

# **Independent Auditors' Report on Consolidated Financial Statements of Life Insurance Corporation of India**

**To**  
**The Member of Life Insurance Corporation of India**

## **Opinion**

1. We have audited the accompanying Consolidated Financial Statements of Life Insurance Corporation of India (hereinafter referred as "the Corporation"), its subsidiaries and its associates (the Corporation, its subsidiaries and its associates together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), Consolidated Profit and Loss Account (also called the "Shareholders' Account" or the "Non - Technical Account") and the Consolidated Receipts and Payments Account (also called as the "Cash Flow Statement") for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information annexed thereto (hereafter referred to as "Consolidated Financial Statements"), which includes:
  - a) The audited standalone financial statements of the Corporation, which have been audited by all the 10 statutory central auditors; including us, in which are included the returns of Mauritius, United Kingdom and Fiji branches, audited by respective local auditors; 8 Divisional Offices, 3 units of Pension & Group Schemes and 42 branches audited by statutory central auditors of standalone financial statements, as well as 105 Divisional Offices, 68 units of Pension and Group Schemes and 648 Branches audited by other auditors appointed by the Corporation and unaudited returns in respect of 1,352 branches certified by the Corporation's management.
  - b) The audited financial statements of two Indian subsidiaries, five foreign subsidiaries and six associates, which have been audited by other auditors.

In our opinion and to the best of our information and according to the explanations given to us, and based on the audited standalone financial statements of the Corporation, separate audited financial statements of the subsidiaries and associates, the Consolidated Financial Statements are prepared in accordance with the requirements of Life Insurance Corporation Act 1956 ("LIC Act"), as amended, the Insurance Act, 1938 (the "Insurance Act"), Insurance Regulatory and Development Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "Regulations"), including orders/ directions/ circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"), and the Companies Act, 2013 ("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 insurance companies:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2021;
- b) in the case of the Consolidated Revenue Account, of the net surplus for the year ended on that date;
- c) in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and

- d) in the case of the Consolidated Receipts and Payments Account, of the receipts and payments for the year ended on that date.

### **Basis of Opinion**

2. We conducted our audit in accordance with the Standards on Auditing (“SAs”) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
3. **Emphasis of Matter:**  
We invite attention to:
- a) Note No.B(17)(C)of Schedule 15A to the Consolidated Financial Statements regarding liability on account of additional contribution of Rs. 11,12,466.00 Lakhs arisen due to fresh pension option to employees in financial year 2019-20, which is being amortized over a period of five years from financial year 2019-20 in accordance with the approval granted by IRDAI vide its letter no. 101/2/F&A-Life/LIC/2018-19/208 dated 06-07-2020. Accordingly, an amount of Rs. 2,22,492.00 Lakhs has been charged to Revenue account for the year then ended March 31, 2021, respectively and balance amount of Rs. 6,67,481.00 Lakhs is to be amortized over a period up to March 31, 2024.
  - b) Note No. B(39) of Schedule 15A to the Consolidated Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and assessment made by the management on its business and financial statements, including valuation of policy liability.

Our opinion is not modified in respect of these matters

### **Information Other than the Consolidated Financial Statements and Auditors’ Report thereon**

4. In the absence of any other information Financial or Non-Financial (Other than the Consolidated Financial Statement and Auditor's report thereon) in the Consolidated Financial Statements, we have no responsibility to report in relation to other information.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

5. The Corporation’s Board of Members is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the LIC Act, as amended, so that they give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated receipts and payments of the Group, in accordance with accounting principles generally accepted in India including the provisions of the LIC Act, as amended , the Insurance Act read with the IRDA Act, the Regulations, order/ directions issued by the IRDAI in this regard and in accordance with the accounting principles generally accepted in India, including

the Accounting Standards specified under section 133 of the Companies Act to the extent applicable and in the manner so required. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Members of the Corporation, as aforesaid.

6. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each such company 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 such company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each such company.

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the Consolidated 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 SAs 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 Consolidated Financial Statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Consolidated 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 control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
  - 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. For all the entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion on Consolidated financial Statement.

10. We communicate with those charged with governance of the Corporation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Other Matters**

12. As noted above, the 10 statutory central auditors of the Corporation, including us, have not audited the financial statements/information of 105 Divisional Offices (DO), 68 units of Pension & Group Schemes (P&GS) and 648 branches of the Corporation included in the standalone financial statements of the Corporation whose audited financial statements/ information, as considered in the standalone financial statements/ information have been audited by the divisional/ branch auditors whose reports have been furnished to the 10 statutory central auditors, including us, and the 10 statutory central auditors' opinion (including our opinion) on the standalone financial statements of the Corporation in so far as it relates to the amounts and disclosures included in respect of divisions/units/branches, is based solely on the reports of the auditors of such divisions/units/ branches. The information of total assets, total revenue, net profit and net cash flows in respect of the branches audited by other auditors are not separately compiled, as the divisions receive only trial balances of each branch, which are consolidated at the division level and thereafter at the zonal level.

13. As noted above, the 10 statutory central auditors of the Corporation, including us, have not audited the financial statements / information of 1,352 branches of the Corporation included in the standalone financial statements, of the Corporation, whose unaudited financial statements / financial information, as considered in the standalone financial statements/ information of these branches have been certified by the Corporation's management and the 10 statutory central auditors' opinion (including our opinion) on the standalone financial statements of the Corporation in so far as it relates to the amounts and disclosures included in respect of those 1,352 branches, is based solely on the unaudited financial statements / financial information provided by the Corporation's management. The amount of total assets, net assets, total revenue, net

profit and net cash flows in respect of those unaudited branches are not separately compiled, as the divisions receive only trial balances of each branch, which are consolidated at the division level and thereafter at the zonal level.

14. The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 with respect to the corporation is the responsibility of the Corporation's appointed actuary ('the Appointed Actuary'). The Appointed Actuary has duly certified the actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 and in his opinion the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India and the Institute of Actuaries of India in concurrence with the Insurance Regulatory Development and Authority of India. The 10 statutory central auditors of the Corporation, including us, have relied upon the Appointed Actuary's Certificate in this regard for forming their opinion on the standalone financial statements of the Corporation.
  
15. We did not audit the financial statements of two subsidiaries located in India whose financial statements reflect total assets of Rs. 8,388.32 Lakhs and net assets of Rs. 5,163.58 Lakhs as at March 31, 2021, total revenue of Rs. 3,036.68 Lakhs, net profit of Rs. 646.74 Lakhs and net cash flows amounting to Rs. 450.12 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of Rs. 116,335.36 Lakhs for the year ended March 31, 2021 as considered in the Consolidated Financial Statements in respect of six associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of such other auditors.
  
16. We did not audit the financial statement of five subsidiaries located outside India, whose financial statements reflect total assets of Rs. 20,19,165.77 Lakhs and net assets of Rs. 3,13,951.37 Lakhs as at March 31, 2021, total revenue of Rs. 3,77,538.79 Lakhs, net profit of Rs. 18,484.47 Lakhs for the year ended March 31, 2021 and net cash flows amounting to Rs. 39,493.68 Lakhs for the year ended March 31, 2021, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

We refer to Note "C" under Basis for Consolidation, wherein the Corporation has stated that foreign subsidiaries have been consolidated based on their local accounting policies. Our opinion in so far as it relates to the subsidiaries' balances and affairs of such subsidiaries located outside India, including other information, is based on the report of such other auditors and the currency conversion adjustments prepared by the management of the Corporation and audited by us.

Our opinion is not modified in respect of these matters.

## **Report on Other Legal and Regulatory Requirements**

17. As required under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation, 2002, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;
  - b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Corporation so far as it appears from our examination of those books;
  - c) In our opinion proper returns of Divisional Offices and branches both audited and unaudited have been received and found them adequate for the purpose of audit;
  - d) The Consolidated Balance sheet, Consolidated Revenue account, Consolidated Profit and Loss account and the Consolidated Receipts and Payments Account dealt with by this report are in agreement with the books of account and returns;
  - e) In our opinion and to the best of our information and according to the explanations given to us, the Investments have been valued in accordance with the provisions of the Insurance Act, Regulations and orders/ directions issued by IRDAI in this behalf; and
  - f) In our opinion and to the best of our information and according to the explanations given to us, the Accounting Policies adopted by the Corporation are appropriate and are in compliance with the applicable Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 further amended by Companies (Accounting Standards) Amendment Rules, 2016 and with the Accounting Principles as prescribed in the Regulations , to the extent not inconsistent with the accounting principles prescribed in the IRDA Regulations and orders/ directions/ circulars issued by IRDAI in this regard.

**For Batliboi & Purohit  
Chartered Accountants  
FRN: 101048W**

**Raman Hangekar  
Partner  
Membership No: 030615**

**Date: 20-01-2022  
Place: Mumbai  
UDIN: 22030615AAXIPT8757**

**CONSOLIDATED BALANCE SHEET OF LIC AS AT 31.03.2021**

(₹ in Lakhs)

Particulars	Schedule	Current Year	Previous Year
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
SHARE CAPITAL	5	10000.00	10000.00
RESERVES AND SURPLUS	6	670547.04	89165.81
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		7849.74	1016.91
MINORITY INTEREST (Shareholders)		9927.61	9628.37
<b>Sub-Total</b>		<b>698324.39</b>	<b>109811.09</b>
BORROWINGS	7	366.50	25341359.80
<b>POLICYHOLDERS' FUNDS:</b>			
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		27294498.85	(431656.30)
POLICY LIABILITIES		342072700.28	310281550.21
MINORITY INTEREST (Policyholders)		2094.86	1713319.54
FUNDS FOR DISCONTINUED POLICIES			
Discontinued on account of non payment of premium		3366.00	3334.22
Others		1699.74	1851.69
INSURANCE RESERVES	6A	1271145.41	1141488.98
PROVISION FOR LINKED LIABILITIES		3295916.81	3253529.92
<b>Sub-Total</b>		<b>373941788.45</b>	<b>341304778.06</b>
FUNDS FOR FUTURE APPROPRIATIONS		333.99	2868.29
<b>Total</b>		<b>374640446.83</b>	<b>341417457.44</b>

**CONSOLIDATED BALANCE SHEET OF LICIA AS AT 31.03.2021**

(₹ in Lakhs)

Particulars	Schedule	Current Year	Previous Year
<b>APPLICATION OF FUNDS</b>			
INVESTMENTS			
Shareholders'	8	42640.32	40083.89
Policyholders'	8A	349844073.68	295790775.74
ASSETS HELD TO COVER LINKED LIABILITIES	8B	3297495.68	3216988.60
LOANS	9	10876366.52	23743469.63
FIXED ASSETS	10	347402.59	1457177.82
CURRENT ASSETS			
Cash and Bank Balances	11	3607831.86	6315262.85
Advances and Other Assets	12	14936610.01	19419649.36
<b>Sub-Total (A)-Current Assets</b>		<b>18544441.87</b>	<b>25734912.21</b>
CURRENT LIABILITIES	13	6817145.54	6503171.26
PROVISIONS	14	1494828.29	2062779.19
<b>Sub-Total (B)-Current Liabilities</b>		<b>8311973.83</b>	<b>8565950.45</b>
<b>NET CURRENT ASSETS (C) = (A - B)</b>		<b>10232468.04</b>	<b>17168961.76</b>
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	0.00	0.00
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)			
<b>Total</b>		<b>374640446.83</b>	<b>341417457.44</b>
Contingent Liabilities	15A (B) 2		
Significant Accounting Policies & Notes to Accounts	15A (A) & (B)		
Schedules referred to above and the Notes to the Accounts form an integral part of the Balance-sheet			

As per our report of even date

On behalf of the Board

Batliboi & Purohit  
Chartered Accountants

Chairperson

Managing Director

Raman Hangekar (Partner)  
M.No. 030615

Independent  
Director

Executive Director  
(F&A) & CFO

Place : Mumbai  
Date:

Appointed Actuary

Company Secretary



**CONSOLIDATED REVENUE ACCOUNT OF LIC FOR THE YEAR ENDED 31.03.2021**  
**Policyholders' Account (Technical Account)**

(₹ in Lakhs)

Particulars	Schedule	Current Year	Previous Year
Premiums earned - net			
(a) Premium	1	40585080.15	38281145.00
(b) Reinsurance ceded		(45230.38)	(33593.24)
(c) Reinsurance accepted		0.00	0.00
<b>Sub-Total</b>		<b>40539849.77</b>	<b>38247551.76</b>
Income from Investments			
(a) Interest, Dividends & Rent - Gross		23956501.80	22205010.18
(b) Profit on sale/redemption of investments		4618675.13	3136167.06
(c) (Loss on sale/redemption of investments)		(637712.02)	(1197418.82)
(d) Transfer/Gain on revaluation/change in fair value*		614576.91	139873.05
Other Income:			
(i) Amounts written back		28548.67	81897.36
(ii) Interest Earned		1020003.66	1506609.71
(iii) Commission, exchange and brokerage		129509.61	201056.51
(iv) Sundry Receipts		100515.03	239188.96
(v) Contribution from Shareholders' Account towards others		475.97	611.45
<b>TOTAL (A)</b>		<b>70370944.53</b>	<b>64560547.22</b>
Commission	2	2235816.05	2154825.76
Operating Expenses related to Insurance Business	3	3516221.47	3442588.35
Other Expenses:			
- Exchange (Gain) / Loss		(497.38)	(243.07)
- Interest Expended		886744.24	1328748.72
- Payments to and provisions for employees		245491.86	336371.33
- Outsourcing expenses		40011.81	61835.20
- Rent, taxes and lighting		35697.56	45591.86
- Depreciation		30207.33	39915.58
- Others		107961.10	160955.08
GST on Fund Management charges & other charges		9322.22	9827.52
Provisions for Doubtful debts		1018190.95	1088816.51
Provision for taxation		917052.47	1082555.79
Provisions (other than taxation):			
(a) For diminution in the value of investments (Net)		566203.60	239051.58
(b) Provision for Required Solvency Margin		0.00	0.00
(c) Others		(853165.42)	1117159.78
<b>TOTAL (B)</b>		<b>8755257.86</b>	<b>11107999.99</b>

**CONSOLIDATED REVENUE ACCOUNT OF LIC FOR THE YEAR ENDED 31.03.2021**  
**Policyholders' Account (Technical Account)**

(₹ in Lakhs)

Particulars	Schedule	Current Year	Previous Year
Benefits paid (Net)	4	28848905.09	25547948.86
Interim Bonuses Paid		222907.32	167337.01
Change in valuation of liability in respect of life policies			
(a) Gross**		32113404.81	29662838.09
(b) Amount ceded in Reinsurance		0.00	0.00
(c) Amount accepted in Reinsurance		0.00	0.00
Transfer to/(from) Provision for Linked Liabilities		43431.01	(911033.96)
Transfer to Funds for Future appropriation		312.55	4.14
Transfer to Funds for Discontinued Policies		544.13	346.27
<b>TOTAL (C)</b>		<b>61229504.91</b>	<b>54467440.41</b>
<b>SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)</b>		<b>386181.76</b>	<b>(1014893.18)</b>
Less: Dividend Paid		0.00	0.00
Add: Share of Profit in Associates		116335.36	57444.24
(Less)/Add: Minority Interest		(44652.53)	637267.15
		<b>457864.59</b>	<b>(320181.79)</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		296258.19	269551.26
Transfer to Other Reserve		161606.40	(591097.83)
Proposed Dividend paid		0.00	1364.78
<b>TOTAL (D)</b>		<b>457864.59</b>	<b>(320181.79)</b>

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

\*\* Represents Mathematical Reserves after allocation of bonus.

**The Breakup of Total Surplus during the year:**

(₹ in Lakhs)

(a) Interim Bonus	222907.32	167337.01
#(b) Allocation of Bonus to policyholders	5489119.16	5125711.56
(c) Surplus shown in Revenue account	457864.59	(320181.79)
<b>Total Surplus [a+b+c]</b>	<b>6169891.07</b>	<b>4972866.78</b>

#The details of Allocation of Bonus to policyholders pertains only to LIC and does not include the details of the foreign subsidiary insurance companies as they are not required to provide such details as per their local laws or regulations.

As per our report of even date

On behalf of the Board

Batliboi & Purohit  
Chartered Accountants

Chairperson

Managing Director

Raman Hangekar (Partner)  
M.No. 030615

Independent  
Director

Executive Director  
(F&A) & CFO

Place : Mumbai  
Date:

Appointed Actuary

Company Secretar

**CONSOLIDATED PROFIT & LOSS ACCOUNT OF LIC FOR THE YEAR ENDED 31.03.2021**  
**Shareholders' Account (Non-technical Account)**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Amounts transferred from/to the Policyholders account (Technical Account)	296258.19	269551.26
Income from Investments		
(a) Interest, Dividends & Rent - Gross	1777.65	3520.10
(b) Profit on sale/redemption of investments	612.15	212.09
(c) (Loss on sale/redemption of investments)	(91.00)	(187.85)
(d) Transfer/Gain on revaluation/change in fair value*	0.00	0.00
(d) Other Income	0.00	0.00
<b>TOTAL (A)</b>	<b>298556.99</b>	<b>273095.60</b>
Expense other than those directly related to the Insurance business	46.40	45.03
Contribution to Policyholders' Account towards others	475.97	611.45
Provisions (Other than taxation)	0.00	0.00
Provisions (Other than taxation)		
(a) For diminution in the value of investments (Net)	0.00	587.52
(b) Provision for doubtful debts	0.00	0.00
(c) Others	0.00	0.00
<b>TOTAL (B)</b>	<b>522.37</b>	<b>1244.00</b>

**CONSOLIDATED PROFIT & LOSS ACCOUNT OF LIC FOR THE YEAR ENDED 31.03.2021**  
**Shareholders' Account (Non-technical Account)**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Profit/(Loss) before tax	298034.62	271851.60
Provision for Taxation	620.76	803.83
Profit/Loss after tax	297413.86	271047.77
<b>APPROPRIATIONS</b>		
(a) Balance at the beginning of the year	6325.68	6858.86
(b) Interim Dividends paid during the year (5% Valuation surplus paid to Central Government)	0.00	0.00
(c) Proposed final dividend	1514.42	269973.47
(d) Dividend distribution on tax	66.12	0.00
(e) Transfer to General Reserve	290056.69	1496.51
(f) Transfer to Other Reserve	816.89	110.97
Profit carried forward to the Balance Sheet	11285.42	6325.68
Earning per Share- Basics (₹) Refer Note (B) 33 of Schedule 15A	4.70	4.29
Earning per Share- Diluted (₹) Refer Note (B) 33 of Schedule 15A	4.70	4.29
Nominal Value of Share (₹)	10.00	10.00

As per our report of even date

On behalf of the Board

Batliboi & Purohit  
Chartered Accountants

Chairperson

Managing Director

Raman Hangekar (Partner)  
M.No. 030615

Independent  
Director

Executive Director  
(F&A) & CFO

Place : Mumbai  
Date:

Appointed Actuary

Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT OF LIC AS AT 31.03.2021**

(₹ in Lakhs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Cash Flows from the operating activities:		
Premium received from policyholders, including advance receipts	40677459.86	37992894.52
Other receipts	259046.00	522142.84
Payments to the re-insurers, net of commissions and claims/ Benefits	(8379.32)	(3702.15)
Payments of claims/benefits	(29182121.42)	(25099167.34)
Payments of commission and brokerage	(2203335.38)	(2187781.66)
Payments of other operating expenses	(4212343.68)	(4207536.97)
Deposits, advances and staff loans	1853606.11	(345871.89)
Income taxes paid (Net)	1117550.88	(872585.61)
Service tax/ GST paid	(241279.23)	(361699.58)
Cash flows before extraordinary items	8060203.82	5436692.16
Cash flow from extraordinary operations (give break-up)	0.00	0.00
<b>Net cash flow from operating activities</b>	<b>8060203.82</b>	<b>5436692.16</b>
Cash flows from investing activities:		
Purchase of fixed assets	(107606.55)	(112025.96)
Proceeds from sale of fixed assets	723899.30	19992.50
Purchases of investments	(49955544.84)	(42619262.45)
Loans disbursed (Net of Repayments)	11848912.38	155747.13
Sales of investments	27480732.25	15251580.86
Rents/Interests/ Dividends received	24888838.57	23123058.82
<b>Net cash flow from investing activities</b>	<b>14879231.11</b>	<b>(4180909.10)</b>
Cash flows from financing activities:		
Repayments of borrowing	(25340993.31)	(1598699.61)
Interest/dividends paid	(271553.44)	(267674.81)
<b>Net cash flow from financing activities</b>	<b>(25612546.75)</b>	<b>(1866374.42)</b>
Effect of foreign exchange rates on cash and cash equivalents, net	(34554.02)	139429.69
Net increase in cash and cash equivalents:	(2707665.84)	(471161.67)
Cash and cash equivalents at the beginning of the year	6319433.69	6790595.36
Cash and cash equivalents at the end of the year	3611767.85	6319433.69

As per our report of even date

On behalf of the Board

Batliboi & Purohit  
Chartered Accountants

Chairperson

Managing Director

Raman Hangekar (Partner)  
M.No. 030615

Independent  
Director

Executive Director  
(F&A) & CFO

Place : Mumbai  
Date:

Appointed Actuary

Company Secretary

**SCHEDULE - 1**  
**PREMIUM: 31.03.2021**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	First year Premiums	3434099.52	5844649.91
2	Renewal Premiums	22032758.63	20253724.42
3	Single Premiums & CAG	15118222.00	12182770.67
	<b>Total</b>	<b>40585080.15</b>	<b>38281145.00</b>

Premium Income from business written:

1	In India	40,288,813.57	37,901,356.30
2	Outside India	296,266.58	379,788.70
	<b>Total Premium</b>	<b>40,585,080.15</b>	<b>38,281,145.00</b>

**SCHEDULE - 2**  
**COMMISSION EXPENSES: 31.03.2021**

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Commission paid		
Direct - First year premiums	906147.32	981138.09
- Renewal premiums	1151438.95	1041279.38
- Single premiums	58303.85	47966.91
- Other Commission	56.20	39.74
Add: Commission on Re-insurance Accepted	0.00	0.00
Less: Commission on Re-insurance Ceded	277.26	4412.85
<b>Net Commission</b>	<b>2115669.06</b>	<b>2066011.27</b>
Rewards and remuneration to Intermediaries	120146.99	88814.49
<b>Total Commission</b>	<b>2235816.05</b>	<b>2154825.76</b>

**Break-up of the expenses (gross) incurred to procure business:**

Agents	2214313.26	2140396.60
Brokers	1065.66	1430.09
Corporate Agency	2035.21	1159.30
Referral	0.00	0.00
Others: Banks	17926.72	15888.45
Insurance Marketing Firms (IMF)	752.46	364.17
<b>TOTAL</b>	<b>2236093.31</b>	<b>2159238.61</b>

**SCHEDULE - 3**

**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS: 31.03.2021**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Employees' remuneration & welfare benefits	2679627.25	2512789.57
2	Travel, conveyance and vehicle running expenses	19498.86	30353.08
3	Training Expenses	954.76	4997.17
4	Rents, rates & taxes	60915.39	54916.60
5	Repairs	16589.54	13335.22
6	Printing & Stationery	13560.67	13179.38
7	Communication expenses	24722.25	22975.62
8	Legal & professional charges	1489.35	1774.11
9	Medical Fees	5900.61	8051.60
10	Auditors' fees, expenses etc.		
	(a) as auditor	749.47	905.87
	(b) as adviser or in any other capacity in respect of		
	(i) Taxation matters	14.18	15.49
	(ii) Insurance matters	0.00	0.00
	(iii) Management services; and	0.00	0.00
	c) in any other capacity	4.74	4.70
11	Advertisement and publicity	48346.51	55741.04
12	Interest & bank Charges	11361.95	5829.66
13	Others		
1	Allowances and commission (other than commission to insurance agents)	192858.03	223653.16
2	Expense on Investment Property	13052.31	11864.01
3	Policy stamps	18742.32	28095.64
4	Receipt stamps	1192.59	1140.32
5	Electricity charges	21901.27	25060.56
6	Cash in transit and other insurance premia	439.86	391.21
7	Miscellaneous expenses	50035.99	59031.47
8	Head Office expenses	171.70	30.17
14	Depreciation	41670.93	37935.79
15	GST on premium etc.	292420.94	330516.91
	<b>Total</b>	<b>3516221.47</b>	<b>3442588.35</b>



**SCHEDULE - 4**  
**BENEFITS PAID (NET): 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
1	Insurance Claims		
	(a) Claims by Death	2392689.38	1752798.69
	(b) Claims by Maturity	16917639.70	15391860.28
	(c) Annuities/Pensions payment	1458040.00	1302125.21
	(d) Other benefits		
	(i) Surrenders	8034755.10	7026427.20
	(ii) Bonuses in cash	(0.01)	0.08
	(iii) Hospitalization Benefits	1246.76	1541.01
	(iv) Major Surgical Benefits	1549.86	1621.84
	(v) Domicilliary Treatment Benefits	1161.61	1349.93
	(vi) Day Care Benefits	216.65	310.42
	(vii) Lump sum Benefit / Income Benefit (by installment)	1379.89	797.48
	(viii) Other Claims Cost- Interest on unclaimed costs	85057.88	87673.85
	- Others	2174.60	2843.39
2	(Amount ceded in reinsurance):		
	(a) Claims by Death	(44355.94)	(18617.04)
	(b) Claims by Maturity	0.00	0.00
	(c) Annuities/Pensions payment	0.00	0.00
	(d) Other benefits	(2650.39)	(2736.90)
3	Amount accepted in reinsurance:		
	(a) Claims by Death	0.00	0.00
	(b) Claims by Maturity	0.00	0.00
	(c) Annuities/Pensions payment	0.00	0.00
	(d) Other benefits	0.00	(46.58)
	<b>Total</b>	<b>28848905.09</b>	<b>25547948.86</b>

**SCHEDULE - 5**  
**SHARE CAPITAL: 31.03.2021**

(₹ in Lakhs)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Paid up Equity capital (Provided by the Government of India in terms of Section 5 of the Life Insurance Corporation Act, 1956)	10000.00	10000.00
<b>Total</b>	<b>10000.00</b>	<b>10000.00</b>

**Schedule 5A : Statement Of Pattern Of Shareholding: 31.03.2021  
(As certified by the Mangement)**

Shareholders	Current Year		Previous Year	
	Number of shares	% of Holding	Number of shares	% of Holding
Promoters				
- Indian (Provided by the Government of India in terms of Section 5 of the Life Insurance Corporation Act, 1956)	N.A.	100.00	N.A.	100.00
- Foreign	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
<b>Total</b>	N.A.	<b>100.00</b>	N.A.	<b>100.00</b>

**SCHEDULE 6**  
**RESERVES & SURPLUS (SHAREHOLDERS): 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
1	Capital Reserve	17439.49	599.55
2	Capital Redemption Reserve	0.00	0.00
3	Share Premium	210.21	210.21
4	Revaluation Reserve:		
	Opening Balance	196.56	29.43
	Additions during the year	0.00	167.13
	Deductions during the year	0.00	0.00
	Closing Balance	196.56	196.56
5	General Reserves:		
	Opening Balance	62274.79	55543.28
	Additions during the year:		
	Transfer from Profit and Loss Account	290056.68	1496.51
	Retention of Government Share of Surplus	270231.63	0.00
	Capital Infusion to LIC (Singapore) Pte. Ltd.	0.00	5235.00
	Deductions during the year	0.00	0.00
	Closing Balance	622563.10	62274.79
	Less : Debit balance in Profit and Loss Account, if any	0.00	0.00
	Less: Amount utilized for Buy-back	0.00	0.00
6	Catastrophe Reserve	992.03	930.85
7	Other Reserves:		
	a) Exchange Fluctuation Reserve	11446.59	12904.42
	b) Others	6413.64	5723.75
8	Balance of profit in Profit and Loss Account	11285.42	6325.68
	<b>Total</b>	<b>670547.04</b>	<b>89165.81</b>

**SCHEDULE 6A**  
**INSURANCE RESERVES (POLICYHOLDERS): 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
1	Capital Reserve	2644.45	19600.40
2	Capital Redemption Reserve	0.00	0.00
3	Share Premium	0.00	0.00
4	Revaluation Reserve: Opening Balance Additions during the year Deductions during the year Closing Balance	1318567.66 0.00 90702.83 1227864.83	1033630.54 296377.71 11440.59 1318567.66
5	General Reserves: Opening Balance Additions during the year Deductions during the year Closing Balance Less : Debit balance in Profit and Loss Account, if any Less: Amount utilized for Buy-back	18755.81 0.00 18678.51 77.30 0.00 0.00	3901.25 14854.56 0.00 18755.81 0.00 0.00
6	Equalisation Reserve: Opening Balance Additions during the year Deductions during the year Closing Balance	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
7	Catastrophe Reserve	0.00	0.00
8	Other Reserves: (i) Investment Reserve (ii) Exchange Fluctuation Reserve (iii) Statutory Reserve (iv) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 (v) Others	0.00 234666.01 0.00 0.00 7454.39	0.00 267762.20 0.01 0.00 6747.25
9	Balance of profit in Profit and Loss account: Opening balance Additions/(Deduction) during the year Adjustments during the year Closing balance	(489944.35) (592883.14) 881265.92 (201561.57)	120110.66 (610055.01) 0.00 (489944.35)
	<b>Total</b>	<b>1271145.41</b>	<b>1141488.98</b>

**SCHEDULE 7**  
**BORROWINGS: 31.03.2021**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Debentures/Bonds	0.00	1279450.32
2	Banks	0.00	4268781.65
3	Financial Institutions	0.00	251836.17
4	Deposits	0.00	19541291.66
5	Others	366.50	0.00
	<b>Total*</b>	<b>366.50</b>	<b>25341359.80</b>

\*Secured borrowing included of Rs. 112,784.49 million in March 31, 2020.

