

# Financial Statements

## March 2021





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# **SBI LIFE INSURANCE COMPANY LIMITED**

REGISTRATION NO.: (111) DATED MARCH 29, 2001

## **MANAGEMENT REPORT**

In accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, and circulars/guidelines issued by IRDAI thereafter, the following Management Report is submitted by the Board of Directors for the financial year ended March 31, 2021.

### **1. Certificate of Registration**

The Company is registered with the Insurance Regulatory and Development Authority of India ('IRDAI') vide registration no. 111 dated March 29, 2001 and is carrying on the business of life insurance. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ('IRDAI') to enable the Company to transact life insurance business was valid as at March 31, 2021 and is in force as on the date of this report.

### **2. Statutory Dues**

We certify that all relevant statutory dues payable by the Company have been generally deposited on time except those under dispute or disclosed under contingent liabilities in the notes to accounts forming part of the financial statements.

### **3. Shareholding Pattern**

We confirm that the shareholding pattern of the Company is in accordance with the requirements of the Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act, 2021) ('Act') and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000. Further, transfer of shares during the year have been in compliance with the applicable statutory and regulatory requirement. There was no capital infusion by the promoters during the year. During the year, the Company has allotted Equity shares on exercise of certain stock options granted under SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018').

The shareholding pattern is available in Schedule 5A which forms part of the financial statements. Further, the shareholding pattern in accordance with the SEBI (Listing Obligation and Disclosure Requirement Regulations) Requirement 2015 is available on the website of the Company ([www.sbilife.co.in](http://www.sbilife.co.in)) and on the website of the Stock exchanges i.e. NSE and BSE.

### **4. Investment of Funds**

We have not directly or indirectly invested the funds of the holders of the policies issued in India in any securities outside India.

### **5. Solvency Margin**

We confirm that the Company has adequate assets to cover both its liabilities and the minimum solvency margin as stipulated in Section 64VA of the Insurance Act, 1938 (as amended by the Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021) and IRDAI (Assets, Liabilities and Solvency Margins of Life Insurance Business) Regulations 2016.



The actual solvency ratios as compared to required minimum solvency ratio of 1.50 are as below:

Particulars	March 31, 2021	March 31, 2020
Actual Solvency Ratio	2.15	1.95

#### 6. Valuation of Assets

We certify that the values of all the assets have been reviewed on the date of Balance Sheet and to best of our knowledge and belief, the amounts reflected under “Loans”, “Investments” (excluding debt securities held in the Shareholders’ account and non-linked Policyholders’ account which are carried at weighted average amortised cost), “Agents balances”, “Outstanding Premium”, “Interest, Dividend and Rents outstanding”, “Interest, Dividends and Rents accruing but not due”, “Amount due from other persons or bodies carrying on insurance business”, “Sundry Debtors”, “Bills Receivable”, “Cash” and the items specified under “Other Accounts” does not exceed their respective realizable or market value.

#### 7. Application and Investments of Life Insurance Funds

We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021), and all investments made are in accordance with IRDAI (Investment) Regulations, 2016, and orders/directions issued by IRDAI thereafter.

#### 8. Risk Exposure and Mitigation

The Company has a comprehensive Risk Management Policy covering a wide gamut of risks. The policy is reviewed on an annual basis. Together with policies on all key functions and a system of documented standard operating procedures, the Company’s risk management policy ensures a robust risk management framework for its operations. The Risk Management Committee of the Board (RMC-B) is responsible for overseeing the Company’s risk management program and for ensuring that significant risks to the Company are monitored and reported to the Board on a timely basis.

The Risk Management Committee of the Executives (RMC-E) and the Asset Liability Committee (ALCO) are jointly responsible for reviewing the risk management framework of the Company and periodically evaluating the various risk management initiatives undertaken by the Company and provide updates to the RMC-B on a regular basis.

At the apex level, the Company has the Corporate Risk Appetite statement basis which it decides the extent of risk it is willing to take in pursuance of its strategic objectives. At the departmental / regional level, the Company has functional risk appetite statements.

##### (I) Risk Mitigation Strategies

Risk mitigation strategies for major risks faced by the Company are as under:

##### (a) Market risk:

To manage the interest risk, the Company monitors the duration of assets and liabilities for different portfolios on quarterly basis. Also, expected cash-flows of the assets and liabilities are monitored closely to identify any potential re-investment risk.

Investment strategy for each line of business is laid down so that the assets are appropriately matched by the nature and duration of liabilities. A range is provided for each asset class and the



investment front office team takes tactical investment decision within the stated range. The Corporate Risk Appetite is the basis on which the risk reward framework is optimized for this purpose.

All investments are made strictly in compliance to the IRDAI Investment Regulations issued from time to time.

Market risk is monitored at the fund level and the Company level. This risk is measured using certain real world stress test scenarios. The results provide insights into the ability the Company has in terms of asset allocation. The limit on some volatile / risky assets is decided based on the risk appetite / limits laid down by the Board. Within these constraints, the Company decides on a strategy so as to improve policyholders and company value.

The Company's product mix is also monitored in the context of the level and concentration of market risk within overall risks of the Company.

**(b) Credit risk:**

The Company manages the credit risk through the following measures:

- (i) Exposure limits for companies, groups and industries are in accordance with IRDAI (Investment) Regulations, 2016, and regulations/orders/directions issued by IRDAI thereafter.
- (ii) Internal risk assessment and constant monitoring of the Investment portfolio for change in credit ratings.
- (iii) Limit Credit Exposure by setting a range for investments in Corporate Bonds, in the context of risk reward framework.
- (iv) Counterparty risk is mitigated by placing reinsurance only with reputed and highly rated reinsurers.
- (v) Counterparty credit risk under derivative transactions is mitigated through exchange of margin once MTM threshold is crossed.

