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LIFE INSURANCE CORPORATION
(SINGAPORE) PTE LTD
(Registration No. 201210695E)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial year ended December 31, 2021.

In the opinion of the directors, the accompanying financial statements as set out on pages 6 to 36 are drawn up so as to give a true and fair view of the financial position of the Company as at December 31, 2021, and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Mangalam Ramasubramanian Kumar
Mr Pradeep Prabhakar Kelkar
Mr Kottamasu Venkateswara Rao

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 except as follows:

	Shareholdings registered in the name of directors	
Name of directors and Companies in which interests are held	At beginning of year or date of appointment, if later	At end of year
LIC Housing Finance Ltd. (India)		
(Related corporation)		
Ordinary shares:		
Mr Mangalam Ramasubramanian Kumar	300	300

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the Company was granted.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Mangalam Ramasubramanian Kumar
Director

Pradeep Prabhakar Kelkar
Director

March 22, 2022

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Life Insurance Corporation (Singapore) Pte Ltd ("the Company"), which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 36.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at December 31, 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statement and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

March 22, 2022

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

STATEMENT OF FINANCIAL POSITION
December 31, 2021

	Note	2021	2020
		$	$
Assets			
Plant and equipment	6	39,297	93,762
Debt securities	7	67,996,065	75,527,165
Right-of-use assets	8	611,417	845,176
Reinsurance assets	12	3,297	2,957
Other receivables and prepayments	9	641,749	678,694
Cash and bank balances	10	8,317,206	5,049,693
Total assets		77,609,031	82,197,447
Equity			
Share capital	11	43,930,000	43,930,000
Accumulated losses		(21,749,811)	(19,121,076)
Total equity		22,180,189	24,808,924
Liabilities			
Insurance contract liabilities	12	54,506,736	56,160,043
Lease liabilities	13	639,027	874,696
Other payables and accruals	14	283,079	353,784
Total liabilities		55,428,842	57,388,523
Total equity and liabilities		77,609,031	82,197,447

See accompanying notes to financial statements.

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended December 31, 2021

	Note	2021	2020
		$	$
Insurance premiums		4,437,201	3,064,106
Written premiums ceded to reinsurer		(758)	(1,079)
Net investment income		371,665	2,581,202
Net income before claims, benefits and expenses		4,808,108	5,644,229
Net benefits and claims	12	(5,015,578)	(4,305,290)
Commission and distribution costs		(11,639)	(12,850)
Staff costs		(624,914)	(502,850)
Depreciation expenses	6	(71,005)	(164,429)
Other expenses		(1,713,707)	(2,120,203)
Claims, benefits and expenses		(7,436,843)	(7,105,622)
Loss before tax	15	(2,628,735)	(1,461,393)
Tax expense	16	-	-
Loss and total comprehensive loss for the year		(2,628,735)	(1,461,393)

See accompanying notes to financial statements.

LIFE INSURANCE CORPORATION (SINGAPORE) PTE LTD

STATEMENT OF CHANGES IN EQUITY
Year ended December 31, 2021

	Note	Share capital	Accumulated losses	Total
		$	$	$
Balance at January 1, 2020		43,930,000	(17,659,683)	26,270,317
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		-	(1,461,393)	(1,461,393)
Balance at December 31, 2020		43,930,000	(19,121,076)	24,808,924
Total comprehensive income for the year				
Loss for the year, representing total comprehensive income for the year		-	(2,628,735)	(2,628,735)
Balance at December 31, 2021		43,930,000	(21,749,811)	22,180,189

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
Year ended December 31, 2021