**SCHEDULE - 8**  
**INVESTMENTS - SHAREHOLDERS: 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
	<b>LONG TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	29405.16	27951.12
2	Other Approved Securities	380.16	153.95
3	Other Investments		
	(a) Shares:		
	(aa) Equity	7248.51	4654.50
	(bb) Preference	0.00	0.00
	(b) Mutual Funds	0.00	0.00
	(c) Derivative Instruments	0.00	0.00
	(d) Debentures/Bonds	5269.90	6945.85
	(e) Other Securities	0.93	186.71
	(f) Subsidiaries/Joint Ventures/Associates	665.66	665.66
	(g) Investment Properties - Real Estate	164.92	87.93
4	Investments in Infrastructure and Social Sector	0.00	0.00
5	Other than Approved Investments	0.00	0.00
6	Provision for Doubtful Investments	(587.51)	(587.51)
	<b>SHORT TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	0.00	0.00
2	Other Approved Securities	0.00	0.00
3	Other Investments		
	(a) Shares:		
	(aa) Equity	0.00	0.00
	(bb) Preference	0.00	0.00
	(b) Mutual Funds	92.59	25.68
	(c) Derivative Instruments	0.00	0.00
	(d) Debentures/Bonds	0.00	0.00
	(e) Other Securities	0.00	0.00
	(f) Subsidiaries	0.00	0.00
	(g) Investment properties - Real Estate	0.00	0.00
4	Investments in Infrastructure and Social Sector	0.00	0.00
5	Other than Approved Investments	0.00	0.00
6	Provision for Doubtful and substandard assets	0.00	0.00
	<b>Total</b>	<b>42640.32</b>	<b>40083.89</b>

**SCHEDULE - 8A**  
**INVESTMENTS - POLICYHOLDERS: 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
	<b>LONG TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	229745618.30	212039246.50
2	Other Approved Securities	2225141.06	2598949.06
3	Other Investments:		
	(a) Shares:		
	(aa) Equity	59428793.23	33198260.54
	(bb) Preference	0.00	66016.36
	(b) Mutual Funds	494418.43	259090.01
	(c) Derivative Instruments	0.00	0.00
	(d) Debentures/Bonds	7886956.50	7366029.23
	(e) Other Securities:		
	Special Deposit with Government of India	0.00	0.00
	Deposits with Social Security Fund	0.00	0.00
	Other Securities & Bonds	24158.85	239243.30
	Initial Contribution to UTI II Capital	0.00	107046.01
	(f) Subsidiaries/Joint Ventures/Associates	2759083.13	543633.23
	(g) Investment Properties - Real Estate	1439515.10	1437785.71
4	Investments in Infrastructure and Social Sector	27947354.25	24907597.63
5	Other than Approved Investments	11576020.11	8181087.90
6	Provision for Doubtful Investments	(1997083.64)	(1790565.23)
	<b>SHORT TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	5105570.98	4747559.03
2	Other Approved Securities	366214.51	4783.35
3	Other Investments:		
	(a) Shares:		
	(aa) Equity	0.00	0.00
	(bb) Preference	0.00	0.00
	(b) Mutual Funds	1185264.37	132857.47
	(c) Derivative Instruments	0.00	0.00
	(d) Debentures/Bonds	154613.29	710088.00
	(e) Other Securities :		
	Commercial Papers	0.00	25068.14
	Special Deposit with Government of India	0.00	0.00
	(f) Subsidiaries	0.00	0.00
	(g) Investments Properties- Real Estate	0.00	0.00
4	Investments in Infrastructure and Social Sector	1383875.35	1059628.12
5	Other than Approved Investments	1336195.34	1034502.02
6	Provision for Doubtful and substandard assets	(1217635.48)	(1077130.64)
	<b>Total</b>	<b>349844073.68</b>	<b>295790775.74</b>



SCHEDULE - 8B

ASSETS HELD TO COVER LINKED LIABILITIES: 31.03.2021

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
	<b>LONG TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	695324.41	927365.06
2	Other Approved Securities	6781.12	151969.47
3	Other Investments: (a) Shares:		
	(aa) Equity	1227009.55	768257.96
	(bb) Preference	0.00	0.00
	(b) Mutual Funds	2729.20	3851.12
	(c) Derivative Instruments	0.00	0.00
	(d) Debentures/Bonds	20167.71	21606.91
	(e) Other Securities	0.00	7500.00
	(f) Subsidiaries	0.00	0.00
	(g) Investment Properties - Real Estate	0.00	0.00
4	Investments in Infrastructure and Social Sector	210996.29	265456.40
5	Other than Approved Investments	69234.91	55689.71
	<b>SHORT TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	93480.14	114590.90
2	Other Approved Securities	0.00	2500.00
3	Other Investments: (a) Shares:		
	(aa) Equity	0.00	0.00
	(bb) Preference	0.00	0.00
	(b) Mutual Funds	130727.47	101752.03
	(c) Derivative Instruments	0.00	0.00
	(d) Debentures/Bonds	1219.66	6287.12
	(e) Other Securities	7500.00	10223.00
	(f) Subsidiaries	0.00	0.00
	(g) Investments Properties- Real Estate	0.00	0.00
4	Investments in Infrastructure and Social Sector	69681.52	0.00
5	Other than Approved Investments	0.00	0.00
6	<b>Current Assets</b> <b>Cash &amp; Bank Balance</b> Cash (including cheques, drafts and stamps) Bank Balance:		
	(a) Deposits:		
	(aa) Short term	0.00	0.00
	(bb) Others	0.00	0.00
	(b) Current Accounts	801.12	4130.11
	(c) Others	0.00	0.00
7	<b>Advances</b> Other Advances Income outstanding/accrued on investments	8403.42 35786.27	2006.97 45276.17
	<b>Total (A)- Current Assets</b>	<b>48260.29</b>	<b>51530.60</b>
8	<b>Current Liabilities</b> Sundry Creditors Claims outstanding Premium and other deposits Life department current account	3110.12 181.76 1.91 (717677.20)	(2254.87) 110.32 2.28 (726266.05)
	<b>Total (B)- Current Liabilities</b>	<b>(714383.41)</b>	<b>(728408.32)</b>
	<b>Net current assets (A-B)</b>	<b>762643.70</b>	<b>779938.92</b>
	<b>Total</b>	<b>3297495.68</b>	<b>3216988.60</b>

**SCHEDULE - 9**

**LOANS: 31.03.2021**

**(₹ in Lakhs)**

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>1</b>	<b>SECURITY-WISE CLASSIFICATION</b>		
	Secured		
	(a) On mortgage of property:		
	(aa) In India	1197071.34	7136637.99
	(bb) Outside India	3133.07	3381.32
	(b) On Shares, Bonds, Govt. Securities, etc.	0.00	0.00
	(c) Loans against Policies	10201233.44	9982450.06
	(d) Others:		
	Guaranteed by Government	370692.04	460402.33
	Hypothecation	86974.66	991324.93
	ANF Advances	0.02	0.02
	Secured by Tangible Asset	0.00	9859218.64
	Unsecured Loans	281322.17	1089052.07
	Provision for Doubtful Loans	(1264060.22)	(5778997.73)
	<b>Total</b>	<b>10876366.52</b>	<b>23743469.63</b>
<b>2</b>	<b>BORROWER-WISE CLASSIFICATION</b>		
	(a) Central and State Governments	233074.89	421325.91
	(b) Banks and Financial Institutions	0.00	430425.93
	(c) Subsidiaries	0.00	0.00
	(d) Companies	1164282.07	8134213.55
	(e) Loans against policies	10201233.44	9982450.06
	(f) Others:		
	Mortgage Property	32978.32	35582.48
	Municipalities	5280.53	6259.97
	State Electricity Boards/ Power Generators	130493.47	192523.43
	State Road Transport Corporation	616.00	616.00
	Co-operative Industrial Estates	0.00	0.00
	Housing Co-op Societies	38233.64	42569.37
	Irrigation Sector	2666.64	3333.30
	WSB, SFC, PTR, OTH, LDB Etc.	331567.10	429070.06
	ANF Advances	0.02	0.02
	Other Loans	0.62	9844097.28
	(g) Provision for bad and doubtful debts	(1264060.22)	(5778997.73)
	<b>Total</b>	<b>10876366.52</b>	<b>23743469.63</b>
<b>3</b>	<b>PERFORMANCE-WISE CLASSIFICATION</b>		
	(a) Loans classified as standard:		
	(aa) In India	10810504.91	22907362.50
	(bb) Outside India	113983.00	451898.45
	Provision for Standard Loans	(11353.58)	(216689.40)
	(b) Non-standard loans:		
	(aa) In India	1212992.67	5466341.38
	(bb) Outside India	2946.16	696865.03
	Provision for Non Standard Loans	(1252706.64)	(5562308.33)
	<b>Total</b>	<b>10876366.52</b>	<b>23743469.63</b>
<b>4</b>	<b>MATURITY-WISE CLASSIFICATION</b>		
	(a) Short-Term:		
	In India	1017758.66	2908294.94
	Out of India	1744.04	90405.09
	Provision for Short-Term	(441711.58)	(471334.70)
	(b) Long-Term:		
	In India	11005738.92	26001220.14
	Out of India	115185.12	522547.19
	Provision for Long-Term	(822348.64)	(5307663.03)
	<b>Total</b>	<b>10876366.52</b>	<b>23743469.63</b>

**SCHEDULE - 10**  
**FIXED ASSETS: 31.03.2021**

(₹ in Lakhs)

Particulars	Gross Block					Depreciation/ Amortisation & Impairment					Total Net Block	
	Opening 01.04.2020	Additions	Deductions	Adjustment Exchange Gain/Loss	Closing 31.03.2021	Upto last year	For the year	On Sales/Adjustm ent	Adjustment Exchange Gain/Loss	Upto Date	Current Year	Previous Year
Goodwill	332844.77	0.00	332844.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	332844.77
Intangibles	38354.46	84.53	31825.83	(69.28)	6543.88	21288.65	1736.79	19167.29	(54.16)	3803.99	2739.89	17065.81
Land-Freehold	232456.94	1359.30	224171.57	0.00	9644.67	0.00	0.00	0.00	0.00	0.00	9644.67	232456.94
Land-Leasehold	23096.10	158.59	15067.11	0.00	8187.58	8065.11	5363.99	12489.99	0.00	939.11	7248.47	15030.99
Buildings	743646.21	59546.65	493209.06	0.00	309983.80	93467.83	19472.07	29583.05	0.00	83356.85	226626.95	650178.38
Furniture & Fittings	93264.38	2711.83	46016.21	(300.73)	49659.27	71707.98	5413.92	38338.01	(237.14)	38546.75	11112.52	21556.40
Information Technology Equipment	150992.15	22009.63	6122.63	6.28	166885.43	115383.49	18643.32	5968.81	4.85	128062.85	38822.58	35608.66
Vehicles	90631.13	11735.82	3697.93	(11.87)	98657.15	59788.91	11090.01	3176.05	(8.19)	67694.68	30962.47	30842.22
Office Equipment	57698.07	332.42	50955.66	(5.55)	7069.28	43850.82	3894.12	41524.83	(3.51)	6216.60	852.68	13847.25
Others												
Telephones	1454.40	22.65	9.24	0.16	1467.97	1268.71	32.14	7.01	0.19	1294.03	173.94	185.69
Fax/Epabx	254.26	0.11	1.08	0.00	253.29	251.54	0.91	1.09	0.00	251.36	1.93	2.72
Mobile Phones	43.53	9.99	1.99	0.00	51.53	34.08	5.35	1.36	0.00	38.07	13.46	9.45
Library books	52.78	0.43	22.46	0.00	30.75	51.52	0.59	22.15	0.00	29.96	0.79	1.26
Miscellaneous Capital Equipment	157104.05	268.86	151496.76	293.17	6169.32	126226.45	4522.72	126477.04	233.64	4505.77	1663.55	30877.60
Audio visual and other allied publicity equipment	7527.03	345.60	54.79	(1.62)	7816.22	5857.69	773.39	62.78	(1.25)	6567.05	1249.17	1669.34
Engineering Dept. equipment	6.75	0.00	0.01	0.00	6.74	6.03	0.52	0.01	0.00	6.54	0.20	0.72
Voltage stabilizers and UPS	14790.89	801.90	273.31	(0.05)	15319.43	13217.93	922.24	275.55	(0.04)	13864.58	1454.85	1572.96
Generators, DG sets in rented premises	195.72	3.44	5.12	0.00	194.04	187.29	6.18	2.10	0.00	191.37	2.67	8.43
<b>Total</b>	<b>1944413.62</b>	<b>99391.75</b>	<b>1355775.53</b>	<b>(89.49)</b>	<b>687940.35</b>	<b>560654.03</b>	<b>71878.26</b>	<b>277097.12</b>	<b>(65.61)</b>	<b>355369.56</b>	<b>332570.79</b>	<b>1383759.59</b>
<b>Work in Progress</b>	73418.23	8214.81	66801.24	0.00	14831.80	0.00	0.00	0.00	0.00	0.00	14831.80	73418.23
<b>Grand Total</b>	<b>2017831.85</b>	<b>107606.56</b>	<b>1422576.77</b>	<b>(89.49)</b>	<b>702772.15</b>	<b>560654.03</b>	<b>71878.26</b>	<b>277097.12</b>	<b>(65.61)</b>	<b>355369.56</b>	<b>347402.59</b>	<b>1457177.82</b>

**SCHEDULE - 11**  
**CASH AND BANK BALANCES: 31.03.2021**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Cash (including cheques, drafts and stamps)	333980.28	272514.75
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months of the date of Balance Sheet)	328978.24	96112.15
	(bb) Others	417113.34	763453.49
	(b) Current Accounts	1797131.59	2926361.20
	(c) Others	140.00	125.00
3	Money at Call and Short Notice		
	(a) With Banks	8875.94	11804.13
	(b) With other Institutions	0.01	1120000.01
	(c) Others- Repurchasing Option or Repurchase Agreement (REPOS)	0.00	0.00
	(d) Collateralised Borrowing and Lending Obligation (CBLO)	685134.74	1081427.45
4	Others - Remittances in transit	36477.72	43464.67
	<b>Total</b>	<b>3607831.86</b>	<b>6315262.85</b>
	Balances with non-scheduled banks included in 2 and 3 above.*		

	<b>CASH &amp; BANK BALANCES</b>		
1	In India	3,023,207.02	5,657,024.79
2	Outside India	584,624.84	658,238.06
	<b>TOTAL</b>	<b>3,607,831.86</b>	<b>6,315,262.85</b>

\* Excluding bank accounts of foreign branches which are held as per local laws.

**SCHEDULE - 12**  
**ADVANCES AND OTHER ASSETS: 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
	<b>ADVANCES</b>		
1	Reserve deposits with ceding companies	0.00	0.00
2	Advances to ceding companies	0.00	0.00
3	Application money for investments	29235.75	17032.90
4	Prepayments/Prepaid Expenditure	56221.39	59004.14
5	Advances to Officer/Directors	108.61	58.28
6	Advance tax paid and taxes deducted at source	3293396.51	5328554.88
7(a)	Others:		
i	Advances to employees	108362.63	100968.14
ii	Advances to others	5656.01	5881.42
iii	Deposits	6822.42	29385.01
iv	Other advances	85395.24	66503.89
7(b)	Provision for sundry debtors, advances and deposits	(11837.56)	(11095.77)
	<b>TOTAL (A)</b>	<b>3573361.00</b>	<b>5596292.89</b>
	<b>OTHER ASSETS</b>		
1	Income outstanding/accrued on investments	6790713.90	6583727.00
	Provision for doubtful Interest & Dividends	(1216757.89)	(1083349.11)
2	Outstanding Premiums	985576.08	1441531.10
3	Agents' Balances	336802.85	165185.47
	Provision for agents doubtful balances	(34.30)	(47.52)
4	Foreign Agencies' Balances	0.00	0.00
	Provision for agents doubtful balances	0.00	0.00
5	Due from other entities carrying on insurance business	2.19	2.26
6	Due from subsidiaries/holding company	0.00	0.00
7	Reinsurance claims/balances receivable	56.53	182.81
8	Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	0.00	0.00
9	Others		
i	Interest on loans outstanding/accrued	2497784.96	2472423.78
ii	Stock of stationery, etc. on hand	7338.29	6839.57
iii	Assets pertaining to Unclaimed amount	1857422.27	1587718.20
iv	Other assets		
	- Non Banking Assets acquired in satisfaction of claims	0.00	79198.93
	- Claims receivable	0.00	33483.82
	- Miscellaneous*	11086.41	2463334.19
v	(a) Investments Pending Allotment	15994.97	15994.97
	(b) Provision for Sundry Debtors, Advances & Deposits	(3454.45)	(3454.44)
vi	GST Unutilized Credit	80717.20	60585.44
	<b>TOTAL (B)</b>	<b>11363249.01</b>	<b>13823356.47</b>
	<b>TOTAL (A + B)</b>	<b>14936610.01</b>	<b>19419649.36</b>

**SCHEDULE - 13**  
**CURRENT LIABILITIES: 31.03.2021**

(₹ in Lakhs)

	Particulars	Current Year	Previous Year
1	Agents' Balances	1486.87	1137.63
2	Balances due to other insurance companies	(3265.46)	4643.39
3	Advances from Treaty Companies	0.00	0.00
4	Deposits held on re-insurance ceded	0.00	0.00
5	Premiums received in advance	7869.32	7815.64
6	Sundry creditors	1622487.07	1552312.77
7	Due to subsidiaries/holding company	0.00	0.00
8	Claims Outstanding	1050266.61	1086167.38
9	Annuities Due	42536.04	41857.69
10	Bank Balances	134.61	76.62
11	Due to Officers/Directors	135.56	103.15
12	Others:		
a	Amounts due to trustees of staff provident & pension fund	967658.12	757474.92
b	Outstanding Commission	155265.48	122690.14
c	Premium and other deposits	144608.34	186770.29
d	Outstanding unclaimed amounts/deposits	1603323.97	1407071.43
e	Interest Accrued on Unclaimed amounts	246207.93	198193.80
f	Premium received but not allocated	4920.15	237.41
g	GST Liability	172088.64	91493.67
h	Capital Redemption (including annuity certain) business current account	0.00	0.00
i	Varishtha Pension Bima Yojana Current Account (161)	35662.39	31398.25
j	Varishtha Pension Bima Yojana Current Account (828)	4228.49	4240.23
k	Pradhan Mantri Vaya Vandana Yojana (PMVVY) Current Account (842)	14933.07	14723.64
l	Pradhan Mantri Vaya Vandana Yojana (PMVVY) Current Account (842 New)	59514.82	58569.70
m	Social Security Fund Current account	(29158.12)	(28853.97)
n	Aam Admi Bima Yojana Scholarship Current account	(0.30)	0.39
o	Unit Linked Current a/c	717677.20	726266.05
p	Pradhan Mantri Vaya Vandana Yojana (PMVVY) Current Account (856)	(1650.77)	0.00
q	Pradhan Mantri Jan-Dhan Yojana (PMJDY) Current Account	0.00	(2239.92)
r	Pradhan Mantri Shram Yogi Maan -Dhan (PMSYM) Current Account	(209.50)	(132.59)
s	Pradhan Mantri Kishan Maan-Dhan Yojan (PMKMDY) Current Account	(47.48)	(15.58)
t	Pradhan Mantri Laghu Vyapari Maan-Dhan Yojana (PMLVMDY) Current	(4.39)	(0.22)
u	Others		
	- Bills payable	0.00	95609.10
	- Interest accrued	0.00	71318.94
	- Miscellaneous	476.88	74241.31
	<b>Total</b>	<b>6817145.54</b>	<b>6503171.26</b>

**SCHEDULE - 14**  
**PROVISIONS: 31.03.2021**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	For taxation (less payments and taxes deducted at source)	0.00	(256.12)
2	For proposed dividends (5% Valuation Surplus)	0.00	269973.44
3	For dividend distribution tax	66.12	0.00
4	Bonus payable to the policyholders	0.00	0.00
4	Others		
	Provision for reserve for solvency margin	1494305.59	1494305.60
	Provision for Non Banking Assets Acquired in Satisfaction of Claim	0.00	71360.00
	Other Provisions	456.58	227396.27
	<b>Total</b>	<b>1494828.29</b>	<b>2062779.19</b>

**SCHEDULE 15**  
**MISCELLANEOUS EXPENDITURE: 31.03.2021**

(₹ in Lakhs)

	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
1	Discount Allowed in issue of shares/debentures	0.00	0.00
2	Others	0.00	0.00
	<b>Total</b>	<b>0.00</b>	<b>0.00</b>



## **Schedule 15A: Significant Accounting Policies and Notes to the Consolidated Financial Statements**

### **A. Significant Accounting Policies**

#### **A Corporate Information**

Life Insurance corporation of India (“Corporation”) is a statutory corporation established under the Life Insurance Corporation of India Act, 1956 (‘Governing Act’) engaged in the business of Life Insurance in and outside India. Corporation is governed by provisions of the governing Act; it is also registered with the Insurance Regulatory and Development Authority of India (‘IRDAI’) and is subject to such provisions of IRDA Act, 1999 as amended and regulations thereunder which are not inconsistent with the governing Act. The Corporation’s life insurance business comprises of individual life and group business, including participating, non-participating, pension, group gratuity, group leave encashment, group superannuation, group immediate annuity, unit-linked insurance products, variable insurance products, health and micro insurance.

The Consolidated Financial Statements (CFS) relate to Corporation and its subsidiary companies and the Corporation’s share of profit/loss in its associate companies (together referred as “the group”).

#### **B. Basis of preparation**

These consolidated financial statements for the Group are prepared in accordance with the principles and procedures for preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements” and are presented in the same format as that of the Corporation.

These Consolidated Financial Statements are prepared under the historical cost convention, with fundamental accounting assumptions of going concern, consistency and accrual, unless otherwise stated. The accounting and reporting policies of the Group conform to accounting principles generally accepted in India (Indian GAAP), comprising of regulatory norms and guidelines prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 (‘the Financial Statements Regulations’), the Master Circular on Preparation of Financial Statements and Filing of Returns of Life Insurance Business Ref No. IRDA/F&A/Cir/232/12/2013 dated December 11, 2013 (‘the Master Circular’) and other circulars issued by the IRDAI from time to time, provisions of the Insurance Act, 1938, as amended from time to time, norms & guidelines prescribed by the Reserve Bank of India (RBI), the Banking Regulations Act, 1949, Pension Fund Regulatory and Development Authority (PFRDA), National Housing Bank Act, 1987, Housing Finance Companies (NHB) Directions, 2010 as amended and in compliance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, and amendments and rules made thereto, to the extent applicable Accounting policies have been consistently applied to the extent applicable and in the manner so required except to the extent specified below.

Indian Subsidiaries/Associates of the Corporation are governed by different operation and accounting regulations and lack homogeneity of business, hence only material adjustments have been made to the financial statements of the subsidiaries/associates to bring consistency in accounting policies at the time of consolidation to the extent it is practicable to do so. Where it is not practicable to make adjustments and as a result the accounting policies differ, such difference between accounting policies of the Corporation and its subsidiaries have been disclosed.

The notes to these consolidated financial statements for the Group are intended to serve as a means of informative disclosure and a guide towards better understanding of the consolidated position of the Group. The Group has disclosed such notes from the standalone financial statements of the Corporation and its subsidiaries which are necessary for presenting a true and fair view of the consolidated financial statements. Only the notes involving items which are material are disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Additional statutory information disclosed in separate financial statements of the subsidiaries and/or the Corporation having no bearing on the true and fair view of the consolidated financial statements are not disclosed in the consolidated financial statements.

The accounting policies, notes and disclosures made by the Corporation are best viewed in its standalone financial statements to which these consolidated financial statements are attached.

The Corporation has made certain investments in equity shares and various other classes of securities in other companies which have been accounted for as per Accounting Standard 13 - Accounting for Investments. This includes certain investments in companies, not considered for Consolidation, as per category wise reasons given hereunder:

**-Where the corporation is categorized as Promoter:**

The Corporation has nominee directors on Board of some of these companies. However, Corporation does not have any control or significant influence on these companies. The Board seat of the Corporation in these investees is 1 out of total strength of the respective Board of Investee Companies ranging from 6 to 15. The Promoter/ Shareholder status is by way of investment at the time of formation of these companies.