**(c) Liquidity risk:**

The Company faces limited liquidity risk due to the nature of its liabilities & business structure. The cash investment along with expected future premium from existing business provides the liquidity to meet outgoes; this is monitored to be sufficient to cover expected outgo of the Company as forecasted by the ALM team under normal condition as well as under stressed conditions.

**(d) Morbidity and Mortality risk:**

The Company uses the following approaches to manage its mortality and morbidity risk:

- (i) **Reinsurance:** The Company uses a combination of surplus, quota share and catastrophe reinsurance treaties. The reinsurance treaties are reviewed and compliant with the relevant IRDAI regulations.
- (ii) **Experience Analysis:** The Company monitors the expected vs. actual mortality experience on quarterly basis and takes corrective action, if need be.
- (iii) **Repricing:** The Company reserves the right to review risk charges, in case of adverse experience, with appropriate IRDAI approval.
- (iv) **Underwriting and claims controls:** Underwriting and claims policies and procedures are in place to assess and manage the risks. The Company conducts periodic reviews of both



underwriting and claims procedures and policies to ascertain the mortality risk experience. The underwriting norms are generally aligned to pricing basis.

- (v) **Others:** Various measures have been recently introduced to combat fraudulent death claims and as response to the modification of section 45 of the Insurance Act. These include:
  - a. Monitoring the early claims at agent, unit manager, branch and regional level.
  - b. Introduction of risk based underwriting through claim analysis.

**(e) Persistency risk:**

The persistency risk is managed with the following approaches:

- (i) **Experience analysis:** The Company conducts its experience analysis quarterly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing and embedded value are in line with experience.
- (ii) **Product features:** The Company uses features like bonuses, guaranteed additions and additional allocation of units to encourage policyholders to continue with the policy. However, such features are included strictly in compliance with the IRDAI product regulations issued from time to time.
- (iii) **Service initiatives:** The Company uses a combination of proactive and reactive interventions to manage persistency. The interventions could include sending communication via different media like email, mailers, SMS to customers and distributors, reminders and telephonic interviews with customers, and visits to customers. Various customer education initiatives are also taken up for this cause.
- (iv) **Aligning key performance areas:** The Company uses different key performance areas for different levels of hierarchy in Sales and Operations to align interests and ensure adequate focus on persistency. Persistency Managers at regional level help focus on the need and requirements matching of the customers besides contributing to the renewal business.

**(f) Expense risk:**

The Company actively monitors its expense levels, which are then fed back into new product pricing, calculation of reserves and management reporting. In case of any adverse deviations between actual unit costs and planned unit costs, mitigation measures are taken.

Regular monitoring ensures that the actual expense does not vary a great deal from the budgeted expense level.

Stress testing for Expense Risk is being done with deterministic shocks as per historical experience given for entire portfolio.

**(g) Operational risk:**

The Company manages its Operational Risks through-

**(i) Risk Registers**

Risk Registers document the high level risks for all the offices based on likelihood & impact rating. Controls in place to manage the risks are captured and rated to arrive at the residual risk.



**(ii) Risk Control Self-Assessment (RCSA)**

RCSA requires each business unit within the Company to identify and assess inherent risks and controls relevant to the risk. The risk events are then mapped to the existing control framework to determine the residual risk. The controls are periodically assessed for its effectiveness.

**(iii) Incident Reporting**

The Company also has a web-based incident reporting process to collect loss incidents to track the extent of operational risk. The incident reporting tool has helped the company in development of system based modules for operational efficiency and to prevent recurrence. Loss data records may be used to estimate the capital required for operational risk.

**(iv) Risk Control Unit (RCU)**

A 'Risk Control Unit' (RCU) is in place to undertake proactive measures for detecting process gaps / weakness so as to mitigate frauds / leakages. Lacunae observed are addressed in consultation with the relevant stakeholder. The RCU carries out 'Risk Assessments,' reviews processes and provide inputs to mitigate risks.

**(v) Fraud Monitoring**

The Company takes a holistic approach to identify, measure, control and monitor fraud risk through the Fraud Prevention Policy. Various measures taken in coordination with the concerned stakeholders to mitigate fraud risk. The Company also participates in Industry forums to proactively obtain information on latest fraud trends.

**(vi) Information Security**

The Information Security Committee (ISC) monitors information and cyber security risks. The Company complies with relevant regulatory and statutory information security requirements and is ISO 27001 certified. To further enhance the information security, the Company periodically conducts user awareness campaigns across locations.

**(vii) Data Protection**

The Company employs various data protection solutions to ensure that the data of its customers, employees, vendors and other stakeholders is appropriately handled through its life cycle. A Data Governance Framework is in the process of being formulated by the Company.

**(viii) Business Continuity Management**

The Company has requisite business continuity and disaster recovery plans in place and is ISO 22301 certified. The Company adheres to the Business Continuity requirements notified by the Authority.

**(h) Regulatory risk:**

Compliance function monitors regulatory risks and has a sound compliance management and suitable monitoring mechanisms in place. Relevant regulatory requirements and clarifications are communicated to relevant business functions on a timely basis. Suitable training is imparted to ensure adherence to applicable regulations.