	Note	2021	2020
		$	$
Operating activities			
Loss before tax		(2,628,735)	(1,461,393)
Adjustments for:			
Movement in insurance contract provision	12	(1,653,307)	(203,223)
Movement in reinsurance asset	12	(340)	(2,957)
Gain on disposal of investments	7	(51,070)	(140,026)
Loss on disposal of investments	7	465,737	301,815
Fair value change of investments in debt securities	7	1,258,471	(736,580)
Depreciation of plant and equipment	6	71,005	164,429
Depreciation of Right-of-use assets	8	379,714	412,662
Interest expense on lease liabilities	15	31,246	41,820
Interest income	15	(2,224,238)	(2,127,212)
Operating cash flows before movements in working capital		(4,351,517)	(3,750,665)
Changes in working capital			
Other receivables and prepayments		36,945	75,583
Other payables and accruals		(70,705)	113,053
Net cash used in operating activities		(4,385,277)	(3,562,029)
Investing activities			
Purchase of investments	7	(69,216,687)	(59,560,292)
Purchase of plant and equipment	6	(16,540)	(19,966)
Interest received	15	2,224,238	2,127,212
Proceeds from sale of investments	7	75,074,649	57,954,309
Net cash from investing activities		8,065,660	501,263
Financing activity			
Repayments of lease liabilities	13	(412,870)	(445,787)
Net cash used in financing activity		(412,870)	(445,787)
Net increase (decrease) in cash and bank balances		3,267,513	(3,506,553)
Cash and bank balances at beginning of year		5,049,693	8,556,246
Cash and bank balances at end of year	10	8,317,206	5,049,693

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 201210695E) is incorporated in Singapore with its principal place of business and registered office at 3 Raffles Place, #07-01, Bharat Building, Singapore 048617. The financial statements are expressed in Singapore dollars.

The immediate and ultimate holding company is Life Insurance Corporation of India, set-up in India by an Act of Parliament in 1956.

The Company was registered as a direct insurer on April 30, 2012 under the Insurance Act 1966 ("Insurance Act") to carry on life insurance business.

The financial statements of the Company for the year ended December 31, 2021 were authorised for issue by the Board of Directors on March 22, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 Share-based Payment, leasing transactions that are within the scope of FRS 116 Leases, and measurements have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than the quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 ADOPTION OF NEW AND REVISED STANDARDS – On January 1, 2021, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs, and amendments to FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior year except as disclosed below:

Amendments to FRS 104 Insurance Contracts: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts

The amendments introduce two optional approaches for entities that issue insurance contracts within the scope of FRS104 Insurance Contracts, which provides some entities with a temporary exemption from application of FRS 109 (the "deferral approach") for annual periods beginning before January 1, 2023; and gives all entities with insurance contracts the option, following full adoption of FRS 109, to present changes in fair value on qualifying designated financial assets in other comprehensive income (OCI) instead of profit or loss (the "overlay approach"). The Company has adopted the deferral approach.

Management has concluded that the Company is qualified for the temporary exemption as the Company has not previously applied FRS 109 and its activities are predominantly connected with insurance. As at December 31, 2021, the carrying amount of its liabilities arising from contracts within the scope of FRS 104 is significant as compared to the total carrying amount of all its liabilities, and the percentage of the total carrying amount of its liabilities connected with insurance is greater than 90% of the total carrying amount of all its liabilities.

The table below presents an analysis of the fair value of classes of financial assets as at December 31, 2021, as well as the corresponding change in fair value during the financial year. The financial assets are divided into two categories:

- Assets for which their contractual cash flows represent solely payments of principal and interest ("SPPI financial assets"), excluding any financial assets that are held for trading or that are managed and whose performance is evaluated on a fair value basis; and

- All financial assets other than those specified in SPPI above ("Other financial assets") (i.e. those for which contractual cash flows do not represent SPPI, assets that are held for trading and assets that are managed and whose performance is evaluated on a fair value basis). As at December 31, 2021, the Company does not hold financial assets in this category.

		SPPI financial assets	
	FRS 39 classification	Fair value as at December 31, 2021	Fair value changes
		$	$
December 31, 2021			
Debt securities	Amortised cost	67,996,065	(1,258,471)
Cash, bank balances and fixed deposits	Amortised cost	8,317,206	-
Other receivables	Amortised cost	586,908	-
December 31, 2020			
Debt securities	Amortised cost	75,527,165	736,580
Cash, bank balances and fixed deposits	Amortised cost	5,049,693	-
Other receivables	Amortised cost	548,453	-

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The carrying amount under FRS 39 for SPPI financial assets analysed by credit risk rating are disclosed in Note 4 (a). As at December 31, 2021, the fair value and carrying amount of SPPI financial assets that do not have low credit risk are insignificant.

At the date of authorisation of these financial statements, the following FRSs were issued but not effective and are expected to have an impact to the Company in the periods of their initial application:

Effective for annual periods beginning on or after January 1, 2021

FRS 117 Insurance Contracts - FRS 117 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes FRS 104 Insurance Contracts.