**-Shareholding of Corporation is more than 20%:**

Legacy investments by the corporation without any Board representation and/or any involvement in the management/administration of the investee Companies. As such, Corporation does not have any management control or significant influence in these entities.

**-Corporation has Board position through agreement or nominee directors:**

In such cases the shareholding of the corporation is below 20% and corporation has nominee directors on the Board of these investee companies. The investments in these companies are at par with other companies and shares are bought and sold depending upon market conditions. The Board seat is 1 out of total strength of the respective Board of Investee Companies ranging from 6 to 15. As such Corporation does not have control or significant influence on these companies.

**C. Basis of Consolidation**

- a) The financial statements of the Corporation and its subsidiaries have been combined on a line-by-line basis by adding together similar items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and resulting unrealized profits or losses (unless cost cannot be recovered). The Policyholders' account specifically dealing with direct insurance business governed by IRDAI regulations has retained its distinct independent form in these consolidated financial statements.
- b) The excess of costs to the Corporation of its investment in the subsidiaries over its share of equity of the subsidiaries at the dates on which the investments in subsidiaries are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investment of the Corporation, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary.
- c) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using 'Equity Method' in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements" and accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments. The carrying value is reduced for the distributions received from the associates.
- d) The Corporation accounts for its share in the change in the net assets of the associate, post-acquisition, after eliminating unrealised profits and losses resulting from the transaction between the Corporation and its associate to the extent of its share, through its statement of Profit and loss (Non-Technical Account) / Revenue Account- Policyholders' Account (Technical Account) to the extent such change is attributable to the associates' Statement of Profit and Loss.
- e) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Corporation in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- f) The financial statements of the Foreign Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Corporation i.e., 31st March or up to 31st December, in case where the subsidiaries or associates close their financial year on that date. The foreign subsidiaries have prepared their accounts in accordance with International Financial Reporting Standards (IFRS) / Generally Accepted Accounting Principles (GAAP) as per the required local laws of the respective country, resulting in some variations as compared to Indian GAAP followed by the Corporation. For the purpose of preparing the CFS, accounting adjustments have not been made to align the accounts of these entities to conform with the accounting policies followed by the Corporation. The impact of difference in accounting policy will not be material.
- g) Financial Statements of Foreign Subsidiaries, being non-integral operations, have been converted into Indian Rupees at following exchange rates: Revenue and Expenses: At the average of the year Assets and Liabilities: Closing rate at the end of the financial year. The resultant translation exchange difference is transferred to "Foreign Currency Translation Reserve".

#### **D. Use of Estimates**

The preparation of consolidated financial statements is in conformity with generally accepted accounting principles in India ('Indian GAAP') requires that the Group's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities and disclosures relating to contingent liabilities as on the date of the consolidated financial statements. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances upto and as on the date of the consolidated financial statements. Actual results could differ from the estimates. Any revision to the accounting estimates is accounted for prospectively.

#### **E. Significant Accounting Policies:**

##### **1 Revenue Recognition**

###### **1.1 For Life Insurance Business**

###### **Premium Income**

- a) Premiums are recognized as income when due, for which grace period has not expired and the previous instalments have been paid. In case of Linked Business, the due date for payment is taken as the date when the associated units are created.
- b) Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from linked fund in accordance with terms and conditions and recognized when due.
- c) Premium ceded on re-insurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

###### **Investment Income**

- d) Interest income in respect of all government securities, debt securities including loans, debentures and bonds, Pass Through Certificate (PTC), mortgage loans is taken credit to the Revenue Account as per the guidelines issued by Insurance Regulatory and Development Authority.
- e) In respect of purchase or sale of Government and other approved securities from secondary market, interest for the broken period is paid / received on cash basis.
- f) Interest, Dividend, Rent, etc. are accounted at gross value (before deduction of Income Tax)
- g) In respect of loans, debentures and bonds, accrued interest as at the date of the balance sheet is calculated as per method of calculation of simple interest mentioned in the loan document/information memorandum or such other document. In respect of Government and other approved securities and mortgage loans, accrued interest as at the date of balance sheet is calculated based on 360 days a year.
- h) Profit or Loss on sale of Securities/Equities/ Mutual Fund is taken to Revenue only in the year of sale.
- i) Dividend on quoted equity where right to receive the same has fallen due on or before 31st March (i.e. dividend declared by the company) is taken as income though received subsequently. Dividend on unquoted equity is taken as income only on receipt.
- j) Interest on policy loans is accounted for on accrual basis.
- k) Rental income is recognized as income when due and rent/license fees which is in arrear for more than 6 months is not recognized as income. Upfront premium is accounted on cash basis.
- l) Outstanding interest on NPA's as at Balance Sheet date is provided as interest suspense.
- m) Dividend on Preference shares/Mutual Fund is taken as income only on receipt.
- n) Interest on application Money on purchase of debentures/bonds is accounted on cash basis.
- o) Income on venture capital investment is accounted on cash basis.
- p) Income from zero coupon bonds is accounted on accrual basis.
- q) Premium on redemption/maturity is recognized as income on redemption/maturity
- r) Processing fee is accounted on receipt basis.

###### **1.2 For Banking Business**

- a) Interest income is recognized on accrual basis except in the case of non-performing assets where it is recognized upon realization as per the prudential norms of the Reserve Bank of India (RBI).
- b) Commissions on Letter of Credit (LC)/ Bank Guarantee (BG) are accrued over the period of LC/ BG.
- c) Fee based income is accrued on certainty of receipt and is based on milestones achieved as per terms of agreement with the client.
- d) Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis.
- e) For listed companies, dividend is booked on accrual basis when the right to receive is established. For unlisted companies dividend is booked as and when received.

- f) In case of non-performing advances, recovery is appropriated as per the policy of the Bank

### **1.3 For NBFC Business**

- a) Interest on Housing Loan: Repayment of Housing Loans is by way of Equated Monthly Instalments (EMI) comprising of principal and interest or by way of proceeds of Life Insurance Policies where interest is collected in monthly instalment. Necessary appropriation is made out of these EMI collections to principal and interest. Interest income is recognized on accrual basis except in case of Non-Performing Assets (NPA) where interest is accounted on realization. Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.
- b) Income from Investments: Interest income on debt investments like Non-Convertible Debentures (NCD), Inter Corporate Deposits (ICD), Bank Deposits, Government Securities is recognized on accrual basis and Dividend income is accounted for in the year in which the same is declared in Annual General Meeting and Company's right to receive payment is established.
- c) Revenue from Property Development/ Construction Projects: Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Income from services is recognized on completion of the works/contract. Revenue from property development / construction projects activity is recognized by applying percentage of completion method of the contract value basis when reasonable expectation of collection of the sale consideration from the customers exists. Percentage of completion is determined as a proportion of the cost of work performed to date to the total estimated contract costs and the project so determined has been accounted for proportionate to the percentage of the actual work done.
- d) Interest on delayed payment from customers is booked on cash basis.
- e) Other Income: In other cases, income is recognized when there is no significant uncertainty as to determination and realization.

### **1.4 For Other Business**

- a) Investment management fees are accounted on accrual basis in accordance with the Investment Management Agreement and are dependent on the net assets value as recorded by the schemes of LIC Mutual Fund.
- b) Portfolio management fees are recognised, on accrual basis, in accordance with the terms of agreement with respective clients.
- c) Revenue from advisory services is accounted, on accrual basis, based on the terms of agreement with the clients.
- d) Trusteeship fee earned by the Company for discharging its obligations as the trustee to the Fund is recognized on an accrual basis.
- e) The profit/(loss) on sale of investments are recognised in the Statement of Profit and Loss on the date of trade and determined using the First-In-First-Out (FIFO) basis for individual security. Interest income is recognized using the time-proportion method, based on the rate implicit in the transaction. Dividend is recognised when right to receive dividend is established.

## **2 Investments**

### **2.1 For life Insurance Business**

#### **A] Non-Linked Business**

- a) Debt Securities including Government Securities and Redeemable Preference Shares are considered as 'held to maturity' and the value is disclosed at historical cost subject to amortization as follows:
  - i. Debt Securities including Government Securities, where the book value is more than the face value, the premium will be amortized on straight line basis over the balance period of holding/maturity. Where face value is greater than book value, discount is accounted on maturity.
  - ii. Listed Redeemable Preference Shares, where the book value is more than the face value, the premium is amortized on a straight-line basis over the balance period of holding/maturity and are valued at amortised cost if last quoted price (not later than 30 days prior to valuation date), is higher than amortised cost. Provision for diminution is made if market value is lower than amortised cost.  
Unlisted Redeemable Preference Shares where the book value is more than the face value, the premium is amortized on a straight-line basis over the balance period of holding/maturity and are valued at amortised cost less provision for diminution.  
Listed Irredeemable Preference Shares are valued at book value if last quoted price (not later than 30 days prior to valuation date), is higher than book value. In case last quoted price is lower, it is valued at book value less provision for diminution.  
Unlisted Irredeemable Preference Shares are valued at book value less provision for diminution.
- b) Listed equity securities that are traded in active Markets are measured at fair value on Balance Sheet date and the change in the carrying amount of equity securities is taken to Fair Value Change Account

- c) Unlisted equity securities, thinly traded and listed equity securities that are not regularly traded in active markets are measured at historical cost less provision for diminution in value of such investments. A security classified as thinly traded as per guidelines governing mutual funds laid down from time to time by SEBI are considered as not being actively traded.
- d) All Investments are accounted on cash basis except for purchase or sale of equity shares & government securities from the secondary market
- e) The value of Investment Properties is disclosed at the Revalued amounts and the change in the carrying amount of the investment property is taken to Revaluation Reserve. Investment property is revalued at least once in every three years. The basis adopted for revaluation of property is as under:
  - i. The valuation of investment property is carried out by Rent Capitalization Method considering the market rent.
  - ii. Investment properties having land alone without any building/structure is revalued as per current market value.
- f) Mutual fund and Exchange Traded Fund (ETF) investments are valued on fair value basis as at the Balance Sheet date and change in the carrying amount of mutual fund/ETF is taken to Fair Value Change Account.
- g) Investments in Venture fund/ Alternative Investment Fund (AIF) is valued at cost wherever NAV is greater than the book value. Wherever, NAV is lower than book value the difference is accounted as diminution.
- h) Money Market Instruments are measured at book value.

**B] Linked Business:**

Valuation of Securities is in accordance with IRDAI directives issued from time to time.

**2.2 For Banking Business**

**A. Classification:**

In terms of extant guidelines of the RBI on Investment classification and Valuation, the entire investment portfolio is categorized into Held to Maturity, Available for Sale and Held for Trading. Investments under each category are further classified as:

- a) Government Securities
- b) Other Approved Securities
- c) Shares
- d) Debentures and Bonds
- e) Subsidiaries/ Joint Ventures
- f) Others (Commercial Paper, Mutual Fund Units, Security Receipts, Pass through Certificate).

**B. Basis of Classification:**

- a) Investments that the Bank intends to hold till maturity are classified as ‘Held to Maturity.’
- b) Investments that are held principally for sale within 90 days from the date of purchase are classified as ‘Held for Trading.’
- c) Investments, which are not classified in the above two categories, are classified as ‘Available for Sale.’
- d) An investment is classified as ‘Held to Maturity,’ ‘Available for Sale’ or ‘Held for Trading’ at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.
- e) Investment in subsidiaries and joint venture are normally classified as ‘Held To Maturity’ except in case, on need based reviews, which are shifted to ‘Available for Sale’ category as per RBI guidelines. The classification of investment in associates is done at the time of its acquisition.

**C. Investment Valuation:**

- a) In determining the acquisition cost of an investment:
  - i. Brokerage, commission, stamp duty, and other taxes paid are included in cost of acquisition in respect of acquisition of equity instruments from the secondary market whereas in respect of other investments, including treasury investments, such expenses are charged to Profit and Loss Account.
  - ii. Broken period interest paid/ received is excluded from the cost of acquisition/ sale and treated as interest expense/ income.
  - iii. Cost is determined on the weighted average cost method.
- b) Investments ‘Held To Maturity’ are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized on straight line basis over the remaining period of maturity. Diminution, other than temporary, in the value of investments, including those in Subsidiaries, Joint Ventures and Associates, under this category is provided for each investment individually.

- c) Investments 'Held for Trading' and 'Available for Sale' are marked to market scrip-wise and the resultant net depreciation, if any, in each category is recognised in the Profit and Loss Account, while the net appreciation, if any, is ignored.
- d) Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.
- e) In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.
- f) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt Ltd (FBIL)
- g) The unquoted shares are valued at break-up value or at Net Asset Value if the latest Balance Sheet is available, else, at Rs 1/- per company and units of mutual fund are valued at repurchase price as per relevant RBI guidelines.
- h) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by Fixed Income Money Market and Derivative Association of India (FIMMDA)/FBIL
- i) Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at the end of each reporting period.
- j) Quoted Preference shares are valued at market rates and unquoted/non- traded preference shares are valued at appropriate yield to maturity basis, not exceeding redemption value as per RBI guidelines
- k) Investment in Stressed Assets Stabilisation Fund (SASF) is categorized as Held To Maturity and valued at cost. Provision is made for estimated shortfall in eventual recovery by September 2024
- l) VCF investments held in HTM category are valued at Carrying Cost and those held in AFS category are valued on NAVs received from Fund Houses.
- m) PTC investments are presently held only under AFS category and are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity and the spreads applicable are that of NBFC bonds. Such mark-up and YTM rates applied are as per the relevant rates published by Fixed Income Money Market and Derivative Association of India (FIMMDA)/ FBIL. MTM Provision is done on monthly basis.
- n) Profit or Loss on sale of investments is credited/ debited to Profit and Loss Account. However, profits on sale of investments in 'Held to Maturity' category is first credited to Profit and Loss Account and thereafter appropriated, net of applicable taxes to the Capital Reserve Account at the year/period end. Loss on sale is recognized in the Profit and Loss Account
- o) Investments are stated net of provisions
- p) Repo and reverse repo transactions: In accordance with the RBI guidelines repo and reverse repo transactions in government securities and corporate debt securities (including transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income

### **2.3.For NBFC Business**

- a) Investments are classified as Current Investment and Long-term Investment. Current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. A Long-term investment is an investment other than a current investment.
- b) In accordance with the Guidelines issued by National Housing Bank (NHB) and the Accounting Standard (AS -13) – "Accounting for Investments" notified under the relevant provisions of the Act, current investments are carried at lower of cost & fair value and long-term investments are carried at cost. However, provision is made to recognize decline other than temporary in the carrying amount of long-term investments. Unquoted investments in the units of mutual funds in the nature of current investments are valued at the net asset value declared by mutual funds in respect of each particular scheme as per the guidelines issued by the NHB. The premium paid on acquisition of Investments is written off in the year of purchase.

### **3 Acquisition Costs**

Acquisition Costs are expensed in the period in which they are incurred. Acquisition costs are those costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts.

#### **4 Claims**

- a) Claims costs consist of the policy benefit amount and claims settlement costs, wherever applicable.
- b) The date of recognition of claim shall be the date of receipt of intimation of death or surrender by the policy holder. The date of recognition of claims in case of Maturity, Survival benefits, Annuity etc. shall be as per the terms and condition of the policies.
- c) Repudiated claims disputed before judicial authorities are treated as contingent liability based on management prudence.
- d) The provision is made for disputed legal cases pertaining to repudiated claims where decision is given against the Corporation by Lower Forum/Court to the extent of entire amount awarded by the Forum/Court against LIC, pending the Appeal/Writ/Revision filed by LIC.

#### **5 Loans and Provisions**

##### **5.1 For Life Insurance Business**

Loans are measured at historical cost subject to impairment provisions. Asset Classification and Provisioning for Non-Performing Assets are as follows:

- a) As per the guidelines issued to Insurance Companies by Insurance Regulatory and Development Authority of India. Assets representing Loans, Debentures and Bonds and Mortgage Loans against House Property are classified based on record of recovery as:
  - i. Standard
  - ii. Sub-standard
  - iii. Doubtful and
  - iv. Loss Assets
- b) Provisioning for Non-Performing loans, debentures and bonds and Mortgage Loans against House Property is made as per the guidelines issued by Insurance Regulatory and Development Authority of India.

##### **5.2 For Banking Business**

- a) Advances are classified into Standard, Sub-standard, Doubtful and Loss assets and provisions are made in accordance with the prudential norms prescribed by RBI. Advances are stated net of provisions towards non-performing advances.
- b) Advances are classified as 'Secured by Tangible Assets' when security of at least 10% of the advance has been stipulated/ created against tangible security including book debts. Security in the nature of escrow, guarantee, comfort letter, charge on brand, license, patent, copyright, etc. are not considered as 'Tangible Assets.'
- c) Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognized as income in the Profit and Loss Account.
- d) The Bank does not make any floating provision for bad and doubtful advances and investments.
- e) Provision on loans and advances restructured/rescheduled is made in accordance with the applicable RBI guidelines on restructuring of loans and advances by Banks.
- f) The Bank had made countercyclical provisioning buffer as required by RBI guidelines, in earlier years, with the approval of the Board, which can be utilized within the limits and in the circumstances permitted by Reserve Bank of India (RBI).

##### **5.3 For NBFC Business**

The loans given by the company are initially recorded in the books of account at the principal amounts disbursed to the borrowers and are subsequently adjusted for further disbursements / repayments. The loans are classified as Non-performing Assets (NPA) under Substandard / Doubtful / Loss categories as per the prudential norms prescribed under the Housing Finance Companies (NHB) Directions, 2010, (the "NHB Directions") as amended. The provision on Standard and NPA loan accounts is made as per the aforesaid prudential norms. Additional provision (over and above the prudential norms), if required, is made as per the guidelines approved by the Board of Directors from time to time. The loans and provisions thereon are classified into current and non-current categories based on the operating cycle of 12 months as identified by the Company.

## 6. Fixed Assets

### 6.1 For Life Insurance Business

Values of the fixed assets are stated at cost (inclusive of taxes) less depreciation. Property under construction and amounts paid for the properties taken in possession, pending documentation, are accounted under 'House Property and Land.

### 6.2 Depreciation / Amortisation:

#### 6.2.1 For Life Insurance Business

Depreciation / amortisation on fixed assets is provided using the straight-line method, based on useful lives of assets as estimated by the management. Depreciation is charged on monthly pro-rata basis for assets purchased/sold during the year. Assets individually costing up to Rs. 5,000, being low value assets are fully charged to revenue in the year of purchase. Based on useful life evaluation carried out by the management the rates of depreciation are as follows:

Asset	Rate of Depreciation
<b>Furniture and fittings</b>	
Furniture and fittings	10%
Refrigerators and water coolers, etc.	13.91%
Electric fittings and ceiling fans in rented premises	10%
Fans(table/pedestal) in rented/ owned premises	10%
<b>Information Technology Equipment</b>	
Electronic Computers/ microprocessors Printers	30%
Software for microprocessors	30%
Cartridge tapes, cartridge discs	30%
<b>Vehicles</b>	
Cycles	15%
Mobile Publicity Vans	20%
Staff Cars	20%
Jeeps	20%
Office Cars-Scheme VI	20%
<b>Office Equipment</b>	
Canteen Equipment	10%
Accounting machines	30%
Addressograph, Adrema and Bradma Machines, etc.	10%
Typewriters	10%
Duplicators	20%
Cheque Writers	10%
Franking machines	10%
Weighing Machines	10%
Comptometers, adding and calculating Machines	20%
<b>Others</b>	
Telephones	10%
Fax/Epabx	10%
Mobile phones and other communication equipment	30%
Library Books	20%
Miscellaneous Capital Equipment	10%
Audio Visual & other Allied equipment	30%
Neon signs, Glow signs, Hoardings and other publicity materials	20%
Engineering Department's equipment costing over Rs.5000/-	12.50%
Voltage stabilizers and UPS	30%
Generators, DG sets in rented premises	30%
<b>LAND AND BUILDING</b>	
House Property and Land (Freehold)	2%
House Property and Land (Leasehold)	Prorata based on lease period
Ownership Flats purchased in Co-op Societies	2%
Electrical Installations, fans, lifts and generators in House Property (Freehold& Leasehold)	10%



### 6.2.2 For Banking Business

- a) Fixed assets other than Premises are stated at cost less accumulated depreciation. Premises are revalued in accordance with the Bank's policy and RBI guidelines and the same are stated at revalued amount less accumulated depreciation.
- b) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets which have been put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- c) The appreciation on revaluation, if any, is credited to Revaluation Reserve.
- d) Depreciation in respect of fixed assets is calculated on Straight Line Method with reference to cost or revalued amounts, in case of assets revalued.
- e) In respect of revalued assets, the additional depreciation consequent to revaluation is transferred from Revaluation Reserve to General Reserve in the Balance Sheet.
- f) Fixed assets individually costing less than Rs.5000 are fully depreciated in the year of addition.
- g) Depreciation on tangible assets is allocated over useful life of the asset as prescribed under Part C of Schedule II of the Companies Act 2013. The useful lives and residual values are reviewed periodically. If the management estimate of the useful life of an asset at the time of acquisition of the asset or of remaining useful life on subsequent review is shorter, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining useful life.
- h) Depreciation on additions/ sale of fixed assets during the year is provided for the period for which assets are actually held.
- i) Leasehold land is amortized over the period of lease.
- j) Computer Software individually costing more than Rs.2.50 Lacs is Capitalized and depreciated over its useful life, not exceeding 6 years.
- k) The useful lives of Fixed assets are as follows:

Asset	Useful Life (in Years)
Owned Premises	60
Furniture and Fixtures	10
Electrical Installation and Machinery	10
Motor Vehicles	8
Computers (Including Integral Software)	3
Automated Teller Machine	8
VSAT Equipment	6
Consumer Durable with Employees- Furniture and Fixtures	10
Consumer Durable with Employees- Personal Computers	3

### 6.2.3 For NBFC Business

- a) Property, Plant and Equipment are stated at cost of acquisition, or construction inclusive of expenses incidental thereto less accumulated depreciation and impairment loss, if any. Cost incurred for land parcel acquisition and all related acquisition expenses are capitalized with Land cost and are grouped under Work in Progress till the time of commencement of development of the project. All pre-operative expenses incurred in respect of the respective projects are grouped under Work in Progress till development of the project commence and are transferred to the Profit & Loss account in the first year of development of the project. Depreciation in respect of assets is provided on the Straight-Line Method as per the useful life of the assets as prescribed in Schedule II of the Act, except in respect of Vehicles (Motor cars) where useful life is estimated as 5 years. Cost of leasehold improvements is amortized over the period of the lease. Depreciation on assets whose cost individually does not exceed up to Rs.5,000/- is fully provided in the year of purchase.
- b) Intangible Assets are stated at cost of acquisition, including any cost attributable to bringing the same to its working condition, less amortization over estimated useful life. Software is amortized on Straight Line Method over 5 years.

## 7. Impairment of assets

- a) The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment is recognised, wherever necessary.
- b) Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated current realizable value

and value in use. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds estimated current realizable value of the asset or value in use

## **8. Liability for Life Policies**

The liabilities towards Policyholders are determined by the Corporation's Appointed Actuary pursuant to his annual investigation of the Corporation's life insurance business.

## **9. Effect of changes in the foreign exchange rate**

### **9.1 For Life Insurance Business**

#### **i. Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Monetary items in foreign currency, if any, are translated at the year-end closing rates. The resultant exchange gain or loss arising on settlement/translation is recognized in the Revenue or Profit and Loss Account as applicable.

#### **ii. Non- Integral Foreign Operations**

- a) Life Fund relating to foreign business/foreign subsidiary has been invested according to the statutory regulations of the respective countries.
- b) Financial Statements of branches in foreign countries are prepared in accordance with local laws and are translated at appropriate rates of exchange except for Suva (Fiji) branch, for which the conversion is done at appropriate rates, from the financial statement as at 31st December, each year, since the accounts of the branch are prepared on calendar year basis.
- c) Exchange gains or losses arising on such conversions are recognised in the period in which they arise in the Revenue Account.
- d) Operations carried out in Fiji, Mauritius and U.K. are of non-integral nature. The Revenue A/c items are translated at the average exchange rate and Balance Sheet item at closing rate. Revaluation Exchange difference is accumulated in Foreign Exchange fluctuation Reserve under shareholders or policyholders account as the case may be.
- e) Investments made outside India by remittances sent from India are accounted for at original rupee cost or at the earliest recorded rupee cost, where original cost is not available.

### **9.2 For Banking Business**

- a) Foreign currency transactions, on initial recognition are recorded at the exchange rate prevailing on the date of transaction. Monetary foreign currency assets and liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) and the resultant gain or loss is recognized in the Profit and Loss account. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.
- b) Premium or discount arising at the inception of Forward Exchange Contracts which are not intended for trading is amortized as expense or income over the life of the contract. Premium or discount on other Forward Exchange Contracts is not recognized.
- c) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates. Other outstanding Forward Exchange Contracts are valued at rates of exchange notified by FEDAI for specified maturities or at interpolated rates for in-between maturities. The resultant profits/ losses are recognized in the Profit and Loss Account.
- d) Profits/ losses arising on premature termination of Forward Exchange Contracts, together with unamortized premium or discount, if any, are recognized on the date of termination.
- e) Contingent liabilities in respect of outstanding forward exchange contracts are calculated at the contracted rates of exchange and those in respect of guarantees, acceptances, endorsements and other obligations are calculated at the closing FEDAI rates.
- f) Operations of foreign branch are classified as 'Integral Foreign Operations'. Assets and Liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) Income and Expenditure items are translated at quarterly average rates. The resultant gain or loss is recognized in the Profit and Loss Account.

## **10. Employee benefits**

### **10.1 For Life Insurance Business**

- a) Gratuity to employees is provided for (on the basis of Actuarial Valuation) through a Group Gratuity Insurance Policy issued by the Corporation and as such, the liability in respect thereof, forms part of the Life Fund.

- b) In respect of employees who have opted for Provident Fund Scheme, matching contribution is made to the Provident Fund Trust formed under Life Insurance Corporation Act 1956.
- c) In case of Defined Contribution Pension Scheme, the contributions are made when due and charged to Revenue account during the period when related services are rendered.
- d) In case of Defined Benefit Plan for employees who have opted for Pension Scheme, in lieu of Provident Fund Scheme, the Corporation's contribution is made to the Pension Fund Trust, in accordance with the Pension Rules notified by the Government of India and the said contribution including past service contribution is made on the basis of Actuarial calculation.
- e) Leave Encashment Benefits on retirement are provided for (on the basis of Actuarial Valuation) through a Group Leave Encashment Insurance Policy issued by the Corporation and as such, the liability in respect thereof, forms part of the Life Fund.