**(i) Reputational risk:**

The Company has a structured process for identifying and managing risks emerging from reputational and other external events. Such events are discussed in the Risk Events Monitoring Committee, which meets on a quarterly basis. Events impacting the reputation are also monitored through the Corporate Risk Appetite statement.

**(j) Legal risk:**

Litigation cases are reviewed periodically by the senior management and appropriate steps are taken to adequately represent the Company in various forums.

**(k) Country Risk:**

The Company had obtained necessary regulatory approvals from IRDAI and Central Bank of Bahrain (CBB) for opening branch office in Kingdom of Bahrain to conduct life insurance business. The Board in its meeting held on January 22, 2020 have resolved to surrender the Certificate of Commencement issued by the Central Bank of Bahrain (CBB) and to withdraw all the resources of the Company in accordance to the applicable laws. During the year ended March 31, 2021, the Company has surrendered the Certificate of Commencement and Insurance license issued by CBB for branch office in Kingdom of Bahrain and withdrawn all the resources of the Company from Bahrain branch and do not foresee any Country Risk.

**(l) COVID19**

The Outbreak of COVID-19 virus continue to spread across the globe including India, resulting in significant impact on global and India's economic environment including volatility in the capital markets. This outbreak was declared as global pandemic by World Health Organisation (WHO) on March 11, 2020. The Company has assessed the overall impact of this pandemic on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended March 31, 2021. Based on the evaluation, the company have made an additional reserve amounting to INR 1,829,818 thousands towards COVID-19 pandemic and the same has been provided for as at 31/03/2021 in the actuarial policy liability. The Company will continue to closely monitor any future developments relating to COVID-19 which may have any impact on its business and financial position.

**(II) Risk Quantification, Capital Allocation and Concentration:**

The Company has a mechanism to allocate risk capital to various risks on an economic basis. The exposure level to various risks is monitored so as to ensure that concentration does not happen in any particular area of risk. The Company also ensures that adequate capital is maintained to cover its risks and thereby remain solvent on an economic basis.

**9. Operations in other countries:**

The Company had obtained necessary regulatory approvals from IRDAI and Central Bank of Bahrain (CBB) for opening branch office in Kingdom of Bahrain to conduct life insurance business. The Board in its meeting held on January 22, 2020 have resolved to surrender the Certificate of Commencement issued by the Central Bank of Bahrain (CBB) and to withdraw all the resources of the Company in accordance to the applicable laws. During the year ended March 31, 2021, the Company has surrendered the Certificate of Commencement and Insurance license issued by CBB for branch office in Kingdom of Bahrain and withdrawn all the resources of the Company from Bahrain branch.



## 10. Ageing of Claims

### Mortality Claims Average Settlement period for last 5 years

Financial Year	Average Claim Settlement Time (in days)
FY 2021	4.26
FY 2020	2.76
FY 2019	2.76
FY 2018	3.71
FY 2017	4.43
FY 2016	4.48

The ageing of claims\* registered and not settled are as below:

#### (i) Traditional Claims

₹ in lakhs

Year	Upto 30 Days		30 Days to 6 Months		6 Months to 1 Year		1 Year to 5 Years		5 Years & Above	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
FY 2021	19,031	19,200	6,520	5,961	52	69	-	-	-	-
FY 2020	17,083	10,979	2,690	1,364	517	146	3	6	-	-
FY 2019	779	1,002	2,102	686	1	1	9	19	3	14
FY 2018	1,792	5,000	2,436	3,222	6	60	22	82	2	36
FY 2017	181	311	1,315	1,480	12,410	432	32,982	1,618	199	14
FY 2016	4,677	1,638	20,766	3,545	8,022	354	5,389	1,161	305	19

#### (ii) Ulip Claims

₹ in lakhs

Year	Upto 30 Days		30 Days to 6 Months		6 Months to 1 Year		1 Year to 5 Years		5 Years & Above	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
FY 2021	7,374	27,327	330	2,436	2	17	1	7	-	-
FY 2020	2,417	8,196	197	896	19	339	-	-	-	-
FY 2019	1,022	4,340	179	390	-	-	-	-	-	-
FY 2018	976	4,042	112	492	3	10	14	47	1	1
FY 2017	2,411	7,926	30	153	13	41	86	376	18	43
FY 2016	3,465	6,819	304	767	169	451	538	1,084	4	17

\*Claims includes death, maturity, survival, surrender, withdrawal annuity and health

## 11. Valuation of Investments

We certify that the investments made out of Shareholders' funds and Non-Linked Policyholders' funds in debt securities, redeemable preference shares are classified as "held to maturity" and stated at historical cost subject to amortization of premium or accretion of discount over a period of holding / maturity on yield to maturity basis. Fixed Deposit and Reverse Repo are valued at cost.

The book value and the market value of these investments are as follows:

₹ ('000)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Book Value	Market	Book Value	Market Value
Non-linked and shareholder funds' Investments valued at book value subject to amortisation of premium & discount	901,545,567	945,034,826	711,988,243	759,071,200
Non-linked and shareholder funds'	114,639,916	145,016,384	125,252,145	105,993,306



Particulars	As at March 31, 2021		As at March 31, 2020	
	Book Value	Market	Book Value	Market Vale
Investments valued at market value				
<b>Total investments in non-linked and shareholder funds</b>	<b>1,016,185,483</b>	<b>1,090,051,210</b>	<b>837,240,388</b>	<b>865,064,506</b>

**i. Valuation - shareholders' investments and non-linked policyholders' investments**

**Debt securities**

Debt securities, including Government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount over a period of holding/ maturity on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

**Equity, equity related instruments & preference shares**

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered.