The Standard outlines a Building Block Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty; it takes into account market interest rates and the impact of policyholders' options and guarantees.

Profit from selling insurance policies is deferred in a separate liability component on day 1 and aggregated in groups of insurance contracts; it is then reported systematically through profit or loss over the period during which insurers provide cover after making adjustments from changes in assumptions relating to future coverage.

Management anticipates that the initial application of the FRS 117 will result changes to the accounting policies relating to insurance contract liabilities. Additional disclosures will also be made with respect of insurance contract liabilities, including any significant judgement and estimation made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Company's financial statements in the period of initial application as management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 117.

Deferral of the date of initial application of IFRS 17 by two years

On March 17, 2020, The International Accounting Standards Board (IASB) has decided that the effective date of IFRS 17 Insurance Contracts will be deferred to annual reporting periods beginning on or after January 1, 2023. The IASB also decided to extend the exemption currently in place for some insurers regarding the application of IFRS 9 Financial Instruments to enable them to implement both IFRS 9 and IFRS 17 at the same time.

The Accounting Standards Council ("ASC")'s policy position has been to align Singapore accounting standards with IFRS and plans to apply the same effective date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Classification of insurance contracts

Insurance contracts are those contracts under which the Company accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event adversely affects the policyholder or other beneficiary. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

2.4 Insurance contracts

(a) Premiums and commission

Premiums is recognised as income when due from policyholders. Premiums not received on the due date are recognised as revenue with the corresponding outstanding premiums recognised in the balance sheet. The corresponding commission payable is accountable for on the same basis.

The Company does not recognise deferring acquisition costs for its insurance contracts as it is assessed to be immaterial.

(b) Claims and benefits incurred

Claims include maturities, annuities, surrenders, deaths and other claim events. Maturity claims are recorded on the policy maturity date. Annuity claims are recorded when the annuity becomes due for payment. Surrenders are recorded when paid, death claims and payments on other claim events are recorded when notified.

Benefits are recorded as an expense when they are incurred.

(c) Reinsurance

Assets, liabilities, income and expense arising from reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

An asset or liability is recognised in the balance sheet representing premiums due to or payments due from reinsurers and the share of benefits and claims recoverable from reinsurers. The net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Insurance contract liabilities

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is measured using assumptions considered to be appropriate for the policies in force. The actuarial valuation basis is determined by the Appointed Actuary and complies with the Insurance Act 1966 and Insurance (Valuation and Capital) Regulations and guidance notes issued by the Singapore Actuarial Society ("SAS") "GN L01" and "GN L02".

Additional provision is made in the valuation assumptions to allow for any adverse deviation from the best estimate experience. Provision for adverse deviation ("PAD") is reviewed annually by the Appointed Actuary to assess its appropriateness and sufficiency.

(e) Liability adequacy test

At each reporting date, liability adequacy tests are assessed on each insurance fund to assess the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of discounted contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. Where a shortfall is identified, additional provision is made and the deficiency is charged to profit or loss in the statement of comprehensive income.

2.5 Financial instruments

2.5.1 Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Company's non-derivative financial assets comprise loans and receivables.

The Company classifies non-derivative financial assets into the following categories: loans and receivables, financial assets at fair value through profit or loss and held-to-maturity financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables of the Company comprise of cash and bank balances and other receivables.

(b) Cash and bank balances

Cash and bank balances comprise cash, bank balances and fixed deposits with financial institution.

(c) Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

As disclosed in Note 7, some of the debt securities held by the Company are designated at fair value through profit or loss.

2.5.2 Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities of the Company comprise accrued expenses and other payables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5.3 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.6 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain and loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income/other expenses in profit or loss.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful life is as follows:

Furniture-	5 years
Office equipment -	5 years
Computers -	3 years
Renovation -	2 years

Fully depreciated assets are retained in the financial statement until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Impairment

2.7.1 Impairment of non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor will enter bankruptcy.

2.7.2 Loans and receivables

The Company considers evidence of impairment for loans and at both a specific asset and collective level. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity financial assets. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.7.3 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2.8 Employee benefits

2.8.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.8.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.8.3 Short-term compensated absences

Short-term accumulating compensated absences are recognised when the employees render service that increases their entitlement to future compensated absences.

