cancellable lease arrangements were charged to the Revenue Account/ Profit and Loss Account, as the case may be. The future minimum lease payments in respect of non- cancellable operating leases as at the Balance Sheet date are as follows:

(₹ in '000)

	March 31, 2018	March 31, 2017
Not later than 1 year	20,024	35,748
1 to 5 years	9,246	23,354
Later than 5 years	-	-
Total MLPs outstanding	29,270	59,102

The total of operating lease payments recognized in the Revenue Account for the year ended March 31, 2018 is ₹ 189,395 thousands (Previous year – ₹ 173,355 thousands).

There are no transactions in the nature of sub-lease.

3.6 Death claims outstanding

The Company has claims settled and unpaid for more than six months amounting to ₹ 34,654 thousands as at March 31, 2018 (as at March 31, 2017 – ₹ 24,338 thousands).

3.7 Value of investment contracts where settlement or delivery is pending:-

(₹ in '000)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Linked Business	Non-Linked Business	Linked Business	Non-Linked Business
Purchases where deliveries are pending	128,320	579,773	564,030	Nil
Sales where receipts are pending *	227,248	114,823	1,110,965	Nil

* There are no investment contracts where sales have been made and payments are overdue.

3.8 Deposits under Local Laws:

The Company does not have any assets that are required to be deposited under local laws or otherwise encumbered in or outside India as required under Para C of Part II of Schedule A of IRDA (Preparation of Financial Statements and Auditors report) Regulations, 2002. However, an amount of ₹617 thousands as at March 31, 2018 (as at March 31, 2017 - ₹ 400 thousands) has been held as security deposit with J&K State Commercial Tax department.

3.9 Taxation

In view of the carry forward accumulated losses, the Company has not made any provision towards current tax. Deferred tax asset has not been recognized in the absence of virtual certainty of future taxable income against which the deferred tax asset can be realized.

3.10 Managerial Remuneration

- The Managing Director & CEO of the Company resigned effective March 31, 2017 and in his place, an interim CEO and Principal Officer was appointed w.e.f. March 31, 2017 for a period of 6 months (i.e., upto September 30, 2017). Necessary approvals from IRDAI are in place for the same. The remuneration (including allowances and special bonus) of INR 21,788 thousands paid to the interim CEO & Principal Officer during the half year ended September 30, 2017 has been debited to Employees' remuneration and welfare benefits in Schedule 3 of the Revenue Account.
- The interim CEO and Principal Officer was appointed as Managing Director and CEO of the Company w.e.f. October 1, 2017 for a period of five years as approved by IRDAI.

c) Details of the managerial remuneration (Managing Director & CEO) are as follows:

	(₹ in '000)	
	Year ended March 31, 2018 *	Year ended March 31, 2017
Salary & Allowances	28,047	25,471
Contribution to provident fund	432	1,106
Value of perquisites	41	812
Total	28,520	27,389
Charged to Revenue Account	7,500	10,000
Charged to Shareholder's Account	21,020	17,389

*There was no Managing Director during the period April 1, 2017 to September 30, 2017.

Notes:

- (i) The remuneration of ₹7,500 thousands for the half year ended March 31, 2018 (Previous year ended March 2017 ₹ 10,000 thousands) has been charged to the Revenue Account and the balance in excess, is debited to the Profit and Loss Account as per IRDAI approval.
 - (ii) An amount of ₹3,150 thousands towards LTIP payable to the former Managing Director and CEO of the Company, which was charged to the Profit and Loss Account in the previous financial year, has been paid during year and the same has also been recovered from MetLife International Holdings LLC in line with approval from IRDAI.
 - (iii) An amount of ₹ 2,268 thousands towards PSU and RSU stock units vested during the year is outstanding as payable to the Managing Director & CEO as at March 31, 2018 (Previous year ₹ Nil) pending IRDAI approval.
 - (iv) The above figures do not include provision for employee benefits, which are actuarially determined for the Company as a whole in accordance with AS 15 Employee benefits
- d) Sitting fees paid to directors during the year was ₹3,850 thousands (previous year - ₹3,250 thousands).

3.11 Historical cost of investments

As at March 31, 2018, the aggregate cost and market value of investments which are valued on fair value basis is ₹55,570,143 thousands and ₹ 65,286,496 thousands (as at March 31, 2017 - ₹55,581,244 thousands and ₹ 68,159,635 thousands) respectively.

3.12 Statutory investments

All investments have been made in accordance with the Insurance Act, 1938 (as amended in 2015), the Insurance and Regulatory Development Authority (Investment) Regulations 2016 and various other circulars, guidelines and notifications issued by the IRDAI in this context from time to time.

3.13 Non-performing investments

None of the investments of the Company has been classified as non-performing investments as at March 31, 2018 (as at March 31, 2017 – Nil) as per the income recognition norms issued by the IRDAI.

3.14 Repo / Reverse Repo Transactions

There was no exposure towards repo / reverse repo transactions during the year ended March 31, 2018 (for the year ended March 31, 2017 – ₹ Nil)

3.15 Allocation of investments and income

The Company is maintaining separate funds for shareholders and policyholders as per Sec. 11(1B) of the Insurance Act, 1938 (as amended in 2015). The Company transfers the investments from the shareholders account to the policyholder's account, to the extent required to cover the incremental liabilities for life policies in force. Investments held on behalf of the shareholders and the policyholders are included in Schedules 8, 8A and 8B of the financial statements. The investment income arising from the investments held on behalf of shareholders is recognized in the Profit and Loss Account and those held on behalf of policyholders in the Revenue Account respectively.

3.16 Sector-wise percentage of business

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	No. of policies issued	No. of lives covered	First year premium income (₹ '000)	No. of policies issued	No. of lives covered	First year premium income (₹ '000)
Total business	219,805	962,776	14,270,806	216,802	1,650,274	11,487,844
Rural sector	64,834	NA	3,185,738	59,914	NA	2,210,643
As % of total business of current year	29.50%	NA	22.32%	27.64%	NA	19.24%
Social sector	51	86,327	6,154	29	67,720	4,225
As % of total business						
- of current year	0.02%	8.97%	0.04%	0.01%	4.10%	0.04%
- of previous year	0.02%	5.23%	0.05%	0.01%	5.36%	0.04%

3.17 Foreign exchange transactions

Transactions in foreign currencies are recorded at exchange rate prevailing on the date of transaction. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement is recognised as income or expense, as the case may be. The net foreign exchange gain/(loss) in Revenue Account for the year ended March 31, 2018 is ₹ (172) thousands (for the year ended March 31, 2017 - ₹122 thousands)

3.18 Summary of financial statements

The summary of financial statements of the Company as prescribed by the IRDAI in its circular dated April 29, 2003 is presented in Annexure 1.

3.19 Accounting ratios

The accounting ratios as prescribed by the IRDAI in its circular dated January 28, 2010 are presented in Annexure 2.

3.20 Risk retained and risk ceded

Extent of risk retained and risk ceded based on the sum insured is given below:

Particulars	As at March 31, 2018	As at March 31, 2017
Individual Business		
Risk retained	56%	59%
Risk ceded	44%	41%
Group Business		
Risk retained	58%	58%
Risk ceded	42%	42%
Total		
Risk retained	57%	58%
Risk ceded	43%	42%

3.21 Related Party Disclosure

Details of related party transactions as defined in Accounting Standard 18 on 'Related Party Disclosures' is presented in Annexure 3.

3.22 Earnings / (Loss) Per Share

In accordance with the Accounting Standard 20 on 'Earnings Per Share (EPS)', the following table reconciles the numerator and denominator used to calculate basic / diluted earnings per share:

Particulars	March 31, 2018 (₹ in '000)	March 31, 2017 (₹ in '000)
Profit / (Loss) after tax and before / after extra-ordinary items (A)*	1,416,924	638,710
Weighted average number of equity shares (par value of ₹ 10 each)-Basic (B)	2,012,884,283	2,012,884,283
Weighted average number of equity shares (par value of ₹ 10 each)-Diluted (C)	2,012,884,283	2,012,884,283
Basic Earnings / (Loss) per share (A/B)	0.70	0.32
Diluted Earnings / (Loss) per share (A/C)**	0.70	0.32

* For the year ended March 31, 2017, non –par surplus of ₹ 395,505 thousands was retained in Revenue Account and not transferred to Profit and Loss Account. In case the same had been transferred, the revised profit after tax would have been ₹ 1,034,215 thousands and the corresponding Basic Earnings per share and Diluted Earnings per share would be 0.51.

** The Company has approved an Employee Stock Option Plan 2017 w.e.f. January 1, 2018; however the plan is conditional and would be applicable only upon listing of shares of the Company by December 31, 2018. In case the listing does not take place for any reasons whatsoever, this plan would be withdrawn and no rights, whatsoever, will be available with the option holder. In view of the same the effect thereof is not given for arriving at diluted earnings per share.

3.23 Micro, Small and Medium Enterprises Development Act (MSMED), 2006

According to information available with the management, on the basis of intimation received from suppliers, regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, the Company has amounts due to Micro and Small Enterprises under the said Act as at March 31, 2018 as follows:

	(₹ in '000)	
	March 31, 2018	March 31, 2017
a) (i) The principal amount remaining unpaid to any supplier	-	-
(ii) The interest due on above.	-	-
The total of (i) & (ii)	-	-
b) The amount of interest paid by the company in terms of section 16 of the MSMED Act.	289	-
c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	241
d) The amounts of interest accrued and remaining unpaid at the end of financial year	-	2,165
e) The amount of further interest remaining due and payable even in the succeeding years, included in (d) above, until such date when the interest dues as above are actually paid to the small enterprises.	-	2,165

3.24 Transfer from/to Revenue Account to/from Profit and Loss Account and Funds for Future Appropriations

- The accumulated deficit of ₹ 13,003,351 thousands as at March 31, 2017 in the Revenue Account (Policyholders' Account) pertaining to Non par segments which was earlier retained in the Revenue Account, has now been absorbed in the Shareholders' Funds - Reserves and Surplus – Balance of profit as at the year-end (refer Schedule 6).
- The Non-par surplus of ₹ 1,116,399 thousands and Par Surplus of ₹ 268,147 thousands for the year ended March 31, 2018 (for the year ended March 31, 2017 - ₹ Nil thousands and ₹ (136,429) thousands respectively) has been transferred to the Profit and Loss Account (Shareholders' Account) and Funds of future appropriation, respectively. The Non par deficit in few segments amounting to ₹ 484,308 thousands for the year ended March 31, 2018 (for the year ended March 31, 2017 - ₹ Nil) has been transferred from the Profit and Loss Account (Shareholders' Account) to Revenue Account (Policyholders' Account) as contribution to the Policyholders' Account.

3.25 Retirement benefits

- (a) The Company has charged ₹ 186,016 thousands (Previous year- ₹ 172,238 thousands) towards contribution paid/ accrued for the provident fund scheme under 'Employees remuneration and welfare benefits'.
- (b) The amounts recognized in Balance Sheet as at March 31, 2018 and as at March 31, 2017 are as follows:

Liabilities included under "Provisions"

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Long term compensated absences	53,412	49,474
Gratuity	207,851	182,578

- (c) The amounts recognised in the Revenue account towards unfunded gratuity liabilities are as follows:

(₹ in '000)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current service cost	35,803	31,247
Interest on Defined Benefit obligation	11,426	11,245
Expected return on plan assets	NA	NA
Net actuarial losses/(gains) recognised in the year	7,131	3,454
Total, included in 'employees remuneration and welfare benefits'	54,360	45,946

- (d) Changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances of gratuity liability are as follows:

(₹ in '000)

Particulars	As at March 31, 2018	As at March 31, 2017
Obligations at period beginning	182,578	167,282
Current service cost	35,803	31,247
Interest on obligation	11,426	11,245
Net actuarial losses/(gains) recognised in year	7131	3,454
Benefits paid	(29,086)	(30,650)
Obligations at period end	207,851	182,578

- (e) Principal actuarial assumptions as at the Balance Sheet date (expressed as weighted averages) include the discount rate as at March 31, 2018 of 6.85% per annum (at at March 31, 2017 6.80% per annum). Further, the estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The mortality rate has been assumed to follow IALM 2006-08 table.

- (f) Experience Adjustments:

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Defined Benefit Obligation	207,851	182,578	167,282	149,457	123,595
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(207,851)	(182,578)	(167,282)	(149,457)	(123,595)
Exp. Adj. On Plan Liabilities	(16,330)	(383)	79	(8,649)	(12,509)
Exp. Adj. On Plan Assets	-	-	-	-	-

3.26 Long term Incentive Plan (LTIP)

- (a) The Company has charged ₹16,032 thousands for the year ended March 31, 2018 (Previous Year: ₹ 19,543 thousands) towards LTIP under 'Employees remuneration and welfare benefits'.
- (b) The amounts recognized in Balance Sheet as at March 31, 2018 was ₹ 17,433 thousands (as at March 31, 2017 ₹ 7,744 thousands)

3.27 ESOP & Cash LTI scheme 2017

The intrinsic value of the options granted under ESOP scheme is 'Nil' as the exercise price of the option is lesser than the fair value of the underlying share on the grant date and accordingly, no expenses are recognised in the books.

The Company has charged an amount of ₹ 12,081 thousands for the year towards Cash LTI scheme and the same is outstanding in the books as at March 31, 2018

3.28 Additional Disclosure of expenses:

As required by IRDAI's circular no. 067/IRDA/F&A/CIR/MAR-08 dated March 28, 2008 the details of the following expenses are furnished below:

(₹ in '000)

Heads of Expenses*	Grouped Under	Year ended March 31, 2018	Year ended March 31, 2017
Outsourcing Expenses (manpower)	Employee's remuneration and welfare benefits	375,282	347,292
Business Development	Business Development, Sales promotion & Sales conference	(70,556)	225,993
Marketing Support	Advertisement and publicity	-	(368)

*includes true up of provisions

3.29 Discontinued Fund:

As required by IRDAI's notification F No. IRDA/Reg/2/52/2010 dated July 01, 2010, the details of the discontinued fund are mentioned below:

(₹ in '000)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Fund for Discontinued Policies		
Opening Balance of Funds for Discontinued Policies	5,924,857	5,242,323
Add: Fund of policies discontinued during the year	3,064,195	2,867,482
Less: Fund of policies revived during the year	958,408	925,745
Add: Net Income/ Gains on investment of the Fund	401,466	370,057
Less: Fund Management Charges levied	37,838	31,582
Less: Amount refunded to policyholders during the year	2,645,039	1,597,678
Closing Balance of Fund for Discontinued Policies	5,749,232	5,924,857

(₹ in '000)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Other disclosures		
No. of policies discontinued during the year	17,601	30,968
Percentage of discontinued policies to total policies (product-wise) during the year		
Met Smart Platinum	38%	50%
Met Easy Super	2%	1%
Met Smart Child	59%	48%
MetLife Mera Wealth Plan	1%	1%
No. of policies revived during the year	6,350	9,376
Percentage of policies revived (to discontinued policies) during the year		
Met Smart Platinum	38%	45%
Met Easy Super	2%	2%
Met Smart Child	59%	53%
MetLife Mera Wealth Plan	1%	0%
Charges imposed on account of discontinued policies	32,479	62,613
Charges readjusted on account of revival of policies	12,709	20,630

3.30 Unclaimed Amount of Policyholders

As required by IRDAI's circular no. IRDA/F&I/CIR/CMP/174/11/2010 dated November 4, 2010, statement showing the age-wise analysis of the unclaimed amount of policyholders is as follows

As at March 31, 2018

(₹ in '000)

Ageing Analysis	Claims settled but not paid to the policyholders/ insured due to any reasons except under litigation from the insured / policyholders	Sum due to the insured / policyholders on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the policyholder / insured
0 - 6 Months	901	289,006	32,569	45,037
7 - 12 Months	98	113,973	8,454	48,697
13-18 Months	909	83,552	13,705	53,760
19-24 Months	8,196	89,865	15,093	84,706
25-30 Months	5,560	73,918	12,594	55,997
31-36 Months	4,078	49,151	30,037	32,413
36-120 Months	6,609	636,563	153,728	81,202
Beyond 120 months	-	-	9	4,087
Grand Total	26,351	1,336,028	266,189	405,899

As at March 31, 2017

(₹ in '000)

Ageing Analysis	Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	Sum due to the insured / policyholders on maturity or otherwise	Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as per terms & conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	Cheques issued but not encashed by the policyholder/ insured (Refer Note below)
0-1 Month	39,459	78,000	4,655	-
1-6 Months	1,947	166,630	45,812	21,324
7-12 Months	8,301	125,229	41,026	83,647
13-18 Months	1,1078	73,862	76,219	10,708
19-24 Months	-	37,162	29,778	1,102
25-30 months	-	47,838	23,792	1,441
31-36 months	11,070	142,054	30,494	228,579
Beyond 36 months	626	583,123	132,867	45,615
Total	72,481	1,253,898	384,643	392,416

3.31 In line with circular no. IRDA/F&I/CIR/CMP/174/11/2010 dated 04.11.2010, the details of unclaimed amounts and Investment Income is given below:

(₹ in Lakh)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Balance	21,034	22,116
Add: Amount transferred to unclaimed fund	12,824	30,728
Add: Cheques issued out of the Unclaimed amount but not encashed by the policy holders (Stale cheques)	173	411
Add: Investment Income on Unclaimed fund	1,233	1,038
Less: Amount of claims paid during the year	14,137	33,259
Less: Amount transferred to SCWF	782	-
Closing Balance of Unclaimed Amount Fund	20,345	21,034

3.32 Fines & Penalties:

Sl. No.	Authority	Non-Compliance/ Violation	2017-18 (₹ in '000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

Sl. No.	Authority	Non-Compliance/ Violation	2016-17 (₹ in '000)		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Penalty by IRDAI	1,000	1,000	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Nil	Nil	Nil	Nil

3.33 Expenses of Management

As per the Expense of Management Regulations, 2016, the percentage of actual expense to allowable expense of the Company is within the defined limits as specified in the regulation.

An amount of ₹ 5,119 thousands for the year ended March 31, 2018 (for the year ended March 31, 2017 ₹4,253) being excess over allowable limit in a particular segment has been debited to Profit and Loss Account (Shareholder's Account) in accordance with clause 16 of the regulations.

3.34 Corporate Social responsibility (CSR)

As per section 135 of the Companies Act 2013, the Company needs to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediate preceding financial years on CSR related activities. Accordingly, an amount of ₹15,577 thousands (previous year ₹20,568 thousands) is required to be spent by the Company towards CSR activities. The Company has spent ₹8,711 thousands (previous year ₹13,315 thousands) on various CSR initiatives:

(₹ in '000)

Sector in which the project is covered	Year ended March 31, 2018	Year ended March 31, 2017
Eradication hunger, poverty and malnutrition; promoting healthcare, including preventive health care; and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation; and making available safe drinking water	-	1,937
Promoting education, including special education, and employment-enhancing vocational skills, especially among children, women, elderly, and the differently-abled; and livelihood enhancement projects	6,499	8,365
Training to promote rural sports, nationally-recognized sports, Paralympic sports and Olympic sports. Sports Infrastructure Support	1,748	2,018
Administration Charges	464	995
Total	8,711	13,315

The amount spent during the year is as follows:

(₹ in '000)

	For the year ended March 31, 2018			For the year ended March 31, 2017		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	8,711	-	8,711	12,653	662	13,315
Total	8,711	-	8,711	12,653	662	13,315

Movement in provision for CSR activities

(₹ in '000)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1,137	1,465
Additional provision made during the year	-	662
Amount used during the year	641	990
Balance at the end of the year	496	1,137

3.35 Previous year comparatives:

Previous year figures have been reclassified/regrouped, wherever necessary & appropriate, to confirm to current year's presentation.