If NSE closing price is not available for any security, then BSE closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.

In case of Security Lending & Borrowing ('SLB'), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL').

Unrealised gains or losses arising due to change in the fair value of equity shares are recognised in the Balance Sheet under "Fair value change account".

On each balance sheet date, the Company assess whether impairment of listed equity securities has occurred. Any impairment loss is recognised as an expense in the Revenue or Profit and Loss Account to the extent of the difference between the re-measured fair value of the security or investment and its weighted average cost as reduced by any previous impairment loss recognised as an expense in the Revenue or Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue or Profit and Loss Account, is recognised in the Revenue or Profit and Loss Account.

**Mutual funds**

Investments in mutual funds are valued at the previous day's Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Balance Sheet under "Fair value change account".



**Alternative Investment Funds (AIFs)**

Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under “Fair value change account”.

**Interest Rate Derivatives (IRDs)**

Interest Rate Derivative (IRD) contracts for hedging of highly probable forecasted transactions on insurance contracts and investment cash flows in life, pension and annuity business, are accounted for in the manner specified in accordance with ‘Guidance Note on Accounting for Derivative Contracts’ issued by the Institute of Chartered Accountants of India (ICAI) in June 2015 effective from FY 2016-17, IRDAI circular no. IRDA/F&I/INV/CIR/138/06/2014 dated June 11, 2014 (‘the IRDAI circular on Interest Rate Derivatives’) and IRDAI Investment Master Circular issued in May 2017.

The Company has well defined Board approved interest rate risk hedging Policy and Process document covering various aspects related to functioning of the derivative transactions undertaken to mitigate interest rate risk as per the Interest rate risk hedging strategy. At the inception of the hedge, the Company designates and documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

Forward Rate Agreement (“FRA”) is a forward contract to hedge the risk of movements in interest rates. In a FRA contract, the Company fixes the yield on the government bond for the period till the maturity of the contract. The Company enters into FRA to hedge interest rate risk on forecasted transactions: a) Reinvestment of maturity proceeds of existing fixed income investments; b) Investment of interest income receivable; and c) Expected policy premium income receivable on insurance contracts which are already underwritten in Life, Pension & Annuity business.

The Company follows “hedge accounting” for accounting of all Interest rate derivative financial instruments as per Guidance Note on Accounting for Derivative Contracts issued by Institute of Chartered Accountants of India (ICAI).

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve. The fair valuation or Mark to market valuation of the derivative financial instruments is done independently by both the parties i.e. the Company and the counter party. The counter party (bank) valuation is considered for margin settlement as the counter party (bank) is the valuation agent as per forward rate agreement.

Hedging instruments are initially recognised at fair value and are re-measured at fair value at subsequent reporting dates. The effective portion of fair value gain / loss on the interest rate derivative that is determined to be an effective hedge is recognised in equity account i.e.



“Hedge Fluctuation Reserve” or “HFR” under the head ‘Credit/(Debit) Fair Value Change Account’ in the Balance Sheet and the ineffective portion of the change in fair value of such derivative instruments is recognised in the revenue account or profit and loss account in the period in which they arise. The fair value gain / loss on the interest rate derivative that is determined to be an ineffective hedge is recognised in the revenue account or profit and loss account in the period in which they arise.

The accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account or profit and loss account, in the same period during which the income from investments acquired from underlying forecasted cash flow is recognized in the Revenue Account or profit and loss account. Hedge accounting is discontinued when the hedging instrument is terminated or it becomes probable that the expected forecast transaction will no longer occur or the risk management objective is changed or no longer expected to be met. On such termination, accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account or profit and loss account. Costs associated with derivative contracts are considered as at a point in time cost.

#### **Real Estate Investment Trusts (REITs)/ Infrastructure Investments Trusts (InvITs)**

The Investment in Units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust. Unrealised gains or losses arising due to change in the fair value of Real Estate Investment Trust (REITs)/Infrastructure Investments Trusts (InvITs) are recognised in the Balance Sheet under “Fair value change account”.

## **ii. Valuation - Linked business**

### **Debt securities**

Debt securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL.

Debt securities including government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortized cost using yield to maturity method. In case of securities with options, earliest Call Option / Put Option date will be taken as maturity date for this purpose.

Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

### **Equity, equity related instruments & preference shares**

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, closing price at primary exchange i.e. NSE is considered.



If NSE closing price is not available for any security, then BSE closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.

In case of Security Lending & Borrowing (SLB), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under “Equity” as specified by IRDAI, are valued at prices obtained from CRISIL.

Unrealised gains or losses arising due to change in the fair value are recognised in the Revenue Account.

#### **Mutual funds**

Investments in mutual funds are valued at the previous day’s Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Revenue Account.

#### **Real Estate Investment Trusts (REITs)/ Infrastructure Investments Trusts (InvIT)**

The Investment in Units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust. Unrealised gains or losses arising due to change in the fair value of REITs units are recognised in the Revenue Account.