2.9 Net investment income

Net investment income comprises interest income, investment related expenses, net gains/losses on the disposal financial assets, changes in the fair value of financial assets at fair value through profit or loss that are recognised in profit or loss and impairment losses recognised on financial assets that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Lease

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Management expenses' in the statement of profit or loss.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

a. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

b. Foreign currency

The financial statements are presented in Singapore dollars, which is also the Company's functional currency. Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at end of each reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transactions in foreign currencies are recorded at rates prevailing on transaction dates. Exchange differences arising on the settlement of monetary item or on translating monetary item at end of each reporting period are recognised in profit or loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Company's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements, except for those relating to insurance contract liabilities (refer to estimation uncertainty below). Management discussed with the directors the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Key assumptions used for deriving the insurance contract liabilities include mortality, voluntary terminations, administration expenses and discount rate. The Company bases the mortality and voluntary terminations assumptions on external benchmarks as the Company has limited experience currently. Estimates of administration expenses are determined in line with the expected costs in future. The derivation of the discount rate is in accordance with the MAS Notice 319 and guidance note issued by the Singapore Actuarial Society (SAS GNL02). It has been assumed that current tax legislation and rates continue substantially unaltered. In addition, an appropriate risk margin allowance for adverse deviation from the estimates is made.

Sensitivity analysis

The following table presents the sensitivity of the value of insurance contract liabilities to movements in the variables used in the estimation of insurance contract liabilities.

Variable	Change in variable	Change in liability	Change in profit/loss
		$	$
Lowering of discount rate	-25bps	+144,785	-144,785
Worsening of base renewal expense level	+10%	+213,174	-213,174
Worsening of lapse rate	-10%	+4,677	-4,677
Worsening of mortality	+10%	+138	-138

The above analyses are based on a change in an assumption whilst not changing any other assumptions. The whole discount rate curve is assumed to incur a parallel shift of 25 bps down in the discount rate sensitivity.

4 FINANCIAL RISK MANAGEMENT

General Information of the Insurance product launched during the year 2021:

The Company has launched following single premium and regular premium endowment type products during the year 2021 for various terms:

1. Secure Growth 3- Single Premium Endowment Product (Non-Par) for 3 years term.

2. Grow Easy - Single Premium Endowment Product (Non-Par) for 3 & 6 years term.

3. Wealth Plus 7 - Single Premium Endowment Product (Non-Par) for 3 years term.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

Life insurance non-par contracts

The life insurance non-par contracts consist of single premium and regular premium endowment policy.

The risk under any insurance contract is the possibility that the insured event occurs and thus the uncertainty of the amount of the resulting claim. However, considering the nature of the guaranteed benefits (guaranteed simple interest rate at 1.03 % to 1.83%) under the product, the key risk to the company is the investment return assumption.

Reinsurance contract

Reinsurance contract exists for all policies of Individual Term Assurance Plan and their attaching riders. A total of 3 policies for Term Assurance Plan had been paid to reinsurer, amounting to $758.

Categories of financial instruments

	2021	2020
	$	$
Financial assets		
Debt securities	67,996,065	75,527,165
Other receivables	586,908	548,453
Cash and bank balances	8,317,206	5,049,693
Financial liabilities		
Other payables and accruals	283,079	353,784
Lease liabilities	639,027	874,696

Financial risk management objectives and policies

Exposure to credit, liquidity, interest rate and currency risk arises in the normal course of the Company's business. The Company has established risk management policies and guidelines which set out its overall business strategies, its tolerance of risk and its general risk management philosophy. Such established policies are reviewed annually by the Company's management and periodic reviews are undertaken to ensure that the Company's policy guidelines are adhered to.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

The Company is exposed to geographical concentration of risks as all its contracts originated in Singapore. At the reporting date, cash is placed with regulated financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

	Financial strength rating				
	AAA	A to AA-	B to BBB-	Not rated	Total
	$	$	$	$	$
2021					
Debt securities:					
Designated at fair value through profit or loss	6,035,178	44,297,142	17,663,745	-	67,996,065
Other receivables	-	-	-	586,908	586,908
Cash and bank balances	-	6,785,572	1,528,891	2,743	8,317,206
	6,035,178	51,082,714	19,192,636	589,651	76,900,179
2020					
Debt securities:					
Designated at fair value through profit or loss	18,539,582	35,992,438	20,995,145	-	75,527,165
Other receivables	-	-	-	548,453	548,453
Cash and bank balances	-	2,028,908	3,017,217	3,568	5,049,693
	18,539,582	38,021,346	24,012,362	552,021	81,125,311