(₹ in '000)

No.	Regroup from	Regroup to	Amount	Reason
1	Annuities/ Pension payment	Claims by death	4,813	For appropriate presentation

As per our report of even date attached

For and on behalf of the Board of Directors

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 100186W

For **Thakur Vaidyanath Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration
No.: 000038N

Lyndon Oliver
Chairman
DIN: 07561067

Ashish Kumar Srivastava
Managing Director & CEO
DIN: 00355075

Rajesh S. Joshi
Partner
Membership No.:038526

K.N. Gupta
Partner
Membership No.:009169

Pheroze K Mistry
Director
DIN: 00344590

Neeraj Swaroop
Director
DIN: 00061170

Niraj Shah
Chief Financial Officer

P K Dinakar
Appointed Actuary

Place: Mumbai
Date: June 01, 2018

Yagya Turker
Company Secretary
M. No. 19493

Annexure 1

3.18 Summary of financial statements

(₹ in '000)

Sl. No.	Particulars	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
	POLICYHOLDERS' A/C					
1	Gross premium income	39,535,108	32,360,801	28,278,346	24,611,858	22,405,865
2	Net premium income	38,605,153	31,389,059	27,272,281	23,655,445	21,752,564
3	Income from investments (Net)	13,476,307	15,206,096	2,827,037	19,802,212	11,411,638
4	Other income	219,789	172,439	128,664	138,823	107,194
4A	Contribution from the Shareholders' Account	484,308	-	-	-	-
5	Total income	52,785,557	46,767,594	30,227,982	43,596,480	33,271,396
6	Commission	2,154,760	1,796,521	1,614,626	1,384,324	1,267,674
7	Brokerage	-	-	-	-	-
8	Operating expenses related to the insurance business	8,148,395	7,466,339	7,493,299	6,036,495	5,449,427
8A	Service tax / Goods and Services Tax on Charges	385,921	358,458	355,679	326,776	-
9	Provision for Tax	-	-	-	-	-
9A	Provision for Advances & Recoveries	(4,690)	48,463	80,461	20,479	-
10	Total expenses	10,684,386	9,669,781	9,544,065	7,768,074	6,717,101
11	Payment to policyholders	21,110,279	17,707,640	14,316,852	18,688,299	16,046,270
12	Increase in actuarial liability	24,285,385	17,990,983	12,017,732	8,229,722	9,236,411
13	Provision for Linked Liabilities	(4,915,519)	993,230	(6,207,064)	7,834,909	(201,154)
14	Surplus/(Deficit) from operations	1,621,026	405,960	556,397	1,075,476	1,472,769
	SHAREHOLDERS' A/C					
15	Total income under Shareholders' Account	645,983	566,901	528,256	494,183	463,114
16	Total expenses under Shareholders' Account	97,631	75,075	85,119	34,861	13,409
16A	Contribution to the Revenue Account	484,308	-	-	-	-
17	Profit/(Loss) before tax	1,416,924	638,710	536,260	524,268	489,059
18	Provisions for tax	-	-	-	-	-
19	Profit/(Loss) after tax	1,416,924	638,710	536,260	524,268	489,059
20	Profit/(Loss) carried to Balance Sheet	(9,376,475)	2,209,952	1,571,242	1,034,982	510,714
	MISCELLANEOUS					
21	(A) Policyholders' account:					
	Total funds	162,446,180	143,063,683	124,054,296	118,243,628	102,178,997
	Total investments	161,880,752	144,557,761	128,254,722	121,378,198	103,639,912
	Yield on investments (%) (Annualised)	9.64%	12.55%	2.32%	21.36%	12.23%
	(B) Shareholders' account:					
	Total funds	10,752,240	9,338,314	8,301,229	7,624,117	6,998,941
	Total investments	10,532,432	7,032,825	6,499,122	5,983,836	5,652,165
	Yield on investments (%) (Annualised)	7.94%	9.14%	9.25%	9.28%	9.18%
22	Yield on total investments (%) (Annualised)	9.55%	12.38%	2.61%	20.50%	12.08%
23	Paid up equity capital	20,128,843	20,128,843	20,128,843	20,128,843	20,128,843
24	Networth	10,752,240	9,338,314	8,301,229	7,624,117	6,998,941
25	Total assets (Net of Current Liabilities)	175,094,498	154,095,358	134,232,400	127,204,480	109,605,050
26	Earnings/(Loss) per share Basic/ (₹) (refer note 1 below)	0.70	0.32	0.27	0.26	0.24
27	Book value per share (₹) (refer note 2 below)	5.34	4.64	4.12	3.79	3.48

Note 1

Earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Note 2

Book Value per share = $\frac{\text{Total Shareholders Funds-Debit balance in Profit and Loss Account-Debit balance in Revenue Account}}{\text{Total number of shares}}$

Annexure 2

3.19 Accounting ratios (refer notes below)

Sl. No.	Description	March 31, 2018	March 31, 2017
1.	New business premium income growth (segment-wise)		
	Participating policies	0.3%	8%
	Non-participating policies	27%	127%
	Par Pension	18%	343%
	Non- Par Annuity	-8%	340%
	Non- Par Pension	-34%	28%
	Health	-75%	-45%
	Group - linked	992%	38%
	Individual Life - Linked	145%	-63%
	Pension - linked	NA	-171%
	(current year new business premium -previous year new business premium)/ previous year new business premium		
2.	Net retention ratio (net premium/gross premium)	98%	97%
3.	Ratio of expenses of management (expenses of management / total gross direct premium)	26%	29%
4.	Commission ratio (gross commission paid/gross premium)	5%	6%
5.	Ratio of policyholders' liabilities to shareholders' funds (policyholders' liabilities / shareholders' funds)	1527%	1548%
6.	Growth rate of shareholders' funds [current year shareholders' funds - previous year shareholders' funds) / previous year shareholders' funds)	15%	12%
7.	Ratio of surplus/(deficit) to policyholders' liability [surplus/(deficit) as per policyholders' liability]	1%	0%
8.	Change in net worth [current year shareholders' funds - previous year shareholders' funds]	1,413,926	1,037,085
9.	Profit (loss) after tax/Total income	2.65%	2.18%
10.	(Total real estate + Loans)/Cash & invested assets	0%	0%
11.	Total investments/[Capital + Surplus [Deficit]]	1603%	1624%
12.	Total affiliated investments/[Capital + Surplus (Deficit)]	2%	3%
13	Investment yield (gross & net)		
	- Non linked Par (With unrealised gains/losses)	5%	12%
	- Non linked Par (With realised gains/losses)	9%	9%
	- Non linked Non Par (With unrealised gains/losses)	5%	12%
	- Non linked Non Par (With realised gains/losses)	8%	8%
14	Conservation Ratio		
	- Linked	76%	70%
	- Non Linked	81%	77%
	- Pension (both Linked and Non Linked)	74%	67%
	- Health	82%	78%
15	Persistency Ratio		
	For 13th month	77%	73%
	For 25th month	58%	53%
	For 37th month	46%	42%
	For 49th Month	37%	40%
	For 61st month	28%	27%
16	NPA Ratio		
	Gross NPA Ratio	-	-
	Net NPA Ratio	-	-

Note:

- The above ratios have been calculated based on Revenue Account, Profit and Loss Account for the year ended March 31, 2018 and for the year ended March 31, 2017 and the Balance Sheet as at March 31, 2018 and March 31, 2017.
- Shareholders' funds are net of accumulated deficit in Profit & loss account and Revenue Account, for the purpose of calculating relevant ratios.

Annexure 3

Related Party Disclosures as per Accounting Standard 18 Related Parties and Nature of Relationship:

SI No	Name of Related parties	Nature of Relationship
1	Punjab National Bank	Significant Influence
2	MetLife International Holdings, LLC (erstwhile MetLife International Holdings, Inc)	Significant Influence or Controlling Enterprise*
3	Ashish Kumar Srivastava	Key Management Personnel - Interim CEO and principal officer (From 31/03/2017 to 30/09/2017) & Managing Director and CEO (effective from October 01, 2017)
4	Tarun Chugh	Key Management Personnel - Managing Director (upto March 31, 2017)

The following are the transactions between the Company and its related parties:

SI No	Name of the related Party with whom the transactions have been made	Description of the Relationship with the Party	Nature of Transaction	Current Year		Previous Year	
				Amount outstanding as on March 31, 2018	Amount outstanding as on March 31, 2018	Amount outstanding as on March 31, 2017	Amount outstanding as on March 31, 2017
1	MetLife International Holdings, LLC	Significant Influence or Controlling Enterprise*	Received/Receivable towards -				
			a) Compensation	96,753	33,809	115,211	36,311
			b) Information technology	14,078	965	1,350	NIL
			c) Travel and others	5,286	2,180	11,346	2,246
			Paid/Payable towards -				
			a) Conference/Travel	NIL	NIL	5,301	NIL
			b) Peanut License fee (Inclusive of foreign exchange fluctuations)	2,665	NIL	3,610	NIL
							788
2	Punjab National Bank	Significant Influence	Received/Receivable towards -				
			a) Premium	NIL	NIL	4,536	NIL
			b) Interest/Dividend	21,216	3,022	41,681	2,963
			c) Bank balances (Current account/short term deposit)	NIL	1,305,864	NIL	917,333

(₹ in '000)

(₹ in '000)

SI No	Name of the related Party with whom the transactions have been made	Description of the Relationship with the Party	Nature of Transaction	Current Year		Previous Year	
				Amount	Amount outstanding as recoverable as on March 31, 2018	Amount outstanding as recoverable as on March 31, 2017	Amount outstanding as payable as on March 31, 2017
			d) Investment in fixed deposit & bond Paid/Payable towards -	NIL	250,164	NIL	250,188
			a) Commission	1,463,210	NIL	210,491	NIL
			b) Bank charges	10,050	3,829	6,029	NIL
			c) Premium deposit	NIL	NIL	0.02	NIL
			d) Claims/surrender settled	200	NIL	NIL	NIL
3	Ashish Kumar Srivastava	Interim CEO & Principal Officer	Employee benefits	21,481	NIL	NIL	NIL
		Managing Director	Managerial Remuneration	28,827	NIL	20,878	NIL
4	Tarun Chugh	Managing Director	Managerial remuneration (Refer: Note 3.10 of the Notes to Accounts)	(3,150)	NIL	NIL	NIL
						27,389	3,534

*From October 18, 2016, MetLife International Holdings, LLC (MIHI) which is having 26% share holding in the Company has significant influence but does not exercise control over the Company in light of changes made and steps taken by the Company to comply with the guidelines on "India Owned & Controlled" issued by the Insurance Regulatory & Development Authority of India (IRDAI). Thus, MetLife Inc., holding company of MIHI does not have any direct or indirect control over the Company from October 18, 2016

Note:

During the year ended March 31, 2018, the Company has incurred expenditure of ₹33,881 thousands towards proposed Initial Public Offering (IPO) of PNB MetLife through an offer for sale. Such expenditure would be recovered from the selling shareholders in FY 2018-19.

(₹ in '000)

STATEMENT OF SEGMENTAL ASSETS AND LIABILITIES AS AT MARCH 31, 2018

Particulars	Par	Non Par	Par Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Shareholders	Total
SOURCES OF FUNDS:											
SHAREHOLDERS FUNDS											
Share capital	-	-	-	-	-	-	-	-	-	20,128,843	20,128,843
Reserves and surplus	-	-	-	-	-	-	-	-	-	-	-
Fair value change account - Net	-	-	-	-	-	-	-	-	-	(128)	(128)
Total shareholders' funds	-	-	-	-	-	-	-	-	-	20,128,715	20,128,715
Borrowings	43,174	41,573	204	65	3	815	46	19,277	46	-	105,203
POLICYHOLDERS' FUNDS											
Fair value change account	40,625	(2,820)	-	-	-	-	-	-	-	-	37,805
Policy liabilities	67,697,985	29,309,344	768,573	206,709	388,742	801,056	-	-	-	-	99,172,409
Insurance reserves	-	-	-	-	-	-	-	-	-	-	-
Provision for linked liabilities- Non unit	-	-	-	-	-	-	489	393,190	349	-	394,028
Provision for linked liabilities	-	-	-	-	-	-	1,533,261	54,464,803	1,094,642	-	57,092,706
Total policyholders' funds	67,738,610	29,306,524	768,573	206,709	388,742	801,056	1,533,750	54,857,993	1,094,991	-	156,696,948
Funds for discontinued policies	-	-	-	-	-	-	-	-	-	-	-
- Discontinued on account of non-payment of premium	-	-	-	-	-	-	-	5,749,232	-	-	5,749,232
Funds for future appropriations	1,645,754	-	145,121	-	-	-	-	-	-	-	1,790,875
TOTAL	69,427,538	29,348,097	913,898	206,774	388,745	801,871	1,533,796	60,626,502	1,095,037	20,128,715	184,470,973
APPLICATION OF FUNDS:											
INVESTMENTS											
Shareholders'	-	-	-	-	-	-	-	-	-	10,532,432	10,532,432
Policyholders'	67,885,571	28,456,663	854,304	202,313	450,774	795,161	489	393,190	349	-	99,038,814
Assets held to cover linked liabilities	-	-	-	-	-	-	1,533,261	60,214,035	1,094,642	-	62,841,938
Loans	326,054	42,417	-	-	-	-	-	-	-	-	368,471
Fixed assets	231,782	223,182	1,094	351	18	4,373	245	103,487	249	230,266	795,047
Current assets											
Cash and bank balances	257,193	1,597,943	10,297	1,019	72	110,963	279	907,055	13,370	-	2,898,191
Advances and other assets	3,663,674	3,919,234	59,939	250	9,527	74,528	69	222,800	3,284	288,912	8,242,217
TOTAL	3,920,867	5,517,177	70,236	1,269	9,599	185,491	348	1,129,855	16,654	288,912	11,140,408
Less :											
Current liabilities	2,839,123	4,750,975	15,555	1,732	122	188,638	475	1,542,000	22,729	-	9,361,349
Provisions	101,238	96,866	555	62	4	6,726	17	54,985	810	-	261,263
TOTAL	2,940,361	4,847,841	16,110	1,794	126	195,364	492	1,596,985	23,539	-	9,622,612
Net current assets	980,506	669,336	54,126	(525)	9,473	(9,873)	(144)	(467,130)	(6,885)	288,912	1,517,796
Control Account	3,625	(43,501)	4,374	4,635	(71,520)	12,210	(55)	382,920	6,682	(299,370)	-
Miscellaneous expenditure (to the extent not written off)	-	-	-	-	-	-	-	-	-	-	-
Deficit/ (Surplus) in Policyholders account	-	-	-	-	-	-	-	-	-	9,376,475	9,376,475
Debit balance in profit and loss account	-	-	-	-	-	-	-	-	-	-	-
TOTAL	69,427,538	29,348,097	913,898	206,774	388,745	801,871	1,533,796	60,626,502	1,095,037	20,128,715	184,470,973

Annexure 4

SEGMENTAL REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

(₹ in '000)

Particulars	Schedule	Par	Non Par	Par Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
Premiums earned - net											
(a) Premium (net of service tax)	1	16,257,185	14,027,695	405,938.00	85,611	15,261	533,965	171,420	7,991,164	46,869	39,535,108
(b) Reinsurance ceded		347	(793,799)	92.00	38	-	(27,429)	-	(109,204)	-	(929,955)
(c) Reinsurance accepted											
Income from investments		16,257,532	13,233,896	406,030.00	85,649	15,261	506,536	171,420	7,881,960	46,869	38,605,153
(a) Interest, dividends and rent - net of accretion/amortisation of discount/premium)		4,969,114	2,021,134	45,528.00	10,493	38,893	44,709	102,463	2,317,886	30,646	9,580,866
(b) Profit on sale/redemption of investments		252,087	12,843	-	-	-	-	27,633	7,119,870	170,446	7,582,879
(c) (Loss) on sale/ redemption of investments		(1,619)	(1,177)	-	-	(3,556)	-	(18,737)	(776,842)	(13,834)	(815,765)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	(21,873)	(2,790,436)	(59,364)	(2,871,673)
Other Income											
(a) Interest on policy loans		31,058	3,301	-	-	-	-	-	-	-	34,359
(b) Miscellaneous income		24,148	146,338	146.00	-	1	1,596	4	13,004	193	185,430
Contribution from the Shareholders' Account		-	483,270	-	1,038	-	-	-	-	-	484,308
Total (A)		21,532,320	15,899,605	451,704.00	97,180	50,599	552,841	260,910	13,765,442	174,956	52,785,557
Commission	2	845,925	1,025,458	12,527.00	760	12	15,498	(2)	254,482	100	2,154,760
Operating expenses related to insurance business	3	3,495,737	3,219,818	20,411.00	4,677	528	75,217	3,612	1,324,078	4,317	8,148,395
Service tax /Goods and Services Tax on Charges		834	-	-	-	-	-	1,960	382,740	387	385,921
Provision for doubtful debts		-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Provision for Income Tax		-	-	-	-	-	-	-	-	-	-
Provisions (other than taxation)		-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments		-	-	-	-	-	-	-	-	-	-
(b) Advances & Recoveries		4,560	(375)	61.00	86	1	(61)	177	(8,812)	(327)	(4,690)
Total (B)		4,347,056	4,244,901	32,999	5,523	541	90,654	5,747	1,952,488	4,477	10,684,386

(₹ in '000)

Particulars	Schedule	Par	Non Par	Par Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
Benefits paid (net)	4	1,863,115	2,321,913	13,975	8,558	148,748	27,860	180,031	16,146,010	374,139	21,084,349
Interim bonuses paid		25,800	-	130	-	-	-	-	-	-	25,930
Change in valuation of liability in respect of life policies											
(a) Gross		14,843,709	11,202,180	382,298	83,099	(121,807)	328,638	69,442	(4,802,454)	(226,550)	21,758,555
(b) Amount ceded in reinsurance		(29,685)	(2,411,251)	-	-	-	8,204	-	44,041	2	(2,388,689)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-
Total (C)		16,702,939	11,112,842	396,403	91,657	26,941	364,702	249,473	11,387,597	147,591	40,480,145
Surplus/(Deficit) (D) = (A) - (B) - (C)		482,325	541,862	22,302	-	23,117	97,485	5,690	425,357	22,888	1,621,026
Appropriations											
Transfer to shareholders' account		235,506	541,862	975	-	23,117	97,485	5,690	425,357	22,888	1,352,880
Transfer to other reserves		-	-	-	-	-	-	-	-	-	-
Funds for future appropriations		246,819	-	21,327	-	-	-	-	-	-	268,146
Surplus/(Deficit) after appropriation		-	-	-	-	-	-	-	-	-	-
Total (D)		482,325	541,862	22,302	-	23,117	97,485	5,690	425,357	22,888	1,621,026
Details of Total Surplus/(Deficit)											
(a) Interim bonuses paid		25,800	-	130	-	-	-	-	-	-	25,930
(b) Allocation of bonus to policyholders'		2,119,550	-	8,777	-	-	-	-	-	-	2,128,327
(c) Surplus shown in the Revenue Account		482,325	541,862	22,302	-	23,117	97,485	5,690	425,357	22,888	1,621,026
Total Surplus/(Deficit)		2,627,675	541,862	31,209	-	23,117	97,485	5,690	425,357	22,888	3,775,283

Annexure 4

STATEMENT OF SEGMENTAL ASSETS AND LIABILITIES AS AT MARCH 31, 2017

(₹ in '000)

Particulars	Par	Non Par	Par Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Shareholders	Total
SOURCES OF FUNDS:											
SHAREHOLDERS FUNDS											
Share capital	-	-	-	-	-	-	-	-	-	20,128,843	20,128,843
Reserves and surplus	-	-	-	-	-	-	-	-	-	2,209,952	2,209,952
Fair value change account - Net	-	-	-	-	-	-	-	-	-	2,870	2,870
Total shareholders' funds	-	-	-	-	-	-	-	-	-	22,341,665	22,341,665
Borrowings	79,496	49,434	1,859	94	-	4,678	-	34,642	429	-	170,632
POLICYHOLDERS' FUNDS											
Fair value change account	20,882	4,292	-	-	-	-	-	-	-	-	25,174
Policy liabilities	52,883,961	20,518,417	386,274	123,607	510,549	464,215	-	-	-	-	74,887,023
Insurance reserves	-	-	-	-	-	-	-	-	-	-	-
Provision for linked liabilities- Non unit	-	-	-	-	-	-	-	421,628	2,510	-	424,138
Provision for linked liabilities	-	-	-	-	-	-	1,464,309	59,019,153	1,319,029	-	61,802,491
Total policyholders' funds	52,904,843	20,522,709	386,274	123,607	510,549	464,215	1,464,309	59,440,781	1,321,539	-	137,138,826
Funds for discontinued policies	-	-	-	-	-	-	-	-	-	-	-
- Discontinued on account of non-payment of premium	-	-	-	-	-	-	-	5,924,857	-	-	5,924,857
Funds for future appropriations	1,398,933	-	123,796	-	-	-	-	-	-	-	1,522,729
TOTAL	54,383,272	20,572,143	511,929	123,701	510,549	468,893	1,464,309	65,400,280	1,321,968	22,341,665	167,098,709
APPLICATION OF FUNDS:											
INVESTMENTS											
Shareholders'	-	-	-	-	-	-	-	-	-	7,032,825	7,032,825
Policyholders'	53,411,619	21,494,794	414,593	115,765	542,617	426,887	-	421,628	2,510	-	76,830,413
Assets held to cover linked liabilities	-	-	-	-	-	-	1,464,309	64,944,010	1,319,029	-	67,727,348
Loans	259,350	29,027	-	-	-	-	-	-	-	-	288,377
Fixed assets	227,507	182,317	874	363	30	11,430	235	59,088	389	234,333	716,566
Current assets	-	-	-	-	-	-	-	-	-	-	-
Cash and bank balances	477,554	1,066,955	56	428	32	96,214	163	968,008	15,652	-	2,625,062
Advances and other assets	2,972,349	3,232,496	26,986	90	18,689	47,314	34	202,302	3,271	215,465	6,668,996
3,399,903	4,299,451	27,042	518	18,721	143,528	143,528	197	1,170,310	18,923	215,465	9,294,058
Less :	-	-	-	-	-	-	-	-	-	-	-
Current liabilities	2,079,401	3,778,922	7,098	673	50	151,090	256	1,520,108	24,579	-	7,562,177
Provisions	88,395	71,225	302	29	2	6,423	11	64,620	1,045	-	232,052
2,167,796	3,850,147	7,400	702	52	157,513	157,513	267	1,584,728	25,624	-	7,794,229
Net current assets	1,232,107	449,304	19,642	(184)	18,669	(13,985)	(70)	(414,418)	(6,701)	215,465	1,499,829
Control Account	(747,311)	(1,814,366)	76,820	(20,941)	(92,967)	(73,483)	83,367	(12,715,993)	445,832	14,859,042	-
Miscellaneous expenditure (to the extent not written off)	-	-	-	-	-	-	-	-	-	-	-
Deficit/ (Surplus) in Policyholders account	-	231,067	-	28,698	42,200	118,044	(83,532)	13,105,965	(439,091)	-	13,003,351
Debit balance in profit and loss account	-	-	-	-	-	-	-	-	-	-	-
TOTAL	54,383,272	20,572,143	511,929	123,701	510,549	468,893	1,464,309	65,400,280	1,321,968	22,341,665	167,098,709