## **12. Review of Asset Quality**

The Company invests its funds in Government Securities, bonds & debentures, equity shares, money market instruments, fixed deposits, etc. in accordance with the Investment guidelines prescribed by IRDAI from time to time. The assets held are ₹ 220,871 crores as on March 31, 2021 and is having the following bifurcation:

Investment Category	Shareholders' Funds	Policyholders' Funds		Total
		PH - Non ULIP	PH - ULIP	
Government Securities	47.82%	56.82%	32.70%	43.78%
Corporate Bonds:				
- AAA	22.84%	20.42%	8.59%	14.29%
- AA / AA+	5.47%	2.21%	1.35%	1.89%
- AA- & Below	2.80%	0.17%	0.48%	0.43%
Equity Shares <sup>^</sup>	18.42%	11.10%	46.17%	29.84%
Fixed Deposits with Banks	0.00%	1.83%	0.32%	0.96%
Mutual Fund <sup>*</sup>	0.00%	1.50%	1.04%	1.20%
Money Market Instruments	1.99%	4.89%	8.05%	6.44%
Others <sup>**</sup>	0.66%	1.06%	1.30%	1.17%
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Size of Funds (₹ in Crores)</b>	<b>8,605</b>	<b>96,051</b>	<b>116,215</b>	<b>220,871</b>

<sup>^</sup> Includes Investment in Equity Exchange traded funds (ETF), Additional tier 1 (AT1) Bonds.

<sup>\*</sup> Mutual Fund includes Liquid schemes and Debt ETF (CPSE bonds as underlying).

<sup>\*\*</sup> Include Investment in Loans, Loan against policy, REITs, Alternate Investment Funds and Net Current Assets.



The Investments are made with strong research recommendations based on fundamentals, long term view and growth potentials. Around 81% of the equity investments are in large cap Nifty 50 Index stocks and approximately 96% (including Central Government Securities, State Government Securities and Other Approved Securities) of the rated debt investments are in AAA or equivalent rating for long term and A1+ or equivalent rating for short term instruments, which indicates the safe & reliable asset quality. The Company follows the guidelines, prescribed by IRDAI, with respect to strong Investment Risk Management Systems & Processes. Further, all the investment transactions are subject to independent Concurrent Audit.

Returns generated by Unit Linked Funds during the year are given below:

Funds	AUM as on 31st March 2021 (₹ in Crs)	Return for 1 Year		Return for 3 Years (CAGR)		Return for 5 Years (CAGR)	
		Fund	Bench mark	Fund	Bench mark	Fund	Bench Mark
<b>EQUITY FUNDS</b>							
Equity	27,550.96	64.71%	70.87%	11.69%	13.25%	12.95%	13.68%
Equity Pension	525.44	68.70%	70.87%	11.93%	13.25%	13.66%	13.68%
Equity Pension II	3,654.36	66.63%	70.87%	12.27%	13.25%	13.87%	13.68%
Growth	1,622.91	47.81%	49.59%	12.40%	12.50%	12.91%	12.53%
Growth Pension	191.11	49.29%	49.59%	12.74%	12.50%	13.32%	12.53%
Equity Optimiser	1,393.72	55.71%	55.37%	10.87%	12.19%	12.21%	12.48%
Equity Optimiser Pension Fund	153.13	57.65%	55.37%	13.15%	12.19%	13.95%	12.48%
Equity Elite	10.85	62.35%	55.37%	15.32%	12.19%	15.52%	12.48%
Equity Elite Fund II	6,954.81	51.94%	55.37%	11.36%	12.19%	12.75%	12.48%
Index	708.94	70.01%	70.87%	12.72%	13.25%	13.02%	13.68%
Index Pension	30.75	68.89%	70.87%	12.63%	13.25%	12.96%	13.68%
Top 300 Fund	983.43	56.86%	55.37%	13.72%	12.19%	14.30%	12.48%
Top 300 Pension Fund	184.01	56.83%	55.37%	14.02%	12.19%	14.41%	12.48%
Midcap Fund	4,058.55	77.24%	102.44%	13.41%	8.10%	NA	NA
Pure Fund	399.74	61.59%	NA	10.45%	NA	NA	NA
<b>DEBT FUNDS</b>							
Bond Fund	26,075.19	7.08%	7.69%	8.21%	8.99%	7.97%	8.62%
Bond Pension Fund	390.46	7.48%	7.69%	8.99%	8.99%	8.65%	8.62%
Bond Pension Fund II	10,927.00	6.86%	7.69%	7.41%	8.99%	7.46%	8.62%
Group Short Term Plus Fund	0.01	4.13%	7.69%	5.62%	8.99%	7.80%	8.62%
Group Short Term Plus Fund II	1.42	5.35%	7.69%	7.38%	8.99%	8.33%	8.62%
Guaranteed Pension Fund GPF070211	6.76	5.90%	NA	7.97%	NA	8.03%	NA
RGF150611	85.28	5.52%	NA	6.95%	NA	7.19%	NA
Bond Optimiser Fund	579.69	18.86%	18.61%	NA	NA	NA	NA
Corporate Bond Fund	328.26	8.60%	8.81%	NA	NA	NA	NA
<b>BALANCED FUNDS</b>							
Balanced	15,732.66	33.52%	36.55%	10.87%	11.75%	11.53%	11.58%
Balanced Pension	87.87	34.75%	36.55%	12.52%	11.75%	12.69%	11.58%
Flexi Protect	0.24	1.29%	NA	3.38%	NA	4.83%	NA
Flexi Protect (Series II) Fund	0.10	1.90%	NA	4.32%	NA	6.50%	NA
Group Balance Plus	101.81	20.28%	21.47%	10.56%	10.52%	10.43%	10.20%
Group Balance Plus II	90.80	19.69%	21.47%	10.35%	10.52%	10.40%	10.20%
Group Debt Plus	3.23	12.61%	13.05%	9.75%	9.64%	9.56%	9.27%
Group Debt Plus II	133.38	11.72%	13.05%	9.61%	9.64%	9.37%	9.27%
Group Growth Plus Fund	1.70	34.28%	33.42%	12.76%	11.53%	12.52%	11.32%
Group Growth Plus Fund II	3.94	33.04%	33.42%	12.33%	11.53%	12.21%	11.32%
Daily Protect Fund I	0.07	5.07%	NA	5.96%	NA	7.39%	NA
Daily Protect Fund II	0.50	3.27%	NA	5.62%	NA	7.18%	NA
Daily Protect Fund III	4,972.90	4.71%	NA	5.95%	NA	7.53%	NA