### **10.2 For Banking Business**

- a) Payments to defined contribution schemes are charged to Profit and Loss Account of the year when contribution are due.
- b) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in the Profit and Loss Account for the period in which they occur.
- c) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

### **10.3 For NBFC Business**

#### **i. Defined Contribution Plan:**

Provident Fund Contribution as required by Statute paid to the Government Provident Fund and also contribution paid to other recognized Provident Fund Trust is debited to the Statement of Profit and Loss

#### **ii. Defined Benefit Plan**

- a) Gratuity liability is a defined benefit obligation for employees. The Company has taken Group Gratuity-cum-Life Insurance Policy from Life Insurance Corporation of India (LIC) for employees other than those are under deputation from LIC. Accordingly, the Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year and the Contribution paid to LIC is charged to the Statement of Profit and Loss. Actuarial gain or losses arising from changes in actuarial assumptions are immediately recognized in the Statement of Profit and Loss in the period in which they arise. In respect of employees under deputation from LIC, an amount equal to five percent of aggregate of basic salary and dearness allowance of such employees, paid / payable to LIC is charged to the Statement of Profit and Loss and is treated as a defined contribution obligation.
- b) Short Term Employees Benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.
- c) Long Term Employee Benefits: Compensated absences which are not expected to occur within twelve months after the end of the period in which employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

### **11. Provisions, Contingent Liabilities and Contingent Assets.**

- a) A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities (other than policies), if material, are disclosed by way of notes.
- b) Contingent assets are not recognized or disclosed in the financial statements

## 12. Receipts and Payments Account:

Receipts and Payments Account is prepared and reported using the Direct Method in accordance with Para 2.2 of the Master Circular on Preparation of Financial Statements and Filing of Returns of Life Insurance Business Ref No. IRDA/F&A/Cir/232/12/2013 dated December 11, 2013.

## 13. Taxation

### 13.1 For Life Insurance Business

- a) **Direct Taxation:** Provision for income tax is made in accordance with the provisions of Section 44 of the Income Tax Act, 1961 read with Rules Contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable for life insurance business
- b) **Indirect Taxation:** The Corporation claims credit of goods and Services tax on input services, which are set off against goods and services tax on output services. As a matter of prudence, unutilized credits towards goods and services tax on input services are carried forward under 'Schedule 12 - Advances and Other Assets' in the Balance Sheet, wherever there is reasonable certainty of utilization.
- c) In Consolidated Financial Statement, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the parent and its subsidiaries, as per their applicable laws.

### 13.2 In case of Banking Business

- a) Current tax is the amount of Income tax determined to be payable (recoverable) in respect of taxable income (tax loss) for a period calculated in accordance with the provisions of the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).
- b) Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.
- c) Deferred tax assets in case of unabsorbed depreciation/ losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.
- d) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.
- e) In respect of certain subsidiaries, tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income tax Act, 1961 based on convincing evidence that it will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.
- f) IDBI Bank has opted for the lower tax rate as per Section 115BAA of the Income Tax Act, 1961 through Taxation Laws (Amendments) Act, 2019 which provides, inter alia, that MAT would not be applicable for the domestic companies opting for the lower tax.
- g) In the consolidated financial statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

## 14. Leases

- i. **Operating Lease:** Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense over the lease period on a straight-line basis. Where the Company is the lessor, Assets subject to operating leases are included in fixed assets.

Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as expense in the Profit and Loss Account

- ii. **Finance Lease:** Leases under which the Company assumes substantially all the risk and rewards of ownership of the asset are classified as finance leases. Such leased asset acquired are capitalised at fair value of the asset or present value of the minimum lease rental payments at the inception of the lease, whichever is lower.

## 15. Borrowing Costs

Borrowing costs include interest, commission/brokerage on deposits and exchange differences arising from foreign currency borrowings to the extent they are regarded as adjustment to interest cost.

## 16. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss after tax attributable to equity shareholders by weighted average number of equities shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares

that could have been issued upon conversion of all dilutive potential equity shares

## **17. Securitisation Transactions**

### **For Banking Business**

Securitisation of various loans results in sale of these assets to Special Purpose Vehicles ('SPVs'), which, in turn issue securities to investors. Financial assets are partially or wholly derecognised when the control over the contractual rights in the securitised assets is lost. The Bank accounts for any loss arising on sale immediately at the time of sale and the profit/ premium arising on account of sale is amortised over the life of the securities issued/ to be issued by the SPV to which the assets are sold.

De-recognition of Securitised assets in the books of the Company, recognition of gain or loss arising on Securitization and accounting for credit enhancement provided by the company is based on the extant guidelines issued by the Institute of Chartered Accountants of India.

Securitised Assets are derecognized in the books of the Company based on the principle of surrender of control over the assets

## **18. Sale of financial assets to Securitization Companies/Reconstruction Companies**

- a) Sale of financial assets to Securitisation Companies (SCs) / Reconstruction Companies (RCs) is reckoned at the lower of the redemption value of Security Receipts (SRs)/ Pass Through Certificates (PTCs) received and the net book value of the financial asset.
- b) In case of sale of assets which are fully provided and Technically Written off, the Security Receipts (SRs) are reckoned at Rupee one in the investment book of the Bank.
- c) In case the sale value is at a price below the Net Book Value(NBV) (i.e., book value less provision held), the shortfall is debited to the profit and loss account of that year. The Bank also uses, with permission of RBI, countercyclical/floating provisions for meeting any shortfall on sale of NPAs i.e. when the sale is at a price below the NBV.
- d) In case, sale value is higher than the NBV, the excess provision is reversed to the profit and loss account in the year in which cash amounts are received. However, such reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

## **19. Derivative Transactions**

### **i. In Transactions designated as 'Hedge'**

- a) Net interest payable/ receivable on derivative transactions is accounted on accrual basis.
- b) On premature termination of Hedge swaps, any profit/ losses are recognised over the remaining contractual life of the swap or the residual life of the asset/ liability whichever is lesser.
- c) Re designation of hedge swaps by change of underlying liability is accounted as the termination of one hedge and acquisition of another.
- d) Hedge contracts are not marked to market unless the underlying is also marked to market. In respect of hedge contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account.

### **ii. In Transactions designated as 'Trading':**

- a) Outstanding derivative transactions designated as 'Trading,' which includes interest rate swaps, cross currency swaps, cross currency options and credit default swaps, are measured at their fair value. The resulting profits/ losses are included in the Profit and Loss Account. Premium on options is recorded as a Balance Sheet item and transferred to Profit and Loss Account on maturity/ cancellation.
- b) Derivative Transactions in Exchange Traded Currency Futures (ETCF's) segments designated as trading includes Currency Futures, Currency Options and Interest Rate Futures which are measured at their fair value and are cash settled on T+1 basis. The resulting profits / losses on these transactions are transferred to Profit and Loss Account on the month end settlement date stipulated by Respective Exchanges.

### **iii. Transactions in Futures and Options:**

- a) Initial Margin payable at the time of entering into futures contract / sale of options is adjusted against the deposits with the exchanges in the form of fixed deposits, cash deposits and securities.
- b) Transactions in Future contracts are accounted as Purchase and Sales at the notional trade value of the contract. The open interest in futures as at the Balance Sheet date is netted by its notional value.
- c) The difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange is treated as Mark to Market Margin. The balance in the Mark to Market Margin Account represents the net

amount paid or received on the basis of movement in the prices of open interest in futures contracts till the balance sheet date. Net debit balance in the Mark to Market Margin Account is charged off to revenue whereas net credit balance is shown under current liabilities.

- d) Premium paid or received on purchase and sale of options and the difference paid or received on exercise of options is accounted as Purchases or Sales. In case of open interest in options sold as on the balance sheet date, provision is made for the amount by which premium prevailing on the Balance Sheet date exceeds the premium received for those options. The excess of premium received over the premium prevailing on the Balance Sheet date is not recognized. Similarly, in case of options bought, provision is made for the amount by which the premium paid for the option exceeds the premium prevailing on the Balance Sheet date and the excess of premium prevailing on the Balance Sheet date over the premium paid is ignored. In case of multiple open positions, provision is made or excess premiums are ignored after netting off the balances in buy as well as sell positions.

**20. Segmental Reporting:**

Based on the primary segments identified under IRDA (preparation of Financial statements and auditors' report of insurance Companies) regulations 2002 ('the regulations') read with as 17 on "segmental reporting" notified under section 133 of the Companies act 2013 and rules thereunder, the corporation has classified and disclosed segmental information separately for shareholders' and policyholders'. Within policyholders', the businesses are further segmented into Participating and Non-Participating policies and Linked and Non-Linked business. Further, for Non-Linked business, separate statements are prepared for Ordinary Life, General Annuity, Pension, Variable and Health Insurance.

The Corporation operates in various geographical segments. However, since the revenues and assets from the overseas segments are less than 10% of the total revenue and assets, no separate geographical segments have been disclosed.

## **B. Notes to Consolidated Financial Statements**

### **1. List of Subsidiaries/ Associates considered for preparation of Consolidated Financial Statements.**

#### **(A) Subsidiary Companies**

Sr. No.	Name of Subsidiary	Country of Incorporation	LICI's Direct Stake	
			As at March 31,	
			2021	2020
1	LIC Pension Fund Ltd	India	100.00%	100.00%
2	LIC Cards Services Ltd.	India	100.00%	100.00%
3	Life Insurance Corporation (Singapore) Pte. Ltd	Singapore	100.00%	100.00%
4	Life Insurance Corporation (LIC) of Bangladesh Ltd.	Bangladesh	83.33%	83.33%
5	Life Insurance Corporation (Nepal) Ltd.	Nepal	55.00%	55.00%
6	Life Insurance Corporation (International) B.S.C. (c)	Bahrain	98.90%	98.90%
7	Life Insurance Corporation (Lanka) Ltd.	Sri Lanka	80.00%	80.00%
8	IDBI Trusteeship Services Ltd.	India	N.A.*	29.84%*
9	IDBI Bank Ltd. <sup>(1)</sup>	India	N.A.*	51.00%*

#### **(B) Associates Companies**

Sr. No.	Name of Associates	Country of Incorporation	LICI's Direct Stake	
			As at March 31,	
			2021	2020
1	LIC Housing Finance Ltd.	India	40.31%	40.31%
2	LICHFL Asset Management Company Ltd.	India	5.38%**	5.38%**
3	LIC Mutual Fund Asset Management Ltd.	India	45.00%	45.00%
4	LIC Mutual Fund Trustee Pvt. Ltd.	India	49.00%	49.00%
5	IDBI Trusteeship Services Ltd.	India	29.84%	N.A.*
6	IDBI Bank Ltd. <sup>(1)</sup>	India	49.24%	N.A.*

#### **Notes:-**

- In case of IDBI Bank Limited, the proportion of voting power held by LICI is 26% as at March 31, 2021, March 31, 2020 .
- \* IDBI Bank became our subsidiary in January 2019 on LICI's acquisition of 51% shareholding in IDBI Bank. IDBI Trusteeship Services Ltd. is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares. LICI also holds 29.84% of the outstanding shares in IDBI Trusteeship Services Ltd. directly, so from an associate, it became a subsidiary of LICI in January 2019, with LICI's direct and indirect interest in IDBI Trusteeship Services Ltd. being 57.74% of the outstanding shares. In December 2020, IDBI Bank was reclassified as an Associate due to the reduction of LICI's shareholding in IDBI Bank to 49.24% following the issuance of additional equity shares by IDBI Bank through a qualified institutions placement. Consequently, IDBI Trusteeship Services Ltd. was also reclassified from a Subsidiary to an Associate on such date. Thus, the financial statements of IDBI Bank and IDBI Trusteeship Services Ltd were consolidated as our subsidiaries for the year ended March 31, 2020 and the nine months ended December 31, 2020 and as our associate company for the three months ended March 31, 2021.
- \*\*LIC Housing Finance Ltd. holds 94.62% of the outstanding shares in LICHFL Asset Management Company Ltd. Therefore, LICI's direct and indirect interest in LICHFL Asset Management Company Ltd, is 43.52% of the outstanding shares.

**(C) Investments in companies, not considered for consolidation:** The Corporation has made certain investments in equity shares and various other classes of securities in other companies which have been accounted for as per Accounting Standard 13 - Accounting for Investments. This includes certain investments in companies, not considered for consolidation, as per category wise reasons given hereunder:-

- Where the corporation is categorized as Promoter:** The Corporation has nominee directors on Board of some of these companies. However, Corporation does not have any control or significant influence on these companies. The Board seat of the Corporation in these investees is 1 out of total strength of the respective Board of Investee Companies ranging from 6 to 15. The Promoter/ Shareholder status is by way of investment at the time of formation of these companies.

(Amount in ₹ lakhs, except as otherwise stated)

Name of the company	As at March 31,			
	2021		2020	
	LICI's Direct Stake%	Book Value	LICI's Direct Stake%	Book Value
UTI Asset Management Co. Ltd. (LICI is a sponsor along with State Bank of India, Bank of Baroda & Punjab National Bank)	9.99	12,538.23	9.99	12,538.23
UTI Trustee Co(P) Ltd. (LICI is a sponsor along with State Bank of India, Bank of Baroda & Punjab National Bank)	9.99	0.91	9.99	0.91
National E-Governance Services Ltd.	6	450	6	450
North Eastern Development Finance Corporation Ltd.	15	1500	15	1500
Stock Holding Corporation of India Limited	14.96	393.75	14.96	393.75
J&K Development Finance Corporation Ltd.	12.5	1000	12.5	1000
Clearing Corporation of India Ltd.	10	500	10	500
ASREC (I) Ltd.	9.18	900	9.18	900
Axis Bank	7.99	489,901.93	9.02	527,647.30
Tourism Finance Corporation of India	3.67	663.28	3.67	663.28
Gujarat State Financial Corporation Ltd.	0.1	9.4	0.1	9.4
Investor Services of India (under Liquidation)	12.5	0	12.5	0
OTC Exchange of India (under liquidation)	8	80	8	80
Burrakur Coal Co Ltd(Under Liquidation)	28.78	44.52	28.78	44.52

- ii. **Shareholding of Corporation is more than 20%:** Legacy investments by the corporation without any Board representation and/or any involvement in the management/administration of the investee Companies. As such, Corporation does not have any management control or significant influence in these entities.

(Amount in ₹ Lakhs, except as otherwise stated)

Name of Company	As at March 31,			
	2021		2020	
	LICI's Direct Stake%	Book Value	LICI's Direct Stake%	Book Value
Borrea Coal Co Ltd	20.03	4.48	20.03	4.48
Braithwaite & Co. Ltd.	28.29	24.75	28.29	24.75
Burrakur Coal Co Ltd.	28.78	44.52	28.78	44.52
Er Textiles Limited	23.23	116.14	23.23	116.14
H G I Industries Ltd.	25.29	317.88	25.29	317.88
Hanuman Tea Co. Ltd.	22.02	432	22.02	432
Infrastructure Leasing & Financial Services Ltd.	25.34	82,917.16	25.34	82,917.16
Katakhal Lala Bazar Railway Co	23.47	1.9	23.47	1.9
Modi Spinning & Weaving Mills Co. Ltd.	23.44	86.26	23.44	86.26
Patna Electric Supply Co Ltd.	30.66	6.02	30.66	6.02
Standard Batteries Ltd.	20.8	468.22	20.89	470.4
T C M Ltd.	23.62	68.28	23.69	68.47



- iii. **Corporation has Board position through agreement or nominee directors:** In such cases the shareholding of the Corporation is below 20% and the Corporation has nominee directors on the Board of these investee companies. The investments in these companies are at par with other companies and shares are bought and sold depending upon market conditions. The Board seat is 1 or 2 out of total strength of the respective Board of Investee companies ranging from 6 to 15. As such the Corporation does not have control or significant influence on these companies.

Sr. No.	Companies where LICI officials are Nominee Director	LICI Direct Stake %		No. of Board Members representing LICI	
		As at March 31,		As at March 31,	
		2021	2020	2021	2020
1	ACC Limited	5.86	5.19	1	1
2	Ambuja Cements Limited	4.62	3.92	1	1
3	Axis Bank Limited	7.99	NA	1	None
4	Bharat Bijlee Limited	6.23	6.23	1	1
5	BSE Limited	5.61	5.61	1	1
6	CARE Limited	9.85	9.85	1	1
7	CDSL	4.4	4.15	1	1
8	Clearing Corporation of India Limited	10	NA	1	None
9	DCM Ltd.	NA	6.07	None	1
10	DCM Shriram industries Limited	6.68	6.68	1	1
11	DCM Shriram Limited	6.74	6.74	1	1
12	Excel Industries Limited	7.07	7.07	1	1
13	Gloster Limited	13.1	15.36	1	1
14	Grasim Industries Limited	10.27	11.33	1	1
15	High Energy Batteries(I) Limited	7.08	9.69	1	1
16	Himadri Speciality Chemicals Limited*	NA	NA	None	None
17	IFCI Limited	3.12	3.65	1	1
18	India Cements Limited	4.42	4.71	1	1
19	Industrial Investment Trust Limited	5.07	5.07	1	1
20	ITC Limited	16.23	16.25	1	1
21	Kesoram Industries Limited	NA	3.5	None	1
22	Lakshmi Machine Works Limited	5.89	6.58	1	1
23	Larsen & Toubro Limited	13.7	14.9	2	2
24	Mahindra & Mahindra Limited	8.22	10.8	1	1
25	National CO-OP housing Fed. Of India*	NA	NA	1	1
26	National E-governance Services Limited	6	6	1	1
27	National Stock Exchange	10.72	12.51	1	1
28	NCDEX Limited	11.1	11.1	1	1
29	NEDFi	15	15	1	1
30	Oriental Carbon & Chemicals Limited	2.82	3.15	1	1
31	Orissa Mineral Development Corporation Limited	10.68	13.05	1	1
32	SIDBI	14.25	14.25	1	1
33	Simplex Realty Limited	13.9	16.97	1	1
34	Stockholding Corporation of India Limited	14.96	14.96	1	1
35	Tamilnadu Newsprint & Papers Limited	7.09	7.82	1	1
36	Tata Power Company Limited	5.14	6.34	1	1
37	Tata Steel Limited	8.37	9.11	1	1
38	Tidel Park Limited	6.25	6.25	1	1
39	TII Limited	10.38	10.38	1	1
40	Tourism Finance Corpn of India	3.67	3.67	1	1
41	Vakrangee Limited	6.22	6.22	1	1
42	Voltas Limited	4.82	4.55	1	1
43	Jammu and Kashmir Development Finance Corporation Ltd.	12.5	12.5	1	1
44	KenIndia Assurance Company Ltd	10.21	10.21	1	1
<b>PSU Banks where LICI Officials are Shareholders Director</b>					
45	Bank of Maharashtra	1.85	2.55	1	1
46	Central Bank of India	3.86	4.32	1	1

47	Indian Overseas Bank	1.39	1.48	1	1
48	Punjab & Sind Bank	NA	5.99	None	1
49	State Bank of India	9.14	9.13	1	1
50	UCO Bank	1.54	2.28	1	1
51	Union Bank of India	3.09	3.31	1	1

Note:-

- 1 \* Nominee Director appointed for Debt Exposure.
- 2 Paid up capital data available in capital line/provess have been considered for purpose of calculation of percentage holding.
- 3 In column of "No. of Board Members representing LIC", None indicates there is no representative of LIC on Board of Company.
- 4 LIC Direct Stake % is ratio of LIC direct holding in company to total outstanding shares of the company as on date including number of shares underlying depository receipts.

- iv. **Where the corporation has control but no economic benefits are available to the corporation:-** As per the Para 10 of AS 21 where the objective of control over entities is not to obtain economic benefits from their activities, these are not considered for the purpose of preparation of consolidated financial statements. As the Corporation does not obtain any economic benefits from LIC Golden Jubilee Foundation and Life Insurance Corporation of India Provident Fund Trust hence the same has been excluded from consolidation as per the provisions of Accounting Standard 21 issued by ICAI.
- v. **Where the corporation has control but there exists long term restriction:-** As per para 38 of AS 27, entities that operate under severe long-term restrictions which significantly impair its ability to transfer funds to the parent should be excluded from consolidation. Saudi Indian Company for Co-operative Insurance (SICCI) or Wafa Insurance is a Saudi Joint Stock Company established on 7th August 2007. LIC of India and Life Insurance Corporation (International) B.S.C.(c), Bahrain currently holds 4.98% share each in SICCI, and the balance is held by New India Assurance Company, others, and the public from the Kingdom of Saudi Arabia. Due to non-viability in its business operations, SICCI is considering financial re-organization as per the local laws and the financial statements for the past several years are also not available with Corporation. SICCI has been suspended from issuing insurance policies as it has failed to meet the solvency margin requirements. Accordingly, the provision for permanent diminution in value of investment has been made in the Corporations books of accounts hence excluded from consolidation.

(D) Subsidiaries of which reporting date is different from that of LIC and the difference in reporting dates are as follows:

Sr.No.	Name of Entity	Subsidiary Reporting Date	LICI Reporting Date
1	Life Insurance Corporation (LIC) of Bangladesh Ltd.	As at December 31	As at March 31
2	Life Insurance Corporation (Singapore) Pte. Ltd	As at December 31	As at March 31
3	Life Insurance Corporation (International) B.S.C. (c)	As at December 31	As at March 31
4	Life Insurance Corporation (Lanka) Ltd.	As at December 31	As at March 31

Note: Latest available audited financial statements of the above subsidiaries have been considered for consolidation and adjustment for significant transaction between reporting date and consolidation date.

(E) LIC has infused additional capital in the following entities as under:

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	For the year ended March 31,	
	2021	2020
IDBI Bank	-	474300.00
Life Insurance Corporation (Lanka) Ltd.	-	605.35
Life Insurance Corporation (Singapore) Pte. Ltd	-	5235.00
<b>Total</b>	-	<b>480140.35</b>

(F) **Goodwill/ (Capital Reserve):**

Goodwill/ (Capital Reserve) arising on acquisition of the associate companies by LIC included in the carrying amount of investment in associates companies is mentioned below:

(Amount in ₹ Lakhs, except as otherwise stated)

Name of the Associates Company	Goodwill/ (Capital Reserve) as at March 31,	
	2021	2020
LIC Mutual Fund Asset Management Ltd.	(0.26)	(0.26)
LIC Housing Finance Ltd.	(130,450.59)	(130,450.59)
LICHFL Asset Management Company Ltd.	44.38	44.38
IDBI Trusteeship Services Ltd.	(156.39)	-
IDBI Bank Limited	340,063.30	-

## Disclosures as per IRDAI Regulations & applicable Accounting Standards.

### 2. Contingent Liabilities:

#### A. LICI

(Amount in ₹ Lakhs, except as otherwise stated)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
A	Partly paid-up investments	233,696	20
B	Claims against the Corporation not acknowledged as Debts	1,389	713
C	Underwriting commitments outstanding	0	0
D	Guarantees given by or on behalf of the Corporation	8	0
E	Statutory demands/liabilities in dispute, not provided for	2476,140	2265,232
F	Reinsurance obligations to the extent not provided for	0	0
G	Others	0	0
	- Policy related claims under litigation	37,744	39,553
	- Claims under litigation other than policy holders	10,068	5,212

#### B. IDBI Bank (the “Bank”)

(Amount in ₹ Lakhs, except as otherwise stated)

Sr. No.	Particulars	As at March 31, 2020
I	Claims not acknowledged as debts	17,422.16
II	Liability on account of outstanding forward exchange contracts	4,435,937.15
III	Guarantees given on behalf of constituents	
	a) In India	4,089,362.16
	b) Outside India	94,684.43
IV	Acceptances, endorsements and other obligations	742,904.89
V	Liability in respect of interest rate and currency swaps and credit default swaps	2,022,507.80
VI	Liability in respect of other Derivative contracts	69,610.69
VII	Capital commitment	15.56
VIII	On account of disputed Income tax, Interest tax, penalty and interest demands	225,045.86
IX	Others	18,531.27
	<b>Total</b>	<b>11,716,021.97</b>

- i. Claims against the Bank not acknowledged as debts: This item represents certain demands made in legal matters against the Bank in the normal course of business and customer claims arising in operational issues and fraud cases. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank’s financial conditions, results of operations or cash flows
- ii. Liability on account of outstanding forward exchange contracts: The Bank enters into foreign exchange contracts in its normal course of business, to exchange currencies at a pre-fixed price at a future date. This item represents the notional principal amount of such contracts, which are derivative instruments. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions and hence a large value of gross notional principal of the portfolio, while the net market risk is lower
- iii. Guarantees given on behalf of constituents in India and outside India: As a part of its banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
- iv. Acceptances, endorsements and other obligations: This item represents the documentary credits issued by the Bank in favor of third parties on behalf of its customers, as part of its trade finance banking activities with a view to augment the customer’s credit standing. Through these instruments, the Bank undertakes to make payments for its customer’s obligations, either directly or in case the customer fails to fulfill their financial or performance obligations.
- v. Liability in respect of interest rate and currency swaps and credit default swaps: This item represents the notional principal amount of various derivative instruments which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to transfer, modify or reduce their foreign exchange and interest rate risks. The Bank also undertakes these contracts to manage its own interest rate and foreign exchange positions. With respect to the transactions entered into with its customers, the Bank generally enters into off- setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions and hence a large value of gross notional principal of the

- portfolio, while the net market risk is lower. The Bank underwrites Credit Default Swap (CDS) transaction for managing credit risks associated with Indian Corporate Bonds.
- vi. Liability in respect of other derivative contracts: This item represents the notional principal amount of various currency options which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to reduce their foreign exchange risks. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, while the net market risk is lower.
  - vii. Liability on account of disputed Income Tax, Interest Tax, Penalty and Interest Demands: The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the Appellate Authorities, based on the facts of the case and the provisions of Income Tax Act, 1961.
  - viii. Others items for which the Bank is contingently liable. This item represents the following:
    - a. the guarantees issued by the Bank in favour of statutory authorities and others on its own behalf, as part of normal business activity and
    - b. the amount transferred to Depositor Education and Awareness Fund (DEAF)-In terms of guidelines of Depositor Education and Awareness Fund (DEAF) Scheme 2014, the Bank transfers unclaimed amounts including interest accrued pertaining to customers whose accounts were not operated or amounts were not claimed for more than 10years to 'RBIDEAF Fund'.

**Long term contracts (IDBI Bank):** The Bank has a process whereby periodically all long term contracts including derivative contracts are assessed for material foreseeable losses. At the year end, the Bank has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts including derivative contracts has been made in the books of account.

**Pending Litigation (IDBI Bank):** The Bank's pending litigations comprise of claims against the Bank primarily by the borrowers, customers and proceedings pending with Income Tax authorities. The Bank has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable.

### 3. Commitments made by LIC and outstanding for loans, investments and fixed assets aggregate to as follows:

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and Investment	1066,824.00	1069,624.00
Fixed Assets	51,049.80	8904.36

### 4. Actuarial Assumptions for valuation of policy liabilities of LIC:

The Corporation's Life Insurance Business consists of linked and non-linked business under Individual and Group contracts. The non-linked business consists of Participating Assurance/Annuity/Pension policies and Non-participating Assurance/ Annuity/Pension/Individual Health policies with majority of Group policies written under non-participating assurances. The linked business consists of Non-participating Assurance/Pension/Individual Health policies with a very small proportion of linked assurance business written under Group contracts. Some of these policies have riders attached to them such as Critical Illness, Premium Waiver Benefit, Term Assurance and Accident Benefit, including Accidental Disability Benefit.