Annexure 4

(₹ in '000)

SEGMENTAL REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Schedule	Par	Non Par	Par Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
Premiums earned - net											
(a) Premium (net of service tax)	1	13,955,457	10,027,527	235,641	92,675	14,550	580,740	66,072	7,324,357	63,782	32,360,801
(b) Reinsurance ceded		(19,411)	(802,295)	11	25	-	(17,547)	-	(132,816)	291	(971,742)
(c) Reinsurance accepted											
Income from investments		13,936,046	9,225,232	235,652	92,700	14,550	563,193	66,072	7,191,541	64,073	31,389,059
(a) Interest, dividends and rent - net of accretion/amortisation of discount/premium)		3,982,817	1,534,315	25,861	4,020	56,034	18,854	99,889	2,348,558	38,275	8,108,623
(b) Profit on sale/redemption of investments		2,747	379	-	-	3,545	1,200	40,018	5,482,004	145,517	5,675,410
(c) (Loss) on sale/ redemption of investments		-	-	-	-	-	-	(9,974)	(493,830)	(9,416)	(513,220)
(d) Transfer/gain on revaluation/change in fair value		-	-	-	-	-	-	31,974	1,857,207	46,102	1,935,283
Other Income											
(a) Interest on policy loans		26,026	2,730	-	-	-	-	-	-	-	28,756
(b) Miscellaneous income		13,666	119,059	50	-	-	973	2	9,775	158	143,683
Contribution from the Shareholders' Account											
Total (A)		17,961,302	10,881,715	261,563	96,720	74,129	584,220	227,981	16,395,255	284,709	46,767,594
Commission	2	870,424	741,639	8,522	787	111	40,856	10	134,007	165	1,796,521
Operating expenses related to insurance business	3	3,588,186	2,829,030	16,859	5,211	4,072	195,321	2,679	820,441	4,540	7,466,339
Service tax on Charges		844	-	-	-	14	-	1,369	353,378	2,853	358,458
Provision for doubtful debts		-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
Provision for Income Tax		-	-	-	-	-	-	-	-	-	-
Provisions (Other than taxation)		-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments		-	-	-	-	-	-	-	-	-	-
(b) Advances & Recoveries		17,786	18,709	380	1,104	(107)	78	(165)	12,058	(1,380)	48,463
Total (B)		4,477,240	3,589,378	25,761	7,102	4,090	236,255	3,893	1,319,884	6,178	9,669,781

(₹ in '000)

Particulars	Schedule	Par	Non Par	Par Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
Benefits paid (net)	4	1,475,248	2,164,053	12,290	4,813	418,328	10,703	125,541	13,023,722	456,129	17,690,827
Interim bonuses paid		15,625	4	1,184	-	-	-	-	-	-	16,813
Change in valuation of liability in respect of life policies											
(a) Gross		12,052,927	6,877,110	170,035	100,099	(334,075)	393,966	93,119	1,100,585	(200,364)	20,253,402
(b) Amount ceded in reinsurance		(17,900)	(1,220,990)	-	-	-	(30,189)	-	(108)	(2)	(1,269,189)
(c) Amount accepted in reinsurance		-	-	-	-	-	-	-	-	-	-
Total (C)		13,525,900	7,820,177	183,509	104,912	84,253	374,480	218,660	14,124,199	255,763	36,691,853
Surplus/(Deficit) (D) = (A) - (B) - (C)		(41,838)	(527,840)	52,293	(15,294)	(14,214)	(26,515)	5,428	951,172	22,768	405,960
Appropriations											
Transfer to shareholders' account		146,430	-	454	-	-	-	-	-	-	146,884
Transfer to other reserves		-	-	-	-	-	-	-	-	-	-
Funds for future appropriations		(188,268)	-	51,839	-	-	-	-	-	-	(136,429)
Surplus/(Deficit) after appropriation		-	(527,840)	-	(15,294)	(14,214)	(26,515)	5,428	951,172	22,768	395,505
Total (D)		(41,838)	(527,840)	52,293	(15,294)	(14,214)	(26,515)	5,428	951,172	22,768	405,960
Balance at the beginning of year		-	296,773	-	(13,404)	(27,986)	(91,529)	78,104	(14,057,137)	416,323	(13,398,856)
Surplus/(Deficit) after appropriation		-	(527,840)	-	(15,294)	(14,214)	(26,515)	5,428	951,172	22,768	395,505
Balance carried to balance sheet		-	(231,067)	-	(28,698)	(42,200)	(118,044)	83,532	(13,105,965)	439,091	(13,003,351)
Details of Total Surplus/(Deficit)											
(a) Interim bonuses paid		15,625	4	1,184	-	-	-	-	-	-	16,813
(b) Allocation of bonus to policyholders'		1,317,870	-	4,084	-	-	-	-	-	-	1,321,954
(c) Surplus shown in the Revenue Account		(41,838)	(527,840)	52,293	(15,294)	(14,214)	(26,515)	5,428	951,172	22,768	405,960
Total Surplus/(Deficit)		1,291,657	(527,836)	57,561	(15,294)	(14,214)	(26,515)	5,428	951,172	22,768	1,744,727

Annexure 4

SCHEDULE 1 - PREMIUM

(₹ in '000)

Particulars	March 31, 2018										Total
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked		
First year Premiums	4,967,364	5,140,438	228,785	-	8,599	59,488	2,210	2,204,153	(30)	12,611,007	
Renewal Premiums	11,290,400	7,701,718	177,153	-	6,662	474,477	65,203	5,501,893	46,796	25,264,302	
Single Premiums	(579)	1,185,539	-	85,611	-	-	104,007	285,118	103	1,659,799	
Total Premium	16,257,185	14,027,695	405,938	85,611	15,261	533,965	171,420	7,991,164	46,869	39,535,108	

SCHEDULE 2 - COMMISSION EXPENSES

(₹ in '000)

Particulars	March 31, 2018										Total
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked		
Commission paid											
Direct											
-First year Premiums	574,491	779,277	10,700	56	12	7,352	-	171,204	-	1,543,092	
-Renewal Premiums	271,434	189,548	1,827	-	-	8,146	(2)	79,243	100	550,296	
-Single Premiums	-	56,633	-	704	-	-	-	4,035	-	61,372	
Gross commission	845,925	1,025,458	12,527	760	12	15,498	(2)	254,482	100	2,154,760	
Add: Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-	
Less: Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-	-	
Net Commission	845,925	1,025,458	12,527	760	12	15,498	(2)	254,482	100	2,154,760	

SCHEDULE 3 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(₹ in '000)

Particulars	March 31, 2018										Total
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked		
Employees' remuneration and welfare benefits	2,447,326	1,997,394	17,586	3,267	396	50,867	2,601	889,037	2,225	5,410,699	
Travel, conveyance and vehicle running expenses	50,878	48,868	242	77	6	958	59	22,737	57	123,882	
Training expenses	16,067	15,369	77	25	3	302	21	7,191	19	39,074	
Rents, rates and taxes	113,981	254,432	856	156	14	3,961	111	52,786	1,255	427,552	
Repairs	23,919	23,032	113	36	2	451	25	10,679	26	58,283	
Printing and stationery	16,369	15,761	77	25	1	309	17	7,308	18	39,885	
Communication expenses	60,775	58,499	287	92	5	1,146	65	27,139	66	148,074	
Legal & professional charges	41,753	37,549	225	69	42	745	158	19,088	96	99,725	
Medical fees	7,474	38,571	27	-	-	3,110	-	5,508	1	54,691	
Auditors' Fees, expenses, etc.											
(a) as auditor	2,462	2,371	12	4	-	46	3	1,099	3	6,000	
(b) other services	55	53	-	-	-	1	-	25	-	134	
(c) expenses	494	476	2	1	-	9	1	221	1	1,205	
Advertisement and publicity	94,057	90,568	444	142	7	1,775	99	41,995	101	229,188	
Business Development & Sales promotion	303,394	333,565	4,069	299	3	5,588	45	97,569	77	744,609	
Interest and Bank Charges	30,641	27,839	162	50	27	552	104	13,960	65	73,400	
Recruitment expenses	28,960	27,879	137	44	2	546	31	12,931	31	70,561	
Information Technology expenses	97,813	94,182	462	148	8	1,845	104	43,672	105	238,339	
Office expenses	51,402	49,496	243	78	4	970	54	22,950	55	125,252	
Others	15,077	14,517	71	23	1	284	16	6,731	16	36,736	
Depreciation	92,840	89,397	438	141	7	1,752	98	41,452	100	226,225	
Excess of expenses of management (EOM) transferred to Profit and Loss Account (Refer: Note 3.33 of the Notes to Accounts)	-	-	(5,119)	-	-	-	-	-	-	(5,119)	
TOTAL	3,495,737	3,219,818	20,411	4,677	528	75,217	3,612	1,324,078	4,317	8,148,395	

Annexure 4

SCHEDULE 1 - PREMIUM

(₹ in '000)

Particulars	March 31, 2017									
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
First year Premiums	4,950,823	4,339,643	193,824	-	12,663	238,273	9,728	913,212	-	10,658,166
Renewal Premiums	9,004,634	5,053,009	41,086	-	1,576	342,467	56,344	6,310,187	63,652	20,872,955
Single Premiums	-	634,875	731	92,675	311	-	-	100,958	130	829,680
Total Premium	13,955,457	10,027,527	235,641	92,675	14,550	580,740	66,072	7,324,357	63,782	32,360,801

SCHEDULE 2 - COMMISSION EXPENSES

(₹ in '000)

Particulars	March 31, 2017									
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
Commission paid										
Direct										
-First year Premiums	654,217	660,943	8,294	13	111	35,250	10	30,161	-	1,388,999
-Renewal Premiums	216,207	79,493	228	-	-	5,606	-	103,047	165	404,746
-Single Premiums	-	1,203	-	774	-	-	-	799	-	2,776
Gross commission	870,424	741,639	8,522	787	111	40,856	10	134,007	165	1,796,521
Add: Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-	-
Net Commission	870,424	741,639	8,522	787	111	40,856	10	134,007	165	1,796,521

Annexure 4

SCHEDULE 3 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(₹ in '000)

Particulars	March 31, 2017										Total
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked		
Employees' remuneration and welfare benefits	2,363,953	1,645,241	13,630	3,547	234	132,191	1,830	540,540	3,058	4,704,224	
Travel, conveyance and vehicle running expenses	49,020	39,284	188	78	6	2,463	51	12,732	84	103,906	
Training expenses	8,218	6,586	32	13	1	413	8	2,134	14	17,419	
Rents, rates and taxes	123,149	252,045	918	181	3,744	5,679	118	32,872	196	418,902	
Repairs	22,630	18,135	87	36	3	1,137	23	5,877	39	47,967	
Printing and stationery	19,228	15,409	74	31	3	966	20	4,994	33	40,758	
Communication expenses	73,665	59,033	283	117	10	3,701	76	19,132	126	156,143	
Legal & professional charges	54,204	43,438	208	86	7	2,723	56	14,078	93	114,893	
Medical fees	4,298	38,809	36	3	-	3,592	-	3,047	-	49,785	
Auditors' Fees, expenses, etc.											
(a) as auditor	2,171	1,739	8	3	-	109	2	564	4	4,600	
(b) other services	-	-	-	-	-	-	-	-	-	-	
(c) expenses	400	320	2	1	-	20	-	104	1	848	
Advertisement and publicity	103,261	82,751	397	165	14	5,188	107	26,819	176	218,878	
Business Development & Sales promotion	417,782	348,797	3,918	399	4	19,746	31	67,632	125	858,434	
Interest and Bank Charges	27,925	22,378	107	44	4	1,403	29	7,253	48	59,191	
Recruitment expenses	22,522	18,049	87	36	3	1,131	23	5,849	38	47,738	
Information Technology expenses	128,901	103,298	495	205	17	6,476	133	33,478	220	273,223	
Office expenses	54,520	43,691	210	87	7	2,739	56	14,160	93	115,563	
Others	8,545	6,848	33	14	1	429	9	2,219	15	18,113	
Depreciation	103,794	83,179	399	165	14	5,215	107	26,957	177	220,007	
Excess of expenses of management (EOM) transferred to Profit and Loss Account-(Refer: Note 3.33 of the Notes to Accounts)	-	-	(4,253)	-	-	-	-	-	-	(4,253)	
TOTAL	3,588,186	2,829,030	16,859	5,211	4,072	195,321	2,679	820,441	4,540	7,466,339	

Annexure 4

SCHEDULE 4 - BENEFITS PAID (NET)

(₹ in '000)

Particulars	March 31, 2018									
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
1. Insurance claims										
(a) Claims by death	634,312	1,971,333	1,397	-	-	-	(697)	558,560	3,691	3,168,596
(b) Claims by maturity	181,251	205,816	2,806	-	-	-	-	341,077	70,371	801,321
(c) Annuities/ Pension payment	-	-	-	8,558	62,616	-	130,664	-	-	201,838
(d) Other benefits -										
(i) Surrenders	293,604	217,288	9,772	-	86,132	72	50,064	15,301,550	300,077	16,258,559
(ii) Periodical benefit	772,300	572,366	-	-	-	-	-	-	-	1,344,666
(iii) Health	-	-	-	-	-	60,498	-	-	-	60,498
(iv) Others	-	116,523	-	-	-	-	-	-	-	116,523
2. (Amount ceded in reinsurance)										
(a) Claims by death	(18,352)	(761,413)	-	-	-	-	-	(55,177)	-	(834,942)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits -										
(i) Surrenders	-	-	-	-	-	-	-	-	-	-
(ii) Periodical benefit	-	-	-	-	-	-	-	-	-	-
(iii) Health	-	-	-	-	-	(32,710)	-	-	-	(32,710)
3. Amount accepted in reinsurance										
(a) Claims by death	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits -										
(i) Surrenders	-	-	-	-	-	-	-	-	-	-
(ii) Periodical benefit	-	-	-	-	-	-	-	-	-	-
(iii) Health	-	-	-	-	-	-	-	-	-	-
Total	1,863,115	2,321,913	13,975	8,558	148,748	27,860	180,031	16,146,010	374,139	21,084,349

Annexure 4

SCHEDULE 4 - BENEFITS PAID (NET)

(₹ in '000)

Particulars	March 31, 2017									
	Par	Non Par	Pension	Non Par Annuity	Non Par Pension	Health	Group Pension Linked	Individual Life Linked	Individual Pension Linked	Total
1. Insurance claims										
(a) Claims by death	623,774	2,203,036	976	-	188	-	791	633,170	8,510	3,470,445
(b) Claims by maturity	122,678	431,150	3,584	-	-	-	-	243,994	88,853	890,259
(c) Annuities/ Pension payment	-	-	-	4,813	116,692	-	114,099	-	-	235,604
(d) Other benefits -										
(i) Surrenders	212,230	107,831	7,730	-	301,448	-	10,651	12,214,977	358,766	13,213,633
(ii) Periodical benefit	533,306	85,653	-	-	-	-	-	-	-	618,959
(iii) Health	-	-	-	-	-	48,411	-	-	-	48,411
(iv) Others	-	73,710	-	-	-	-	-	-	-	73,710
2. (Amount ceded in reinsurance)										
(a) Claims by death	(16,740)	(737,327)	-	-	-	-	-	(68,419)	-	(822,486)
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits -										
(i) Surrenders	-	-	-	-	-	-	-	-	-	-
(ii) Periodical benefit	-	-	-	-	-	-	-	-	-	-
(iii) Health	-	-	-	-	-	(37,708)	-	-	-	(37,708)
3. Amount accepted in reinsurance										
(a) Claims by death	-	-	-	-	-	-	-	-	-	-
(b) Claims by maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits -										
(i) Surrenders	-	-	-	-	-	-	-	-	-	-
(ii) Periodical benefit	-	-	-	-	-	-	-	-	-	-
(iii) Health	-	-	-	-	-	-	-	-	-	-
Total	1,475,248	2,164,053	12,290	4,813	418,328	10,703	125,541	13,023,722	456,129	17,690,827

Annexure 5

STATEMENT OF NET ASSETS AS AT MARCH 31, 2018

(₹ in '000)

Particulars	Individual									
	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer 2	Multiplier 2	Preserver 2
Assets										
Investments										
Government securities and Government guaranteed bonds	496,070	-	66,695	573,346	458,535	40,310	-	500,313	-	572,073
Equity Shares/Preference Shares	1,848,922	14,491,535	1,517,143	-	-	33,740	854,658	1,722,612	5,710,634	-
Corporate Bonds	170,354	-	29,713	-	293,134	9,270	-	248,111	-	-
Infrastructure Bonds	993,231	-	309,190	-	613,033	69,459	-	992,842	-	-
Mutual Funds	-	1,739,932	80,141	-	-	773	-	-	691,520	-
Fixed Deposits	-	-	-	-	-	-	-	-	-	-
Cash	347	2,200	215	7	15	14	61	4,784	901	8
Accrued Income	55,009	-	18,584	11,697	47,542	3,427	325	53,662	-	10,674
Other Receivables	18,677	82	16,788	225	-	246	-	82,824	46,047	12,310
Other securities - CP/CBLO/Bank Deposits	115,564	548,021	22,538	40,475	47,837	5,383	55,210	16,801	171,282	61,970
Liabilities										
Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Other Liabilities	55,407	81,840	29,822	101	12,120	76	9,279	16,728	13,044	83
Net Assets	3,642,767	16,699,930	2,031,185	625,649	1,447,976	162,546	900,975	3,605,221	6,607,340	656,952

(₹ in '000)

Particulars	Individual									
	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Mid Cap Fund	Premier Multi-Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund
Assets										
Investments										
Government securities and Government guaranteed bonds	2,458,460	-	-	-	2,498	-	-	-	792	644
Equity Shares/Preference Shares	-	861,048	5,326,867	36,206	-	4,343	4,709	9,048	1,286	-
Corporate Bonds	2,953,801	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	3,940,369	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	530,368	3,599	-	-	-	-	-	-
Fixed Deposits	-	-	-	-	-	-	-	-	-	-
Cash	2,230	145	673	10	2	439	1,151	838	245	3
Accrued Income	320,352	249	309	-	-	-	-	-	21	17
Other Receivables	418,898	68,065	177,898	10,533	722	5,839	11,310	14,729	3,741	2,178
Other securities - CP/CBLO/Bank Deposits	604,195	139,549	201,280	6,133	2,125	1,699	1,899	3,699	700	20
Liabilities										
Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Other Liabilities	1,350	5,614	34,632	512	1	1,976	2,753	4,045	788	-
Net Assets	10,696,955	1,063,442	6,202,763	55,969	5,346	10,344	16,316	24,269	5,997	2,862

STATEMENT OF NET ASSETS AS AT MARCH 31, 2017

(₹ in '000)

Particulars	Individual									
	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer 2	Multiplier 2	Preserver 2
Assets										
Investments										
Government securities and Government guaranteed bonds	851,493	-	125,136	598,328	565,689	75,972	-	582,740	-	500,396
Equity Shares/Preference Shares	2,363,131	18,654,284	1,886,326	-	-	45,036	913,469	1,968,506	7,258,083	-
Corporate Bonds	48,884	-	-	-	379,939	9,557	-	86,056	-	-
Infrastructure Bonds	859,758	-	304,730	-	558,394	29,377	-	676,985	-	-
Mutual Funds	-	522,765	-	-	-	-	-	-	292,392	-
Fixed Deposits	-	-	-	-	-	-	-	-	-	-
Cash	104	424	56	55	69	25	30	149	74	68
Accrued Income	60,185	2,484	23,186	11,294	61,531	2,298	734	47,436	792	9,697
Other Receivables	202,400	248,192	14,446	28	-	-	-	132,586	166,712	58,119
Other securities - CP/CBLO/Bank Deposits	121,064	55,809	36,249	108,358	132,487	38,584	35,381	298,897	147,732	126,478
Liabilities										
Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Other Liabilities	206,035	57,744	2,180	28	8,379	264	313	77,222	130,238	22
Net Assets	4,300,984	19,426,214	2,387,949	718,035	1,689,730	200,585	949,301	3,716,133	7,735,547	694,736

(₹ in '000)

Particulars	Individual									
	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Mid Cap Fund	Premier Multi-Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund
Assets										
Investments										
Government securities and Government guaranteed bonds	2,585,095	-	-	-	-	-	-	-	-	-
Equity Shares/Preference Shares	-	492,095	5,555,129	20,939	-	-	-	-	-	-
Corporate Bonds	2,326,104	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	4,285,323	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	236,892	926	-	-	-	-	-	-
Fixed Deposits	-	-	-	-	-	-	-	-	-	-
Cash	425	23	61	1	2	-	-	-	-	-
Accrued Income	291,086	24	2,029	-	-	-	-	-	-	-
Other Receivables	251,611	25,178	204,746	2,400	190	-	-	-	-	-
Other securities - CP/CBLO/Bank Deposits	857,142	36,633	115,022	1,021	3,714	-	-	-	-	-
Liabilities										
Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Other Liabilities	331	10,834	81,788	920	-	-	-	-	-	-
Net Assets	10,596,455	543,119	6,032,091	24,367	3,906	-	-	-	-	-