Funds	AUM as on 31st March 2021 (₹ in Crs)	Return for 1 Year		Return for 3 Years (CAGR)		Return for 5 Years (CAGR)	
		Fund	Bench mark	Fund	Bench mark	Fund	Bench Mark
P/E Managed Fund	330.45	38.59%	NA	9.39%	NA	10.69%	NA
<b>LIQUID FUNDS</b>							
Money Market	304.18	3.88%	4.10%	5.68%	5.97%	6.22%	6.37%
Money Market Pension	51.92	3.95%	4.10%	5.69%	5.97%	6.24%	6.37%
Money Market Pension II	568.87	3.67%	4.10%	5.39%	5.97%	5.96%	6.37%
Group Money Market Plus Fund	2.16	3.11%	4.10%	4.93%	5.97%	NA	NA
Group STO Plus Fund II	0.00	NA	NA	NA	NA	NA	NA
<b>DISCONTINUED FUNDS</b>							
Discontinued Policy Fund	5,932.08	4.87%	NA	6.55%	NA	6.38%	NA
Discontinue Pension Fund	1,079.37	5.24%	NA	7.04%	NA	6.73%	NA

NA- indicates that the fund has not completed the relevant period under consideration

Returns generated by Conventional portfolios and shareholders' portfolio during the year are given below:

Particulars	Assets Held (₹ '000)		Returns on Assets * (%)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Participating Policyholders Funds	403,896,099	308,989,714	8.73%	8.76%
Non Participation Policyholders Funds	556,618,761	440,712,373	8.15%	8.92%
Shareholders' Funds	86,047,092	68,279,462	8.58%	7.10%

\* Returns are based on realized income i.e. without considering the unrealised gains and losses.

### 13. Management's Responsibility Statement

The Management of the Company also confirm that:

- in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
- the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit and of the profit of the company for the year;
- the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021), Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the management has prepared the financial statements on a going concern basis;
- the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.



14. Payments made to individuals, firms, companies and organisations in which directors are interested

The details of payments made to individuals, firms, companies and organizations in which directors are interested are as follows:

₹ ('000)

Sr. No.	Name of Director	Entity in which Director is interested	Interested as	FY 2021	FY 2020
1	Mr. Rajnish Kumar*	State Bank of India	Chairman	12,446,936	9,926,760
		SBI Cards and Payment Services Pvt. Ltd.	Chairman	235	226
		SBI General Insurance Company Ltd.	Director	6,507	12,259
		SBI Foundation	Chairman	-	-
		SBI Capital Markets Ltd.	Chairman	-	-
2	Mr. Dinesh Khara	State Bank of India	Chairman	12,446,936	9,926,760
		SBI Cards and Payment Services Pvt. Ltd.	Chairman	235	226
		SBI General Insurance Company Ltd.	Chairman	6,507	12,259
		SBICAPS Securities Pvt. Ltd	Chairman	32,326	25,637
		SBI DFHI Ltd.	Chairman	-	-
		SBI Global Factors Ltd.	Chairman	-	-
		SBI Foundation	Chairman	-	-
		SBI Capital Markets Ltd.	Chairman	-	-
		SBI Fund Management Pvt. Ltd.	Director	-	-
		SBI Pension Funds Private Ltd.	Director	-	-
		SBI CAP Ventures Limited	Director	-	-
		SBI CAPS Singapore Limited	Director	-	-

\* Mr. Rajnish Kumar resigned on October 06, 2020.


For and on behalf of the Board of Directors


  
Dinesh Kumar Khara  
Chairman  
(DIN : 06737041)

  
Mahesh Kumar Sharma  
MD & CEO  
(DIN : 08740737)

  
Prithesh Chaubey  
Appointed Actuary

  
Narayan K. Seshadri  
Director  
(DIN : 00053563)

  
Sangramjit Sarangi  
President & CFO

  
Vinod Koyande  
Company Secretary

Place: Mumbai  
Date: May 03, 2021



## INDEPENDENT AUDITORS' REPORT

To the Members of  
**SBI Life Insurance Company Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial statements of **SBI Life Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the Receipts and Payments Account (also called the "Cash Flow Statement") for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with The Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and the Companies Act, 2013 ("the Act"), to the extent applicable, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, as applicable to Insurance companies:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- in the case of the Revenue Account, of the net surplus for the year ended on that date;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Receipts and Payments Account, of the Receipts and Payments for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Emphasis of Matter

We invite attention to Note No 40 regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended March 31, 2021, this assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods.

Our Opinion is not modified on the above matter.





### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

a) **Valuation of Investments (AUM March 31, 2021: 2,208,712,137 March 31, 2020: 1603,634,820) (INR in Thousands)**

**(Refer Significant Accounting Policies in note no.16 B (k) (Investments) and Schedule 8, 8A and 8B, note no. 16 C (20 & 21 ) (Impairment of investment assets) to the standalone financial statements)**

The Company's investment portfolio consists of Policyholders' investments (traditional and unit linked policy holders) and Shareholders investments.

Total investment portfolio of the Company (i.e. Assets under Management (AUM)) represents 99.2 per cent of the Company's total assets.

Investments are made and valued in accordance with the Insurance Act, 1938, IRDAI (Investment) Regulations, 2016 ("Investment Regulations"), IRDAI (Preparation of Financial Statement Regulations) 2002 ("Financial Statement Regulations"), Investment Policy of the Company and relevant Indian GAAPs.

These valuation methods use multiple observable market inputs, including observable interest rates, index levels, credit spreads, equity prices, counterparty credit quality, and corresponding market volatility levels etc.

The portfolio of quoted investments is 35.3 per cent of the Company's AUM and the portfolio of investments that are valued primarily using observable inputs is 62.8 per cent of the Company's AUM. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the standalone financial statements as a whole, they are considered to be one of the areas which had the significant impact on our overall audit strategy.

The portfolio of unquoted investments is 1.2 per cent of the Company's AUM. The valuation of unquoted investments involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable.

The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matter of most significance in the financial statements due to the materiality of total value of investments to the financial statements.

### Auditors' Responses

#### *Principal Audit Procedures*

- We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulations, Company's internal investment and valuation policy;
- Assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls;





- Fair value is best evidenced by quoted market prices in an active market. Where quoted market prices are not available, the quoted prices of similar products or valuation models with observable market based inputs are used to estimate fair value. The calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.
- For quoted investments, the valuation was done in accordance with the independent pricing sources / market prices in an active market;
- For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine the appropriateness of the valuations recorded with reference to the assessment made by the management for such valuation.

**b) Information technology systems and controls (IT Controls)**

All insurance companies are highly dependent on technology due to the significant number of transactions that are processed daily. A significant part of the Company's financial processes is heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

The Company uses several systems for its overall financial reporting. We have identified 'IT systems and controls' as key audit matter because of significant use of IT system and the scale and complexity of the IT architecture.

**Auditors' Responses**

***Principal Audit Procedures***

- Sample testing of key control over IT systems having impact on financial accounting and reporting;
- Assessed the IT system processes for effectiveness of some of the key controls with respect to financial accounting and reporting records by sample testing; and
- Our audit approach relies on automated controls and therefore procedures are designed to test control over IT systems, segregation of duties, interface and system application controls over key financial accounting and reporting systems.
- Reviewed the report of independent information system auditors which has further confirmed the various system control measures adopted by the Company.

**c) Contingent Liabilities and Litigations**

**(Refer Significant Accounting Policies in note no. 16 B (r) (Provisions and contingent liabilities) and note no. 16 C (1) to the standalone financial statements)**

The Company has pending litigation matters with various appellate authorities and at different forums. The same involves judgements in accordance with applicable Accounting Standards to determine the final outcome of such open litigation matters.

The management with the help of its experts, as needed, have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.





### **Auditors' Responses**

#### ***Principal Audit Procedures***

- We read the various regulatory correspondences and related documents pertaining to litigation cases and corroborated them with our understanding of legal position as per various statutes;
- We obtained legal opinion sought by management from the independent legal counsel including opinion of our own team to review the sustainability of the dispute. We discussed the status and potential exposures in respect of significant litigation with the company's internal legal team and obtaining details regarding the progress of various litigations including management views on the likely outcome of each litigation and the magnitude of potential exposure;
- The various litigation matters were reviewed in order to assess the facts and circumstances and to identify the potential exposures and to satisfy ourselves that it is not probable that an outflow of economic benefits will be required, or in certain cases where the amount cannot be estimated reliably, such obligation is disclosed by the company as a contingent liability.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of The Insurance Act as amended from time to time, the IRDA Act, the IRDA Financial Statements Regulations, orders/directions/circulars issued by IRDAI in this regard and the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 standalone financial statements.

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 standalone 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.





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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

- a) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 has been duly certified by the Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as contained in the standalone financial statements of the Company (Refer Note no. 5 of Schedule 16(C)).
- b) Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access to the extent available/feasible and necessary records made available by the management through digital medium.
- c) The standalone financial statements of the Company for the year ended March 31, 2020 were jointly audited by joint Auditors of the company one of which is the predecessor audit firm, and have expressed an unmodified opinion dated May 05, 2020 on such financial statements.

Our opinion is not modified in respect of these matters.

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

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated May 03, 2021 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required under section 143(5) of the Act, based on our audit as aforesaid, we enclose herewith as per Annexure I, a report on the directions including additional directions issued by the Comptroller and Auditor-General of India ("C&AG") action taken thereon and its impact on the accounts and financial statements of the company.
3. As required under the IRDA Financial Statements Regulations, read with section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;





- (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) As the Company's financial accounting system is centralized at Head Office, no returns are prepared at the branches and other offices of the company;
- (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- (e) The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that, in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/ directions/circulars issued by IRDAI in this behalf;
- (g) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders / directions issued by IRDAI in this behalf;
- (h) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards specified under Section 133 of the Act to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/ directions/circulars issued by IRDAI in this behalf;
- (i) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2021 from being appointed as a director in terms of section 164 (2) of the Act.
- (j) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to Annexure 'II' to this report.
- (k) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.