4 FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

		Cash flows			
	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	$	$	$	$	$
2021					
Insurance contract provisions	54,506,736	55,202,921	29,343,554	25,667,451	191,916
Other payables and accruals	283,079	283,079	283,079	-	-
	54,789,815	55,486,000	29,626,633	25,667,451	191,916
2020					
Insurance contract provisions	56,160,043	56,789,803	8,023,941	48,670,510	95,352
Other payables and accruals	353,784	353,784	353,784	-	-
	56,513,827	57,143,587	8,377,725	48,670,510	95,352

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

At balance sheet date, the Company does not have any significant exposure to foreign currencies and equity price risks.

(d) Interest rate risk

The Company's exposure to changes in interest rates relates primarily to investment in debt securities. Substantially, the Company's exposure to market risk for changes in interest rate is concentrated in its investment portfolio and insurance liabilities. The Company monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance liabilities, are modelled and reviewed regularly. The overall objective of these strategies is to limit the net changes in the value of assets and liabilities arising from interest rate movements.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing liabilities, the following table indicates their effective interest rate at the reporting date and the periods in which they reprice:

	Effective interest rate	Floating interest rate maturing			Fixed interest rate maturing			Non-interest bearing and no maturity date	Total
		within 1 year	1 to 5 years	after 5 years	within 1 year	1 to 5 years	after 5 years		
	%	$	$	$	$	$	$	$	$
2021									
Financial assets									
Debt securities	3.21	100,000	-	5,880,215	15,930,260	46,085,590	-	-	67,996,065
Other receivables	-	-	-	-	-	-	-	586,908	586,908
Cash and bank balances	0.12	-	-	-	8,317,206	-	-	-	8,317,206
		100,000	-	5,880,215	24,247,466	46,085,590	-	586,908	76,900,179
2020									
Financial assets									
Debt securities	2.26	-	-	-	27,103,390	46,061,555	2,362,220	-	75,527,165
Other receivables	-	-	-	-	-	-	-	548,453	548,453
Cash and bank balances	0.12	-	-	-	5,049,693	-	-	-	5,049,693
		-	-	-	32,153,083	46,061,555	2,362,220	548,453	81,125,311

Risk arising from guaranteed returns on insurance

On death or maturity, there is an effective guarantee under our insurance contracts. The Company pays the sum assured on death or maturity. The implicit guaranteed simple interest rate in our products ranges between 1.03% to 1.82%. Existing policy reserves are sufficient to ensure that guarantees may be met.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Designated at fair value	Loans and receivables	Other financial liabilities within scope FRS 39	Total carrying amount	Fair value
		$	$	$	$	$
2021						
Investments and loan		67,996,065	-	-	67,996,065	67,996,065
Other receivables		-	586,908	-	586,908	586,908
Cash and bank balances		-	8,317,206	-	8,317,206	8,317,206
		67,996,065	8,904,114	-	76,900,179	76,900,179
Other payables and accruals		-	-	(283,079)	(283,079)	(283,079)
2020						
Investments and loan		75,527,165	-	-	75,527,165	75,527,165
Other receivables		-	548,453	-	548,453	548,453
Cash and bank balances		-	5,049,693	-	5,049,693	5,049,693
		75,527,165	5,598,146	-	81,125,311	81,125,311
Other payables and accruals		-	-	(353,784)	(353,784)	(353,784)

4 FINANCIAL RISK MANAGEMENT (CONT'D)

Valuation processes applied by the Company

The Company established an investment committee which comprises the Chief Executive, certified actuary and finance manager.

The investment committee reviews monthly performance reports issued by fund manager. All investments held by the Company are quoted in the active market.

Investments in debt securities

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing bid prices at the reporting date.

Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including other receivables, cash and bank balances, and other payables and accruals) are assumed to approximate their fair values because of the short period to maturity.

Fair value hierarchy

The table below analyses fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: unobservable inputs for the asset or liability.