Annexure 5

STATEMENT OF NET ASSETS AS AT MARCH 31, 2017

(₹ in '000)

Particulars	Individual		Pension						Virtue	Balancer 2
	NAV Guaranteee	Discontinued Fund	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator		
Assets										
Investments										
Government securities and Government guaranteed bonds	-	5,890,854	45,216	-	4,069	35,281	17,307	5,873	-	3,975
Equity Shares/Preference Shares	-	-	125,486	662,333	61,341	-	11,624	3,482	45,878	13,427
Corporate Bonds	-	-	2,596	-	-	-	17,084	739	-	587
Infrastructure Bonds	-	-	45,654	-	9,909	-	-	2,271	-	4,618
Mutual Funds	-	-	-	18,561	-	-	-	-	-	-
Fixed Deposits	-	-	-	-	-	-	-	-	-	-
Cash	-	32	6	15	2	3	2	2	2	1
Accrued Income	-	-	3,196	88	754	666	1,882	178	37	324
Other Receivables	-	-	10,748	8,812	470	2	-	-	-	904
Other securities - CP/CBLO/Bank Deposits	-	62,384	6,429	1,982	1,179	6,389	4,053	2,983	1,777	2,039
Liabilities										
Accrued Expenses	-	-	-	-	-	-	-	-	-	-
Other Liabilities	-	28,412	10,941	2,050	71	2	256	20	16	527
Net Assets	-	5,924,858	228,390	689,741	77,653	42,339	51,696	15,508	47,678	25,348

(₹ in '000)

Particulars	Pension						Group Gratuity		Total	
	Multiplier 2	Preserver 2	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Debt Fund		Balance Fund
Assets										
Investments										
Government securities and Government guaranteed bonds	-	557	1,632	-	-	-	-	265,168	165,595	
Equity Shares/Preference Shares	101,636	-	-	4,235	18,618	-	-	-	159,734	
Corporate Bonds	-	-	1,469	-	-	-	-	144,545	20,592	
Infrastructure Bonds	-	-	2,706	-	-	-	-	343,963	62,637	
Mutual Funds	4,094	-	-	-	794	-	-	-	-	
Fixed Deposits	-	-	-	-	-	-	-	-	-	
Cash	1	-	-	-	-	-	-	89	50	
Accrued Income	11	11	184	-	7	-	-	21,262	5,675	
Other Receivables	2,334	65	159	217	686	-	-	5,311	3,629	
Other securities - CP/CBLO/Bank Deposits	2,069	141	541	315	385	-	-	171,669	94,419	
Liabilities										
Accrued Expenses	-	-	-	-	-	-	-	-	-	
Other Liabilities	1,824	-	-	93	274	-	-	19	10	
Net Assets	108,321	774	6,691	4,674	20,216	-	-	951,988	512,321	67,727,348

Annexure 6

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in '000)

Particulars	Individual									
	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer 2	Multiplier 2	Preserver 2
Income										
Dividend	29,210	238,358	23,053	-	-	544	12,285	23,921	89,685	-
Interest Income	143,661	20,691	35,262	49,615	129,108	11,073	2,798	136,077	9,715	45,919
Others	-	-	-	-	-	-	-	-	-	-
	172,871	259,049	58,315	49,615	129,108	11,617	15,083	159,998	99,400	45,919
Expenses										
Management Expenses	135,101	629,641	72,729	23,484	57,746	7,043	31,440	111,158	187,689	20,446
Others	-	-	-	-	-	-	-	-	-	-
	135,101	629,641	72,729	23,484	57,746	7,043	31,440	111,158	187,689	20,446
Net Investment Income	37,770	(370,592)	(14,414)	26,131	71,362	4,574	(16,357)	48,840	(88,289)	25,473
Gains/(Losses) on holdings										
Net Realised gain/(loss) on Investments	367,456	2,816,480	329,696	3,371	(1,990)	8,877	74,880	306,719	1,293,448	119
Transfer/gain on revaluation/change in fair value	(160,306)	(999,157)	(152,193)	(20,287)	(39,610)	(7,500)	48,059	(138,263)	(597,399)	(17,070)
	207,150	1,817,323	177,503	(16,916)	(41,600)	1,377	122,939	168,456	696,049	(16,951)
Net Gain/(Loss) on Investments	244,920	1,446,731	163,089	9,215	29,762	5,951	106,582	217,296	607,760	8,522
Increase/(Decrease) in Assets from operations										

(₹ in '000)

Particulars	Individual									
	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Mid Cap Fund	Premier Multi-Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund
Income										
Dividend	-	9,720	70,705	344	-	-	-	-	-	-
Interest Income	788,608	3,620	11,131	101	243	2	2	4	2	1
Others	-	-	-	-	-	-	-	-	-	-
	788,608	13,340	81,836	445	243	2	2	4	2	1
Expenses										
Management Expenses	339,186	41,214	202,189	3,334	258	162	234	366	93	42
Others	-	-	-	-	-	-	-	-	-	-
	339,186	41,214	202,189	3,334	258	162	234	366	93	42
Net Investment Income	449,422	(27,874)	(120,353)	(2,889)	(15)	(160)	(232)	(362)	(91)	(41)
Gains/(Losses) on holdings										
Net Realised gain/(loss) on Investments	(55,944)	65,573	1,131,732	1,540	-	-	-	-	-	-
Transfer/gain on revaluation/change in fair value	(190,389)	8,115	(524,755)	517	-	6	(7)	(8)	5	1
	(246,333)	73,688	606,977	2,057	-	6	(7)	(8)	5	1
Net Gain/(Loss) on Investments	203,089	45,814	486,624	(832)	(15)	(154)	(239)	(370)	(86)	(40)
Increase/(Decrease) in Assets from operations										

Annexure 6

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in '000)

Particulars	Individual									
	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer 2	Multiplier 2	Preserver 2
Income										
Dividend	28,332	245,958	24,643	-	-	583	13,898	24,203	107,624	-
Interest Income	172,876	37,604	43,160	55,218	141,086	12,862	2,844	135,047	10,662	51,331
Others	-	-	-	-	-	-	-	-	-	-
	201,208	283,562	67,803	55,218	141,086	13,445	16,742	159,250	118,286	51,331
Expenses										
Management Expenses	131,278	726,883	86,796	28,938	70,073	7,933	33,841	118,571	246,031	22,503
Others	-	-	-	-	-	-	-	-	-	-
	131,278	726,883	86,796	28,938	70,073	7,933	33,841	118,571	246,031	22,503
Net Investment Income	69,930	(443,321)	(18,993)	26,280	71,013	5,512	(17,099)	40,679	(127,745)	28,828
Gains/(Losses) on holdings										
Net Realised gain/(loss) on Investments	278,093	2,138,629	259,400	27,698	32,341	7,228	92,168	232,662	1,104,076	27,008
Transfer/gain on revaluation/change in fair value	115,617	745,729	55,808	(1,400)	9,006	5,002	59,101	140,410	120,196	148
	393,710	2,884,358	315,208	26,298	41,347	12,230	151,269	373,072	1,224,272	27,156
Net Gain/(Loss) on Investments	463,640	2,441,037	296,215	52,578	112,360	17,742	134,170	413,751	1,096,527	55,984
Increase/(Decrease) in Assets from operations										

(₹ in '000)

Particulars	Individual									
	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Mid Cap Fund	Premier Multi-Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund
Income										
Dividend	-	5,218	70,408	-	-	-	-	-	-	-
Interest Income	753,386	2,662	13,966	119	92	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
	753,386	7,880	84,374	119	92	-	-	-	-	-
Expenses										
Management Expenses	350,056	22,157	196,914	899	165	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
	350,056	22,157	196,914	899	165	-	-	-	-	-
Net Investment Income	403,330	(14,277)	(112,540)	(780)	(73)	-	-	-	-	-
Gains/(Losses) on holdings										
Net Realised gain/(loss) on Investments	229,613	34,208	524,906	(21)	-	-	-	-	-	-
Transfer/gain on revaluation/change in fair value	98,019	33,435	474,620	1,440	-	-	-	-	-	-
	327,632	67,643	999,526	1,419	-	-	-	-	-	-
Net Gain/(Loss) on Investments	730,962	53,366	886,986	639	(73)	-	-	-	-	-
Increase/(Decrease) in Assets from operations										

Annexure 6

STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in '000)

Particulars	Individual		Pension						Balancer 2	
	NAV Guaranteee	Discontinued Fund	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator		Virtue
Income										
Dividend	-	-	1,504	8,733	801	-	-	45	698	165
Interest Income	-	368,782	9,676	2,081	1,486	3,093	4,345	952	117	1,581
Others	-	-	-	-	-	-	-	-	-	-
	-	368,782	11,180	10,814	2,287	3,093	4,345	997	815	1,746
Expenses										
Management Expenses	(1)	39,886	4,557	16,067	1,719	617	861	296	923	593
Others	-	-	-	-	-	-	-	-	-	-
	(1)	39,886	4,557	16,067	1,719	617	861	296	923	593
Net Investment Income	1	328,896	6,623	(5,253)	568	2,476	3,484	701	(108)	1,153
Gains/(Losses) on holdings										
Net Realised gain/(loss) on Investments	-	163	15,453	81,559	8,752	1,551	996	536	4,485	2,551
Transfer/gain on revaluation/change in fair value	-	75	6,425	28,439	1,883	(78)	277	371	2,876	1,540
Net Gain/(Loss) on Investments	-	238	21,878	109,998	10,635	1,473	1,273	907	7,361	4,091
Increase/(Decrease) in Assets from operations	1	329,134	28,501	104,745	11,203	3,949	4,757	1,608	7,253	5,244

(₹ in '000)

Particulars	Pension				Group Gratuity			Total	
	Multiplier 2	Preserver 2	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund		Debt Fund
Income									
Dividend	1,507	-	-	45	236	-	-	-	1,919
Interest Income	353	74	616	37	128	-	-	72,632	25,339
Others	-	-	-	-	-	-	-	-	-
	1,860	74	616	82	364	-	-	72,632	27,258
Expenses									
Management Expenses	2,261	16	132	62	408	-	-	6,141	3,249
Others	-	-	-	-	-	-	-	-	-
	2,261	16	132	62	408	-	-	6,141	3,249
Net Investment Income	(401)	58	484	20	(44)	-	-	66,491	24,009
Gains/(Losses) on holdings									
Net Realised gain/(loss) on Investments	17,366	39	188	357	2,267	-	-	17,001	13,043
Transfer/gain on revaluation/change in fair value	1,891	-	80	349	2,050	-	-	13,032	18,942
Net Gain/(Loss) on Investments	19,257	39	268	706	4,317	-	-	30,033	31,985
Increase/(Decrease) in Assets from operations	18,856	97	752	726	4,273	-	-	96,524	55,994
									7,429,501

Annexure 7

(₹ in '000)

STATEMENT OF CHANGES IN THE NET ASSETS AS AT MARCH 31, 2018

Particulars	Individual									
	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer 2	Multiplier 2	Preserver 2
Net Assets at the beginning of the year	4,300,984	19,426,214	2,387,949	718,035	1,689,730	200,585	949,301	3,716,133	7,735,547	694,736
Add:										
Increase/(Decrease) in Assets from operations	244,920	1,446,731	163,089	9,215	29,762	5,951	106,582	217,296	607,760	8,522
Units Created	83,006	578,627	67,773	41,249	105,359	909	54,055	571,270	465,551	115,857
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	986,143	4,751,642	587,626	142,850	376,876	44,898	208,963	899,478	2,201,518	162,163
Net Assets at the end of the year	3,642,767	16,699,930	2,031,185	625,649	1,447,976	162,546	900,975	3,605,221	6,607,340	656,952

(₹ in '000)

Particulars	Individual									
	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Mid Cap Fund	Premier Multi-Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund
Net Assets at the beginning of the year	10,596,455	543,119	6,032,091	24,367	3,906	-	-	-	-	-
Add:										
Increase/(Decrease) in Assets from operations	203,089	45,814	486,624	(832)	(15)	(154)	(239)	(370)	(86)	(40)
Units Created	1,773,069	527,290	1,011,518	33,158	1,511	10,535	16,607	24,720	6,105	2,911
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	1,875,658	52,780	1,327,468	724	56	36	52	81	21	9
Net Assets at the end of the year	10,696,955	1,063,442	6,202,763	55,969	5,346	10,344	16,316	24,269	5,997	2,862

Annexure 7

STATEMENT OF CHANGES IN THE NET ASSETS AS AT MARCH 31, 2018

(₹ in '000)

Particulars	Individual		Pension						Balancer 2	
	NAV Guarantee	Discontinued Fund	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator		Virtue
Net Assets at the beginning of the year	-	5,924,858	228,390	689,741	77,653	42,339	51,696	15,508	47,678	25,348
Add:										
Increase/(Decrease) in Assets from operations	-	362,042	16,744	60,328	6,213	1,345	1,459	794	5,978	1,552
Units Created	-	2,062,959	8,116	41,874	1,959	836	(20,305)	713	3,403	(1,183)
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	-	2,600,627	60,009	193,867	19,181	14,830	9,613	1,921	13,481	9,905
Net Assets at the end of the year	-	5,749,233	193,240	598,076	66,645	29,690	23,237	15,093	43,578	15,813

(₹ in '000)

Particulars	Pension						Group Gratuity			Total
	Multiplier 2	Preserver 2	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Debt Fund	Balance Fund	
Net Assets at the beginning of the year	108,321	774	6,691	4,674	20,216	-	-	951,988	512,321	67,727,348
Add:										
Increase/(Decrease) in Assets from operations	9,495	22	233	349	1,914	-	-	42,950	36,345	4,121,382
Units Created	12,182	(163)	(398)	(2,309)	1,274	-	-	139,933	32,584	7,772,555
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	44,191	476	1,557	1,244	6,542	-	-	161,025	21,836	16,779,347
Net Assets at the end of the year	85,808	157	4,969	1,472	16,863	-	-	973,847	559,413	62,841,938

Annexure 7

(₹ in '000)

STATEMENT OF CHANGES IN THE NET ASSETS AS AT MARCH 31, 2017

Particulars	Individual									
	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer 2	Multiplier 2	Preserver 2
Net Assets at the beginning of the year	4,433,806	19,765,558	2,460,077	762,035	1,740,097	224,871	936,272	3,532,384	9,046,523	693,633
Add:										
Increase/(Decrease) in Assets from operations	463,641	2,441,037	296,215	52,579	112,361	17,742	134,170	413,752	1,096,528	55,984
Units Created	202,012	798,853	99,842	40,658	112,031	6,538	52,404	396,403	472,128	86,392
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	798,475	3,579,234	468,185	137,237	274,759	48,566	173,545	626,406	2,879,632	141,273
Net Assets at the end of the year	4,300,984	19,426,214	2,387,949	718,035	1,689,730	200,585	949,301	3,716,133	7,735,547	694,736

(₹ in '000)

Particulars	Individual									
	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Mid Cap Fund	Premier Multi-Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund
Net Assets at the beginning of the year	9,224,935	338,403	5,529,273	-	-	-	-	-	-	-
Add:										
Increase/(Decrease) in Assets from operations	730,963	53,365	886,987	639	(74)	-	-	-	-	-
Units Created	1,640,289	213,471	863,875	24,009	4,017	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	999,732	62,120	1,248,044	281	37	-	-	-	-	-
Net Assets at the end of the year	10,596,455	543,119	6,032,091	24,367	3,906	-	-	-	-	-

Annexure 7

STATEMENT OF CHANGES IN THE NET ASSETS AS AT MARCH 31, 2017

(₹ in '000)

Particulars	Individual		Pension						Balancer 2	
	NAV Guarantee	Discontinued Fund	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator		Virtue
Net Assets at the beginning of the year	-	5,242,322	262,589	783,886	83,375	41,062	58,225	16,696	45,042	41,762
Add:										
Increase/(Decrease) in Assets from operations	-	329,133	28,502	104,746	11,203	3,948	4,758	1,609	7,254	5,244
Units Created	-	1,938,765	12,434	23,814	4,215	2,297	10,527	762	863	4,403
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	-	1,585,362	75,135	222,705	21,140	4,968	21,814	3,559	5,481	26,061
Net Assets at the end of the year	-	5,924,858	228,390	689,741	77,653	42,339	51,696	15,508	47,678	25,348

Particulars	Pension						Group Gratuity			Total
	Multiplier 2	Preserver 2	Protector 2	Virtue 2	Flexi Cap	Multiplier 3	Liquid Fund	Debt Fund	Balance Fund	
Net Assets at the beginning of the year	147,063	1,198	10,873	4,131	26,001	-	-	909,523	461,668	66,823,283
Add:										
Increase/(Decrease) in Assets from operations	18,856	97	753	726	4,272	-	-	96,524	55,994	7,429,508
Units Created	4,106	75	404	334	1,046	-	-	55,728	11,662	7,084,357
Others	-	-	-	-	-	-	-	-	-	-
Less:										
Withdrawals	61,704	596	5,339	517	11,103	-	-	109,787	17,003	13,609,800
Net Assets at the end of the year	108,321	774	6,691	4,674	20,216	-	-	951,988	512,321	67,727,348

ANNEXURE TO REVENUE ACCOUNT-Break up of Unit Linked Business (UL)

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration No : 117

Date of Registration with IRDA : August 6, 2001

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Policyholders' Account (Technical Account)

(₹ in '000)

Particulars	Schedule	Linked Life		Linked Pension		Linked Group		Total Unit Linked (10)=(3)+(6)+(9)						
		Non-Unit (1)	Unit (2)	Non-Unit (3)=(1)+(2)	Unit (4)	Non-Unit (5)	Unit (6)=(4)+(5)		Non-Unit (7)	Unit (8)	Total (9)=(7)+(8)			
Premiums earned – net														
(a) Premium		414,241	7,576,923	7,991,164	756	46,113	46,869	-	171,420	171,420	8,209,453			
(b) Reinsurance ceded		(109,204)	-	(109,204)	-	-	-	-	-	-	(109,204)			
Income from Investments														
(a) Interest, Dividend & Rent - Gross		30,645	2,287,241	2,317,886	-	30,646	30,646	-	102,463	102,463	2,450,995			
(b) Profit on sale/redemption of investments		1,406	7,118,464	7,119,870	-	170,446	170,446	-	27,633	27,633	7,317,949			
(c) Loss on sale/redemption of investments		(213)	(776,629)	(776,842)	-	(13,834)	(13,834)	-	(18,737)	(18,737)	(809,413)			
(d) Transfer/gain on revaluation/change in fair value		-	(2,790,436)	(2,790,436)	-	(59,364)	(59,364)	-	(21,873)	(21,873)	(2,871,673)			
(e) Other Misc income		33,789	(20,785)	13,004	2,792	(2,599)	193	(937)	941	4	13,201			
Other income:														
(a) Linked Income	UL1	1,902,949	(1,902,949)	-	21,496	(21,496)	-	10,191	(10,191)	-	-			
(b) Contribution from the Shareholders' a/c		-	-	-	-	-	-	-	-	-	-			
TOTAL (A)		2,273,613	11,491,829	13,765,442	25,044	149,912	174,956	9,254	251,656	260,910	14,201,308			
Commission		254,482	-	254,482	100	-	100	(2)	-	(2)	254,580			
Operating Expenses related to Insurance Business		1,324,078	-	1,324,078	4,317	-	4,317	3,612	-	3,612	1,332,007			
Service tax on ULIP		-	382,740	382,740	-	387	387	-	1,960	1,960	385,087			
Provision for Taxation		-	-	-	-	-	-	-	-	-	-			
Provision for Advances & Recoveries		(8,812)	-	(8,812)	(327)	-	(327)	177	-	177	(8,962)			
TOTAL (B)		1,569,748	382,740	1,952,488	4,090	387	4,477	3,787	1,960	5,747	1,962,712			
Benefits Paid (Net)	UL2	306,947	15,839,063	16,146,010	227	373,912	374,139	(712)	180,743	180,031	16,700,180			
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-			
Change in Valuation Liability		(28,439)	(4,729,974)	(4,758,413)	(2,161)	(224,387)	(226,548)	489	68,953	69,442	(4,915,519)			
TOTAL (C)		278,508	11,109,089	11,387,597	(1,934)	149,525	147,591	(223)	249,696	249,473	11,784,661			
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		425,357	-	425,357	22,888	-	22,888	5,690	-	5,690	453,935			
APPROPRIATIONS														
Transfer to Shareholders' a/c		425,357	-	425,357	22,888	-	22,888	5,690	-	5,690	453,935			
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-			
Transfer to Deficit in Revenue Account		-	-	-	-	-	-	-	-	-	-			
Total (D)		425,357	-	425,357	22,888	-	22,888	5,690	-	5,690	453,935			

Annexure 8

Name of the Insurer : PNB MetLife India Insurance Company Limited
Registration No : 117
Date of Registration with IRDA : August 6, 2001

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Policyholders' Account (Technical Account)