The Linked Non-Par Business consists of :

- 4 funds namely, Bond Fund, Income Fund, Balanced Fund and Growth Fund for each of Future Plus Plan and Gratuity Plus Plan (Group Business)
- 4 funds namely, Bond Fund, Secured Fund, Balanced Fund and Growth Fund for each of the plans Jeevan Plus, Money Plus, Market Plus, Fortune Plus, Profit Plus, Money plus1, Market plus1, Child Fortune Plus, JeevanSathi Plus, Endowment Plus, New Endowment Plus, New Endowment Plus Modified version, Nivesh Plus and SIIP.
- Wealth Plus fund for Wealth Plus Plan.
- Samridhi Plus fund for Samridhi Plus Plan
- Health Plus fund for Health Plus Plan and Health Protection Plus fund for Health Protection Plus Plan
- Mixed Fund and Debt Fund for Pension Plus Plan and Flexi Plus Plan.

The Valuation liability for Individual and Group policies on our books as at March 31, 2021 has been calculated actuarially for each policy by using prospective gross premium method of valuation. It is ensured that the reserve for each policy is at least equal to the guaranteed surrender value or special surrender value whichever is higher. It is also ensured that negative reserve is set to zero while arriving at the reserve under a policy. The unit liability in

respect of Linked business is taken as the total Net Asset Value of the units as on the date of valuation. The non-unit liability under the linked business is calculated using the discounted cash flow method. The liabilities are calculated based on the valuation assumptions for interest, mortality, morbidity, expenses, inflation and bonuses wherever applicable. The liability for Group Cash Accumulation schemes has been taken as the fund value of all such schemes as at 31st March 2021. The liability in respect of Group Insurance schemes has been arrived at as a percentage of one-year renewal group term assurance premium.

The interest rates used for valuation vary according to the type of plan and it ranges from 5.50% to 7.80% p.a. depending on the nature and term of the underlying assets and liabilities. The mortality rates used are based on the published Indian Assured Lives Mortality (2012-14) Ultimate table and LIC annuitants' mortality a(1996-98) ultimate mortality table adjusted to reflect expected experience and allowance for margin for any adverse deviation. Morbidity rates used are based on the Critical Illness Base Table (CIBT 93, UK) which has been adopted by IRDAI for use in India. Incidence rates for health plans are based on the reinsurer's incidence rates (Munich Re, RGA and Swiss Re) and these rates have been suitably modified for our use with margins included for prudence.

The expense assumption for valuation was arrived at either as a percentage of premiums or as per policy or a combination of these. The renewal per policy expenses used for valuing individual business vary according to the type of plan and status of the policy and it ranges from ₹185 per policy to ₹1240 per policy with an assumption for expense inflation at 3% p.a. Renewal Premium related expenses in respect of individual business includes service tax on premium wherever applicable and ranges from 0.10% to 18.10% depending on the type of plan.

While valuing Participating policies, the allowance for taxation and allocation of surplus to shareholders has been made by appropriately rating up future reversionary bonuses reserved for the balance duration of the contract. Additionally, reserves have been provided for liability in respect of premium waiver benefit, double accident benefit including permanent disability benefit, liability in respect of refundable extra premium and refundable double accident benefit premium, revival of paid up policies, reinstatement of policies which have not acquired paid up value, immediate increase in expenses in case the office is closed for new business, additional death strain due to COVID-19 pandemic, AIDS/HIV, extra risk in respect of sub-standard lives, incurred but not reported deaths (IBNR), catastrophe and improvement in mortality. The assumptions used for arriving at the reserves for abovementioned items were determined based on a prudent assessment of the future experiences for the outstanding durations of the policies as at the date of valuation allowing for margin for any adverse deviation. Further, in case of linked plans, where there is a guarantee at maturity, cost of such guarantee has been arrived at using stochastic methods. For Plans Bima Account I & II and Jeevan Sneha, the cost of interest guarantee has been provided. For plans where there are options which can be exercised by the policyholders, the most onerous option has been taken for valuing these options.

As stipulated by IRDAI, Fund for Future Appropriations (FFA) has been provided in case of individual linked policies.

Surplus emerging as a result of valuation of life insurance business has been allocated in accordance with the provisions of Section 28 of the LIC Act, 1956 which was amended by Parliament and given effect to by the Government of India vide its Gazette notification dated 29th of March, 2012. The amended section of the Act provides that 90% or more of such surplus, as the Central Government may approve, shall be allocated to or reserved for the policyholders. Government of India, vide letter dated 13th November, 2013, have allowed LIC to continue with the existing surplus distribution pattern of 95:5 by allocating 95% to policyholders while retaining the flexibility to reduce it to 90:10 in future.

## **5. Operating Expenses: Basis of allocation of expenditure to various segments of business of LICI:**

Operating expenses relating to life insurance business are allocated to Non-Linked Participating, Non-Linked Non-Participating, General Annuities, Pensions, Health, Variable, Group Business, Unit Linked Business, Capital Redemption and Annuity Certain Business (CRAC) and Varishta Pension Bima Yojana (VPBY) business on the basis of:-

- a. Expenses that are directly identifiable to the respective lines of business have been allocated to these lines of business on actual basis, and
- b. Other expenses that are not directly identifiable to the respective lines of business are allocated out of the common pool on the following basis or a combination of these:-
  - i. Number of policies
  - ii. Total premium income and
  - iii. Sum assured

Allocation of common expenses among various lines of business is based on the approved expense policy of the Corporation.

Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 2019 was notified by the Government of India on April 23, 2019 giving one-time pension option to employees who had not opted it before, in accordance the terms and conditions as specified in the said notification. Financial liability arising due to fresh pension to the employees has been amortized over a period of five years w.e.f. FY 2019-20 in accordance with letter reference 101/2/F&A-Life/LIC/2018-19/208 dated July 06, 2020 approving amortization over a period not exceeding five years with effect from FY 2019-20 and as specified in the letter. The corresponding impact on expenses have been considered while valuing the policy liability as at March 31, 2020 and as at March 31, 2021.

#### 6. Basis of allocation of investments and income thereon between Policyholders' Account and Shareholders' Account of LICI:

Income accruing on investments held in policyholders' and shareholders' funds have been taken to the respective funds. The investible surplus, arising out of operations and income on policyholders' investments, was invested in the policy holders' account. The accretions to the shareholders' fund during the year stands invested in shareholders' fund.

#### 7. Basis of Amortisation of LICI:

- i. **Debt securities:** In respect of all debt securities including Government securities, where the book value is more than the face value, the premium has been amortised on straight line basis over the balance period of holding/maturity in all classes of business except Unit Linked Business where all the debt securities have been shown at market value in terms of the IRDA guidelines.
- ii. **Redeemable Preference Shares:** Where the book value is more than the face value, the premium has been amortised on the straight line basis over the balance period of holding/ maturity in all classes of business.

#### 8. Basis of revaluation of investment property

##### A. LICI:

Revaluation of investment (rented out) properties is being carried out at least once in three years as per IRDAI guidelines. The revaluation of properties (both Investment and own) has been carried out in the financial year 2016-17. Subsequently, revaluation of properties (investment) was carried out by the Zones in the financial year 2019-20. The next revaluation falls due on financial year 2022-23. The basis adopted for revaluation of property is as under:

- a) The valuation of investment property has been carried out by the rent capitalization method considering the market rent.
- b) In cases of mix use properties where the investment portion is less than 25% of the built up area, the valuation has been done for whole property in Land Building Method.
- c) Revaluation of investment properties having land alone without any building/structure has been revalued as per current market value.
- d) The revaluation reserve was Rs. 1227864.80 lakhs as at March 31, 2021 and Rs. 1229806.2 lakhs as at March 31, 2020.

##### B. IDBI Bank (the Bank):

- i. The bank had re-valued its premises including leasehold / freehold lands & residential/ office buildings , at the end of the FY 2019, based on valuations made by independent valuer. Post revaluation, the net block of premises stands at ₹714527.95 lakhs as on April 1, 2019.
- ii. The balance in Revaluation Reserve as at March 31, 2020 is ₹650336.63 lakhs
- iii. Net Loss arised on account of sale of Residential/Office Buildings and other assets are as under.

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31,	
	2021*	2020
Profit/(Loss) on sale of land, buildings and other assets (net)	-48.2	-474.2

\* For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

#### 9. Prior Period Items of LICI:

The income includes following prior period items:

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	For the year ended March 31,	
	2021	2020
Newly Vested Non-ROC Annuity under Group Superannuation Cash Accumulation Plan (Premium)	277,367.90	0
Rent from tenants/licensees	0	0
Other receipt	0	0
<b>Total</b>	<b>277,367.90</b>	<b>0</b>

The expenses includes following prior period items:

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	For the year ended March 31,	
	2021	2020
Repair & Maintenance	0	2.6
Electricity charges	0	0.25
Rent, Rates & taxes	0	1.16
Reinsurance Premium	87.31	0
Miscellaneous Expenses	0	39.01
Depreciation	22.8	0.31
Communication expenses	0	0.02
Service Tax	0	48.78
Policy Stamps	-1300	0
Outstanding and Unclaimed Written Back	-61.37	0
Bima Gram Expenses	-166.57	0
Postage, Telegram, MO Charges	13.84	0
Development officers competition prizes	-2.3	0
Agent's Club Expenses	106.63	1.91
Insurance Premium	0	7.68
Investment Management Expenses	0	57.16
Sponsorship Expenses	6	0
House Property addition, alteration	-46.72	0
Motor Car Expenses	0	0.25
Penalties/ interest	0.4	17.55
Publicity	0	4.98
Claims Paid	0	235.5
Newly Vested Non-ROC Annuity under Group Superannuation Cash Accumulation Plan (out go)	277,367.90	0
Allowances & Commission	0	0
Furniture & Fittings	0	0
Printing & Stationery	0	0
Tea & Coffee Expenses	0	0
Subscription to newspaper	0	0
Commission	0	0
Payment of Gratuity to Financial Services Executives	0	0
<b>Total</b>	<b>276027.92</b>	<b>417.17</b>

#### 10. Claims for LICI:

The claims settled and remaining outstanding for a period of more than six months as on the balance sheet date are as under:

Particulars	Number		Amount in ₹ Lakhs	
	As at March 31,		As at March 31,	
	2021	2020	2021	2020
Claims by death	-	-	-	-
Claims by maturity	-	-	-	-

**11.a) Statement showing the Age-wise Analysis of Unclaimed amounts of the Policyholders of LICI:**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	Year	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	36-120 months	More than 120 months*
Claims Settled but not paid to the policyholders/ insured due to any reasons except under litigation from the insured/ policyholders	FY21	57301.21	1753.12	4355.44	4418.44	6975.43	1858.2	6866.88	31073.71	-
	FY20	56303.29	6283.95	11017.92	8616.44	4122.09	5754.48	1949.03	18559.38	-
Sum due to the insured/ policyholders on maturity or otherwise	FY21	1628907.8	80213.9	144447.73	151945.19	155080.23	132507.11	154992.38	809721.27	-
	FY20	1392223.18	82334.78	207166.72	122811.29	180890.26	111138.14	101234.33	586647.66	-
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 per law or as may be directed by the Authority but not refunded so far	FY21	128690.19	7320.48	19510.09	16552.87	12386.02	10898.34	21540.33	40482.05	-
	FY20	117459.63	8504.54	15629.09	16142.96	21166.8	9559.92	7564.38	38891.94	-
Cheques issued but not encashed by the policyholder/insured	FY21	34587.89	3231.53	78.22	1418.1	178.97	377.36	317.42	28986.28	-
	FY20	39247.71	3992.42	4009.72	2692.52	3435.61	1917.7	3752.14	19447.6	-

Note: \*Unclaimed amounts of policyholders for a period of more than 10 years as on September 30th, every year have been transferred to the Senior Citizens' Welfare Fund (SCWF) on or before 1st March of the financial year.

**b) Details of outstanding Unclaimed Amount and interest accrued on unclaimed amount:**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	As at and for the year ended March 31,	
	2021	2020
Opening Balance	1605,233.81	1384,336.40
Add: Amount transferred to Unclaimed Fund	199,761.11	355,794.66
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	72.2	55.43
Add: Investment Income on Unclaimed Fund	242,576.15	195,232.69
Less: Amount of claims paid during the year	167,863.82	314,113.26
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	30,292.36	16,072.11
<b>Closing Balance of Unclaimed Amount Fund of LICI</b>	<b>1849,487.09</b>	<b>1605,233.81</b>
Add: Subsidiaries, CRAC	44.8	31.4
<b>Closing Balance of Unclaimed Amount Fund</b>	<b>1849,531.90</b>	<b>1605,265.20</b>

**12. Encumbrances to assets of LICI in and outside India:**

The assets of LICI are free from any encumbrances except for Fixed Deposits and Government Securities, mentioned below, kept as margin against bank guarantees/margin with exchange and collateral securities issued:

(Amortized cost in ₹ Lakhs)

Particulars	As at March 31,	
	2021	2020
Encumbered Securities	202,160.00	101,343.90



**13. Value of contracts in relation to Investments of LICI:**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	Non-Linked Business		Linked Business	
	Purchases where deliveries are pending	Sales where payments are overdue	Purchases where deliveries are pending	Sales where payments are overdue
For the year ended March 31, 2021	52,489	33,789	3,109	6,289
For the year ended March 31, 2020	58,173	-	2,746	4,163

There were no contracts outstanding in relation to investments in respect of Pension business, Health Business and CRAC business.

**14. Managerial Remuneration to Chairman, Managing Directors & Key Managerial persons:****A. LICI**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	For the financial year ended March 31,	
	2021	2020
Salaries & Allowances	278.23	247.75
Corporation's contribution to Pension	35.55	31.83
Taxable Value of Perquisites	198.22	243.09

The above remuneration excludes retirement benefits such as gratuity and leave encashment, which would have accrued/paid in the books. The appointment and decision on remuneration of managerial personnel which includes the Chairman and Managing Directors are done by the Government of India.

**Remuneration to Non-Executive Director and Independent Directors:**

Amendment in Rule 8 of the LIC Rules, 1956 pursuant to GoI Notification dated February 10, 2020 provides amount to be ₹40,000 and ₹20,000 for attending the Meetings of the Board and Committees respectively and additional ₹10,000 and ₹5,000 for chairing the Meetings of the Board and the Committees respectively.

The details of Sitting Fees paid to Non-Official Directors on the Board of the Corporation during the year ended March 31, 2021 is as under:

(Amount in ₹ Lakhs, except as otherwise stated)

Sr No	Name of Non-Official Directors	Sitting Fees paid in the year ended March 31, 2021
1	Bimalendu Chakrabarti	1.50
2	Ravindra Nath Chaturvedi	1.30
3	R. Chandrasekaran	1.60

Note: RavindraNath Chaturvedi, Bimalendu Chakrabarti and R. Chandrasekaran ceased to be Non-Official Directors from 28th September, 2020.

The details of Sitting Fees paid to Non-Official Directors on the Board of the Corporation during the year ended March 31, 2020 is as under:

(Amount in ₹ Lakhs, except as otherwise stated)

Sr No	Name of Non-Official Directors	Sitting Fees paid in the year ended March 31, 2020
1	Bimalendu Chakrabarti	3.10
2	Ravindra Nath Chaturvedi	2.35
3	R. Chandrasekaran	1.40

**B. IDBI Bank:****Remuneration Paid To Key Management Personnel:-**

(Amount in ₹ Lakhs, except as otherwise stated)

Key Management Personnel	For the Financial Year ended	
	March 31,	March 31,
	2021*	2020
Shri.Rakesh Sharma ,MD & CEO	27.77	37.46
Shri G.M Yadwadkar , DMD	-	28.18
Shri.K P.Nair , DMD	-	26.84
Shri.Samuel Joseph Jebaraj, DMD	24.12	18.07
Shri.Suresh Khatanhar,DMD	22.68	6.84
Shri.Ajay Sharma , ED & CFO	27.67	40.25
Shri.Pawan Agrawal, GM & CS	23.58	39.72
<b>Total</b>	<b>125.82</b>	<b>197.36</b>

Note: In terms of Section 2(51)(v) of the companies Act, 2013, IDBI Bank's Board had approved the proposal to designate officers one level below the Directors as KMP on March 21, 2018. The IDBI Bank had filled the form with MCA for reporting/ registering the said officers as KMPs on April 19, 2018. Till now the said officers have not been registered as KMPs under the Ministry of Corporate Affairs (MCA) site and hence cannot be technically deemed to be KMPs. Hence, the above KMPs details does not include the designated officers one level below the Directors as KMP.

\* For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

**15. Operating Expense Disclosure of LICI**

Details of expenses, forming a part of operating expenses related to insurance business, incurred by LICI under the following heads as required by the IRDAI are as given below:

(Amount in ₹ Lakhs, except as otherwise stated)

Particular	For the Financial Year ended March 31,	
	2021	2020
Outsourcing Expenses	48,563.74	41,974.10
Business Development	149,999.75	180,161.35
Marketing Support	48,660.40	60,239.10

**16. The historical cost of investments of LICI whose reported value is based on fair value, is as given below:**

(Amount in ₹ Lakhs, except as otherwise stated)

Financial Year	Particulars	(A) Non-Linked Investments				Unit Linked (Non Unit Fund)	(B) Linked Investment
		Shareholder's Fund	Life Fund -Par	Pension Fund (Port -31)	P&GS Fund		
As at March 31, 2021	<b>Book Value</b>	6,282.55	43528,935.96	97.99	5816,529.05	480,315.90	1996,296.93
	<b>Reported Value</b>	9,852.00	69794,012.23	10.99	6434,541.22	884,393.53	2595,673.81
As at March 31, 2020	<b>Book Value</b>	3,821.06	38417,175.75	97.99	3974,327.26	468,957.57	2507,802.45
	<b>Reported Value</b>	5,573.65	39193,082.45	3.71	2638,377.14	595,041.55	2522,691.44

17. As per Accounting Standard 15 (revised 2005) "Employee Benefits" the disclosures of Employee Benefits are given below:

**LICI:****A) Employees' Gratuity Liability Calculation:**

The present value of the obligation and current service cost is determined based on actuarial valuation using the Projected Unit Credit Method.

**B) Group Privilege Leave Encashment Liability:**

The benefits of privilege leave encashment available to employees have been valued using Projected Unit Credit Method. Under this method benefits accrued up to the valuation date are projected considering future salary which is then discounted as at the valuation date.

(Amount in ₹ lakhs, except percentages)

Particulars	Employees' Gratuity Liability		Group Privilege Leave Encashment Liability	
	For the year ended/ As at March 31,		For the year ended/ As at March 31,	
	2021	2020	2021	2020
<b>I. Assumptions:</b>				
Discount Rate	7.25%	7.75%	7.25%	7.75%
Rate of return on Plan Assets	7.25%	7.75%	7.25%	7.75%
Salary Escalation	6.00%	6.00%	6.00%	6.00%
Expected Average remaining working lives of employees (years)	11.7	11.05	11.7	11.05
<b>ii. Changes in Present Value of Obligations</b>				
Present Value of obligation as at the Beginning of the year	1,228,964	1,159,080	467,944	417,409
Acquisition adjustment	-	-	-	-
Interest Cost	95,245	92,726	36,266	33,393
Past service Cost	-	-	-	-
Current service Cost	33,502	32,223	6,118	7,183
Curtailed Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Benefits paid	-87,015	-68,799	-34,900	-23,834
Curtailed of Employees in Plan	-	-	-	-
Actuarial (gain)/loss on obligations	7,437	13,733	37,003	33,793
Present Value of obligation as at the end of the year	1,278,133	1,228,964	512,431	467,944
<b>iii. Changes in the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	1,228,964	1,159,080	467,944	417,409
Acquisition adjustments	-	-	-	-
Expected return on Plan Assets	95,245	92,726	36,266	33,393
Contributions	42,600	50,000	43,000	41,959
Benefits paid	-87,015	-68,799	-34,900	-23,834
Actuarial gain/(loss) on Plan Assets	-1,661	-4,043	122	-982
Fair Value of Plan Assets at the end of the year	1,278,133	1,228,964	512,431	467,944
<b>iv. Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	1,228,964	1,159,080	467,944	417,409
Acquisition adjustments	-	-	-	-
Actual return on Plan Assets	93,583	88,683	36,387	32,410
Contributions	42,600	50,000	43,000	41,959
Benefits paid	-87,015	-68,799	-34,900	-23,834
Fair value of Plan Assets at the end of the year	1,278,133	1,228,964	512,431	467,944
Funded Status	100%	100%	100%	100%
Excess of actual over estimated return on Plan Assets	-1,661	-4,043	122	-982
<b>v. Actuarial Gain/Loss Recognized</b>				
Actuarial gain/(loss) for the year –Obligation	-7,437	-13,733	-37,003	-33,793
Actuarial (gain)/loss for the year – Plan Assets	1,661	4,043	-122	982

Total (gain)/loss for the year	9,098	17,776	36,882	34,776
Actuarial (gain)/ loss recognized in the year	9,098	17,776	36,882	34,776
Unrecognized actuarial (gain)/losses at the end of year	-	-	-	-
<b>vi. The amounts to be recognised in Consolidated Statement of Asset and Liabilities and Consolidated Statement of Profit &amp; Loss</b>				
Present Value of obligation as at the end of the year	1,278,133	1,228,964	512,431	467,944
Fair value of Plan Assets as at the end of the year	1,278,133	1,228,964	512,431	467,944
Funded Status	100%	100%	100%	100%
Unrecognized Actuarial (gains)/losses	-	-	-	-
Net Asset/(Liability) recognised in Balance Sheet	-	-	-	-
<b>Vii. Expense recognised in the Consolidated Statement of Revenue Account/ Profit &amp; Loss</b>				
Current Service Cost	33,502	32,223	6,118	7,183
Past Service Cost	-	-	-	-
Interest Cost	95,245	92,726	36,266	33,393
Expected return on Plan Assets	-95,245	-92,726	-36,266	-33,393
Curtailment Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Net actuarial (gain)/loss recognized in the year	9,098	17,776	36,882	34,776
Expenses recognized in the statement of Revenue Account / Profit & Loss Account.	42,600	50,000	43,000	41,959

**C) Employees Pension Scheme 1995 Liability:**

Projected Unit Credit Method where the benefits payable are valued considering the service up to the valuation date and increases in salaries up to the date of exit. The value of such benefits as on the valuation date has been arrived at by discounting the amount of such projected benefits.

The principal assumptions are the (1) discount rate & (2) Salary Increase.

**D) Regular Part-Time Employees Pension Scheme 1999 Liability:**

The principal assumptions are the (1) discount rate & (2) Salary Increase.

(Amount in ₹ lakhs, except percentages)

Particulars	Employees' Pension Scheme 1995 Liability		Regular Part Time Employees Pension Scheme 1999 Liability	
	For the year ended/ As at March 31,		For the year ended/ As at March 31,	
	2021	2020	2021	2020
<b>I. Assumptions:</b>				
Discount Rate	7.75%	7.90%	7.75%	7.90%
Rate of increase in salary (Basic+Dearness Allowance)	6.00%	6.00%	6.00%	6.00%
Rate of Pension increase	5.00%	5.00%	5.00%	5.00%
Rate of return on Plan Assets	7.70%	7.60%	7.70%	7.60%
Expected Average remaining working lives of employees (years)	7.98	8.13	6.31	8.14
<b>ii. Changes in Present Value of Obligations</b>				
Present Value of obligation as at the Beginning of the year	7,056,419	6,111,131	789	658
Acquisition adjustment	-	-	-	-

Interest Cost	557,457	488,890	62	53
Past service Cost	-	-	-	-
Current service Cost	910,648	746,524	-	-
Curtailment Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Benefits paid	-429,857	-527,313	-	-
Curtailment of Employees in Plan	-	-	-	-
Actuarial (gain)/loss on obligations	99,112	237,187	89	77
Present Value of obligation as at the end of the year	8,193,779	7,056,419	940	788
<b>iii. Changes in the Fair Value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	7,056,419	6,111,131	789	658
Acquisition adjustments	-	-	-	-
Expected return on Plan Assets	557,457	488,890	62	53
Contributions	1,007,074	799,007	4	6
Benefits paid	-429,857	-527,313	-	-
Actuarial gain/(loss) on Plan Assets	2,686	184,704	85	71
Fair Value of Plan Assets at the end of the year	8,193,779	7,056,419	940	788
<b>iv. Fair value of Plan Assets</b>				
Fair Value of Plan Assets at the beginning of the year	7,056,419	6,111,131	789	658
Acquisition adjustments	-	-	-	-
Actual return on Plan Assets	560,143	673,594	147	124
Contributions	1,007,074	799,007	4	6
Benefits paid	-429,857	-527,313	0	0
Fair value of Plan Assets at the end of the year	8,193,779	7,056,419	940	788
Funded Status	Funded	Funded	Funded	Funded
Excess of actual over estimated return on Plan Assets	2,686	184,704	85	71
<b>v. Actuarial Gain/Loss Recognized</b>				
Actuarial gain/(loss) for the year – Obligation	99,112	237,187	89	77
Actuarial (gain)/loss for the year – Plan Assets	2,686	184,704	85	71
Total (gain)/loss for the year	96,426	52,483	4	6
Actuarial (gain)/ loss recognized in the year	96,426	52,483	4	6
Unrecognized actuarial (gain)/losses at the end of year	-	-	-	-
<b>vi. The amounts to be recognised in Consolidated Statement of Asset and Liabilities and Consolidated Statement of Revenue Account/ Profit &amp; Loss</b>				
Present Value of obligation as at the end of the year	8,193,779	7,056,419	940	788
Fair value of Plan Assets as at the end of the year	8,193,779	7,056,419	940	788
Funded Status	Funded	Funded	Funded	Funded
Unrecognized Actuarial (gains)/losses	-	-	-	-

Net Asset/(Liability) recognised in Balance Sheet	-	-	-	-
<b>Vii. Expense recognised in the Consolidated Statement of Revenue account / Profit and Loss Account.</b>				
Current Service Cost	910,648	746,524	-	-
Past Service Cost	-	-	-	-
Interest Cost	557,457	488,890	62	53
Expected return on Plan Assets	-557,457	-488,890	-62	-53
Curtailement Cost/ (Credit)	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-
Net actuarial (gain)/loss recognized in the year	96,426	52,483	4	6
Expenses recognized in the statement of Revenue Account/ P&L	10,07,074*	799,007	4	6

\*Financial liability for additional contribution of Rs 11,12,466 lakhs arising due to fresh pension option to the employees vide Govt. notification No. G.S.R. 324(E) dated 23.04.2019 has been amortized over a period of five years in accordance with letter reference 101/2/F&A-Life/LIC/2018-19/208 dated July 06, 2020. An installment of ₹ 222493 lakhs was recognized in FY 2020 valuation and the second installment of ₹222493 lakhs has been funded in FY 2021 and balance ₹ 667480 lakhs is to be funded over a maximum period of three year.