4 FINANCIAL RISK MANAGEMENT (CONT'D)

Financial assets carried at fair value

	Level 1
	$
2021	
Financial assets designated at fair value through profit or loss	67,996,065
2020	
Financial assets designated at fair value through profit or loss	75,527,165

5 RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has entered into a Service Line Agreement ("SLA") on May 7, 2018 with the parent company, Life Insurance Corporation of India ("LICI") for the core business application and benefit illustration software with no costs or fees are required to be paid by the Company until May 2022.

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The directors of the Company are considered as key management personnel.

The remuneration of key management personnel compensation during the year was as follows:

	2021	2020
	$	$
Directors' remuneration and other employment benefits	159,813	140,740

6 PLANT AND EQUIPMENT

	Furniture and office equipment	Computers	Renovation	Total
	$	$	$	$
Cost:				
At January 1, 2020	60,310	851,003	538,767	1,450,080
Additions	-	19,966	-	19,966
At December 31, 2020	60,310	870,969	538,767	1,470,046
Additions	-	7,413	9,127	16,540
At December 31, 2021	60,310	878,382	547,894	1,486,586
Accumulated depreciation:				
At January 1, 2020	59,491	723,147	429,217	1,211,855
Depreciation charge for the year	188	68,409	95,832	164,429
At December 31, 2020	59,679	791,556	525,049	1,376,284
Depreciation charge for the year	188	56,336	14,481	71,005
At December 31, 2021	59,867	847,892	539,530	1,447,289
Carrying amount:				
At December 31, 2021	443	30,490	8,364	39,297
At December 31, 2020	631	79,413	13,718	93,762

7 DEBT SECURITIES

	2021	2020
	$	$
Debt securities		
Fair value through profit or loss	67,996,065	75,527,165

The current portion of debt securities, including MAS treasury bills, is $16,030,260 (2020: $27,103,390) with the remaining being non-current portion of $51,965,805 (2020: $48,423,775). The debt securities have stated interest rates of 0.41% to 4.10% (2020: 0.00% to 4.75%) and mature substantially over 1 year to 10 years.

The movement in debt securities:

	2021	2020
	$	$
At beginning of year	75,527,165	73,346,391
Purchases	69,216,687	59,560,292
Disposals	(75,074,649)	(57,954,309)
Gain on disposal of investments	51,070	140,026
Loss on disposal of investments	(465,737)	(301,815)
Fair value through profit and loss	(1,258,471)	736,580
At end of year	67,996,065	75,527,165

8 RIGHT-OF-USE ASSETS

The Company leases several assets including office space and lease rent of staffs. The average lease term is 2 years (2020: 3 years).

	Office space & lease rent of staff
	$
Cost:	
At January 1, 2020	1,465,885
Additions	188,348
At December 31, 2020	1,654,233
Additions	195,914
At December 31, 2021	1,850,147
Accumulated depreciation:	
At January 1, 2020	396,395
Depreciation for the year	412,662
At December 31, 2020	809,057
Lease terminated during the year	49,959
Depreciation for the year	379,714
At December 31, 2021	1,238,730
Carrying amount:	
At December 31, 2021	611,417
At December 31, 2020	845,176

During the financial year ended December 31, 2021, certain leases expired. The expired contracts were replaced by new leases for identical underlying assets.

9 OTHER RECEIVABLES AND PREPAYMENTS

	2021	2020
	$	$
Deposits	39,174	56,324
Interest receivable	547,734	489,898
Sundry receivables	-	2,231
Loan and receivables	586,908	548,453
Prepayments	54,841	130,241
	641,749	678,694

10 CASH AND BANK BALANCES

Cash and bank balances at end of the year comprise:

	2021	2020
	$	$
Fixed deposits with financial institutions	1,508,691	3,017,217
Cash and bank balances	6,808,515	2,032,476
	8,317,206	5,049,693

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date is 0.12% (2020: 0.12%).

11 SHARE CAPITAL

	2021	2020	2021	2020
	Number of ordinary shares		$	$
Issued and fully paid:				
At beginning of year	43,930,000	43,930,000	43,930,000	43,930,000
Issue of share capital	-	-	-	-
At end of year	43,930,000	43,930,000	43,930,000	43,930,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Company defines "capital" to be share capital and accumulated profits. The immediate and ultimate holding company ensure that the Company has adequate capital in order to meet its obligations and to sustain the operations of the Company.