Particulars	Schedule	Linked Life		Linked Pension		Linked Group		Total Unit Linked (10)=(3)+(6)+(9)
		Non-Unit (1)	Unit (2)	Non-Unit (4)	Unit (5)	Non-Unit (7)	Unit (8)	
Premiums earned – net								
(a) Premium		391,197	6,933,160	1,039	62,743	-	66,072	7,454,211
(b) Reinsurance ceded		(132,816)	-	291	-	-	-	(118,832)
Income from Investments								
(a) Interest, Dividend & Rent - Gross		25,995	2,322,563	-	38,275	-	99,889	2,486,722
(b) Profit on sale/redemption of investments		1	5,482,003	-	145,517	-	40,018	5,667,539
(c) Loss on sale/redemption of investments		-	(493,830)	-	(9,416)	-	(9,974)	(513,220)
(d) Transfer/gain on revaluation/change in fair value		-	1,857,207	-	46,102	-	31,974	1,935,283
(e) Other Misc income		14,241	(4,466)	1,696	(1,538)	158	690	9,935
Other income:								
(a) Linked Income	UL1	2,086,193	(2,086,193)	-	(25,197)	-	(9,433)	-
(b) Contribution from the Shareholders' a/c		-	-	-	-	-	-	-
TOTAL (A)		2,384,811	14,010,444	28,223	256,486	284,709	219,236	16,921,638
Commission		134,007	-	165	-	165	10	134,182
Operating Expenses related to Insurance Business		820,441	-	4,540	-	4,540	-	827,660
Service tax on Charges		-	353,378	-	2,853	2,853	1,369	357,600
Provision for Taxation		-	-	-	-	-	-	-
Provision for Advances & Recoveries		12,058	-	(1,380)	-	(1,380)	(165)	10,513
TOTAL (B)		966,506	353,378	3,325	2,853	6,178	1,369	1,329,955
Benefits Paid (Net)	UL2	380,472	12,643,250	(380)	456,509	456,129	124,748	13,605,392
Interim Bonus Paid		-	-	-	-	-	-	-
Change in valuation of liability in respect of life policies		-	-	-	-	-	-	-
Change in Valuation Liability		86,661	1,013,816	2,510	(202,876)	(200,366)	93,119	993,230
TOTAL (C)		467,133	13,657,066	2,130	253,633	255,763	793	14,598,622
SURPLUS/ (DEFICIT) (D) = (A)-(B)-(C)		951,172	-	22,768	-	22,768	-	993,061
APPROPRIATIONS								
Transfer to Shareholders' a/c		-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-
Transfer to Deficit in Revenue Account		951,172	-	22,768	-	22,768	5,428	979,368
Total (D)		951,172	-	22,768	-	22,768	5,428	979,368

(₹ in '000)

Annexure 8

Name of the Insurer : PNB MetLife India Insurance Company Limited
 Registration No : 117
 Date of Registration with IRDA : August 6, 2001

SCHEDULE-UJ1

Linked Income (recovered from linked funds)*

Particulars	2017-18			Total
	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	
Fund Administration charges	-	-	-	-
Fund Management charge	838,579	19,886	9,496	867,961
Policy Administration charge	233,875	1,358	-	235,233
Surrender charge	46,905	-	435	47,340
Switching charge	-	-	-	-
Mortality charge	762,074	221	-	762,295
Rider Premium charge	-	-	-	-
Partial withdrawal charge	14	-	-	14
Discontinuance charge	19,770	-	-	19,770
Miscellaneous charge	1,732	31	260	2,023
TOTAL (UL-1)	1,902,949	21,496	10,191	1,934,636

* (net of service tax, if any)

SCHEDULE-UJ1

Linked Income (recovered from linked funds)*

Particulars	2016-17			Total
	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	
Fund Administration charges	-	-	-	-
Fund Management charge	860,639	23,038	9,200	892,877
Policy Administration charge	212,650	1,813	-	214,463
Surrender charge	92,875	(3)	-	92,872
Switching charge	-	-	-	-
Mortality charge	875,713	305	-	876,018
Rider Premium charge	-	-	-	-
Partial withdrawal charge	(109)	-	(6)	(115)
Discontinuance charge	42,000	-	-	42,000
Miscellaneous charge	2,425	44	239	2,708
TOTAL (UL-1)	2,086,193	25,197	9,433	2,120,823

* (net of service tax, if any)

Annexure 8

Name of the Insurer : PNB MetLife India Insurance Company Limited
 Registration No : 117
 Date of Registration with IRDA : August 6, 2001

SCHEDULE-UI12

BENEFITS PAID [NET] FOR THE YEAR ENDED MARCH 31, 2018

(₹ in '000)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	
1	Insurance Claims										
(a)	Claims by Death	361,070	197,490	558,560	137	3,554	3,691	(697)	-	(697)	561,554
(b)	Claims by Maturity	(135)	341,212	341,077	-	70,371	70,371	-	-	-	411,448
(c)	Annuities / Pension payment	-	-	-	-	-	-	(14)	130,678	130,664	130,664
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-
-	Surrender	1,188	15,300,362	15,301,550	90	299,987	300,077	-	50,064	50,064	15,651,691
-	Periodical Benefits	-	-	-	-	-	-	-	-	-	-
-	Health	-	-	-	-	-	-	-	-	-	-
-	Others	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)	362,123	15,839,064	16,201,187	227	373,912	374,139	(711)	180,742	180,031	16,755,357
2	Amount Ceded in reinsurance										
(a)	Claims by Death	55,177	-	55,177	-	-	-	-	-	-	55,177
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-
-	Surrender	-	-	-	-	-	-	-	-	-	-
-	Periodical Benefits	-	-	-	-	-	-	-	-	-	-
-	Health	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	55,177	-	55,177	-	-	-	-	-	-	55,177
	TOTAL (A) - (B)	306,946	15,839,064	16,146,010	227	373,912	374,139	(711)	180,742	180,031	16,700,180
	Benefits paid to claimants:										
	In India	306,946	15,839,064	16,146,010	227	373,912	374,139	(711)	180,742	180,031	16,700,180
	Outside India										
	TOTAL (UI2)	306,946	15,839,064	16,146,010	227	373,912	374,139	(711)	180,742	180,031	16,700,180

Annexure 8

Name of the Insurer : PNB MetLife India Insurance Company Limited
 Registration No : 117
 Date of Registration with IRDA : August 6, 2001

SCHEDULE-UL2

BENEFITS PAID [NET] FOR THE YEAR ENDED MARCH 31, 2017

(₹ in '000)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked	
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group		
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)		(10)=(3)+(6)+(9)
1	Insurance Claims											
(a)	Claims by Death	447,909	185,261	633,170	4	8,506	8,510	791	-	791	642,471	
(b)	Claims by Maturity	(414)	244,408	243,994	-	88,853	88,853	-	-	-	332,847	
(c)	Annuities / Pension payment	-	-	-	-	-	-	2	114,097	114,099	114,099	
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-	
-	Surrender	1,396	12,213,581	12,214,977	(384)	359,150	358,766	-	10,651	10,651	12,584,394	
-	Periodical Benefits	-	-	-	-	-	-	-	-	-	-	
-	Health	-	-	-	-	-	-	-	-	-	-	
-	Others	-	-	-	-	-	-	-	-	-	-	
	Sub Total (A)	448,891	12,643,250	13,092,141	(380)	456,509	456,129	793	124,748	125,541	13,673,811	
2	Amount Ceded in reinsurance											
(a)	Claims by Death	68,419	-	68,419	-	-	-	-	-	-	68,419	
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-	
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-	
-	Surrender	-	-	-	-	-	-	-	-	-	-	
-	Periodical Benefits	-	-	-	-	-	-	-	-	-	-	
-	Health	-	-	-	-	-	-	-	-	-	-	
	Sub Total (B)	68,419	-	68,419	-	-	-	-	-	-	68,419	
	TOTAL (A) - (B)	380,472	12,643,250	13,023,722	(380)	456,509	456,129	793	124,748	125,541	13,605,392	
	Benefits paid to claimants:											
	In India	380,472	12,643,250	13,023,722	(380)	456,509	456,129	793	124,748	125,541	13,605,392	
	Outside India											
	TOTAL (UL2)	380,472	12,643,250	13,023,722	(380)	456,509	456,129	793	124,748	125,541	13,605,392	

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration No : 117

Date of Registration with IRDA : August 6, 2001

Annexure 9

Fund Balance Sheet as at March 31, 2018

Form A-BS(UL)

(₹ in '000)

Particulars	Schedule	March 31, 2018	March 31, 2017
Sources of Funds			
Policyholders' Funds:			
Policyholder contribution	F-1	45,987,058	54,993,856
Revenue Account		16,854,880	12,733,492
Funds for future appropriation		-	-
Total		62,841,938	67,727,348
Application of Funds			
Investments	F-2	61,819,923	66,459,394
Current Assets	F-3	1,512,955	1,888,769
Less: Current Liabilities and Provisions	F-4	490,940	620,815
Net current assets		1,022,015	1,267,954
Total		62,841,938	67,727,348

Fund Revenue Account for the year ended March 31, 2018

Form A-RA(UL)

(₹ in '000)

Particulars	Schedule	March 31, 2018	March 31, 2017
Income from investments			
Interest income		1,907,585	1,924,206
Dividend income		512,763	536,521
Profit/loss on sale of investment		6,507,343	5,154,318
Profit/loss on inter fund transfer/ sale of investment		-	-
Miscellaneous Income		-	-
Unrealised Gain/loss*		(2,871,673)	1,935,283
Total (A)		6,056,018	9,550,328
Fund management expenses		867,961	892,876
Fund administration expenses		-	-
Other charges	F-5	1,066,675	1,227,954
Total (B)		1,934,636	2,120,830
Net Income for the year (A-B)		4,121,382	7,429,498
Add: Fund revenue account at the beginning of the year		12,733,498	5,303,994
Fund revenue account at the end of the year		16,854,880	12,733,492

* Net change in mark to market value of investments

Schedules to Fund Revenue Account

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration No : 117

Date of Registration with IRDA : August 6, 2001

SCHEDULE: F-1

POLICYHOLDERS' CONTRIBUTION

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
Opening balance	54,993,856	61,519,296
Add: Additions during the year*	7,772,555	7,084,357
Less: Deductions during the year*	(16,779,353)	(13,609,797)
Less: Funds for future appropriation	-	-
Closing balance	45,987,058	54,993,856

* Additions represents units creation and deductions represent unit cancellations

SCHEDULE: F-2

INVESTMENTS

(₹ in '000)

Particulars	March 31, 2018	March 31, 2017
Approved Investments		
Government Bonds	11,198,755	12,320,376
Corporate Bonds	3,904,156	3,032,692
Infrastructure Bonds	7,633,492	7,203,409
Equity/Preference shares	32,803,465	38,917,732
Money Market	-	-
Mutual Funds	-	-
Commercial Papers/CBLO	2,565,630	2,473,325
Fixed Deposits	-	-
Total	58,105,498	63,947,534
Other Investments		
Corporate Bonds	-	-
Infrastructure Bonds	-	-
Equity/Preference shares	592,656	1,435,436
Money Market	-	-
Mutual Funds	3,121,769	1,076,424
Commercial Papers/CBLO	-	-
Fixed Deposits	-	-
Total	3,714,425	2,511,860
GRAND TOTAL	61,819,923	66,459,394
% of Approved Investments to Total	93.99%	96.22%
% of Other Investments to Total	6.01%	3.78%

Annexure 9

Schedules to Fund Revenue Account

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration No : 117

Date of Registration with IRDA : August 6, 2001

SCHEDULE: F-3

CURRENT ASSETS		(₹ in '000)	
Particulars	March 31, 2018	March 31, 2017	
Accrued Interest	566,757	540,544	
Cash & Bank Balance	14,885	1,770	
Dividend Receivable	926	6,504	
Receivable for Sale of Investments	227,248	1,110,965	
Unit Collection A/c#	703,139	228,986	
Other Current Assets (for Investments)	-	-	
Total	1,512,955	1,888,769	

SCHEDULE: F-4

CURRENT LIABILITIES		(₹ in '000)	
Particulars	March 31, 2018	March 31, 2017	
Payable for Purchase of Investments	128,320	564,030	
Other Current Liabilities	10,410	2,799	
Unit Payable a/c#	352,210	53,986	
Total	490,940	620,815	

BREAK UP OF OTHER EXPENSES UNDER ULIP

SCHEDULE: F-5

OTHER EXPENSES*		(₹ in '000)	
Particulars	March 31, 2018	March 31, 2017	
Policy Administration charge	235,233	214,463	
Surrender charge	47,340	92,872	
Switching charge	-	0	
Mortality charge	762,295	876,018	
Rider Premium charge	-	0	
Partial withdrawal charge	14	(115)	
Discontinuance charge	19,770	42,000	
Miscellaneous charge	2,023	2,708	
Total	1,066,675	1,227,946	

*Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

Represents inter fund receivables or payables, if any

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration No : 117

Date of Registration with IRDA : August 6, 2001

Annexure 9

Net Asset Value (NAV) per Unit as at March 31, 2018

Form A-BS(UL)

SI No	Funds	Net Assets as per Balance Sheet (Total Assets less current liabilities and provisions)	Number of Units outstanding	NAV per unit (₹)
		Figures ₹in 000	Nos in thousands	(a)/(b)
		(a)	(b)	(a)/(b)
1	Linked Individual Life			
	Balancer	3,642,770	108,247	33.6524
	Multiplier	16,699,932	408,484	40.8827
	Accelerator	2,031,185	51,370	39.5403
	Preserver	625,650	27,896	22.4276
	Protector	1,447,975	58,845	24.6066
	Moderator	162,545	5,919	27.4605
	Virtue	900,976	41,445	21.7392
	Balancer 2	3,605,221	189,209	19.0542
	Multiplier 2	6,607,340	358,078	18.4523
	Preserver 2	656,951	36,339	18.0783
	Protector 2	10,696,951	560,332	19.0904
	Vitue 2	1,063,442	47,276	22.4942
	Flexi Cap	6,202,763	295,949	20.9589
	Multiplier 3	55,967	4,786	11.6942
	Liquid Fund	5,346	494	10.8279
	Mid Cap Fund	10,345	1,032	10.0221
	Premier Multi-Cap Fund	16,316	1,629	10.0136
	Crest (Thematic Fund)	24,269	2,428	9.9963
	Balanced Opportunities Fund	5,997	596	10.0603
	Bond Opportunities Fund	2,861	285	10.0297
	NAV Guarantee	-	-	-
	Discontinued Fund	5,749,233	346,512	16.5918
	Total	60,214,035	2,547,151	
2	Linked Individual Pension			
	Balancer	193,241	5,742	33.6524
	Multiplier	598,077	14,629	40.8827
	Accelerator	66,645	1,685	39.5403
	Preserver	29,690	1,324	22.4276
	Protector	23,237	944	24.6066
	Moderator	15,092	550	27.4605
	Virtue	43,578	2,005	21.7392
	Balancer 2	15,813	830	19.0542
	Multiplier 2	85,808	4,650	18.4523
	Preserver 2	157	9	18.0783
	Protector 2	4,969	260	19.0904
	Vitue 2	1,473	65	22.4942
	Flexi Cap	16,862	805	20.9589
	Total	1,094,642	33,498	
3	Linked Group			
	Debt Fund	973,847	52,888	18.4134
	Balanced Fund	559,414	26,334	21.2428
	Total	1,533,261	79,222	
	Net asset as per Balance Sheet	62,841,938		

Name of the Insurer : PNB MetLife India Insurance Company Limited

Registration No : 117

Date of Registration with IRDA : August 6, 2001

Annexure 9

Net Asset Value (NAV) per Unit as at March 31, 2017

Form A-BS(UL)

Sl No	Funds	Net Assets as per Balance Sheet (Total Assets less current liabilities and provisions)	Number of Units outstanding	NAV per unit (₹)
		Figures ₹ in 000	Nos in thousands	(a)/(b)
		(a)	(b)	
1	Linked Individual Life			
	Balancer	4,300,985	137,277	31.3306
	Multiplier	19,426,217	516,665	37.5994
	Accelerator	2,387,948	65,263	36.5896
	Preserver	718,034	33,082	21.7044
	Protector	1,689,729	71,414	23.6613
	Moderator	200,584	7,667	26.1621
	Virtue	949,301	49,242	19.2783
	Balancer 2	3,716,133	210,613	17.6444
	Multiplier 2	7,735,547	459,002	16.8530
	Preserver 2	694,736	39,682	17.5076
	Protector 2	10,596,456	577,611	18.3453
	Vitue 2	543,118	27,707	19.6018
	Flexi Cap	6,032,091	317,611	18.9921
	Multiplier 3	24,367	2,305	10.5720
	Liquid Fund	3,906	378	10.3291
	NAV Guarantee	-	-	0.0000
	Discontinued Fund	5,924,858	377,462	15.6966
	Total	64,944,010	2,892,981	
2	Linked Individual Pension			
	Balancer	228,389	7,290	31.3306
	Multiplier	689,741	18,344	37.5994
	Accelerator	77,654	2,122	36.5896
	Preserver	42,339	1,951	21.7044
	Protector	51,696	2,185	23.6613
	Moderator	15,507	593	26.1621
	Virtue	47,678	2,473	19.2783
	Balancer 2	25,348	1,437	17.6444
	Multiplier 2	108,322	6,427	16.8530
	Preserver 2	774	44	17.5076
	Protector 2	6,691	365	18.3453
	Vitue 2	4,674	238	19.6018
	Flexi Cap	20,216	1,065	18.9921
	Total	1,319,029	44,534	
3	Linked Group			
	Debt Fund	951,987	54,087	17.6009
	Balanced Fund	512,322	25,818	19.8435
	Total	1,464,309	79,905	
	Net asset as per Balance Sheet	67,727,348		

Annexure 9

Statement showing the Controlled Fund of PNB MetLife India Insurance Co. Ltd.

(₹ in crore)

		2017-18	2016-17
1	Computation of Controlled fund as per the Balance Sheet		
	Policyholders' Fund (Life Fund)		
	Participating		
	Individual Assurance	6,742	5,260
	Individual Pension	77	39
	Group Assurance	32	31
	Non-participating		
	Individual Assurance	2,646	1,800
	Group Assurance	285	229
	Individual Annuity	21	9
	Group Pension	39	47
	Health	80	35
	Linked		
	Individual Assurance	6,061	5,226
	Group Assurance	-	-
	Individual Pension	109	176
	Group Superannuation	-	-
	Group Gratuity	153	155
	Funds for Future Appropriations	179	152
	Total (A)	16,424	13,158
	Shareholders' Fund		
	Paid up Capital	2,013	2,013
	Reserves & Surpluses	-	221
	Fair Value Change	(0.01)	-
	Total (B)	2,013	2,234
	Misc. expenses not written off	-	-
	Credit / (Debit) from P&L A/c.	(938)	-
	Total (C)	(938)	-
	Total shareholders' funds (B+C)	1,075	2,234
	Controlled Fund (Total (A+B+C))	17,499	15,392

Annexure 9

(₹ in crore)

		2017-18	2016-17
2	Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account		
	Opening Balance of Controlled Fund	15,392	13,401
	Add: Inflow		
	Income		
	Premium Income	3,954	3,236
	Less: Reinsurance ceded	(93)	(97)
	Net Premium	3,861	3,139
	Investment Income	1,348	1,521
	Other Income	22	17
	Funds transferred from Shareholders' Accounts	48	-
	Total Income	5,279	4,677
	Less: Outgo		
	(i) Benefits paid (Net)	2,107	1,769
	(ii) Interim Bonus Paid	3	2
	(iii) Change in Valuation of Liability	1,937	1,898
	(iv) Commission	215	180
	(v) Operating Expenses	815	747
	(vi) Service tax on ULIP	39	36
	(vii) Provision for Taxation	-	-
	(viii) Provision for Advances & Recoveries	(0.5)	5
	Total Outgo	5,116	4,636
	Surplus of the Policyholders' Fund	163	41
	Less: transferred to Shareholders' Account	135	15
	Net Flow in Policyholders' account	28	26
	Add: Net income in Shareholders' Fund	142	64
	Net In Flow / Outflow	170	90
	Add: change in valuation Liabilities	1,937	1,901
	Add: increase in Paid up Capital	-	-
	Add: change in Fair Value	-	-
	Closing Balance of Controlled Fund	17,499	15,392
	As Per Balance Sheet	17,499	15,392
	Difference, if any	-	-

Annexure 9

(₹ in crore)

	2017-18	2016-17
3 Reconciliation with Shareholders' and Policyholders' Fund		
Policyholders' Funds		
3.1 Policyholders' Funds - Traditional-PAR and NON-PAR		
Opening Balance of the Policyholders' Fund	7,601	5,869
Add: Surplus/(Deficit) of the Revenue Account	117	(57)
Amount transferred from/ (to) Shareholders' account	(90)	(15)
Add: change in valuation Liabilities	2,430	1,805
Add: Transfer from Profit and Loss account (Shareholder's Account) to meet brought forward accumulated deficit in Revenue Account (Policyholder's Account)	42	
Total	10,100	7,601
As per Balance Sheet	10,100	7,601
Difference, if any	-	-
3.2 Policyholders' Funds - Linked		
Opening Balance of the Policyholders' Fund	5,557	5,363
Add: Surplus/(Deficit) of the Revenue Account	-	98
Add: change in valuation Liabilities	(491)	96
Add: Transfer from Profit and Loss account (Shareholder's Account) to meet brought forward accumulated deficit in Revenue Account (Policyholder's Account)	1,258	
Total	6,324	5,557
As per Balance Sheet	6,324	5,557
Difference, if any	-	-
Shareholders' Funds		
Opening Balance of Shareholders' Fund	2,234	2,170
Add: net income of Shareholders' account (P&L)	142	64
Add: Infusion of Capital	-	-
Add: Change in Fair value change	(0.3)	-
Add: Transfer to Revenue Account (Policyholder's Account) to meet brought forward accumulated deficit in Revenue Account (Policyholder's Account)	(1,300)	
Closing Balance of the Shareholders' fund	1,076	2,234
As per Balance Sheet	1,076	2,234
Difference, if any	-	-