## **IDBI Bank (the bank):**

### **A. Employee Benefit Scheme**

#### **i. Defined Contribution Schemes**

- In case of IDBI Bank Limited, the Bank's employees, excluding those who have opted for pension, who have joined Bank before March 31, 2008 are covered by Provident Fund Scheme (PFS). The Bank makes a defined contribution measured as a fixed percentage of basic salary to the PFS. The Provident Fund Scheme is managed by "The Board of Trustees of IDBI Bank Employees' Provident Fund Trust (Trust)". In respect of employees of IDBI Home Finance Limited (IHFL) and IDBI Gilts Limited (IGL), provident fund contributions were made to Regional Provident Fund Commissioner up to May 2011 and thereafter contributions have been made to the aforementioned Fund. During the year ended March 31, 2021, Rs.555 lakhs and March 31, 2020, ₹596 lakhs has been contributed to PFS and charged to profit and loss account.
- The Bank's employees who have joined after April 1, 2008 are covered by IDBI Bank Ltd. New Pension Scheme (IBLNPS) to which Bank makes a defined contribution as a fixed percentage of Pay and Dearness Allowance. During the year ended March 31, 2021 Rs. 10024 lakhs and March 31, 2020, ₹9099 lakhs has been contributed to IBLNPS and charged to profit and loss account.

#### **ii. Defined Benefit Schemes**

The Bank makes contributions for the gratuity liability of the employees to the 'IDBI Bank Employees Gratuity Fund Trust'.

- Some of the employees of the Bank are also eligible for pension which is administered by the 'IDBI Pension Fund Trust'.
- The present value of these defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method by an independent actuary at each balance sheet date.

### **B. Other Long-Term Benefits**

- Present value of Leave Encashment obligation as at March 30, 2021 was Rs. 54530 lakhs March 31, 2020 was ₹ 52522 lakhs.
- Leave Encashment charged to profit and loss account for the year ended March 31, 2021 was Rs. 16625 lakhs, March 31, 2020 was ₹13462 lakhs.
- In case of IDBI Bank Ltd., employees of the Bank are entitled to accumulate their earned/privilege leave upto a maximum of 240 days for officers and 300 days for other staff .A maximum of 15 days leave is eligible for encashment in each year.
- Some employees of the Bank are eligible for Voluntary Health Scheme which is borne by the Bank as and when the liability events occur.
- Employees of the Bank are eligible for Disability Assistance which is borne by the Bank as and when the disability events occur.

**C. Table sets out the status of the defined benefit schemes**

(Amount in ₹ lakhs, except percentages)

Sr. No.	Particulars	For the year ended/ As at March 31,			
		2021		2020	
		Pension	Gratuity	Pension	Gratuity
<b>a)</b>	<b>Change in benefit obligations:</b>				
	Projected benefit obligation, beginning of the year	299,301	94426	234,328.00	80032
	Interest cost	20323	6496.9	18231	6210.8
	Current Service cost	3646	4241.1	3768	3784
	Past Service cost (Vested Benefit) incurred during the year due to increase in limit	0	0	0	0
	Liability Transferred In/ (Out)	-	-	-	-
	Benefits paid	-16818	-6797	-21601	-8110.5
	Actuarial (Gains)/Losses	20768	-4391.2	-	147.9
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-6650	-106.3	29485	6979.8
	Actuarial (Gains)/Losses on Obligations - Due to Experience	-1523	1330.3	35090	5624.1
	<b>Projected benefit/ obligation, end of the year</b>	<b>319,047</b>	<b>95200</b>	<b>299,301</b>	<b>94668</b>
<b>b)</b>	<b>Change in plan assets:</b>				
	Fair value of plan assets, beginning of the year	269,821.00	89184	243,591.00	71999
	Expected return on plan assets	18321	6139.9	18951	5600.8
	Employer's contributions	33766	13200	27468	19418
	Transfer from other company	-	-	-	-
	Benefits paid	-16818	-6797	-21601	-8110.5
	Actuarial gain / (loss)	4111	-18.3	1412	453.1
	<b>Fair value of plan assets at the end of the year</b>	<b>309,201</b>	<b>101,709</b>	<b>269,821</b>	<b>89361</b>
<b>c)</b>	<b>Reconciliation of present value of the obligation and fair value of the plan assets</b>				
	Present value of benefit obligation at the end of the year	319,047	94949	299,301	94669
	Transitional (Liability) to be recognized/provided in future	-	-	-	-
	Net Present value of benefit obligation at the end of the year	319,047	94949	299,301	94669
	Fair Value of Plan assets at the end of the year	309,201	101,560.0 0	269,821	89361
	<b>Surplus/ (Deficit)</b>	<b>-9846</b>	<b>6610.7</b>	<b>-29480</b>	<b>-5308.4</b>
<b>d)</b>	<b>Net cost for the year</b>				
	Service cost	3646	4241.1	3768	3784
	Interest cost	20323	6446.2	18231	6210.8
	Expected return on plan assets	-18321	-6089.1	-18951	-5574
	Net Actuarial (gain)/ loss	8484	-3149	63163	12300
	Past Service Cost (Vested Benefit) recognized during the year due to increase in limit	0	0	0	0
	Transitional liability recognized during the year	0	0	0	0
	<b>Net cost as per above</b>	<b>14132</b>	<b>1449.2</b>	<b>66211</b>	<b>16721</b>
	Excess of fund value over actuarial liability not written back	0	0	0	0

	Excess of fund value over actuarial liability of previous year adjusted in current year	0	0	-9263	0
	Increase in Gratuity Fund Value due to increase in rate of interest offered by LIC on investments adjusted in current year	0	0	0	0
	<b>Net cost of the year</b>	<b>14132</b>	<b>1449.2</b>	<b>56948</b>	<b>16721</b>
<b>e)</b>	<b>Category of Assets</b>				
	State Government securities	19584	26	19621	59.1
	Corporate Bonds	97602	0	86174	19.2
	Special Deposits Scheme	3962	0	0	0
	Insurer Managed Funds	173,672	101,576	150,900	88905
	Others	14381	3.9	13126	291.4
	<b>Total</b>	<b>309,201</b>	<b>101,606</b>	<b>269,821</b>	<b>89275</b>
<b>f)</b>	<b>Assumptions used in accounting:</b>				
	Discount rate	6.97%	From 5.45 % to 6.96%	6.79%	From 5.45 % to 7.00%
	Rate of return on plan assets	6.97%	From 5.00% to 6.96%	6.79%	From 0.07% to 7.10%
	Salary escalation rate	5.75%	From 5 % to 12%	5.75%	From 5 % to 12%
	Attrition Rate	3.60% for service less than 5 years and 2.49% thereafter	3.60% for service less than 5 years and 2.49% thereafter	3.08 for service less than 5 years and 3.5% thereafter	1.90 % for service less than 5 Years and 2.57 % for service more than 4 Years
	Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.- During employment. Indian Individual Annuitant's Mortality Table (2012-15)- After Employment )	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	

### Experience Adjustments:

#### (i) Gratuity Plan

(Amount in ₹ lakhs, except percentages)

Particulars	31.03.2021	31.03.2020
Defined benefit obligation	95075	94557
Plan assets	101634	89291
Surplus/(deficit)	6560	(5,266)
Experience adjustments On plan liabilities [Gain / (Loss)]	-1356	-5452
Experience adjustments On plan assets [Gain / (Loss)]	-18	455



**(ii) Pension Plan**

(Amount in ₹ lakhs, except percentages)

Particulars	31.03.2021	31.03.2020
Defined benefit obligation	319,047	299,301
Plan assets	309,201	269,821
Surplus/(deficit)	-9,846	-29,480
Experience adjustments On plan liabilities [Gain / (Loss)]	1,523	-35,090
Experience adjustments on plan assets [Gain / (Loss)]	4,111	1,412

Note: In case of IDBI Bank, the explanation given for Employees Benefits and information given in the tables as at March 31, 2021 and March 31, 2020 is given for the full financial year. However, the amount for the nine months ended December 31, 2020 is considered in consolidated financial Statements, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

**Additional Disclosures:****18. Investments made by LICI in accordance with the statutory requirements:**

(Amount in ₹ Lakhs, except as otherwise stated)

Branch	Type of Securities	As at March 31,	
		2021	2020
Mauritius	FD with Bank of Baroda @3.50%	179.20	193.23
Fiji	FGR Stock @12%, 6.50%,12.31%, 7.23%, 13% and 5.46%	5684.93	5282.24

**19. Segregation into Performing/Non-performing investments for the purpose of Income recognition of LICI:**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	As at March 31,	
	2021	2020
<b>Life Business</b>		
Performing investments	41617,341	41446,755
Non Performing investments	3512,989	3846,268
<b>CRAC Business</b>		
Performing investments	8,200	9,600
Non Performing investments	-	-

Note: The amounts in above table for FY 2020 have been regrouped to make them comparable with FY 2021.

**20. Assets Subject to Restructuring of LICI:**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	For the Financial Year ended	
	2021	2020
Total amount of loan assets subject to restructuring	24,036	30,134
Total amount of standard assets subject to restructuring	-	15,727
Total amount of sub-standard assets subject to restructuring	24,036	-
Total amount of doubtful & loss assets subject to restructuring	-	14,407

**21. Percentage of business sector-wise of LICI:**

Particulars	As at March 31,	
	2021	2020
Rural Business	21.46%	21.40%
Urban Business	78.54%	78.60%
Social Sector (No. of Lives Insured in %)*	11.84%	23.91%

\* As per notification no. IRDAI/Reg/13/103/2015 w.e.f. F.Y. 2016-2017 percentage of Social Sector lives computed on the total business procured in the preceding financial year has to be given.

**22. Risk Retained and Insured for LICI:**

(In %)

Particulars	FY 2020-2021		FY 2019-2020	
	Risk retained %	Risk Insured %	Risk retained %	Risk Insured %
First year premium	99.91	0.09	99.95	0.05
Renewal premium	99.81	0.19	99.85	0.15
Single premium	100	0	100	0

Note: The above data has been prepared based on the total premium earned and total premium reinsured by the corporation.

**23. Disclosures relating to discontinued policies:**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
<b>Fund for Discontinued Policies</b>		
Opening Balance of Fund for Discontinued Policies	5185.91	5178.00
Add: Fund of policies discontinued during the year	1821.20	1326.41
Less: Fund of policies revived/Paid during the year	2129.35	1486.16
Add: Net Income/Gains on Investment of the Fund	187.99	167.66
<b>Closing Balance of Fund for Discontinued Policies</b>	<b>5065.75</b>	<b>5185.91</b>

**Other Disclosure (LICI):**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	Year	Pension Plus	Endowment Plus	Samriddhi Plus	Flexi Plus	New Endowment Plus (835)	New Endowment Plus (935)	SIIP (852)
Number of policies discontinued during the financial year	FY 2021	-	-	-	-	297	3332	9847
	FY 2020	2	18	41	1	543	(N.A.)	(N.A.)
Percentage of discontinued to total policies during the year	FY 2021	-	-	-	-	1.28	100	100
	FY 2020	0.01	0.17	0.3	0.37	1.57	(N.A.)	(N.A.)
Number of policies revived during the year	FY 2021	-	-	-	-	2	464	2814
	FY 2020	1	-	8	-	101	(N.A.)	(N.A.)
Percentage of policies revived during the year	FY 2021	-	-	-	-	1	14	29
	FY 2020	50	-	19.51	-	18.6	(N.A.)	(N.A.)
Charges imposed on account of discontinued policies (Rs in Lakhs)*	FY 2021	-	-	-	-	1.86	45.7	179.10
	FY 2020	0.01	0.26	0.27	0.01	6.31	(N.A.)	(N.A.)

\* Charge shown above are net of charges imposed and charges readjusted

## 24. Related Party Disclosure- LICI:

(Related Party Relationship as identified by the Corporation)

As per the Accounting Standard on Related Party Disclosures (AS 18) issued by the Institute of Chartered Accountants of India, the related parties of the Corporation are as follows:

### A) **Joint Venture:**

**Saudi Indian Company for Co-operative Insurance**

### B) **Associate Companies**

LIC Housing Finance Ltd.  
LICHFL Asset Management Company Ltd.  
LIC Mutual Fund Asset Management Ltd.  
LIC Mutual Fund Trustee Pvt. Ltd.  
IDBI Bank Ltd.\*  
IDBI Trusteeship Services Ltd.\*

### C) **Subsidiary Companies:**

LIC Pension Fund Ltd.  
LIC Card Services Ltd.  
LIC (Singapore) Pte. Ltd.  
LIC (Nepal) Ltd.  
LIC(International) BSC (c), Bahrain  
LIC (Lanka) Ltd.  
LIC Bangladesh Ltd.

*\*IDBI Bank became our subsidiary in January 2019 on LICI's acquisition of 51% shareholding in IDBI Bank. IDBI Trusteeship Services Ltd. is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares. LICI also holds 29.84% of the outstanding shares in IDBI Trusteeship Services Ltd. directly, so from an associate, it became a subsidiary of LICI in January 2019, with LICI's direct and indirect interest in IDBI Trusteeship Services Ltd. being 57.74% of the outstanding shares. In December 2020, IDBI Bank was reclassified as an Associate due to the reduction of LICI's shareholding in IDBI Bank to 49.24% following the issuance of additional equity shares by IDBI Bank through a qualified institutions placement. Consequently, IDBI Trusteeship Services Ltd. was also reclassified from a Subsidiary to an Associate on such date.*

## D) **Members of the Board & Key Persons**

### a) **As on March 31, 2021**

#### **Members of the Board**

Shri M.R. Kumar	Chairman	w.e.f. 14.03.2019
Shri Vipin Anand	Managing Director	w.e.f. 01.04.2019
Shri Mukesh Kumar Gupta	Managing Director	w.e.f. 01.11.2019
Shri Raj Kumar	Managing Director	w.e.f. 01.11.2019
Shri Siddhartha Mohanty	Managing Director	w.e.f. 01.02.2021
Shri Pankaj Jain	Member	w.e.f. 21.10.2020
Shri Rajeev Ranjan	Member	w.e.f. 21.10.2020
Smt. Padmaja Chundururu	Member	w.e.f. 16.11.2018
Shri Devesh Srivastava	Ex-Officio Member	w.e.f. 03.01.2020

#### **Key Persons**

Shri D.P.Mohanty	ED Audit (Chief Internal Audit)	w.e.f. 02.07.2018
Shri S.N. Mokashi	ED Investment (RMR) (Chief Risk Officer)	w.e.f. 05.06.2020
Shri A.K. Anand	ED INV OP (Chief Investment Officer)	w.e.f. 08.06.2020
Shri P. Muraleedharan	ED (Mktg/PDEV/SBA) (Chief Marketing Officer)	w.e.f. 02.11.2020
Smt Shubhangi S.Soman	Chief (F&A) (Chief Finance Officer)	from 07.05.2018 to 31.05.2020
	ED (F&A) (Chief Finance Officer)	w.e.f. 01.06.2020
Smt Vidhu Verma	ED (B/RC/GJF)(Chief Compliance Officer)	w.e.f. 01.06.2020
Shri Dinesh Pant	Appointed Actuary	w.e.f. 17.01.2020

### b) **As on March 31, 2020**

#### **Members of the Board**

Shri. M.R. Kumar	Chairman	w.e.f. 14.03.2019
Shri. T.C. Suseel Kumar	Managing Director	w.e.f. 14.03.2019
Shri. Vipin Anand	Managing Director	w.e.f. 01.04.2019

Shri. Mukesh Kumar Gupta	Managing Director	w.e.f. 01.11.2019
Shri. Raj Kumar	Managing Director	w.e.f. 01.11.2019
Shri Debasish Panda	Government Nominee	w.e.f. 11.09.2019
Shri Injeti Srinivas	Government Nominee	w.e.f. 27.12.2019
Smt. Padmaja Chundurur	Member	w.e.f. 16.11.2018
Shri Devesh Srivastava	Ex-Officio Member	w.e.f. 03.01.2020
Shri. Bimalendu Chakrabarti	Non-Official Director	w.e.f. 29.09.2017
Shri. Ravindra Nath Chaturvedi	Non-Official Director	w.e.f. 29.09.2017
Shri. R. Chandrasekaran	Non-Official Director	w.e.f. 29.09.2017

#### Key Persons

Shri D.P.Mohanty	ED Audit (Chief Internal Audit)	w.e.f. 02.07.2018
Shri Pradeep Kumar Jain	ED Investment (RMR) (Chief Risk Officer)	w.e.f. 07.05.2018
Shri MasilJeya Mohan	ED INV OP (Chief Investment Officer)	w.e.f. 01.11.2019
Shri Devki Nandan Joshi	ED (Chief Marketing Officer)	w.e.f. 17.04.2019
Smt Shubhangi S.Soman	Chief F&A (Chief Finance Officer)	w.e.f. 07.05.2018
Smt Geeta Prabhakaran	Chief Compliance Officer	w.e.f. 18.04.2019
Shri Dinesh Pant	Appointed Actuary	w.e.f. 17.01.2020

E) Statement containing names, description, occupations of and directorships held by the persons in charge of management of the business under section 11(2) of the Insurance Act, 1938.

#### i. As on March 31, 2021

Sr. No.	Name	Description	Profile/Directorship held
1.	ShriM R Kumar	Chairman LIC of India	LIC Pension Fund Ltd LIC Cards Services Ltd LIC Mutual Fund Asset Management Co Ltd LIC Housing Finance Limited IDBI Bank Limited LIC (Nepal) Ltd LIC (International) BSC (c) Bahrain LIC (Lanka) Ltd KenIndia Assurance Company Ltd Life Insurance Corporation (Singapore) Pte. Ltd ACC Limited
2.	Shri Vipin Anand	Managing Director LIC of India	LIC Cards Services Ltd LIC Bangladesh Ltd LIC Housing Finance Limited LIC (International) BSC (c) Bahrain Grasim Industries Limited National Insurance Academy LIC Golden Jubilee Foundation
3.	Shri Mukesh Kumar Gupta	Managing Director LIC of India	LIC Cards Services Ltd LIC (Nepal) Ltd DCM Shriram Industries Ltd National Insurance Academy LIC Golden Jubilee Foundation
4.	Shri Raj Kumar	Managing Director LIC of India	LICHFL Care Homes Ltd LICHFL Asset Management Co Ltd Life Insurance Corporation (Lanka) Ltd National Insurance Academy LIC Golden Jubilee Foundation
5.	Shri Siddhartha Mohanty	Managing Director LIC of India	LIC Golden Jubilee Foundation LIC Bangladesh Limited LIC Pension Fund Limited National Insurance Academy

ii. As on March 31, 2020

Sr. No.	Name	Description	Profile/Directorship held
1.	Shri M R Kumar	Chairman LIC of India	LIC (International) BSC (c) Bahrain LIC (Nepal) Ltd LIC (Lanka) Ltd Life Insurance Corporation (Singapore) Pte. Ltd IDBI Bank Limited LIC Pension Fund Ltd LIC Cards Services Ltd LIC Mutual Fund Asset Management Co Ltd LIC Housing Finance Limited KenIndia Assurance Company Ltd
2.	Shri T C Suseel Kumar	Managing Director LIC of India	LIC Mutual Fund Trustee Pvt. Ltd. LICHFL AMC Ltd. LIC Pension Fund Ltd. LIC (Lanka) Ltd National Insurance Academy
3.	Shri Vipin Anand	Managing Director LIC of India	LIC Bangladesh Ltd LIC Cards Services Ltd LIC Housing Finance Limited LIC (International) BSC (c) Bahrain National Insurance Academy
4	Shri Mukesh Kumar Gupta	Managing Director LIC of India	LIC Cards Services Ltd LIC (Nepal) Ltd
5	Shri Raj Kumar	Managing Director LIC of India	LICHFL Care Homes LIC Bangladesh Ltd National Insurance Academy

F) The nature and volume of transactions of LIC with the related parties:

(Amount in ₹ Lakhs, except as otherwise stated)

a) **Associates and Key Management Personnel**

Particulars		Associates					Key Management Personnel
		LIC Housing Finance Ltd.	LICHFL Asset Management Company Ltd	LIC Mutual Fund Asset Management Ltd.	IDBI Bank Ltd. *	IDBI Trusteeship Services Ltd.*	
Purchase of Equity, Debts, bonds and Mutual Fund	FY21	0	0	1,028,020.17	0	0	0
	FY20	0	44.17	611,746.43	0	0	0
Sale of Mutual Fund	FY21	0	0	1,065,200.93	0	0	0
	FY20	0	47.82	742,498.49	0	0	0
Redemption on Debts & bonds / Loans	FY21	200,000.00	0	0	4000	0	0
	FY20	50,000.00	0	0	0	0	0
Gain Income	FY21	0	0	7505.3	0	0	0
	FY20	0	0	52,762.25	0	0	0
Application Money	FY21	0	0	22,500.00	0	0	0
	FY20	0	0	0	0	0	0
Income from Investment	FY21	157,908.30	13.6	0	28217.38	450	0
	FY20	169,673.11	25.62	24.75	0	0	0
Rent	FY21	843.53	0	209.73	0	0	0
	FY20	733.72	0	251.33	0	0	0
Reimbursement / payment towards other administrative	FY21	181.21	10.29	192.34	128.91	0	0
	FY20	84.81	18.56	27.75	0	0	0

expenses							
Managerial Remuneration	FY21	0	0	0	0	0	512
	FY20	0	0	0	0	0	522.67
<b>Total</b>	<b>FY21</b>	<b>358,933.04</b>	<b>23.89</b>	<b>2,123,628.47</b>	<b>32,346.29</b>	<b>450</b>	<b>512</b>
	<b>FY20</b>	<b>220,491.64</b>	<b>136.17</b>	<b>1,407,311.00</b>	<b>0</b>	<b>0</b>	<b>522.67</b>

**b) Subsidiaries**

Particulars	For the Financial Year	Subsidiaries								
		LIC Pension Fund Ltd	LIC Card Services Ltd	LIC (Nepal) Ltd.	LIC Bangladesh Ltd	LIC (International) B S C (c)	LIC (Lanka) Ltd.	LIC (Singapore) Pte Ltd	IDBI Bank*	IDBI Trusteeship Services Ltd.*
Purchase of Equity, Debts, bonds and Mutual Fund	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	-	-	-	-	5,235.00	474,300.00	-
Redemption on Debts & bonds / Loans	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	-	-	-	-	-	100.00	-
Income from Investment	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	1,646.24	-	-	-	-	28,243.02	450.00
Rent	FY21	-	4.05	-	-	-	-	-	-	-
	FY20	-	4.44	-	-	-	-	-	-	-
Reimbursement / payment towards other administrative expenses	FY21	1,345.85	2.54	-	-	-	-	-	-	-
	FY20	1,225.51	2.54	-	-	-	-	-	33.51	-
Application Money	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	-	-	-	605.35	-	-	-
Annual Technical/ I.T. Solution fees received, Maintenance & Support Service	FY21	-	-	20.00	16.97	-	-	-	-	-
	FY20	-	-	20.00	15.93	73.84	-	-	-	-
<b>Total</b>	<b>FY21</b>	<b>1,345.85</b>	<b>6.59</b>	<b>20.00</b>	<b>16.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>FY20</b>	<b>1,225.51</b>	<b>6.98</b>	<b>1,666.24</b>	<b>15.93</b>	<b>73.84</b>	<b>605.35</b>	<b>5,235.00</b>	<b>502,676.53</b>	<b>450.00</b>

**c) Outstanding Balances with Related Parties**

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars		LIC Housing Finance Ltd.	IDBI Bank Ltd. *	LIC of Bangladesh Ltd.	LIC (International) B.S.C.(c) Bahrain	LIC Pension Fund Ltd	LIC Cards Services Ltd.	LIC Mutual Fund Asset Management Ltd.
Debt and Loan	FY21	1,455,044.30	300,208.30	0.00	0.00	0.00	0.00	
	FY20	1,655,044.40	304,210.90	0.00	0.00	0.00	0.00	
Interest accrued on Non Convertible Debentures	FY21	39,909.00	7,791.70	0.00	0.00	0.00	0.00	
	FY20	4,5284.40	7,991.50	0.00	0.00	0.00	0.00	
Due from	FY21	108.00	0.00	129.40	35.00	1,345.80	1,439.20	(7.28)

Subsidiaries/ Holding Company						1,225.50		(9.94)
	FY20	239.00	0.00	133.50	423.70		1,093.10	
Current and Saving Account Balances	FY21	0.00	382,000.00	0.00	0.00	0.00	0.00	
	FY20	0.00	250,700.00	0.00	0.00	0.00	0.00	

Note:- \*IDBI Bank became our subsidiary in January 2019 on LICI's acquisition of 51% shareholding in IDBI Bank. IDBI Trusteeship Services Ltd. is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares. LICI also holds 29.84% of the outstanding shares in IDBI Trusteeship Services Ltd. directly, so from an associate, it became a subsidiary of LICI in January 2019, with LICI's direct and indirect interest in IDBI Trusteeship Services Ltd. being 57.74% of the outstanding shares. In December 2020, IDBI Bank was reclassified as an Associate due to the reduction of LICI's shareholding in IDBI Bank to 49.24% following the issuance of additional equity shares by IDBI Bank through a qualified institutions placement. Consequently, IDBI Trusteeship Services Ltd. was also reclassified from a Subsidiary to an Associate on such date.

## 25. Movement of Provisions:

(Amount in ₹ Lakhs, except as otherwise stated)

For Proposed Dividend	Financial Year ended	
	2021	2020
<b>(5% Valuation Surplus)</b>		
Opening Balance	269,973.40	266,309.90
Addition during the year	288,901.01	269,973.40
Amount paid to Government of India	-	266,309.90
Amount retained and transfer to Reserves & Surplus	558,874.40	-
Closing Balance	-	269,973.40
<b>Provision for reserve for solvency margin</b>		
Opening Balance	1494,305.60	1494,305.60
Addition during the year	-	-
Deduction during the year	-	-
Closing Balance	1494,305.60	1494,305.60

## 26. Expenses of Management of LICI:

The Expenses of Management are in accordance with the IRDAI (Expenses of Management of Insurers transacting life insurance business) Regulation 2016 except in four segments, which has been ratified by IRDAI upto FY 2019-2020. However on an overall basis the actual expenses of management are within the limit of aggregate expenses allowable for all the segments.

In respect of UK Business the expenditure in excess of £ 50 per policy under Life Par Business is borne by shareholders and accordingly an amount of ₹475 lakhs has been charged to shareholder's Account.

## 27. Foreign Exchange Reserve:

Operations carried out in Fiji, Mauritius and U.K. are of non-integral nature. While preparing consolidated financial Statements, which includes foreign insurance subsidiaries, revenue account items are translated at average rate and balance sheet items are translated at closing exchange rates.