All insurers and reinsurers that carry on insurance business in Singapore are registered with MAS and are subject to the prudential standards which set out the basis for calculating the fund solvency requirements (FSR) and capital adequacy requirement (CAR), which is a minimal level of capital that must be held to meet policyholders' obligations. The FSR and CAR apply a risk-based approach to capital adequacy and are determined to be the sum of the aggregate of the total risk requirement of all insurance funds established and maintained by the reinsurer under the Act. It is the Company's policy to hold capital levels in excess of FSR and CAR.

12 INSURANCE CONTRACT LIABILITIES

	2021	2020
	$	$
Life insurance non-par contracts	54,506,736	56,160,043
Current portion	29,249,378	7,984,286
Non-current portion	25,257,358	48,175,757
	54,506,736	56,160,043

Movements in insurance contract liabilities:

	2021			2020		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	$	$	$	$	$	$
At end of year	54,506,736	(3,297)	54,503,439	56,160,043	(2,957)	56,157,086
At beginning of year	56,160,043	(2,957)	56,157,086	56,363,266	-	56,363,266
Change in insurance contract liabilities	(1,653,307)	(340)	(1,653,647)	(203,223)	(2,957)	(206,180)
Change in benefits and claims paid	6,669,225	-	6,669,225	4,511,470	-	4,511,470
Benefits and claims	5,015,918	(340)	5,015,578	4,308,247	(2,957)	4,305,290

Movements in insurance contract provisions include the aggregate of all the events giving rise to additional policyholder liabilities in the year. These include death claims, surrenders, lapses, the setting up of liability to policyholders at the initial inception of the policy, the declaration of bonuses and other amounts attributable to policyholder.

13 LEASE LIABILITIES

	2021	2020
	$	$
Maturity analysis:		
Year 1	316,881	372,074
Year 2	280,144	274,815
Year 3	42,002	227,807
	639,027	874,696
Analysed as:		
Current	316,881	372,074
Non-current	322,146	502,622
	639,027	874,696

Interest expense recognised in profit or loss relating to leases are amounting to $31,246. Repayments of lease liabilities arising from financing activities are amounting to $412,870. Lease liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's finance function.

14 OTHER PAYABLES AND ACCRUALS

	2021	2020
	$	$
Other payables	246,006	327,413
Accrued expenses	37,073	26,371
Other payables and accruals	283,079	353,784

Other payables and accrued expenses are due within the next financial year.

15 LOSS BEFORE INCOME TAX

Loss before income tax includes the following charges:

	2021	2020
	$	$
Information system charges	520,930	437,026
Depreciation expense on right of use assets	379,714	412,662
Interest expense on lease liabilities	31,246	41,820
Professional fees	242,831	490,978
Net investment income		
Interest income:		
- debt securities	(2,221,228)	(2,091,534)
- fixed deposits	(3,010)	(35,678)
Gain on disposal of investments	(51,070)	(140,026)
Loss on disposal of investments	465,737	301,815
Fair value changes in investments	1,258,471	(736,580)

16 INCOME TAX EXPENSE

The income tax expense varied from the amount of income tax expense determined by applying the Singapore tax rate of 17% (2020: 17%) to loss before income tax as a result of the following differences:

Reconciliation of effective tax rate

	2021	2020
	$	$
Loss before tax	(2,628,735)	(1,461,393)
Tax calculated using Singapore tax rate at 17%	(446,885)	(248,437)
Expenses not deductible for tax purposes	89,448	30,824
Effect of deferred tax assets not recognised	357,437	217,613
	-	-

Deferred tax assets have not been recognised because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

Unutilised tax losses amounting to $18,717,938 (2020: $16,612,509) are available for set off against taxable profits of future years subject to compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134 and the Inland Revenue Authority of Singapore.

17 EVENTS AFTER REPORTING PERIOD

In February 2022, the parent company, Life Insurance Corporation of India (“LICI”) has filed draft papers with market regulators in India to sell 5% of its share and is estimated to raise $11,270,700,000 in capital. LICI, is expected to be listed on the Bombay Stock Exchange (“BSE”) and National Stock Exchange of India (“NSE”) in due time.