Disclosures for ULIP Business for the year ended March 31, 2018

Annexure 10

1) Performance of the fund (Absolute Growth %)

Fund Name	SFIN Code	Year of Inception	Financial Year			Since Inception (CAGR)
			2017-18	2016-17	2015-16	
Preserver Fund	ULIF00125/01/05PRESERVERF117	2005	3.33%	9.67%	5.47%	6.34%
Protector Fund	ULIF00225/01/05PROTECTORF117	2005	4.00%	9.45%	6.52%	7.08%
Moderator Fund	ULIF00325/01/05MODERATORF117	2005	4.96%	10.47%	2.14%	7.98%
Balancer Fund	ULIF00425/01/05BALANCERF117	2005	7.41%	12.43%	-2.35%	9.67%
Accelerator Fund	ULIF00525/01/05ACCELERATO117	2005	8.06%	14.48%	-6.66%	11.02%
Multiplier Fund	ULIF00625/01/05MULTIPLIER117	2005	8.73%	14.97%	-9.52%	11.30%
Gratuity Debt	ULGF00105/06/04GRADEBTFND117	2010	4.62%	10.99%	7.01%	8.74%
Virtue Fund	ULIF00719/02/08VIRTUEFUND117	2008	12.77%	17.21%	-6.34%	8.00%
Gratuity Balanced	ULGF00205/06/04GRABALANCE117	2009	7.05%	12.16%	3.02%	9.01%
Multiplier II Fund	ULIF01115/12/09MULTIPLIE2117	2009	9.49%	15.30%	-8.98%	7.68%
Virtue II Fund	ULIF01215/12/09VIRTUE2FND117	2010	14.76%	17.71%	-4.21%	10.37%
Protector II Fund	ULIF00915/12/09PROTECTOR2117	2010	4.06%	10.46%	6.41%	8.18%
Flexi Cap	ULIF01315/12/09FLEXICAPFN117	2009	10.36%	19.04%	-6.71%	9.35%
Preserver II Fund	ULIF00815/12/09PRESERVER2117	2010	3.26%	10.17%	5.54%	7.47%
Balancer II Fund	ULIF01015/12/09BALANCER2F117	2009	7.99%	14.33%	-0.58%	8.10%
Discontinued Policy Fund	ULIF01721/12/10DISCONTINU117	2010	5.70%	6.35%	7.26%	7.21%
Multiplier III Fund	ULIF01809/10/15MULTIPLIE3117	2016	10.61%	5.72%	-	9.77%
Liquid Fund	ULIF01909/10/15LIQUIDFUND117	2016	4.83%	3.29%	-	4.85%
Mid Cap Fund *	ULIF02501/01/18MIDCAPFUND117	2018	0.22%	-	-	0.22%
Crest (Thematic Fund) *	ULIF02201/01/18CRESTTHEMF117	2018	-0.04%	-	-	-0.04%
Balanced Opportunities Fund *	ULIF02301/01/18BALANCEOPP117	2018	0.60%	-	-	0.60%
Bond Opportunities Fund *	ULIF02401/01/18BONDOPPORT117	2018	0.30%	-	-	0.30%
Premier Multi-Cap Fund *	ULIF02101/01/18MULTICAPFN117	2018	0.14%	-	-	0.14%

* These funds were launched in Current Financial Year.

2) Investment Management

- Activities outsourced - Nil
- Fee paid for various activities charged to Policyholders' Account - Not applicable
- Basis of Payment of Fees - Not Applicable

3) Related Party Transactions

- Brokerage, custodial fee or any other payments and receipts made to/from related parties (As defined in AS 18 issued by ICAI) - Nil
- Company-wise details of investments held in the promotor group alongwith its percentage to funds under management: -
- Equity Shares of Punjab National Bank - ₹ 19,226 thousands (Market Value). 0.03% of Unit Linked Funds AUM

(₹ in '000)

Fund Name	SFIN Code	Company Name	Market Value	Fund-wise FUM	% of FUM
Flexi Cap Fund	ULIF01315/12/09FLEXICAPFN117	PUNJAB NATIONAL BANK	9,652	6,219,625	0.16%
Balancer II Fund	ULIF01015/12/09BALANCER2F117	PUNJAB NATIONAL BANK	9,170	3,621,034	0.25%
Crest (Thematic Fund)	ULIF02201/01/18CRESTTHEMF117	PUNJAB NATIONAL BANK	9	24,269	0.04%
Multiplier III Fund	ULIF01809/10/15MULTIPLIE3117	PUNJAB NATIONAL BANK	394	55,967	0.70%

4) Industrywise disclosure of Investments (with exposure of 10 % and above)

Details vide annexure 11

5) Unclaimed redemption of units - NIL (Previous year - NIL)

Annexure 10

6) NAV: Highest, Lowest and Closing

For the year ended March 31, 2018

Fund Name	SFIN Code	Highest	Lowest	Closing
Preserver Fund	ULIF00125/01/05PRESERVERF117	22.5339	21.5760	22.4276
Protector Fund	ULIF00225/01/05PROTECTORF117	24.6087	23.5816	24.6066
Moderator Fund	ULIF00325/01/05MODERATORF117	27.8162	26.0641	27.4605
Balancer Fund	ULIF00425/01/05BALANCERFN117	35.1677	31.2274	33.6524
Accelerator Fund	ULIF00525/01/05ACCELERATO117	42.5978	36.3665	39.5403
Multiplier Fund	ULIF00625/01/05MULTIPLIER117	45.0166	37.2997	40.8827
Gratuity Debt	ULGF00105/06/04GRADEBTFND117	18.4134	17.5435	18.4134
Virtue Fund	ULIF00719/02/08VIRTUEFUND117	23.5058	19.2762	21.7392
Gratuity Balanced	ULGF00205/06/04GRABALANCE117	21.6632	19.8452	21.2428
Multiplier II Fund	ULIF01115/12/09MULTIPLIE2117	20.3043	16.7538	18.4523
Virtue II Fund	ULIF01215/12/09VIRTUE2FND117	24.2441	19.6003	22.4942
Protector II Fund	ULIF00915/12/09PROTECTOR2117	19.0904	18.2580	19.0904
Flexi Cap	ULIF01315/12/09FLEXICAPFN117	22.9642	18.9906	20.9589
Preserver II Fund	ULIF00815/12/09PRESERVER2117	18.1878	17.4047	18.0783
Balancer II Fund	ULIF01015/12/09BALANCER2F117	19.8950	17.6452	19.0542
Discontinued Policy Fund	ULIF01721/12/10DISCONTINU117	16.5918	15.6961	16.5918
Multiplier III Fund	ULIF01809/10/15MULTIPLIE3117	12.7782	10.5148	11.6942
Liquid Fund	ULIF01909/10/15LIQUIDFUND117	10.8279	10.3285	10.8279
Mid Cap Fund	ULIF02501/01/18MIDCAPFUND117	10.0707	9.9303	10.0221
Crest (Thematic Fund)	ULIF02201/01/18CRESTTHEMF117	10.0635	9.9295	9.9963
Balanced Opportunities Fund	ULIF02301/01/18BALANCEOPP117	10.0879	9.9989	10.0603
Bond Opportunities Fund	ULIF02401/01/18BONDOPPORT117	10.0322	9.9757	10.0297
Premier Multi-Cap Fund	ULIF02101/01/18MULTICAPFN117	10.0721	9.9895	10.0136

For the year ended March 31, 2017

Fund Name	SFIN Code	Highest	Lowest	Closing
Preserver Fund	ULIF00125/01/05PRESERVERF117	22.5953	19.7935	21.7044
Protector Fund	ULIF00225/01/05PROTECTORF117	24.1277	21.6213	23.6613
Moderator Fund	ULIF00325/01/05MODERATORF117	26.1621	23.6606	26.1621
Balancer Fund	ULIF00425/01/05BALANCERFN117	31.3306	27.6211	31.3306
Accelerator Fund	ULIF00525/01/05ACCELERATO117	36.5896	31.4266	36.5896
Multiplier Fund	ULIF00625/01/05MULTIPLIER117	37.6333	31.9889	37.5994
Gratuity Debt	ULGF00105/06/04GRADEBTFND117	17.9860	15.8608	17.6009
Virtue Fund	ULIF00719/02/08VIRTUEFUND117	19.2783	16.1357	19.2783
Gratuity Balanced	ULGF00205/06/04GRABALANCE117	19.8436	17.6414	19.8435
Multiplier II Fund	ULIF01115/12/09MULTIPLIE2117	16.8742	14.3098	16.8530
Virtue II Fund	ULIF01215/12/09VIRTUE2FND117	19.6018	16.3853	19.6018
Protector II Fund	ULIF00915/12/09PROTECTOR2117	18.6837	16.6110	18.3453
Flexi Cap	ULIF01315/12/09FLEXICAPFN117	18.9921	15.6435	18.9921
Preserver II Fund	ULIF00815/12/09PRESERVER2117	18.2486	15.8946	17.5076
Balancer II Fund	ULIF01015/12/09BALANCER2F117	17.6444	15.3253	17.6444
Discontinued Policy Fund	ULIF01721/12/10DISCONTINU117	15.6966	14.7622	15.6966
Multiplier III Fund	ULIF01809/10/15MULTIPLIE3117	10.5765	9.2871	10.5720
Liquid Fund	ULIF01909/10/15LIQUIDFUND117	10.3291	10.0000	10.3291

Annexure 10

7) Expenses charged to Fund (%) - Annualised expense ratio to average daily assets of the fund

Fund Management Charges	SFIN Code	2017-18	2016-17
Accelerator	ULIF00525/01/05ACCELERATO117	1.75%	1.75%
Balancer	ULIF00425/01/05BALANCERFN117	1.50%	1.50%
Balancer II	ULIF01015/12/09BALANCER2F117	1.15%	1.15%
Flexi Cap	ULIF01315/12/09FLEXICAPFN117	1.25%	1.25%
Gratuity Balanced	ULGF00205/06/04GRABALANCE117	0.65%	0.65%
Gratuity Debt	ULGF00105/06/04GRADEBTFND117	0.65%	0.65%
Moderator	ULIF00325/01/05MODERATORF117	1.50%	1.50%
Multiplier	ULIF00625/01/05MULTIPLIER117	1.75%	1.75%
Multiplier II	ULIF01115/12/09MULTIPLIE2117	1.25%	1.25%
Preserver	ULIF00125/01/05PRESERVERF117	1.25%	1.25%
Preserver II	ULIF00815/12/09PRESERVER2117	1.00%	1.00%
Protector	ULIF00225/01/05PROTECTORF117	1.25%	1.25%
Protector II	ULIF00915/12/09PROTECTOR2117	1.00%	1.00%
Virtue	ULIF00719/02/08VIRTUEFUND117	1.75%	1.75%
Virtue II	ULIF01215/12/09VIRTUE2FND117	1.25%	1.25%
Multiplier III	ULIF01809/10/15MULTIPLIE3117	1.25%	1.25%
Liquid	ULIF01909/10/15LIQUIDFUND117	1.00%	1.00%
Discontinued Policy fund	ULIF01721/12/10DISCONTINU117	0.50%	0.50%
Mid Cap *	ULIF02501/01/18MIDCAPFUND117	1.25%	NA
Crest (Thematic Fund) *	ULIF02201/01/18CRESTTHEMF117	1.25%	NA
Balanced Opportunities *	ULIF02301/01/18BALANCEOPP117	1.15%	NA
Bond Opportunities *	ULIF02401/01/18BONDOPPORT117	1.00%	NA
Premier Multi-Cap	ULIF02101/01/18MULTICAPFN117	1.25%	NA

* These funds were launched in Current Financial Year.

8) Ratio of gross income (including unrealised gains to average daily net assets)

Particulars	SFIN Code	2017-18	2016-17
Accelerator	ULIF00525/01/05ACCELERATO117	10.30%	15.64%
Balancer	ULIF00425/01/05BALANCERFN117	9.28%	13.51%
Balancer II	ULIF01015/12/09BALANCER2F117	9.18%	14.68%
Flexi Cap	ULIF01315/12/09FLEXICAPFN117	11.24%	18.91%
Gratuity Balanced	ULGF00205/06/04GRABALANCE117	7.44%	12.09%
Gratuity Debt	ULGF00105/06/04GRADEBTFND117	5.36%	11.09%
Moderator	ULIF00325/01/05MODERATORF117	6.79%	11.94%
Multiplier	ULIF00625/01/05MULTIPLIER117	11.00%	16.10%
Multiplier II	ULIF01115/12/09MULTIPLIE2117	11.02%	16.08%
Preserver	ULIF00125/01/05PRESERVERF117	4.78%	10.76%
Preserver II	ULIF00815/12/09PRESERVER2117	4.47%	10.91%
Protector	ULIF00225/01/05PROTECTORF117	5.43%	10.45%
Protector II	ULIF00915/12/09PROTECTOR2117	5.20%	10.93%
Virtue	ULIF00719/02/08VIRTUEFUND117	14.24%	18.01%
Virtue II	ULIF01215/12/09VIRTUE2FND117	12.18%	18.77%
Multiplier III	ULIF01809/10/15MULTIPLIE3117	8.32%	15.37%
Liquid	ULIF01909/10/15LIQUIDFUND117	5.90%	4.01%
Discontinued Policy fund	ULIF01721/12/10DISCONTINU117	6.13%	6.71%
Mid Cap *	ULIF02501/01/18MIDCAPFUND117	0.26%	NA
Crest (Thematic Fund) *	ULIF02201/01/18CRESTTHEMF117	-0.06%	NA
Balanced Opportunities *	ULIF02301/01/18BALANCEOPP117	0.50%	NA
Bond Opportunities *	ULIF02401/01/18BONDOPPORT117	0.47%	NA
Premier Multi-Cap	ULIF02101/01/18MULTICAPFN117	-0.13%	NA

* These funds were launched in Current Financial Year.

9) Provision for doubtful debts on the assets of the respective fund - Nil

Annexure 10

10) Fund wise disclosure of appreciation and/or (depreciation) in value of investments segregated class wise

Financial year ended March 31, 2018

(₹ in '000)

Security Class	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer II
Debt Securities	(47,831)	0	(12,076)	(21,460)	(40,493)	(5,009)	0	(39,380)
Equity	(121,040)	(1,113,519)	(150,988)	-	-	(3,099)	50,457	(99,642)
Mutual fund	-	79,414	5,988	-	-	7	-	-
Total	(168,871)	(1,034,105)	(157,077)	(21,460)	(40,493)	(8,100)	50,457	(139,022)

(₹ in '000)

Security Class	Multiplier II	Preserver II	Protector II	Virtue II	Flexi Cap	Gratuity Balanced	Gratuity Debt	Multiplier III
Debt Securities	0	(17,088)	(190,494)	0	0	(7,896)	(17,695)	0
Equity	(654,317)	-	-	8,151	(566,607)	3,718	-	414
Mutual fund	48,720	-	-	-	40,187	-	-	103
Total	(605,597)	(17,088)	(190,494)	8,151	(526,420)	(4,178)	(17,695)	517

(₹ in '000)

Security Class	Liquid	Discontinued Policy	Mid Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund	Premier Multi-Cap Fund	Total
Debt Securities	0	(195)	-	-	1	1	-	(399,614)
Equity	-	-	6	(8)	4	-	(7)	(2,646,476)
Mutual fund	-	-	-	-	-	-	-	174,418
Total	0	(195)	6	(8)	5	1	(7)	(2,871,673)

Financial year ended March 31, 2017

(₹ in '000)

Security Class	Balancer	Multiplier	Accelerator	Preserver	Protector	Moderator	Virtue	Balancer II
Debt Securities	15,983	(0)	2,534	(1,478)	9,284	3,375	(0)	25,060
Equity	106,059	761,807	55,156	-	-	1,997	61,977	116,890
Mutual fund	-	12,361	-	-	-	-	-	-
Total	122,042	774,169	57,690	(1,478)	9,284	5,372	61,977	141,950

(₹ in '000)

Security Class	Multiplier II	Preserver II	Protector II	Virtue II	Flexi Cap	Gratuity Balanced	Gratuity Debt	Multiplier III
Debt Securities	(0)	149	98,099	(0)	0	2,791	13,032	(0)
Equity	117,433	-	-	33,784	466,314	16,151	-	1,406
Mutual fund	4,654	-	-	-	10,356	-	-	34
Total	122,087	149	98,099	33,784	476,670	18,942	13,032	

(₹ in '000)

Security Class	Liquid	Discontinued Policy	Mid Cap Fund	Crest (Thematic Fund)	Balanced Opportunities Fund	Bond Opportunities Fund	Premier Multi-Cap Fund	Total
Debt Securities	(0)	75	-	-	-	-	-	168,903
Equity	-	-	-	-	-	-	-	1,738,974
Mutual fund	-	-	-	-	-	-	-	27,406
Total		75						1,935,283

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : ACCELERATOR (ULIF00525/01/05ACCELERATO117)

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	142,238	6.78%
	HDFC	112,451	5.36%
	ICICI BANK LTD FV 2	53,201	2.54%
	KOTAK MAHINDRA BANK LTD	52,216	2.49%
	INDUSIND BANK LTD	44,886	2.14%
	8.45% SUNDARAM FINANCE LTD 21-02-2028	30,687	1.46%
	YES BANK LTD.FV-2	22,735	1.08%
	INDIABULLS HOUSING FINANCE LTD	21,726	1.04%
	BAJAJ FINANCE LIMITED FV -2	20,039	0.96%
	STATE BANK OF INDIAFV-1	12,050	0.57%
	NABARD CP 31-07-2018	9,762	0.47%
FINANCIAL AND INSURANCE ACTIVITIES Total		521,993	24.88%
INFRASTRUCTURE SECTOR			
	10.25% RELIANCE GAS TRANSPORTATION INFRA POWER GRID CORPORATION	150,792.32	7.19%
	BHARTI AIRTEL LTD	26,478.07	1.26%
	GAIL (INDIA) LTD	25,717.91	1.23%
	7.83% IRFC 21-03-2027	24,713.18	1.18%
	7.90% INDIA INFRADEBT LIMITED 31-10-2022	19,587.34	0.93%
	NTPC	12,759.91	0.61%
	BHARTI INFRA TEL LTD.	8,052.47	0.38%
INFRASTRUCTURE SECTOR Total		297,161	14.17%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES			
	INFOSYS LTD.	114,633.23	5.46%
	TATA CONSULTANCY SERVICES LTD.	39,312.57	1.87%
	HCL TECHNOLOGIES LIMITED	38,117.32	1.82%
	TECH MAHINDRA LIMITED FV-5	14,301.77	0.68%
	WIPRO	8,252.88	0.39%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES Total		214,618	10.23%
Others		1,058,104	50.44%
Current Assets and Liabilities		5,954	0.28%
Grand Total		2,097,830	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : **BALANCER [ULIF00425/01/05BALANCERFN117]**

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	223,273	5.82%
	HDFC	166,283	4.33%
	NABARD CP 31-07-2018	78,094	2.04%
	ICICI BANK LTD FV 2	75,109	1.96%
	8.45% SUNDARAM FINANCE LTD 21-02-2028	61,375	1.60%
	KOTAK MAHINDRA BANK LTD	59,077	1.54%
	INDUSIND BANK LTD	52,064	1.36%
	8.22% NABARD 25-02-2028	51,328	1.34%
	8.8394% HDB FINANCIAL SERVICES 12-03-2019	50,653	1.32%
	YES BANK LTD.FV-2	32,656	0.85%
	BAJAJ FINANCE LIMITED FV -2	23,268	0.61%
	INDIABULLS HOUSING FINANCE LTD	20,215	0.53%
	STATE BANK OF INDIAFV-1	16,483	0.43%
FINANCIAL AND INSURANCE ACTIVITIES Total		909,880	23.72%
INFRASTRUCTURE SECTOR			
	10.25% RELIANCE GAS TRANSPORTATION INFRA	323,126	8.42%
	7.28% POWER FINANCE CORPN. LTD. 10-06-2022	56,811	1.48%
	9.34% RECL 25-08-2024	53,114	1.38%
	8.93% POWER GRID CORPORATION 20-10-2024	52,159	1.36%
	8.11% RECL 07-10-2025	50,132	1.31%
	8.15% L&T INFRA DEBT FUND LTD 16-01-2023	49,803	1.30%
	7.70% RECL 10-12-2027	48,983	1.28%
	GAIL (INDIA) LTD	28,748	0.75%
	BHARTI AIRTEL LTD	28,549	0.74%
	POWER GRID CORPORATION	23,530	0.61%
	NTPC	16,004	0.42%
	BHARTI INFRATEL LTD.	9,146	0.24%
INFRASTRUCTURE SECTOR Total		740,104	19.29%
GOVERNMENT OF INDIA			
	7.17% GOI 08-01-2028	191,919	5.00%
	6.68% GOI 17-09-2031	120,068	3.13%
	6.57% GOI 05-12-2033	45,175	1.18%
	GOI 8.24% 2027	41,400	1.08%
	9.23% GOI 23-12-2043	40,773	1.06%
	7.59% GOI 20-03-2029	23,856	0.62%
	8.83% GSEC 25-11-2023	21,288	0.55%
	8.17% GSEC 01-12-2044	15,863	0.41%
	8.40% GSEC 28-07-2024	10,435	0.27%
	GOI LOAN 7.95% 2032	9,897	0.26%
	8.40% OIL SPL BONDS 2025	881	0.02%
	8.13% GOI OIL Bond 2021	830	0.02%
GOVERNMENT OF INDIA Total		522,386	13.62%