The exchange fluctuation reserve appearing in consolidated financial statements is mentioned below:-

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	As at March 31,	
	2021	2020
As per Schedule 6 Consolidated Statement of Reserves and Surplus (Shareholders)	11,446.60	12,904.40
As per Schedule 6A: Consolidated Statement of Insurance Reserves (Policyholders)	234,666.00	267,762.20

**28. The Micro, Small and Medium Enterprises Development Act, 2006 of LICI:-**

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, the corporation has amounts due to Micro and Small Enterprises under the said Act as follows:

(Amount in ₹ Lakhs, except as otherwise stated)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Principal amount remaining unpaid to Micro, small & medium enterprise.	Nil	13.97
2	Interest accrued on principal amount remaining unpaid as per 1 above.	Nil	Nil
3	Amount of interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery /rendering of services.	Nil	4.36
4	Interest due but yet to be paid on principal during the year.	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	Nil	Nil

**29. Penal action taken by various Government Authorities:****A. LICI**

(Amount in ₹ Lakhs, except as otherwise stated)

Authority	For the year ended March 31,					
	2021			2020		
	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	-	-	-	-	-	-
GST/Service Tax Authorities	0.02	0.02	-	680.38	59.94	-
Income Tax Authorities	6.43	6.43	-	9.18	9.18	-
Any other Tax Authorities	0.23	0.23	-	3.96	3.96	-
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	3.71	3.71	-	2.16	2.16	-
Securities and Exchange Board of India	-	-	-	-	-	-
Competition Commission of India	-	-	-	-	-	-
Any other Central/State/Local Government / Statutory Authority	888.78	0.1	-	-	-	-
<b>Total</b>	<b>899.17</b>	<b>10.49</b>	<b>-</b>	<b>695.68</b>	<b>75.24</b>	<b>-</b>

Details of non-compliance/Violation:	For the year ended March 31,	
	2021	2020
Delay In return filling & late remittance of tax	6.43	12.43
Late remittance of professional tax	0.23	0.71
Penalty awarded by Court in favor of policyholders	3.71	2.16
Penalty awarded by Govt. Authority other than the policyholder matter	888.78	-
GST/ Service Tax Authority	0.02	680.38
<b>Total</b>	<b>899.17</b>	<b>695.68</b>



**B. IDBI Bank: During the year following penalties were imposed by RBI**

(Amount in ₹ Lakhs, except as otherwise stated)

Sr. No.	Particulars	For the year ended March 31,	
		2021*	2020
1	Penalty for non-compliance of guidelines on cheque collection process.	-	1.2
2	Penalty for non-compliance of guidelines on customer service, guidelines in respect of exchange of coins and small denomination notes and mutilated notes	-	8.5
3	Penalties imposed by RBI on currency chest in cases of remittances, made by currency chests to RBI	-	2.2
4	Total amount of all penalties levied by RBI during the period on currency chests	0.39	-
5	Total amount of all penalties/compensation levied by RBI / Banking Ombudsman during the period	18.85	-
6	Penalties for other reasons	-	6
	<b>Total</b>	<b>19.24</b>	<b>17.9</b>

\* For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

**30. Non-Performing Assets:-**

(Amount in ₹ lakhs, except as otherwise stated)

**A. LICI (Debt Portfolio):**

Assets	As at March 31,			
	2021		2020	
	Asset	Provision	Asset	Provision
Sub Standard	25437	6043	1289851	961959
Doubtful Assets	2036917	2036819	1278151	1278072
Loss assets	1450635	1450635	1278266	1278266
<b>Total</b>	<b>3512989</b>	<b>3493497</b>	<b>3846268</b>	<b>3518297</b>
Standard	41617341	240663	41446755	242515
<b>Grand Total</b>	<b>45130330</b>	<b>3734160</b>	<b>45293023</b>	<b>3760812</b>
	<b>Investment</b>	<b>NPA</b>	<b>Investment</b>	<b>NPA</b>
Gross	45130330	3512989	45293023	3846268
NPA Provision	3493497	3493497	3518297	3518297
<b>Net position</b>	<b>41636833</b>	<b>19492</b>	<b>41774726</b>	<b>327971</b>
<b>Gross NPA%</b>	7.78		8.49	
<b>Net NPA%</b>	0.05		0.79	

Note:

- The amounts in above tables for FY 2020 have been regrouped to make them comparable with FY 2021. Prior to regrouping the gross NPA ratio for FY 20 was 8.17%.
- The figures for 'provisions for doubtful investments and other provisions' in FY2020 have been recast due to regrouping of funded folios under Investments (earlier shown under other advances). The amount of provision on funded folios pertaining to FY2020 was reversed to Interest account as per the prevailing accounting practice. The provision for the year FY2021 has been adjusted one time against Interest for proper presentation in Consolidated Statement of Revenue Account for FY2021.
- The assets shown above are presented under various categories in accordance with the formats prescribed by IRDA in Schedule 8A: Consolidated Statement Of Investments – Policyholders Schedule, Schedule 8B: Consolidated Statement Of Assets Held To Cover Linked Liabilities and Schedule 9: Consolidated Statement Of Loan.

**B. IDBI Bank (the Bank)**

Assets	As at March 31, 2020	
	Asset	Provision
Sub Standard Assets	383695	182868
Doubtful Assets	2707523	2364401
Loss assets	1636020	1636020
<b>Total</b>	<b>4727237</b>	<b>4183288</b>
Standard Assets	12442106	1517
<b>Grand Total</b>	<b>17169344</b>	<b>4184806</b>
Gross Assets	17169344	
NPA Provision	4184806	
<b>Net position</b>	<b>12984538</b>	
<b>Gross NPA%</b>	<b>27.53%</b>	
<b>Net NPA%</b>	<b>4.19%</b>	

**Asset Quality- Non-Performing Asset (Loans & Advances) of IDBI Bank**

(Amount in ₹ lakhs, except as otherwise stated)

Particulars	As at March 30, 2020
(i) Gross NPAs (%)	27.53%
(i) Net NPAs to Net Advances (%)	4.19%
(ii) Movement of NPAs (Gross)	
(a) Opening Balance	5,002,794
(b) Addition during the year	1,102,199
(c) Reduction during the year	1,377,756
(d) Closing balance	4,727,237
(iii) Movement of Net NPAs	
(a) Opening Balance	1,483,744
(b) Addition (FTNPA) during the year	482,534
(c) Reduction (net) during the year	1,422,329
(d) Closing balance	543,949
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)	
(a) Opening balance	3,519,049
(b) Provisions made during the year	2,007,929
(c) Transferred to Countercyclical Prov. Buffer	0
(d) Write-off/write back of excess provision	1,343,689
(e) Closing balance	4,183,289
(v) Provisioning Coverage Ratio (including TWO) computed in accordance with the RBI guidelines	93.74%

**Non-Performing Non SLR Investment of the IDBI Bank**

(Amount in ₹ lakhs, except for share data or as otherwise stated)

Particulars	As at March 31, 2020
Opening balance	126,216
Additions during the year	212,376
Reductions during the year *	186,821
Closing balance	151,771
Total provisions held toward NPI	122,336

\* Includes Investment written down of ₹181,589 lakhs during FY 2019-2020 and Investment Redemption including write off / Sale / Settlement of ₹232 lakhs during FY 2019-2020 and Upgradation of Investment of ₹5,000 lakhs during FY 2019-2020.

31. Security under seven loan accounts, amounting to ₹30,0583 lakhs executed partially and is under due process (FY 2020: ₹30,0583 lakhs).

**32. Impairment of Investments:**

The impairment in value of investments other than temporary diminution has been assessed for the year and accordingly impairment provisions have been provided as below.

I) A provision/(reversal) for impairment loss recognized in the Consolidated Statement of Revenue Account under the head Provision for diminution in the value of investments (net).

**a) LIC:**

(Amount in ₹ lakhs , except for share data or as otherwise stated)

Particulars	For the Financial Year ended March 31,	
	2021	2020
Listed equity shares	429,460	-
Unlisted, Inactive Equity	-4,472	46,463
Preference Shares	15,474	18,159
Security Receipt and Venture Fund	12,715	411
<b>Total</b>	<b>453,177</b>	<b>65,033</b>

**b) IDBI Bank:**

(Amount in ₹ lakhs, except for share data or as otherwise stated)

Particulars	For the financial year ended	
	2021*	2020
Listed equity shares	-7496	-79408
Security Receipt	5102	2987
VCF	1451	-156
Unlisted/Inactive equity shares	-	-7132
Preference Share	18105	15343
Bonds & Debt.	35959	-4987
DIFC (Dubai Branch) & GIFT (IBU- GIFT City Ahmedabad)	0	-207
SASF (Stress Assets Stabilization Fund) G-Sec-SASF	0	30000
Other WD/Write Off	57924	263686
Govt. Securities	-	-50270
<b>Total</b>	<b>111045</b>	<b>169856</b>

\* For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

II) Provision/ (reversal) of impairment loss recognized in the Consolidated Statement of Profit and Loss Account under the head Provision for diminution in the value of investments (net).

Particulars	For the Financial Year ended March 31	
	2021	2020
Listed equity shares	-	587.52

### 33. Earnings Per Share (EPS):-

Particulars	For the year ended March 31,	
	2021	2020
Profit for the Year attributable to Shareholders (in ₹ Lakhs)	297,413.90	271,047.80
No. Of equity shares for calculation of EPS (Refer Note)	6324997701	6324997701
Basic EPS (₹)	4.70	4.29
Diluted EPS (₹)	4.70	4.29

1. Issue and allotment of 1,000 lakhs Equity Shares of Rs. 10 each in terms of provisions of Section 5(2) of LIC Act 1956 as amended, against Paid-up equity Capital provided by Central Government from time to time, 6,22,49,97,701 bonus shares of Rs. 10 each were issued and allotted against the available free Reserves, in terms of provisions of section 5(4) of LIC Act 1956 as amended thus the total paid up equity capital of the Corporation being Rs. 6,32,499.77 Lakhs now.
2. The number of shares was increased without an increase in resources of the corporation, hence the number of equity shares outstanding before September 08, 2021 is adjusted for proportionate change in the number of equity shares outstanding as if the issue of shares has been occurred at the beginning of the earliest period reported and accordingly the earning per share for FY 2021 and FY 2020 is calculated on the basis of the number of equity shares issued on September 08, 2021.

### 34. Leases

#### A. LIC:

The Corporation has hired some properties for its offices and as staff quarters. The lease rentals debited to the Consolidated Statement of Revenue Account are as given below:

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31,	
	2021	2020
Lease Rentals	36,007.59	33,854.18

#### B. IDBI Bank:

- a) The properties taken on lease/ rental basis are renewable/ cancellable at the option of the Bank.
- b) The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the tenure of lease period by giving mutually agreed calendar month notice in writing.
- c) Lease rent paid for operating leases are recognised as an expense in the Consolidated Statement of Revenue Account in the year to which it relates. The lease rent recognised during the last three fiscals are as follows:

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31,	
	2021*	2020
Lease Rentals	27,486.00	34,773.11

\* For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

The future minimum lease payments for subsidiaries in respect of non-cancellable operating leases as at Balance Sheet date are summarized as under:

(Amount in ₹ Lakhs, except as otherwise stated)

Particulars	As at March 31, 2020
Not Later than One year	128
Later than one year but not later than five years	63

### 35. Accounting for Taxes on Income

Income tax charged to Consolidated Statement of Revenue Account and Consolidated Statement of Profit & loss Account are as below:

(Amount in ₹ Lakhs, except as otherwise stated)

#### **Provision for Taxation:-**

Particulars	For the year ended March 31,	
	2021	2020
Charged to Consolidated Statement of Revenue Account	917,052.47	1082555.8
Charged to Consolidated Statement of Profit & loss Account	620.76	803.83

A. **LICI:** Total Provision for Tax for the LICI as included in above is given below:

Particulars	For the year ended March 31,	
	2021	2020
Charged to Consolidated Statement of Revenue Account	798776.03	682393.29
Charged to Consolidated Statement of Profit & loss Account	620.76	803.83
Effective Tax Rates applicable for LICI	14.56%	14.56%

Note:- Provision for taxation is net of excess provision pertaining to earlier years written back.

B. **IDBI Bank:** Total Provision for Tax for the Bank is given below:

Particulars	For the year ended March 31,	
	2021*	2020
Charged to Consolidated Statement of Revenue Account	111688.69	395090.51
Effective Tax Rates applicable for IDBI Bank	25.17%	25.17%

\* For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.

The component of Deferred Assets & Deferred Liability arising out of timing difference is as follows for IDBI Bank:

Particulars	As At March 31, 2020
<b>Deferred Tax Liability</b>	
Depreciation on fixed assets	863
Special Reserve created and maintained u/s 36(1)(viii) of the Income-tax Act, 1961	30771
<b>Total (A)</b>	<b>31634</b>
<b>Deferred Tax Asset</b>	
Depreciation on fixed assets	10
Disallowance related to provision for NPA and for other provisions not allowed under Income Tax Act, 1961	1,063,464
Provision for Doubtful advances	576
Disallowance u/s. 43B, 40(a)(ia) etc. of the Income Tax Act, 1961	16,060
Gratuity/Pension	20
Leave Encashment	52
Business Loss	515,698
Unabsorbed depreciation	11,708
<b>Total (B)</b>	<b>1,607,588</b>
<b>Deferred Tax Liability/ (Asset) (Net) (A) – (B)</b>	<b>-1,575,955</b>

Note: Bank is recognizing Deferred Tax Asset (DTA) including that on business loss keeping in view the virtual certainty of its reversal. The Bank has exercised the option of lower tax rate permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 during Q3 of FY 2020. Accordingly, the IDBI Bank has re-measured its net DTA recognized till Sept 30, 2019 based on the tax rate prescribed in the said section, resulting into a One-Time reversal of ₹62730400 Lakhs in Q3 of FY 2020.

**36. Provision for free-look period of LICI:**

Provision for free-look period as at year end March 31, 2021 and March 31, 2020 has been made on the basis of actual premium refunded during the month of April 2021 and April 2020 respectively. The provision is made with an assumption that all refund of premium during the month of April 2021 and April 2020 pertained to the policies completed on or before March 31, 2021 and March 31, 2020 respectively.

**37. Progress of implementation of Ind AS for LICI: -**

As per the initial roadmap given by Ministry of Corporate Affairs (MCA), insurance companies were required to implement Ind AS from April 2018. Insurance Regulatory Development Authority of India (IRDAI) deferred the implementation of Ind AS since International Accounting Standard Board (IASB) had taken a considered view to amend IFRS 17.

In June 2020, the IASB amended IFRS 17 and has made it effective from annual reporting periods beginning on or after 1st January 2023. The Accounting Standard Board (ASB) of ICAI has formulated the Exposure Draft of amendments to Ind AS 117 (Insurance Contracts), consistent with IFRS 17 which was issued on 24th December, 2020. On finalization, Ind AS 117 will be notified by MCA and accordingly the effective date of implementation of the Indian Accounting Standard for Insurance Industry would be decided by IRDAI.

We await guidelines from IRDAI and other professional bodies on implementation of these standards, as the said standards (Ind AS) are very technical and complex in nature. Appropriate changes in the system and processes will be carried out once these guidelines are in place.

Core teams to ascertain and evaluate the requirements of new Accounting Standards, for implementation of Ind AS, are formed in concerned departments. As informed in earlier Board Meeting, a global RFP for purchase of an integrated actuarial software solution was floated and accordingly software system “prophet” capable for performing actuarial calculations required under IFRS 17 (Ind AS 117) was purchased in March 2021. The implementation of actuarial software system is being done by consultant EY actuarial services LLP.

**38. Wage Revision of LICI:**

Wage revision of the employees of the Corporation is done every five years and the last wage revision which was become due on August 01, 2017. However, provision for the same has been made on the estimated basis as at March 31, 2021 and March 31, 2020.

**39. COVID-19**

The COVID-19 is an ongoing global pandemic as declared by World Health Organisation on March 11, 2020. Its spread across the globe including India has resulted in significant impact on global and India's economic environment. The Corporation during the year 2020-21 witnessed increase in death claims including claims arising due to COVID 19 pandemic. Accordingly, the additional death strain on account of COVID 19 pandemic and its impact on the policy liabilities and solvency is closely monitored and considered in reserving. Available information in public domain does not conclusively suggest need for any long term change in the expected future mortality experience on account of COVID 19. It is however, considered prudent that a separate reserve is kept as COVID-19 reserve without need for changing long term mortality assumptions. Considering the national statistics as available from Government of India statistical sources on Indian Population, duly adjusted and applied on the Corporation's data and experience, covid related reserve for COVID 19 deaths was estimated and accordingly provided for under both individual and group insurance lines of businesses, after adding margin for prudence.

This COVID 19 reserve is in addition to the mortality reserve provided each year while determining and providing for the policy liabilities.

**40. Retention of earnings of LICI:**

The Government's share of surplus (including surplus of CRAC business of ₹ 199.16 lakhs) for F.Y. 2019-20, which was lying in the provision for proposed dividend/ valuation surplus amounting to ₹269973.45 lakhs and the Government's share of surplus (including surplus of CRAC business of ₹258.18 lakhs) for the current F.Y. 2020-21 amounting to ₹290314.86 lakhs have been retained as reserves, in accordance with approval from Government of India and IRDAI.

**41.Repo/ Reverse Repo transactions for the year of LICI:**

(Amount in ₹ lakhs, except as otherwise stated)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as at Year end
Securities sold under REPO				
1. Government Securities	NIL	NIL	NIL	NIL
2. Corporate Debt securities				
Securities Purchased under reversed Repo				
1. Government Securities				
Financial Year 2021	53440	1988861	743487	741825
Financial Year 2020	40043	2282482	785127	1288939
2. Corporate Debt securities	NIL	NIL	NIL	NIL

**42. Deposits made under the local laws:**

LICI has no deposits made under local laws. However, for deposits made by foreign entities, details are as under:-

(Amount in ₹ Lakhs, except as otherwise stated)

Name Of The Foreign Subsidiary	31.03.2021	31.03.2020
LIC (Singapore) Pte Ltd.	-	5313.18
LIC (International) Bsc Bahrain	1356.06	1381.08
LIC Bangladesh Ltd.	129.47	133.50
<b>Total</b>	<b>1485.53</b>	<b>6827.76</b>

**43. Regroupings or reclassification of LICI (FY 2021):**

Figures for the previous years have been re-grouped wherever necessary, to confirm to the classification as at/ for the year ended March 31, 2021. The details for regrouping are as follows:-

(Amount in ₹ Lakhs, except as otherwise stated)

Sr. No.	Regrouped to	Regrouped from	As at/ for the year ended March 31, 2020	Reason
1	<b>Consolidated Statement Of Profit &amp; Loss Account</b>	<b>Consolidated Statement Of Profit &amp; Loss Account</b>		Being renewal expenses of policy in excess of GBP 50 per policy contributed from Shareholders' Account to be shown as separate line item on the face of Profit & Loss Account and Revenue Account
	Contribution to Policyholders' Account towards others	(c) (Loss on sale/redemption of investments)	475.97	
2	<b>Consolidated Statement Of Revenue Account</b>	<b>Consolidated Statement Of Revenue Account</b>		
	Contribution from Shareholders' Account towards others	(a) Interest, Dividends & Rent - Gross*	475.97	
3	<b>Schedule 2: Consolidated Statement Of Commission Expenses</b>	<b>Schedule 3: Consolidated Statement Of Operating Expenses Related To Insurance Business</b>		This is shown as Separate Line Item as per Point No. 3 of IRDAI circular dated 04 <sup>th</sup> Oct. 2019.
	Line item: Rewards and or remuneration to Intermediaries	Line item: Allowances and commission (other than commission to insurance agents)	31536.14	
4	<b>Schedule 8A: Consolidated Statement Of Investments – Policyholders</b>	<b>Schedule 12: Consolidated Statement Of Advances And Other Assets</b>		Reclassification of FITL to align with correct accounting procedure.
	<b>A. Long Term Investments</b>	<b>Line Item: 9</b>		
	3. Other Investments (d) Debentures/Bonds	Others –iii Other assets	3355.61	
	4. Investments in Infrastructure	a) Funded Interest b) Provision for Funded Interest	12677.95	

	and Social Sector 5. Other than Approved Investments 6. Less : Provision for doubtful investments		-16033.56	
	<b>B. Short Term Investments</b> 3. Other Investments (d) Debentures/Bonds 4. Investments in Infrastructure and Social Sector 5. Other than Approved Investments 6. Less : Provision for doubtful and sub standard assets		5148.55 2971.03 -8119.58	
5	<b>Schedule 8A: Consolidated Statement Of Investments - Policyholders</b>	<b>Schedule 12: Consolidated Statement Of Advances And Other Assets</b>		Reclassification of FITL to align with correct accounting procedure
	<b>A. Long Term Investments</b>	<b>Line Item: 9</b>		
	4. Investments in Infrastructure and Social Sector 6. Less : Provision for doubtful investments	Others –iii Other assets a) Funded Interest b) Provision for Funded Interest	1568.02 -1568.02	
	<b>B. Short Term Investments</b> 3. Other Investments (d) Debentures/Bonds 6. Less : Provision for doubtful investments		32.74 -32.74	
6	<b>Schedule 8A: Consolidated Statement Of Investments - Policyholders (P&amp;GS)</b>	<b>Schedule 12: Consolidated Statement Of Advances And Other Assets</b>		
	<b>A. Long Term Investments</b>	<b>Line Item: 9</b>		
	3. Other Investments (d) Debentures/Bonds 4. Investments in Infrastructure and Social Sector 6. Less : Provision for doubtful investments	Others –iii Other assets a) Funded Interest b) Provision for Funded Interest	102028.69 7784.15 -7784.15	
	<b>B. Short Term Investments</b> 3. Other Investments (d) Debentures/Bonds 6. Less : Provision for doubtful investments		25.23 -25.23	
7	<b>Schedule 8A: Consolidated Statement Of Investments - Policyholders (Linked)</b>	<b>Schedule 8B: Consolidated Statement Of Assets Held To Cover Linked Liabilities (Linked)</b>		Reclassification to align with correct accounting procedure
	<b>A. Long Term Investments</b>	<b>A. Long Term Investments</b>		
	1. Government securities and Government guaranteed bonds including Treasury Bills 2. Other Approved Securities 3. Other Investments (a) (aa) Equity (d) Debentures/Bonds	1. Government securities and Government guaranteed bonds including Treasury Bills 2. Other Approved Securities 3. Other Investments (a) (aa) Equity (d) Debentures/Bonds	2814499.79 71713.51 290867.16 23606.62	



	4. Investments in Infrastructure and Social Sector	4. Investments in Infrastructure and Social Sector	366987.75	
	5. Other than Approved Investment	5. Other than Approved Investment	28411.45	
	<b>B. Short Term Investments</b>	<b>B. Short Term Investments</b>		
	1. Government securities and Government guaranteed bonds including Treasury Bills	1. Government securities and Government guaranteed bonds including Treasury Bills	120303.71	
	2. Other Approved Securities	2. Other Approved Securities		
	3. Other Investments (b) Mutual Funds	3. Other Investments (b) Mutual Funds	83289.14	
	(d) Debentures/Bonds	(d) Debentures/Bonds		
8	<b>Schedule 11: Consolidated Statement Of Cash and Bank Balances</b>	<b>Schedule 8B: Consolidated Statement Of Assets Held To Cover Linked Liabilities (Linked)</b>		
	(d) Collateralised Borrowing and Lending Obligation (CBLO)	Other Securities	2526.84	
9	<b>Schedule 9: Consolidated Statement Of Loans</b>	<b>Schedule 12: Consolidated Statement Of Advances And Other Assets</b>		Reclassification of FITL to align with correct accounting procedure
	<b>1. SECURITY - WISE CLASSIFICATION</b>	Line Item: 9		
	Secured	Others (iv)– Other assets		
	(a) On Mortgage of Property			
	(aa) In India	a) Funded Interest	193925.04	
	(d) Other to be (Specified)	b) Provision for Funded Interest		
	(i) Guaranteed by Govt.		34.46	
	(ii) Hypothecation		1990.53	
	Unsecured			
	(b) Other to be (Specified)			
	(I) Term Loans & SOS Loans		24189.33	
	Provision for Doubtful Debts		-220139.36	
	<b>2. BORROWER - WISE CLASSIFICATION</b>	a) Funded Interest		
	(d) Companies	b) Provision for Funded Interest	11754.33	
	(f) Other to be (Specified)			
	State Road Transport Corporations		616.00	
	Housing Co-op. Societies		2512.18	
	WSB, SFC, PTR, OTH, LDB ETC		205256.85	
	(g) Provision for Bad & Doubtful Debts		-220139.36	
	<b>3. PERFORMANCE - WISE CLASSIFICATION</b>			
	(a) Loans classified as Standard			
	(aa) In India	a) Funded Interest	56194.25	
	Provision for Standard Loans	b) Provision for Funded Interest	-56194.25	
	(b) Non-Standard Loans			
	(aa) In India		163945.11	
	Provision for Non-standard Loans		-163945.11	
	<b>4. MATURITY-WISE CLASSIFICATION</b>			

(a) Short Term Provision for Short term	a) Funded Interest b) Provision for Funded Interest	165573.07 -165573.07
(a) Long Term Provision for Long term		54566.29 -54566.29

**Note:** Upto FY 2019-20, in respect of Pension and Group Schemes (P&GS) business, the Corporation has been disclosing both Participating and non – participating policies separately under three segments namely, Superannuation, Annuity and Other P&GS. In the opinion of the management, as the P&GS business covers only non – participating policies, the entire P&GS business has to be disclosed under three segments namely, non – participating Pension Funded, non – participating Pension Non – Funded and non – participating Other P&GS. Accordingly, from FY 2020-21, the Corporation has disclosed the P&GS business as non – participating and previous year’s figures have been regrouped to make them comparable with those of FY 2020-21.

#### 44. Ratios

##### A. LICI:

Sl.No.	Particulars	FY 2020-21	FY 2019-20
1	New business premium income growth rate - segment wise		
	<b>Non-Linked</b>		
	Life	(1.55%)	4.51%
	Pension	32.92%	(7.55%)
	Group	0.81%	39.01%
	<b>Linked</b>		
	Life	714.71%	148.11%
	Pension	0.00	0.00
	Group	N.A.	N.A.
2	Net Retention Ratio	99.89%	99.91%
3	Expense of Management to Gross Direct Premium Ratio	14.17%	14.66%
4	Commission Ratio (Gross commission paid to Gross Premium)	5.50%	5.64%
5	Ratio of policy holder's liabilities to shareholder's funds	585.23	4,222.89
6	Growth rate of shareholders' fund	760.10%	8.96%
7	Ratio of surplus to policy holders' liability	1.60%	1.64%
8	Change in net worth (Amount in lakhs)	562116.5	6084.3
9	Profit after tax/Total Income	0.004	0.004
10	(Total real estate + loans)/(Cash & invested assets)	3.52%	4.22%
11	Total investments/(Capital + Surplus)	572.57	4,183.54
12	Total affiliated investments/(Capital+ Surplus)	7.78	71.53
13	Investment Yield *	7.42%	7.54%
14	Conservation Ratio	84.48%	88.79%
15	Persistency Ratio***		
	<u>For 13th month</u>		
	By no. of policies	67.00%	61.00%
	By annualized premium	79.00%	72.00%
	<u>For 25th month</u>		
	By no. of policies	58.00%	56.00%
	By annualized premium	70.00%	67.00%
	<u>For 37th month</u>		
	By no. of policies	55.00%	52.00%
	By annualized premium	67.00%	63.00%
	<u>For 49th month</u>		
	By no. of policies	52.00%	48.00%
	By annualized premium	63.00%	58.00%
	<u>For 61st month</u>		
	By no. of policies	48.00%	44.00%
	By annualized premium	59.00%	54.00%
16	NPA Ratio (of debt portfolio)		
	Gross NPA Ratio **	7.78%	8.17%
	Net NPA Ratio	0.05%	0.79%
17	Solvency Ratio (Within India Business)	176%	155%

1. The above ratios are as per the reporting done to IRDAI
2. Previous Period's Ratios are worked out on regrouped figures
3. \*\* The figures for 'provisions for doubtful investments and other provisions' in FY2020 have been recast due to regrouping of funded folios under Investments (earlier shown under other advances). The amount of provision on funded folios pertaining to FY2020 was reversed to Interest account as per the prevailing accounting practice. The provision for the year FY2021 has been adjusted one time against Interest for proper presentation in Consolidated Statement of Revenue Account for FY2021 and the impact is given in calculation of GNPA Ratio. Post regrouping the ratio for FY 20 is 8.49%.
4. Note: All Ratios are in percentage form except the ratios stated below:
  - a. Ratio of Policyholder's liabilities to shareholder's funds
  - b. Profit after tax/ total Income.
  - c. Total Investments/(Capital +Surplus)
  - d. Total affiliated Investments/(Capital +Surplus)
  - e. Solvency Ratio
  - f. Change in Net Worth is in ₹ Lakhs

\* Yield is calculated on Mean Policyholders' Fund.