Name of the Insurer : PNB MetLife India Insurance Company Limited
 Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
HOUSING SECTOR			
	9.05% DEWAN HOUSING FINANCE CORPN. LTD. 09-09-2023	107,463	2.80%
	9.63% L I C HOUSING FINANCE LTD 22-01-2019	101,688	2.65%
	8.85% INDIABULLS HOUSING FINANCE 26-09- 2026	88,727	2.31%
	9.00% L I C HOUSING FINANCE LTD. 09-04- 2023	52,435	1.37%
	7.75% L I C HOUSING FINANCE LTD. 23-11- 2027	49,115	1.28%
	8.95% HDFC 19-10-2020	12,365	0.32%
HOUSING SECTOR Total		411,793	10.73%
Others		1,232,233	32.12%
Current Assets and Liabilities		19,615	0.51%
Grand Total		3,836,011	100.00%

Name of Fund: BALANCED OPPORTUNITIES FUND [ULIF02301/01/18BALANCEOPP117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	7.16% GSEC 20-05-2023	792	13.21%
GOVERNMENT OF INDIA Total		792	13.21%
CBLO			
	CBLO 6.2% 28/03-04-2018	700	11.67%
CBLO Total		700	11.67%
Others		1,286	21.45%
Current Assets and Liabilities		3,219	53.68%
Grand Total		5,997	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : **BALANCER II FUND [ULIF01015/12/09BALANCER2F117]**

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	187,488	5.18%
	9.00% SHRIRAM TRANSPORT FINANCE CO. LTD. 28-03-2028	152,427	4.21%
	HDFC	94,139	2.60%
	ICICI BANK LTD FV 2	78,847	2.18%
	KOTAK MAHINDRA BANK LTD	54,143	1.50%
	8.45% SUNDARAM FINANCE LTD 21-02-2028	51,146	1.41%
	STATE BANK OF INDIAFV-1	34,782	0.96%
	YES BANK LTD.FV-2	32,241	0.89%
	INDUSIND BANK LTD	28,949	0.80%
	8.60% SUNDARAM FINANCE 09-05-2018	20,028	0.55%
	8.67% IDFC BANK 03-01-2025	15,468	0.43%
	SBI LIFE INSURANCE CO. LTD	15,093	0.42%
	INDIABULLS HOUSING FINANCE LTD	13,809	0.38%
	8.8394% HDB FINANCIAL SERVICES 12-03-2019	10,131	0.28%
	SHRIRAM TRANSPORT FINANCE CO. LTD.	9,694	0.27%
	BAJAJ FINANCE LIMITED FV -2	9,610	0.27%
	PUNJAB NATIONAL BANK FV 2	9,170	0.25%
	RBL BANK LTD.	8,970	0.25%
	AXIS BANK LTD.	8,511	0.24%
	ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED	812	0.02%
	CAN FIN HOMES LIMITED FV-2	31	0.00%
FINANCIAL AND INSURANCE ACTIVITIES Total		835,489	23.07%
INFRASTRUCTURE SECTOR			
	9.30% PGC NCD 04-09-2024	159,078	4.39%
	9.34% RECL 25-08-2024	106,227	2.93%
	7.27% IRFC 15-06-2027	95,687	2.64%
	10.25% RELIANCE GAS TRANSPORTATION INFRA	64,625	1.78%
	8.75% RECL 12-07-2025	51,851	1.43%
	8.65% POWER FINANCE CORPN. LTD. 28-12- 2024	51,507	1.42%
	8.57% RECL 21-12-2024	51,342	1.42%
	8.93% POWER GRID CORPORATION 20-10-2024	26,079	0.72%
	BHARTI AIRTEL LTD	23,138	0.64%
	C E S C LTD.	22,164	0.61%
	GAIL (INDIA) LTD	18,785	0.52%
	PETRONET L N G LTD	16,050	0.44%
	GUJARAT STATE PETRONET LTD	11,206	0.31%
	9.82% IL&FS 24-01-2022	10,648	0.29%
	POWER GRID CORPORATION	10,612	0.29%
	INDRAPRASTHA GAS LTD.FV-2	7,957	0.22%
	V A TECH WABAG LTD.	6,956	0.19%
INFRASTRUCTURE SECTOR Total		733,911	20.27%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	9.20% GSEC 30-09-2030	111,770	3.09%
	7.17% GOI 08-01-2028	98,420	2.72%
	6.68% GOI 17-09-2031	69,270	1.91%
	8.38% KARNATAKA SDL 27-01-2026	51,312	1.42%
	8.25% PUNJAB SDL 09-09-2025	50,887	1.41%
	8.27% GUJARAT SDL 13-01-2026	50,818	1.40%
	7.16% GSEC 20-05-2023	48,065	1.33%
	8.25% MAHARASHTRA SDL 13-01-2026	20,388	0.56%
	8.40% OIL SPL BONDS 2025	1,578	0.04%
GOVERNMENT OF INDIA Total		502,508	13.88%
HOUSING SECTOR			
	8.85% INDIABULLS HOUSING FINANCE 26-09-2026	211,501	5.84%
	7.75% L I C HOUSING FINANCE LTD. 23-11-2027	98,230	2.71%
	9.63% L I C HOUSING FINANCE LTD 22-01-2019	50,844	1.40%
	8.95% HDFC 19-10-2020	19,578	0.54%
HOUSING SECTOR Total		380,152	10.50%
Others		1,043,886	28.83%
Current Assets and Liabilities		125,088	3.45%
Grand Total		3,621,034	100.00%

Name of Fund: BOND OPPORTUNITIES FUND [ULIF02401/01/18BONDOPPORT117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	7.16% GSEC 20-05-2023	644	22.49%
GOVERNMENT OF INDIA Total		644	22.49%
Others		20	0.70%
Current Assets and Liabilities		2,197	76.81%
Grand Total		2,861	100.00%

Name of Fund: CREST (THEMATIC FUND) [ULIF02201/01/18CRESTTHEMF117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
CBLO			
	CBLO 6.2% 28/03-04-2018	3699	15.24%
CBLO Total		3,699	15.24%
Others		9,048	37.28%
Current Assets and Liabilities		11,522	47.48%
Grand Total		24,269	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : FLEXI CAP FUND [ULIF01315/12/09FLEXICAPFN117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	385,856	6.20%
	HDFC	243,820	3.92%
	ICICI BANK LTD FV 2	144,706	2.33%
	KOTAK MAHINDRA BANK LTD	116,594	1.87%
	YES BANK LTD.FV-2	92,135	1.48%
	STATE BANK OF INDIAFV-1	83,741	1.35%
	INDIABULLS HOUSING FINANCE LTD	72,464	1.17%
	INDUSIND BANK LTD	59,237	0.95%
	SHRIRAM TRANSPORT FINANCE CO. LTD.	49,842	0.80%
	BAJAJ FINANCE LIMITED FV -2	49,255	0.79%
	SBI LIFE INSURANCE CO. LTD	47,487	0.76%
	CAN FIN HOMES LIMITED FV-2	26,066	0.42%
	FEDERAL BANK LTD.	22,392	0.36%
	MAGMA FINCORP LTD.	19,132	0.31%
	BAJAJ FINSERV LIMITED	15,173	0.24%
	PUNJAB NATIONAL BANK FV 2	9,652	0.16%
	RBL BANK LTD.	6,094	0.10%
	ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED	812	0.01%
FINANCIAL AND INSURANCE ACTIVITIES Total		1,444,458	23.22%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES			
	INFOSYS LTD.	337,235	5.42%
	HCL TECHNOLOGIES LIMITED	112,274	1.81%
	TATA CONSULTANCY SERVICES LTD.	85,215	1.37%
	TECH MAHINDRA LIMITED FV-5	60,194	0.97%
	ORACLE FINANCIAL SERVICES SOFTWARE LTD	28,742	0.46%
	CYIENT LTD	21,449	0.34%
	PERSISTENT SYSTEMS LIMITED	18,054	0.29%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES Total		663,162	10.66%
Others		3,967,364	63.79%
Current Assets and Liabilities		144,640	2.33%
Grand Total		6,219,625	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : GRATUITY BALANCED [ULGF00205/06/04GRABALANCE117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
INFRASTRUCTURE SECTOR			
	10.25% RELIANCE GAS TRANSPORTATION INFRA	36,621	6.55%
	8.15% L&T INFRA DEBT FUND LTD 16-01-2023	34,862	6.23%
	7.90% INDIA INFRADEBT LIMITED 31-10-2022	34,278	6.13%
	7.28% POWER FINANCE CORPN. LTD. 10-06-2022	29,385	5.25%
	POWER GRID CORPORATION	3,884	0.69%
	GAIL (INDIA) LTD	2,013	0.36%
	BHARTI AIRTEL LTD	1,997	0.36%
	GUJARAT STATE PETRONET LTD	1,215	0.22%
	C E S C LTD.	1,115	0.20%
INFRASTRUCTURE SECTOR Total		145,369	25.99%
GOVERNMENT OF INDIA			
	6.68% GOI 17-09-2031	46,180	8.26%
	8.60% GOI 02-06-2028	39,697	7.10%
	8.25% MAHARASHTRA SDL 13-01-2026	30,582	5.47%
	7.35% GOI 22-06-2024	9,949	1.78%
GOVERNMENT OF INDIA Total		126,408	22.60%
FINANCIAL AND INSURANCE ACTIVITIES			
	8.8394% HDB FINANCIAL SERVICES 12-03-2019	20,261	3.62%
	HDFC BANK LTD	18,944	3.39%
	8.45% SUNDARAM FINANCE LTD 21-02-2028	10,229	1.83%
	HDFC	10,185	1.82%
	ICICI BANK LTD FV 2	6,963	1.24%
	KOTAK MAHINDRA BANK LTD	5,312	0.95%
	INDUSIND BANK LTD	4,797	0.86%
	YES BANK LTD.FV-2	3,734	0.67%
	STATE BANK OF INDIAFV-1	2,920	0.52%
	INDIABULLS HOUSING FINANCE LTD	1,219	0.22%
	RBL BANK LTD.	1,131	0.20%
	BAJAJ FINANCE LIMITED FV -2	870	0.16%
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.	718	0.13%
FINANCIAL AND INSURANCE ACTIVITIES Total		87,284	15.60%
HOUSING SECTOR			
	8.85% INDIABULLS HOUSING FINANCE 26-09-2026	41,268	7.38%
	9.05% DEWAN HOUSING FINANCE CORPN. LTD. 09-09-2023	30,704	5.49%
HOUSING SECTOR Total		71,972	12.87%
Others		117,123	20.94%
Current Assets and Liabilities		11,258	2.01%
Grand Total		559,414	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : MODERATOR [ULIF00325/01/05MODERATORF117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
INFRASTRUCTURE SECTOR			
	8.15% L&T INFRA DEBT FUND LTD 16-01-2023	14,941	8.41%
	7.90% INDIA INFRADEBT LIMITED 31-10-2022	14,691	8.27%
	7.28% POWER FINANCE CORPN. LTD. 10-06-2022	11,754	6.62%
	7.83% IRFC 21-03-2027	9,885	5.56%
	BHARTI AIRTEL LTD	547	0.31%
	POWER GRID CORPORATION	546	0.31%
	GAIL (INDIA) LTD	534	0.30%
	NTPC	314	0.18%
	BHARTI INFRATEL LTD.	175	0.10%
INFRASTRUCTURE SECTOR Total		53,386	30.05%
GOVERNMENT OF INDIA			
	7.17% GOI 08-01-2028	24,605	13.85%
	7.35% GOI 22-06-2024	9,949	5.60%
	6.68% GOI 17-09-2031	9,236	5.20%
	8.13% GOI OIL Bond 2021	263	0.15%
GOVERNMENT OF INDIA Total		44,053	24.80%
HOUSING SECTOR			
	9.05% DEWAN HOUSING FINANCE CORPN. LTD. 09-09-2023	15,352	8.64%
	8.85% INDIABULLS HOUSING FINANCE 26-09-2026	9,285	5.23%
HOUSING SECTOR Total		24,637	13.87%
FINANCIAL AND INSURANCE ACTIVITIES			
	8.8394% HDB FINANCIAL SERVICES 12-03-2019	10,131	5.70%
	HDFC BANK LTD	3,804	2.14%
	HDFC	3,229	1.82%
	KOTAK MAHINDRA BANK LTD	1,393	0.78%
	ICICI BANK LTD FV 2	1,370	0.77%
	INDUSIND BANK LTD	997	0.56%
	YES BANK LTD.FV-2	590	0.33%
	BAJAJ FINANCE LIMITED FV -2	440	0.25%
	INDIABULLS HOUSING FINANCE LTD	397	0.22%
	STATE BANK OF INDIAFV-1	374	0.21%
FINANCIAL AND INSURANCE ACTIVITIES Total		22,726	12.79%
Others		28,890	16.27%
Current Assets and Liabilities Total		3,946	2.22%
Grand Total		177,638	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : GRATUITY DEBT [ULGF00105/06/04GRADEBTFFND117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
INFRASTRUCTURE SECTOR			
	10.40% RELIANCE PORTS AND TERMINALS LTD	53,974	5.54%
	9.98% IL&FS 05-12-2021	53,620	5.51%
	8.72% L&T INFRA DEBT FUND LTD 27-03-2026	51,919	5.33%
	8.75% RECL 12-07-2025	51,851	5.32%
	8.65% POWER FINANCE CORPN. LTD. 28-12-2024	51,507	5.29%
	10.25% RELIANCE GAS TRANSPORTATION INFRA RECL CP 04-09-2018	31,236 29,092	3.21% 2.99%
	8.93% POWER GRID CORPORATION 20-10-2024	26,079	2.68%
INFRASTRUCTURE SECTOR Total		349,277	35.87%
GOVERNMENT OF INDIA			
	6.68% GOI 17-09-2031	103,905	10.67%
	7.17% GOI 08-01-2028	68,894	7.07%
	7.68% GSEC 15-12-2023	65,975	6.77%
	8.40% GSEC 28-07-2024	15,653	1.61%
	8.13% GOI OIL Bond 2021	736	0.08%
	GOI LOAN 7.95% 2032	303	0.03%
GOVERNMENT OF INDIA Total		255,466	26.23%
FINANCIAL AND INSURANCE ACTIVITIES			
	9.78% TATA SONS LTD 13-01-2019	50,876	5.22%
	7.60% AXIS BANK 20-10-2023	49,008	5.03%
	NABARD CP 31-07-2018	39,047	4.01%
	8.67% IDFC BANK 03-01-2025	30,936	3.18%
	9.43% TATA SONS LTD 02-06-2019	20,425	2.10%
FINANCIAL AND INSURANCE ACTIVITIES Total		190,293	19.54%
HOUSING SECTOR			
	8.85% INDIABULLS HOUSING FINANCE 26-09-2026	51,586	5.30%
	9.05% DEWAN HOUSING FINANCE CORPN. LTD. 09-09-2023	51,173	5.25%
HOUSING SECTOR Total		102,759	10.55%
Others		11,181	1.15%
Current Assets and Liabilities		64,871	6.66%
Grand Total		973,847	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : MULTIPLIER [ULIF00625/01/05MULTIPLIER117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	1,475,130	8.53%
	HDFC	886,787	5.13%
	INDUSIND BANK LTD	436,048	2.52%
	KOTAK MAHINDRA BANK LTD	404,120	2.34%
	INDIABULLS HOUSING FINANCE LTD	325,353	1.88%
	ICICI BANK LTD FV 2	311,346	1.80%
	YES BANK LTD.FV-2	249,628	1.44%
	STATE BANK OF INDIAFV-1	159,617	0.92%
	AXIS BANK LTD.	164	0.00%
FINANCIAL AND INSURANCE ACTIVITIES Total		4,248,193	24.56%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES			
	INFOSYS LTD.	1,139,104	6.59%
	TATA CONSULTANCY SERVICES LTD.	405,813	2.35%
	HCL TECHNOLOGIES LIMITED	366,836	2.12%
	TECH MAHINDRA LIMITED FV-5	4,790	0.03%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES Total		1,916,543	11.08%
MUTUAL FUND			
	SBI-ETF NIFTY BANK	630,154	3.64%
	KOTAK MAHINDRA MF-KOTAK BANKING ETF - DIV PAYOUT	595,602	3.44%
	R*SHARES BANK BEES ETF	576,489	3.33%
MUTUAL FUND Total		1,802,245	10.42%
Others		9,413,432	54.42%
Current Assets and Liabilities		-82,403	-0.48%
Grand Total		17,298,009	100.00%

Name of Fund : DISCONTINUED POLICY FUND [ULIF01721/12/10DISCONTINU117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	364 DAY TBILL 21-06-2018	1,085,399	18.88%
	364 DAY TBILL 27-12-2018	668,898	11.63%
	364 DAY TBILL 07-06-2018	598,416	10.41%
	364 DAY TBILL 19-07-2018	491,136	8.54%
	182 DAY TBILL 05-04-2018	447,207	7.78%
	364 DAY TBILL 26-04-2018	398,343	6.93%
	364 DAY TBILL 10-05-2018	397,407	6.91%
	91 DAY TBILL 17-05-2018	379,357	6.60%
	364 DAY TBILL 27-09-2018	341,730	5.94%
	182 DAY TBILL 16-08-2018	312,342	5.43%
	364 DAY TBILL 30-08-2018	292,714	5.09%
	182 DAY TBILL 17-05-2018	163,912	2.85%
GOVERNMENT OF INDIA Total		5,576,860	97.00%
Others		384,764	6.69%
Current Assets and Liabilities		-212,391	-3.69%
Grand Total		5,749,233	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited

Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : LIQUID FUND [ULIF01909/10/15LIQUIDFUND117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	182 DAY TBILL 05-04-2018	2,498	46.73%
GOVERNMENT OF INDIA Total		2,498	46.73%
CBLO			
	CBLO 6.2% 28/03-04-2018	2,125	39.74%
CBLO Total		2,125	39.74%
Current Assets and Liabilities		723	13.53%
Grand Total		5,346	100.00%

Name of Fund : MID CAP FUND [ULIF02501/01/18MIDCAPFUND117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
CBLO			
	CBLO 6.2% 28/03-04-2018	1,699	16.43%
CBLO Total		1,699	16.43%
Others		4,343	41.98%
Current Assets and Liabilities		4,302	41.59%
Grand Total		10,345	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : MULTIPLIER II FUND [ULIF01115/12/09MULTIPLIE2117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	545,354	8.15%
	HDFC	397,937	5.95%
	KOTAK MAHINDRA BANK LTD	191,977	2.87%
	ICICI BANK LTD FV 2	188,859	2.82%
	INDUSIND BANK LTD	99,251	1.48%
	YES BANK LTD.FV-2	90,100	1.35%
	STATE BANK OF INDIAFV-1	69,423	1.04%
	INDIABULLS HOUSING FINANCE LTD	39,581	0.59%
	BAJAJ FINANCE LIMITED FV -2	18,582	0.28%
FINANCIAL AND INSURANCE ACTIVITIES Total		1,641,064	24.52%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES			
	INFOSYS LTD.	477,656	7.14%
	HCL TECHNOLOGIES LIMITED	146,219	2.18%
	TATA CONSULTANCY SERVICES LTD.	141,059	2.11%
	TECH MAHINDRA LIMITED FV-5	67,550	1.01%
	WIPRO	32,256	0.48%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES Total		864,740	12.92%
MUTUAL FUND			
	R*SHARES BANK BEES ETF	314,907	4.70%
	KOTAK MAHINDRA MF-KOTAK BANKING ETF - DIV PAYOUT	307,967	4.60%
	SBI-ETF NIFTY BANK	77,628	1.16%
MUTUAL FUND Total		700,501	10.47%
Others		3,452,499	51.58%
Current Assets and Liabilities		34,344	0.51%
Grand Total		6,693,147	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
 Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : MULTIPLIER III FUND [ULIF01809/10/15MULTIPLIER3117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
FINANCIAL AND INSURANCE ACTIVITIES			
	HDFC BANK LTD	2,914	5.21%
	HDFC	2,304	4.12%
	ICICI BANK LTD FV 2	1,076	1.92%
	KOTAK MAHINDRA BANK LTD	654	1.17%
	YES BANK LTD.FV-2	607	1.09%
	INDUSIND BANK LTD	595	1.06%
	STATE BANK OF INDIAFV-1	498	0.89%
	PUNJAB NATIONAL BANK FV 2	394	0.70%
	INDIABULLS HOUSING FINANCE LTD	255	0.46%
	SBI LIFE INSURANCE CO. LTD	241	0.43%
	BAJAJ FINANCE LIMITED FV -2	232	0.41%
	SHRIRAM TRANSPORT FINANCE CO. LTD.	216	0.39%
	AXIS BANK LTD.	192	0.34%
FINANCIAL AND INSURANCE ACTIVITIES Total		10,178	18.19%
CBLO			
	CBLO 6.2% 28/03-04-2018	6133	10.96%
CBLO Total		6,133	10.96%
Others		29,626	52.94%
Current Assets and Liabilities		10,031	17.92%
Grand Total		55,967	100.00%

Name of Fund : PREMIER MULTI-CAP FUND [ULIF02101/01/18MULTICAPFN117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
CBLO			
	CBLO 6.2% 28/03-04-2018	1,899	11.64%
CBLO Total		1,899	11.64%
Others		4,709	28.86%
Current Assets and Liabilities		9,708	59.50%
Grand Total		16,316	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
 Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : PRESERVER [ULIF00125/01/05PRESERVERF117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	7.68% GSEC 15-12-2023	126,875	19.36%
	7.16% GSEC 20-05-2023	99,000	15.11%
	6.84% GOI 19-12-2022	98,120	14.97%
	7.35% GOI 22-06-2024	94,516	14.42%
	8.39% RAJASHTAN SDL UDAY 15-03-2024	76,464	11.67%
	8.27% GSEC 09-06-2020	71,974	10.98%
	8.60% GOI 02-06-2028	13,232	2.02%
	7.99% MAHARASHTRA SDL 28-10-2025	8,361	1.28%
	8.33% GOI 09-07-2026	6,992	1.07%
	8.13% GOI OIL Bond 2021	3,033	0.46%
	7.59% GOI 20-03-2029	1,988	0.30%
GOVERNMENT OF INDIA Total		600,554	91.64%
Others		42,396	6.47%
Current Assets and Liabilities		12,390	1.89%
Grand Total		655,340	100.00%

Name of Fund : PRESERVER II FUND [ULIF00815/12/09PRESERVER2117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	6.84% GOI 19-12-2022	147,180	22.40%
	7.35% GOI 22-06-2024	114,414	17.41%
	7.68% GSEC 15-12-2023	111,650	16.99%
	8.39% RAJASHTAN SDL UDAY 15-03-2024	76,464	11.64%
	7.16% GSEC 20-05-2023	49,500	7.53%
	8.40% GSEC 28-07-2024	41,740	6.35%
	8.27% GSEC 09-06-2020	30,846	4.69%
	8.13% GOI OIL Bond 2021	414	0.06%
GOVERNMENT OF INDIA Total		572,208	87.08%
Others		61,985	9.43%
Current Assets and Liabilities		22,914	3.49%
Grand Total		657,107	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : PROTECTOR [ULIF00225/01/05PROTECTORF117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	6.68% GOI 17-09-2031	177,793	12.08%
	7.17% GOI 08-01-2028	127,946	8.70%
	7.73% GOI 19-12-2034	50,150	3.41%
	6.79% GSEC 15-05-2027	47,515	3.23%
	8.33% GOI 09-07-2026	20,840	1.42%
	7.35% GOI 22-06-2024	19,898	1.35%
	8.43% SDL WB 12-03-2019	17,407	1.18%
	9.23% GOI 23-12-2043	4,345	0.30%
GOVERNMENT OF INDIA Total		465,894	31.67%
INFRASTRUCTURE SECTOR			
	10.40% RELIANCE PORTS AND TERMINALS LTD	107,948	7.34%
	8.75% RECL 12-07-2025	51,851	3.52%
	8.65% POWER FINANCE CORPN. LTD. 28-12-2024	51,507	3.50%
	7.99% POWER FINANCE CORPN. LTD. 20-12-2022	50,309	3.42%
	10.25% RELIANCE GAS TRANSPORTATION INFRA	48,469	3.29%
	9.98% IL&FS 05-12-2021	32,172	2.19%
	7.90% INDIA INFRADEBT LIMITED 31-10-2022	29,381	2.00%
	8.93% POWER GRID CORPORATION 20-10-2020	25,750	1.75%
	RECL CP 04-09-2018	19,394	1.32%
	7.83% IRFC 21-03-2027	14,828	1.01%
INFRASTRUCTURE SECTOR Total		431,609	29.34%
FINANCIAL AND INSURANCE ACTIVITIES			
	9.43% TATA SONS LTD 02-06-2019	91,912	6.25%
	9.78% TATA SONS LTD 13-01-2019	50,876	3.46%
	7.60% AXIS BANK 20-10-2023	49,008	3.33%
	NABARD CP 31-07-2018	19,524	1.33%
	8.60% SUNDARAM FINANCE 09-05-2018	10,014	0.68%
	8.67% IDFC BANK 03-01-2025	5,156	0.35%
FINANCIAL AND INSURANCE ACTIVITIES Total		226,490	15.39%
HOUSING SECTOR			
	9.05% DEWAN HOUSING FINANCE CORPN. LTD. 09-09-2023	102,346	6.96%
	8.85% INDIABULLS HOUSING FINANCE 26-09-2026	92,854	6.31%
	8.95% HDFC 19-10-2020	15,456	1.05%
HOUSING SECTOR Total		210,656	14.32%
Others		100,558	6.84%
Current Assets and Liabilities		36,006	2.45%
Grand Total		1,471,213	100.00%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

Name of Fund : PROTECTOR II FUND [ULIF00915/12/09PROTECTOR2117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
INFRASTRUCTURE SECTOR			
	7.90% RPTL 18-11-2026	544,981	5.09%
	7.95% RPTL 28-10-2026	446,950	4.18%
	RECL CP 04-09-2018	436,373	4.08%
	8.72% L&T INFRA DEBT FUND LTD 27-03-2026	259,596	2.43%
	7.10% POWER FINANCE CORPN 08-08-2022	243,674	2.28%
	10.25% RELIANCE GAS TRANSPORTATION INFRA	152,946	1.43%
	9.34% RECL 25-08-2024	106,227	0.99%
	8.8% POWER FINANCE CORPORATION 15-01-202	103,793	0.97%
	8.75% RECL 12-07-2025	103,701	0.97%
	8.39% POWER FINANCE CORPN 19-04-2025	101,781	0.95%
	8.93% POWER GRID CORPORATION 20-10-2022	52,077	0.49%
	8.93% POWER GRID CORPORATION 20-10-2021	52,029	0.49%
	8.93% POWER GRID CORPORATION 20-10-2023	51,891	0.48%
	8.65% POWER FINANCE CORPN. LTD. 28-12-2024	51,507	0.48%
	8.13% POWER GRID CORPORATION 25-04-2023	50,680	0.47%
	8.13% POWER GRID CORPORATION 25-04-2022	50,564	0.47%
	8.13% POWER GRID CORPORATION 23-04-2027	50,241	0.47%
	8.13% POWER GRID CORPORATION 24-04-2026	50,221	0.47%
	8.13% POWER GRID CORPORATION 25-04-2024	50,200	0.47%
	9.82% IL&FS 24-01-2022	42,592	0.40%
	8.93% POWER GRID CORPORATION 20-10-2020	25,750	0.24%
INFRASTRUCTURE SECTOR Total		3,027,773	28.29%
FINANCIAL AND INSURANCE ACTIVITIES			
	7.95% HDFC BANK 21-09-2026	347,639	3.25%
	8.85% BAJAJ FINANCE LTD. 21-07-2026	257,836	2.41%
	8.67% IDFC BANK 03-01-2025	257,804	2.41%
	9.00% SHRIRAM TRANSPORT FINANCE CO. LTD. 28-03-2028	254,046	2.37%
	8.25% TATA SONS 23-03-2022	253,789	2.37%
	8.65% KOTAK MAHINDRA PRIME 08-06-2018	250,695	2.34%
	8.27% CHOLAMANDALAM INV & FIN 26-09-2019	250,651	2.34%
	7.60% AXIS BANK 20-10-2023	245,040	2.29%
	8.70% IDFC BANK 20-05-2025	103,442	0.97%
	8.45% SUNDARAM FINANCE LTD 21-02-2028	102,292	0.96%
	9.43% TATA SONS LTD 02-06-2019	91,912	0.86%
	8.8394% HDB FINANCIAL SERVICES 12-03-2019	60,783	0.57%
	8.45% BAJAJ FINANCE LTD 29-09-2026	53,427	0.50%
	8.60% SUNDARAM FINANCE 09-05-2018	20,028	0.19%
FINANCIAL AND INSURANCE ACTIVITIES Total		2,549,382	23.82%

Name of the Insurer : PNB MetLife India Insurance Company Limited
Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Annexure 11

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
GOVERNMENT OF INDIA			
	6.68% GOI 17-09-2031	1,062,140	9.92%
	7.17% GOI 08-01-2028	393,680	3.68%
	6.79% GSEC 15-05-2027	285,090	2.66%
	7.61% GSEC 09-05-2030	149,515	1.40%
	8.38% HARYANA SDL 27-01-2026	102,624	0.96%
	8.22% PUNJAB SPL SDL 30-03-2026	50,669	0.47%
	8.17% TAMILNADU SDL 26-11-2025	42,222	0.39%
	7.98% KARNATAKA SDL 14-10-2025	41,038	0.38%
	8.40% GSEC 28-07-2024	36,523	0.34%
	7.59% GOI 11-01-2026	35,732	0.33%
	8.83% GSEC 25-11-2023	31,932	0.30%
	7.72% GOI 25-05-2025	31,653	0.30%
	7.88% GOI 19-03-2030	30,375	0.28%
	8.15% RAJASTHAN SDL 23-06-2021	25,394	0.24%
	8.01% RAJASTHAN SDL 23-06-2020	25,219	0.24%
	7.86% RAJASTHAN SDL 23-06-2019	25,126	0.23%
	7.75% RAJASTHAN SDL 23-06-2018	25,061	0.23%
	7.59% GOI 20-03-2029	23,856	0.22%
	6.79% GOI 26-12-2029	22,325	0.21%
	8.12% GSEC 10-12-2020	10,274	0.10%
	7.29% WEST BENGAL SDL 28-12-2026	8,557	0.08%
	8.13% GOI OIL Bond 2021	596	0.01%
GOVERNMENT OF INDIA Total		2,459,601	22.98%
HOUSING SECTOR			
	8.85% INDIABULLS HOUSING FINANCE 26-09-2026	567,441	5.30%
	9.05% DEWAN HOUSING FINANCE CORPN. LTD. 09-09-2023	358,211	3.35%
	7.39% LIC HOUSING FINANCE 30-08-2022	196,252	1.83%
	8.37% LIC HOUSING FINANCE LTD 21-05-2023	102,344	0.96%
	8.40% HDFC 23-01-2025	71,230	0.67%
	8.52% LIC HOUSING FINANCE LTD 03-03-2025	51,200	0.48%
	8.95% HDFC 19-10-2020	4,122	0.04%
HOUSING SECTOR Total		1,350,799	12.62%
Others		573,894	5.36%
Current Assets and Liabilities		740,472	6.92%
Grand Total		10,701,920	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited

Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : VIRTUE [ULIF00719/02/08VIRTUEFUND117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES			
	INFOSYS LTD.	54,991	5.82%
	HCL TECHNOLOGIES LIMITED	34,673	3.67%
	TATA CONSULTANCY SERVICES LTD.	13,263	1.40%
	ORACLE FINANCIAL SERVICES SOFTWARE LTD	11,487	1.22%
	TECH MAHINDRA LIMITED FV-5	10,840	1.15%
	CYIENT LTD	6,565	0.70%
	KPIT TECHNOLOGIES LIMITED	4,908	0.52%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES		136,727	14.48%
INFRASTRUCTURE SECTOR			
	GUJARAT STATE PETRONET LTD	24,742	2.62%
	C E S C LTD.	17,699	1.87%
	INDRAPRASTHA GAS LTD.FV-2	16,747	1.77%
	PETRONET L N G LTD	16,664	1.76%
	NTPC	15,051	1.59%
	BHARTI AIRTEL LTD	10,938	1.16%
	TATA COMMUNICATIONS LTD	9,300	0.98%
	GAIL (INDIA) LTD	7,431	0.79%
	BHARTI INFRATEL LTD.	6,255	0.66%
INFRASTRUCTURE SECTOR Total		124,829	13.22%
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS			
	RELIANCE INDUSTRIES	69,633	7.37%
	CASTROL INDIA LTD.	22,317	2.36%
	INDIAN OIL CORPN. LTD.	12,652	1.34%
	HINDUSTAN PETROLEUM CORPN. LTD	4,483	0.47%
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS		109,085	11.55%
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS			
	MARUTI SUZUKI INDIA LIMITED	40,318	4.27%
	WABCO INDIA LTD	33,325	3.53%
	EICHER MOTORS LIMITED	11,775	1.25%
	MOTHERSON SUMI SYSTEMS LTD.	11,455	1.21%
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS Total		96,873	10.26%
Others		486,363	51.49%
Current Assets and Liabilities		-9,323	-0.99%
Grand Total		944,554	100.00%

Annexure 11

Name of the Insurer : PNB MetLife India Insurance Company Limited

Industry wise disclosure of Investments as at March 31, 2018 (with exposure of 10% and above)

Name of Fund : VIRTUE II FUND [ULIF01215/12/09VIRTUE2FND117]

INDUSTRY	Security Description	Market Value (₹ In 000)	% of NAV
CBLO			
	CBLO 6.2% 28/03-04-2018	139,743	13.12%
CBLO Total		139,743	13.12%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES			
	INFOSYS LTD.	53,536	5.03%
	HCL TECHNOLOGIES LIMITED	21,485	2.02%
	TECH MAHINDRA LIMITED FV-5	14,430	1.35%
	CYIENT LTD	13,716	1.29%
	ORACLE FINANCIAL SERVICES SOFTWARE LTD	9,180	0.86%
	TATA CONSULTANCY SERVICES LTD.	8,160	0.77%
	KPIT TECHNOLOGIES LIMITED	4,262	0.40%
	PERSISTENT SYSTEMS LIMITED	4,028	0.38%
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES Total		128,797	12.09%
INFRASTRUCTURE SECTOR			
	C E S C LTD.	18,907	1.78%
	INDRAPRASTHA GAS LTD.FV-2	15,241	1.43%
	BHARTI AIRTEL LTD	15,178	1.43%
	GAIL (INDIA) LTD	14,145	1.33%
	PETRONET L N G LTD	13,123	1.23%
	GUJARAT STATE PETRONET LTD	11,969	1.12%
	NTPC	9,361	0.88%
	V A TECH WABAG LTD.	6,511	0.61%
	TATA COMMUNICATIONS LTD	3,833	0.36%
INFRASTRUCTURE SECTOR Total		108,267	10.17%
Others Total		625,176	58.71%
Current Assets and Liabilities Total		62,932	5.91%
Grand Total		1,064,915	100.00%

Management Report

for the year ended March 31, 2018

With respect to the operations of PNB MetLife India Insurance Company Limited ('the Company') for the year ended March 31, 2018 and results thereof, the Management of the Company confirms and declares that:

1. The Certificate of Registration granted by the Insurance Regulatory and Development Authority of India (IRDAI) continues to be in force as at March 31, 2018. As per the circular IRDA/F&A/CIR/GLD/062/04/2015 dated April 7, 2015 issued by IRDAI, the authority has discontinued the process of issuing a renewed physical certificate and the existing certificate is valid from the date of issuance.
2. We certify, to the best of our knowledge and belief, that all material dues payable to the statutory authorities have been duly paid.
3. The shareholding pattern is in accordance with statutory and regulatory requirement and there is no transfer of shares during the year.
4. The management has not invested directly or indirectly outside India the funds of the holders of policies issued in India.
5. The solvency margins as required by the regulations prescribed by the IRDAI have been maintained.
6. The Company has reviewed the values of all the assets as at March 31, 2018. We certify to the best of our knowledge and belief, that the value of the assets as set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings – "Loans", "Investments" (Other than Government & other Debt securities which have been valued at amortized cost in case of shareholders' and non-linked policyholders' investments as required under IRDAI (Assets, Liabilities and Solvency Margin of Insurers Regulations, 2000), "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends, Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts".
7. We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the Insurance Act, 1938 (as amended in 2015), IRDA (Investment) Regulation, 2000 as amended and applicable circulars and guidelines relating to the application and investments of the life insurance funds.
8. In a process oriented industry like insurance, it is important to integrate and strengthen the role of risk management in business processes and decisions. In order to enable the same, the risk management in the Company is managed by an independent risk management function. The role of the risk management function is to establish sound risk management practices by proactively identifying, measuring, mitigating and monitoring the organization's risk exposures. Our risk management is based upon four guiding principles viz. 'Controlled Risk-Taking', 'Ownership, Accountability and Authority', 'Specialization' and 'Change Management'. The Enterprise Risk Management framework is designed to manage the Insurance, Market, Credit, Liquidity and Operational Risks. Assessment is done on a regular basis to evaluate enterprise wide risks and take appropriate steps to mitigate the same.
9. Apart from this, In order to monitor the Risk Management at Board level, as per Corporate Governance Guidelines issued by IRDAI, Asset Liability Management & Risk Management Committee (ALMR) is established as a sub-committee of the Board. ALMR committee is setting up the Company's risk/reward objectives, formulate and implement optimal ALM strategies and also lay down Company's Risk Management Strategy. The committee will also provide ALM and Risk management governance oversight throughout the Company.
10. The Company's risk exposure could also be in the areas of adverse claims experience, shortfall in investment performance and high expense levels. Mitigation steps in each of these areas are stated below:
 - a) The Company's underwriting policy and implementation of the same are subjected to continuous monitoring and review. Adequate and suitable reinsurance treaties are in force with internationally reputed and highly rated reinsurers.
 - b) The investments of the Company are in accordance with IRDAI guidelines and as per the Investment Policy approved by the Investment Committee of the Board which stipulates appropriate risk exposures. credit risk, liquidity risk and market risks are also evaluated on a continuous basis.
 - c) The assets of the Company are invested in accordance with the requirements prescribed by the IRDAI.
 - d) Expenses are continuously monitored to ensure that the expense levels are commensurate with the level of operations of the company.

11. The Company is not operating in any other country.
12. Ageing of death claims registered and not settled (where all the documentations have been completed) as at March 31, 2018 is furnished below:

₹ in '000

Ageing	Linked		Traditional		Total	
	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims
Upto 30 days	-	-	1,998	3	1,998	3
30 days to 6 months	10,200	1	34,003	9	44,203	10
6 month to 1 year			2,515	1	2,515	1
1 year to 5 year	-	-	-	-	-	-
5 years and above	-	-	-	-	-	-
Grand Total	10,200	1	38,516	13	48,716	14

Trends in death claim settlement time for the last five financial years are given below:

Financial year	2013-14	2014-15	2015-16	2016-17	2017-18
Average claim settlement period (in days)	1.26	3.06	6.12	3.14	2.38

13. We certify that the values as shown in the Balance sheet pertaining to investments are as under:
- Debt securities: In case of shareholders' and non-linked policyholders' investments, debt securities (other than Government securities) are valued at amortised cost. In case of linked policyholders, bonds & debentures securities (other than Government securities) are valued at market value using CRISIL Bond Valuer and money market instruments are being stated at amortised cost.
 - Government securities: In case of shareholders and non-linked policyholders' investments, Government securities have been valued at amortised cost. In case of linked policyholders' investments, Government securities are valued at market price using CRISIL Gilt Prices
 - Liquid mutual funds are valued at the previous day's net asset values
 - Listed equity shares and equity ETF Investments are valued at fair value being the closing price on the National Stock Exchange ('NSE'). If the security is not listed/ traded on NSE, then the closing price on the Bombay Stock Exchange ('BSE') is used.
14. The Company ensures that policyholders' and shareholders' funds are invested in high grade fixed income securities with a minimum rating of AA and equities of high quality based on fundamental research. Management has reviewed the performance of these investments and are largely aligned to the industry benchmarks.
15. Management of the Company certifies that:
- the financial statements of the Company have been prepared in accordance with applicable accounting standards, the regulations stipulated and the circulars issued by the IRDAI in this context from time to time and the provisions of the Insurance Act, 1938 (as amended in 2015) with no material departures.
 - management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the operating profit of the Company for the year ended March 31, 2018.
 - management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 and the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 - management has prepared the financial statements on a going concern basis.
 - management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

16. Details of payments to individuals, firms, companies and organizations in which directors are interested:

Sl. No.	Name of the Director	Status	Entity in which he is interested	Interested as	Amount of payment during the financial year (₹ in lakhs)
1	Mr. Sunil Mehta	appointed w.e.f August 2, 2017	Punjab National Bank	Managing Director & CEO	Commission - ₹ 14,632
2	Mr. Sanjiv Sharan	appointed w.e.f May 8, 2017		Executive Director	Bank charges - ₹ 101
3	Mr. Doulat Raj Mohnot	appointed w.e.f September 12, 2017		Executive Director	Claims/Surrender settled - ₹ 2
4	Ms. Usha Ananthasubramanian	resigned w.e.f May 5, 2017		Managing Director & CEO	
5	Mr. M Balachandran	resigned w.e.f April 23, 2017		Executive Director	

For and on behalf of the Board of Directors

Lyndon Oliver

Chairman
DIN: 07561067

Neeraj Swaroop

Director
DIN: 00061170

Niraj Shah

Chief Financial Officer

Place: Mumbai

Date: June 01, 2018

Ashish Kumar Srivastava

Managing Director & CEO
DIN: 00355075

Pheroze K Mistry

Director
DIN: 00344590

Yagya Turker

Company Secretary
M. No. 19493

P K Dinakar

Appointed Actuary

Navigating Life Together



PNB MetLife India Insurance Company Limited



Registered Office

Unit No. 701, 702 & 703, 7th Floor, West Wing, Raheja Towers,
26/27 M G Road, Bangalore – 560001, Karnataka.

Corporate office

1st Floor, Techniplex – 1, Techniplex Complex, Off Veer Savarkar Flyover,
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