\*\*\* Persistency Ratios have been calculated as per revised IRDAI guidelines

#### 45. Disclosure requirements as per Corporate Governance Guidelines (LICI)

##### i. Quantitative and qualitative information on the insurer's financial and operating ratios, namely, incurred claim, commission and expenses ratios:

Refer Note 44 on Ratios (LICI) under Notes to the Consolidated Financial Statements

##### ii. Actual solvency margin details vis-à-vis the required solvency margin:

The actual solvency margin of the Corporation (Business within India) as on March 31, 2021 stands at 176% and as on March 31, 2020 is 155% against regulatory requirement of 150%.

##### iii. Persistency ratio:

The persistency ratio (13th month) including single premium and fully paid up policies for the year ended is given as below.

For the Year ended	Persistency ratio based on	
	Premium amount	No. of Policies
March 31, 2021	79%	67%
March 31, 2020	72%	61%

##### iv. Financial performance including growth rate and current financial position of the insurer: Refer Note 44 on Ratios (LICI) under Notes to the Consolidated Financial Sstatements

##### v. A description of the risk management architecture:

Risk management is defined as the process under which Corporation addresses Investment risks associated with the corporation's financial assets under its management by identifying, measuring and mitigating such risks. Risk Management encompasses understanding of all the factors and the extent to which those can be threats to success. The process will also endeavor to bring about the Risk culture in the organization so that the employees feel the importance of putting Risk management system in place and each employee involves himself/ herself in appropriately addressing the concerned risks.

Board of Directors provide the overall guidance on Risk Management function which includes providing necessary oversight on key risks and measures, approving the Risk Management Policy and Risk Management Strategy, Risk Appetite statement, Asset Liability Management (ALM) Policy on an annual basis and Business Continuity Plan of the Corporation.

In line with the IRDAI Guidelines, Corporation has constituted the Risk Management Committee of the Board (RMCB). The RMCB looks after the risk management governance structure, reviews the risk management framework, risk appetite and the risk mitigation plans for significant risks, identifies strategic risks emanating from changes in business environment and regulations, oversees the compliance to regulatory requirements, all matters related to Asset Liability Management, IT Security policy for investment functions on annual basis, reviews regular updates on business continuity in line with the Corporation's Business Continuity Plan, solvency position of the Corporation, fraud monitoring, etc. on regular basis. Further, all important matters which, in the view of the RMCB, require further strategic intervention from the Board are brought to its knowledge in its meeting on a periodic basis.

An independent Committee, named as Committee of Executives on Risk Management (CERM) has been constituted consisting of Heads from all the three sections of Investment Department i.e. Front office (CIO), Mid-office (CRO), Back office and Actuarial Department. CERM monitors the implementation of Risk Management policy and ALM policy for the Investment Department.

Besides, CERM supports the RMCB by supervising some major functions, like, establishing Risk Management Policies, MIS for risk reporting/risk control applicable to Investment Departments, frame accountability and authority for risk management, report to the Risk Management Committee of the Board about key risks arising from strategic initiatives and changes in business environment or regulations, provide risk assessment review reports highlighting significant risks and

risk mitigation plans thereof, review of operating risk environment including Business Continuity Plan in line with Corporation's Business Continuity Plan, review the solvency position of the Corporation on a regular basis, review of risk related to IT security and any other issues related to IT.

Recommendations of the CERM are reported to the RMCB. A consolidated report on various issues discussed by the Committee of Executives on Risk Management and action taken thereon along with frequency of the meeting are reported to the RMCB on quarterly basis.

Heads of Investment-Operations (Front office), Monitoring & Accounting (Back-Office) and Risk Management & Research (Mid-Office) functions are responsible for implementation of the sound Risk Management System as may be applicable to their respective areas of functioning as well as be responsible for coordinating with the other sections. They are also responsible for maintaining a sound system of internal control that supports the achievement of the objectives and policies as enumerated in the Corporation's Investment Policy.

The risk control framework is specified, monitored and controlled through Policies and procedures, Systems and Organization.

Every section of Investment Department maintains a risk register, where all the potential risk areas and control framework are listed. The initial risk identification and mitigation framework are reviewed by Committee of Executives on Risk Management (CERM) and Risk Management Committee of the Board (RMCB). The risk registers for all the departments are maintained by the Enterprise Risk Management (ERM) Cell of the Investment Risk Management and Research (RMR) Department.

LIC has Information Security Steering Committee (ISSC) consisting of Managing Director, some heads of departments at central office and Chief Information Security Officer (CISO). It oversees all information and cyber security related policies and procedures. Minutes of the ISSC meetings are put up to Risk Management Committee (RMC) for information. At present, heads of following departments at central office are represented in ISSC: CRM, Engineering, IT-SD (also designated as Chief Information Officer), IT-BPR, RMR (also designated as Chief Risk Officer), P&GS, E&OS, M&A and F&A (also designated as Chief Finance Officer).

The data security systems are in place and are reviewed frequently to prevent frauds.

**vi. Details of number of Death claims intimated, disposed off and pending with details of duration for Individual Business:** (Amount in ₹ Lakhs)

Particulars	As at March 31,			
	2021		2020	
	No. of Claims	₹ In Lakhs	No. of Claims	₹ In Lakhs
No. of claims outstanding at the beginning of the year	5,875	34,969	791	13,592
Add:				
No. of claims reported during the year	941,101	1,875,565	758,125	1,355,842
Less:				
No. of claims settled during the year	933,889	1,829,558	733,809	1,279,785
No. of claims repudiated during the year	6,531	27,693	6,124	20,502
No. of Claims rejected during the year	2,934	392	2,172	208
No. of claims written back	1,897	23,649	10,936	33,970
<b>No. of claims outstanding at the end of the year</b>	<b>1,725</b>	<b>29,242</b>	<b>5,875</b>	<b>34,969</b>
Details of duration of outstanding claims				
Less than 3 months	792	13,426	3,144	18,714
3 months to 6 months	933	15,816	2,731	16,255
6 months to 1 year	0	0	0	0
1 year and above	0	0	0	0
<b>Total</b>	<b>1,725</b>	<b>29,242</b>	<b>5,875</b>	<b>34,969</b>

The Corporation is adhering to various IRDAI guidelines for settlement of claims and is in the process of improving the claim submission process for timely recording and settlement of claims.

**vii. Payments made to group entities from Policyholders Funds:**

Refer Note 24 on Related Party Disclosure (LICI) under Notes to the Consolidated Financial statements

**viii. Disclosure on additional works given to auditors**

Pursuant to clause 7.1 of Corporate Governance guidelines issued by IRDAI dated May 18, 2016, the additional works (other than statutory/ internal audit) given to the auditors and the fees are detailed below:

(Amount in ₹ Lakhs)

Name of the Statutory Central Auditors	Tax Audit Fees		GST Certification/ Audit Fees		Other Certification Fees	
	2020-21	#2019-20	**2020-21	*2019-20	2020-21	2019-20
1. Khandelwal Jain & Co.	0.75	0.82	0.2	-	0.75	0.75
2. Batliboi & Purohit	-	-	0.4	-	-	-
3. S.L. Chhajer & Co. LLP	0.75	1.02	0.8	-	-	-
4. S.K. Kapoor & Co.	0.75	1.02	0.8	0.4	-	-
5. Todi Tulshyan & Co.	0.75	1.02	0.4	-	-	-
6. R.G.N. Price & Co.	0.75	1.02	0.4	-	-	-
7. abm & associates LLP	0.75	1.02	1.8	0.5	-	-
8. Umamaheswara Rao & Co.	-	1.02	0.4	-	-	-
9. A R & Co.	0.75	1.02	0.4	-	-	-
10. D K Chhajer & Co.	-	1.02	1.15	-	-	-
11. B. Gupta & Co.	-	-	0.4	0.4	-	-
12. A S A & Associates LLP	-	-	0.4	0.4	-	-
13. V. Singhi & Associates	-	-	1.15	1.15	-	-
14. Ramamoorthy (N) & Co.	0.75	-	-	-	-	-
15. Ray & Ray	0.75	-	-	-	-	-

#Includes the arrears paid for the FY: 17, FY18 and FY19

\*Represents the fees paid for the period July 2017 to March 2018

\*\*represents the fees paid for the FY 19 and FY20

#### 46. Statement showing the Controlled Fund of LICI based on reporting done to IRDAI:

(Amount in ₹ lakhs)

##### a) Computation of Controlled fund as per the Balance Sheet (In respect of Business in India)

	2020-21	2019-20
Policyholders' Fund (Life Fund)		
Participating		
Individual Assurance	243264846	223295249
Annuity Business	123634	145622
Pension Business	2803877	2747773
Group Assurance	4393675	4393675
Non Participating		
Individual Assurance (Includes Life, Linked- Non Unit Fund)	5021142	4609697
Annuity Business	9550333	7548555
Group Assurance	74821735	65106450
Health Business	53037	45325
Linked		
Individual Assurance	2255474	2228294
Group Assurance	0	0
Individual Pension	841312	859549
Group Superannuation	0	0
Group Gratuity	11928	10175
Health Business	176840	145875
Funds for Future Appropriations	334	21
Discontinued Fund (Unit)	1754	1210
Total (A)	343319919	311137470
Shareholders' Fund		
Paid up Capital	10000	10000

Reserves & Surpluses	594320	34262
Fair Value Change	896	0
Total (B)	605216	44262
Misc. expenses not written off	0	0
Credit / (Debit) from P&L A/c.	0	0
Total (C)	0	0
Total shareholders' funds (B+C)	605216	44262
Controlled Fund [Total (A+B-C)]	343925137	311181732

**b) Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account (In respect of Business In India)**

	2020-21	2019-20
Opening Balance of Controlled Fund	311181732	282571737
Add: Inflow		
Income		
Premium Income	40288621	37901134
Less: Reinsurance ceded	44176	32669
Net Premium	40244445	37868465
Investment Income*	27829656	23512282
Other Income	59531	146981
Funds transferred from Shareholders' Accounts	0	0
Total Income	68133632	61527728
Less: Outgo		
(i) Benefits paid (Net)	28426995	25215869
(ii) Interim Bonus Paid	222533	167089
(iii) Change in Valuation of Liability**	32182449	28603848
(iv) Commission	2214790	2100355
(v) Operating Expenses	3494519	3452411
(vi) Provision for Taxation I.T.	794420	682184
(vii) Provision other than Taxation ***	500059	1026701
(vii) Others***	9307	9821
Total Outgo	67845072	61258278
Surplus of the Policyholders' Fund	288560	269450
Less: transferred to Shareholders' Account	288560	269450
Net Flow in Policyholders' account	0	0
Add: Net income/(expense) in Shareholders' Fund	289485	912
Net In Flow / Outflow	289485	912
Add: change in valuation Liabilities**	32182449	28603848
Add: Capital infusion to LIC (Singapore ) Pte Ltd	0	5235
Add: Retention of Government share of surplus for the year 2019-20 and CRAC business for the year 2019-20 and 2020-21	270573	0
Add: Fair value change	896	0
Closing Balance of Controlled Fund	343925135	311181732
As Per Balance Sheet	343925135	311181732
Difference, if any	0	0

\*Investment Income includes transfer/gain on revaluation/change in fair value of unit fund of Linked business

\*\*Change in valuation of liabilities includes transfer to provision for Linked Liabilities, Funds for Future Appropriations and Discontinued fund

\*\*\*"Provision other than taxation" and "Others" have been included as separate row items. "Others" include Other Expenses and Service Tax on Fund Management Charges & Other Charges of Linked Business

\* Includes Discontinued Fund (Unit)

**c) Reconciliation with Shareholders' and Policyholders' Fund (In respect of Business in India)**

	2020-21	2019-20
<u>Policyholders' Funds</u>		
<u>Policyholders' Funds - Traditional-PAR and NON-PAR</u>		
Opening Balance of the Policyholders' Fund	307892367	278377655
Add: Surplus of the Revenue Account		
Add: Change in valuation Liabilities	32140244	29514712
Total	340032611	307892367
As per Balance Sheet	340032611	307892367
Difference, if any	0	0
<u>Policyholders' Funds - Linked</u>		
Opening Balance of the Policyholders' Fund	3245103	4155967
Add: Surplus of the Revenue Account		
Add: Change in valuation Liabilities	42205	-910864
Total	3287308	3245103
As per Balance Sheet*	3287308	3245103
Difference, if any	0	0
<u>Shareholders' Funds</u>		
Opening Balance of Shareholders' Fund	44262	38115
Add: Net income/(expense) in Shareholders' Fund	289485	912
Add: Capital Infusion to LIC (Singapore) Pte Ltd	0	5235
Add: Retention of Government share of surplus for the year 2019-20 and CRAC business for the year 2019-20 and 2020-21	270573	0
Add: Fair value change	896	0
Closing Balance of the Shareholders' fund	605216	44262
As per Balance Sheet	605216	44262
Difference, if any	0	0
* Includes Discontinued Fund (Unit)		

**47. Disclosure on presentation of segmental reporting:-**

As per section 24 of LIC Act, 1956, the corporation maintains a single fund and all receipts of the corporation are credited thereto and all payments are made there from. Accordingly surplus arising from Actuarial valuation will be disclosed in par business.

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) regulations 2002 ('the regulations') read with AS 17 on "segmental reporting" notified under section 133 of the Companies act 2013 and rules thereunder, the corporation has classified and disclosed segmental information for policyholders'. Within policyholders', the businesses are further segmented into Participating and Non-Participating policies and Linked and Non-Linked business. Further, for Non-Linked business, separate statements are prepared for Ordinary Life, General Annuity, Pension, Variable and Health Insurance. The Corporation operates in various geographical segments.

Consolidated Statement of Segmental Reporting is given as below:-

**CONSOLIDATED STATEMENT ON SEGEMENTAL DISCLOSURE - ASSET AND LIABILITIES**

(in Lakhs)

Particulars	As at March 31, 2021			Total
	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	
<b>SOURCES OF FUNDS</b>				
<b>SHAREHOLDERS' FUNDS:</b>				
SHARE CAPITAL	10,000	0	0	10,000
RESERVES AND SURPLUS	622,500	0	48,047	670,547
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	3,569	0	4,280	7,850
MINORITY INTEREST (Shareholders)	0	0	9,928	9,928
<b>Sub-Total</b>	<b>636,069</b>	<b>0</b>	<b>62,255</b>	<b>698,324</b>
BORROWINGS	0	0	367	367
<b>POLICYHOLDERS' FUNDS:</b>				
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	26,883,001	404,078	7,420	27,294,499
POLICY LIABILITIES	336,511,925	3,863,172	1,697,603	342,072,700
MINORITY INTEREST (Policyholders)	0	0	2,095	2,095
FUNDS FOR DISCONTINUED POLICIES:				
Discontinued on account of non payment of premium	0	3,366	0	3,366
Others	0	1,700	(0)	1,700
INSURANCE RESERVES	1,293,377	27	(22,258)	1,271,146
PROVISION FOR LINKED LIABILITIES	0	3,293,196	2,721	3,295,917
<b>Sub-Total</b>	<b>364,688,303</b>	<b>7,565,539</b>	<b>1,687,947</b>	<b>373,941,788</b>
FUNDS FOR FUTURE APPROPRIATIONS	0	334	0	334
<b>TOTAL</b>	<b>365,324,372</b>	<b>7,565,873</b>	<b>1,750,202</b>	<b>374,640,447</b>
<b>APPLICATION OF FUNDS</b>				
INVESTMENTS				
Shareholders'	71,357	0	(28,716)	42,640
Policyholders'	344,372,157	4,393,329	1,078,588	349,844,074
ASSETS HELD TO COVER LINKED LIABILITIES	0	3,294,950	2,546	3,297,496
LOANS	10,777,508	826	98,033	10,876,367
FIXED ASSETS	345,339	0	2,064	347,403
<b>CURRENT ASSETS:</b>				
Cash and Bank Balances	3,026,167	3,158	578,506	3,607,832
Advances and Other Assets	14,820,376	70,401	45,833	14,936,610
<b>Sub-Total (A)-Current Assets</b>	<b>17,846,544</b>	<b>73,559</b>	<b>624,339</b>	<b>18,544,442</b>
CURRENT LIABILITIES	6,594,226	196,792	26,128	6,817,146
PROVISIONS	1,494,306	0	523	1,494,828
<b>Sub-Total (B)-Current Liabilities</b>	<b>8,088,532</b>	<b>196,792</b>	<b>26,650</b>	<b>8,311,974</b>
<b>NET CURRENT ASSETS (C) = (A - B)</b>	<b>9,758,012</b>	<b>(123,232)</b>	<b>597,688</b>	<b>10,232,468</b>
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	0	0	0	0
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)	0	0	0	0
<b>TOTAL</b>	<b>365,324,372</b>	<b>7,565,873</b>	<b>1,750,202</b>	<b>374,640,447</b>



**CONSOLIDATED STATEMENT ON SEGMENTAL DISCLOSURE -REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021  
IN RESPECT OF TOTAL BUSINESS  
Policyholders' Account (Technical Account)**

(₹ in lakhs)

Particulars	Non-Linked Business											Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/Inter company Adjustments (D)	Total (C) + (D)	
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)		Non-Participating		Participating	Non-Participating			
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating							
Premiums earned - net:																	
(a) Premium	24,419,538	4,072,191	58,060	9,572,357	351	2,029,532	2,087	33,824	24,477,949	15,709,991	140,716	24,477,949	15,850,707	256,425	40,585,080		
(b) Reinsurance ceded	(10,111)	(26,759)	(14)	0	0	0	0	(6,004)	(10,125)	(32,764)	(1,332)	(10,125)	(34,096)	(1,009)	(45,230)		
(c) Reinsurance accepted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Sub-Total</b>	<b>24,409,427</b>	<b>4,045,432</b>	<b>58,046</b>	<b>9,572,357</b>	<b>351</b>	<b>2,029,532</b>	<b>2,087</b>	<b>27,819</b>	<b>24,467,824</b>	<b>15,677,227</b>	<b>139,384</b>	<b>24,467,824</b>	<b>15,816,611</b>	<b>255,415</b>	<b>40,539,850</b>		
Income from Investments:																	
(a) Interest, Dividends & Rent - Gross	16,420,719	2,009,618	226,813	3,694,931	13,659	636,728	4,708	4,050	16,661,191	6,350,033	434,917	16,661,191	6,784,950	510,361	23,956,502		
(b) Profit on sale/redemption of investments	3,518,962	200,705	79	425,537	2,048	46	1,391	1	3,521,089	627,679	304,715	3,521,089	932,394	165,192	4,618,675		
(c) (Loss on sale/redemption of investments)	(213,446)	(100,847)	(1,819)	(169,919)	(946)	(4,977)	(55)	(27)	(216,211)	(275,826)	(138,571)	(216,211)	(414,397)	(7,105)	(637,712)		
(d) Transfer/Gain on revaluation/change in fair value*	21,190	0	0	0	0	0	0	0	21,190	0	585,909	21,190	585,909	7,478	614,577		
Other Income:																	
(i) Amounts written back	670	(0)	(3)	(1)	0	0	0	0	666	(1)	0	666	(1)	27,884	28,549		
(ii) Interest Earned	0	0	0	0	0	0	0	0	0	0	0	0	0	1,020,004	1,020,004		
(iii) Commission, exchange and brokerage	0	0	0	0	0	0	0	0	0	0	0	0	0	129,510	129,510		
(iv) Sundry Receipts	(2,727)	49,319	0	12,405	6	0	(78)	1	(2,721)	61,646	(116)	(2,721)	61,531	41,705	100,515		
(v) Contribution from Shareholders' Account towards others	476	0	0	0	0	0	0	0	476	0	0	476	0	0	476		
<b>TOTAL (A)</b>	<b>44,155,270</b>	<b>6,204,226</b>	<b>283,116</b>	<b>13,535,309</b>	<b>15,117</b>	<b>2,661,329</b>	<b>8,051</b>	<b>31,843</b>	<b>44,453,504</b>	<b>22,440,758</b>	<b>1,326,238</b>	<b>44,453,504</b>	<b>23,766,996</b>	<b>2,150,445</b>	<b>70,370,945</b>		
Commission	2,149,396	11,809	888	17	9	45,594	62	5,151	2,150,292	62,633	4,067	2,150,292	66,700	18,824	2,235,816		
Operating Expenses related to Insurance Business	3,299,969	89,651	6,477	24,531	570	42,833	51	17,063	3,307,016	174,129	17,808	3,307,016	191,936	17,269	3,516,222		
Other Expenses:																	
- Exchange (Gain)/Loss	(15)	0	0	0	0	0	0	0	(15)	0	(493)	(15)	(493)	11	(497)		
- Interest Expended	0	0	0	0	0	0	0	0	0	0	0	0	0	886,744	886,744		
- Payments to and provisions for employees	0	0	0	0	0	0	0	0	0	0	0	0	0	245,492	245,492		
- Outsourcing expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	40,012	40,012		
- Rent, taxes and lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	35,698	35,698		
- Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	30,207	30,207		
- Others	0	0	0	0	0	0	0	0	0	0	0	0	0	107,961	107,961		
GST on Fund Management charges & other charges	0	0	0	0	0	0	0	0	0	0	9,322	0	9,322	(0)	9,322		
Provisions for doubtful debts	890,397	(4)	0	(1)	(75)	0	0	0	890,322	(5)	5,536	890,322	5,531	122,338	1,018,191		
Provision for taxation	798,753	0	0	0	0	0	0	0	798,753	0	23	798,753	23	118,276	917,053		
Provisions (other than taxation):																	
(a) For diminution in the value of investments (Net)	457,986	332	0	458	0	0	0	0	457,986	790	(5,599)	457,986	(4,809)	113,027	566,204		
(b) Provision for Required Solvency Margin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
(c) Others	(911,316)	57,111	(684)	6,084	(1,127)	1,033	(18)	5	(913,127)	64,214	0	(913,127)	64,214	(4,252)	(853,165)		

<b>TOTAL (B)</b>	<b>6,685,170</b>	<b>158,899</b>	<b>6,681</b>	<b>31,089</b>	<b>(624)</b>	<b>89,460</b>	<b>95</b>	<b>22,218</b>	<b>6,691,227</b>	<b>301,761</b>	<b>30,663</b>	<b>6,691,227</b>	<b>332,424</b>	<b>1,731,607</b>	<b>8,755,258</b>
Benefits paid (net)	16,954,515	3,901,415	220,271	5,826,293	37,729	570,161	23,790	1,913	17,212,515	10,323,573	929,385	17,212,515	11,252,958	383,432	28,848,905
Interim Bonuses Paid	222,847	0	60	0	0	0	0	0	222,907	0	0	222,907	0	0	222,907
Change in valuation of liability in respect of life policies															
(a) Gross**	20,003,837	2,143,911	56,104	7,677,926	(21,988)	2,001,708	(15,834)	7,712	20,037,953	11,815,424	321,902	20,037,953	12,137,326	(61,874)	32,113,405
(b) Amount ceded in Reinsurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c) Amount accepted in Reinsurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to/(from) Provision for Linked Liabilities	0	0	0	0	0	0	0	0	0	0	43,431	0	43,431	0	43,431
Transfer to Funds for Future Appropriations	0	0	0	0	0	0	0	0	0	0	313	0	313	0	313
Transfer to Funds for Discontinued Policies	0	0	0	0	0	0	0	0	0	0	544	0	544	0	544
<b>TOTAL (C)</b>	<b>37,181,199</b>	<b>6,045,327</b>	<b>276,435</b>	<b>13,504,220</b>	<b>15,741</b>	<b>2,571,870</b>	<b>7,956</b>	<b>9,625</b>	<b>37,473,375</b>	<b>22,138,997</b>	<b>1,295,575</b>	<b>37,473,375</b>	<b>23,434,572</b>	<b>321,558</b>	<b>61,229,505</b>
<b>SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)</b>	<b>288,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>288,901</b>	<b>0</b>	<b>0</b>	<b>288,901</b>	<b>0</b>	<b>97,281</b>	<b>386,182</b>
<b>Add: Share of Profit in Associates (Less)/Add: Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>116,335</b>	<b>116,335</b>
<b>TOTAL SURPLUS/(DEFICIT) (E)</b>	<b>288,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>288,901</b>	<b>0</b>	<b>0</b>	<b>288,901</b>	<b>0</b>	<b>168,964</b>	<b>457,865</b>
<b>APPROPRIATIONS</b>															
Transfer to Shareholders' Account	288,901	0	0	0	0	0	0	0	288,901	0	0	288,901	0	7,357	296,258
Transfer to Other Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	161,606	161,606
Balance being Funds for Future Appropriations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL (E)</b>	<b>288,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>288,901</b>	<b>0</b>	<b>0</b>	<b>288,901</b>	<b>0</b>	<b>168,964</b>	<b>457,865</b>

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

\*\* Represents Mathematical Reserves after allocation of bonus.

**The Breakup of Total Surplus during the year:**

	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non Linked Total		Linked Business	Total (Current Year)		Subsidiaries/Inter company Adjustments	Total
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
(a) Interim Bonus	222,847	0	60	0	0	0	0	0	0	222,907	0	222,907	0	0	222,907
##(b) Allocation of Bonus to policyholders	5,470,882	0	18,121	0	117	0	0	0	0	5,489,119	0	5,489,119	0	0	5,489,119
(c) Surplus shown in Revenue account	288,901	0	0	0	0	0	0	0	0	288,901	0	288,901	0	168,964	457,865
<b>Total Surplus [a+b+c]</b>	<b>5,982,630</b>	<b>0</b>	<b>18,181</b>	<b>0</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,000,928</b>	<b>0</b>	<b>6,000,927</b>	<b>0</b>	<b>168,964</b>	<b>6,169,891</b>

#The details of Allocation of Bonus to policyholders pertains only to LIC1 and does not include the details of the foreign subsidiary insurance companies as they are not required to provide such details as per their local laws or regulations.