- (I) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 1 & 2 of Part C of Schedule 16.
  - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts if any, including derivative contracts - Refer Note 35 of Part C of Schedule 16.
  - There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For S.K. Patodia & Associates

**Chartered Accountants**

Firm Regn. No. 112723W

SANDEEP MANDAWEWALA  
2021.05.03 20:24:43 +05'30'

**Sandeep Mandawewala**

Partner

Membership No. 117917

UDIN: 21117917AAAAJA4285



For S.C. Bapna & Associates

**Chartered Accountants**

Firm Regn. No. 115649W

SUBHASH  
CHAND BAPNA  
2021.05.03  
14:59:26 +05'30'

**S.C. Bapna**

Partner

Membership No. 071765

UDIN: 21071765AAAAAC3785



Place: Mumbai

**Date: May 03, 2021**



## INDEPENDENT AUDITORS' CERTIFICATE

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' report of even date to the Members of SBI Life Insurance Company Limited)

To the Members of  
SBI Life Insurance Company Limited

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C read with Regulation 3 of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "IRDA Financial Statements Regulations").

### Management's Responsibility:

The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 as amended from time to time including amendment brought by Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), IRDA Financial Statements Regulations, orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/Authority) which includes the preparation and maintenance of books of accounts and the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

### Auditor's Responsibility:

Pursuant to the requirements of IRDA Financial Statements Regulations, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C read with regulation 3 of the IRDA Financial Statements Regulations.

We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

### Opinion:

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by SBI Life Insurance Company Limited ('the Company'), for the year ended March 31, 2021, we report that:

1. We have reviewed the Management Report attached to the standalone financial statements for the year ended March 31, 2021, and on the basis of our review, there is no apparent mistake or material inconsistencies with the standalone financial statements;





2. Based on management representations by the officer of the Company charged with compliance, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDAI;
3. We have verified the cash balances and securities relating to the Company's loans and investments as at March 31, 2021, to the extent considered necessary, based on management certificates, Custodian certificates / Confirmations (RBI, CCIL, SHCIL, HDFC Bank Ltd, various other banks/ mutual funds etc.), documents of charge creation, as the case may be. As at March 31, 2021, the Company does not have reversions and life interests;
4. The Company is not the trustee of any trust; and
5. No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investments of the Policyholders' funds.

For S.K.Patodia & Associates

**Chartered Accountants**

Firm Regn. No. 112723W

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**Sandeep Mandawewala**

Partner

Membership No. 117917

UDIN: 21117917AAAAJA4285



For S.C. Bapna & Associates

**Chartered Accountants**

Firm Regn. No. 115649W

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**S.C. Bapna**

Partner

Membership No. 071765

UDIN: 21071765AAAAAC3785



**Place: Mumbai**

**Date: May 03, 2021**



# ANNEXURE 'I' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' report of even date to the Members of SBI Life Insurance Company Limited)

Based on the verification of records of the Company and based on information and explanations given to us, we give below a report on the directions/additional directions issued by the Comptroller and Auditor General of India in terms of the section 143(5) of the Act.

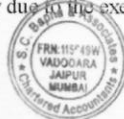
Sr. No.	Directions under section 143(5) of the Act	Auditors' Comments
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>As per the information and explanations furnished to us, The Company's financial processes are heavily reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. The Company has different IT systems in place for processing the accounting transactions such as premium, commission, claims, investments etc. All the transactions from these IT systems flows into the accounting system which is used for preparation of standalone financial statements and other reporting purposes.</p> <p>As a part of our general review of IT controls, we have carried out the review of major controls in existence in the applications with regard to integrity of data flowing to accounting system. Basis our sample verification, nothing significant has come to our attention that causes us to believe that there are material gaps pertaining to IT controls.</p> <p>Further management has conducted the system audit with the help of the consultants which has not reported any significant gaps.</p>
2.	<p>Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.</p> <p>Whether such cases are properly accounted for? (in case, lender is a Government company, then its direction is also applicable for statutory auditor of lender company)</p>	<p>The Company has not taken any loans, thus restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan is not applicable.</p> <p>Accordingly, clause in respect of accounting for such cases is not applicable.</p>
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	The Company has not received any funds (grant/subsidy etc) for specific schemes from Central / State Government or its agencies, thus proper accounting and utilisation of fund as per terms and conditions of the scheme is not applicable.





**Additional directions issued by C&AG as applicable to SBI Life Insurance Company Limited for the year 2020-21**

Sr. No.	Additional Directions under section 143(5) of the Act	Auditors' Comments
1.	Number of titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. available in physical/demat form and out of these, number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.	The Company holds investments both in physical and dematerialized form with clear title of ownership. The holdings are in agreement with the respective amounts shown in the books of accounts of the Company as on 31.03.2021.
2.	Whether stop loss limits have been prescribed in respect of investments. If yes, whether or not the limit was adhered to. If not, the details may be given.	<p>The Company's cut loss policy for equity investments in Linked and Non-linked portfolios have been prescribed in the Investment Policy as approved by the Board.</p> <p>As per the cut loss policy of the Company, Investment compliance team monitors market price of all equity securities falling below 30% of the 'Average Purchase Price'. The decision on to hold, partially sell or completely sell of cut loss securities is recorded and reported to investment sub-committee and Board investment committee periodically. During the year, the Company has adhered to the cut loss policy.</p>
3.	Whether the Company has complied with IRDAI circular {No. IRDA/F&A/CIR/MISC/052/03/2018 dated 27 March 2018} regarding exemption of reinsurance schemes in respect of specified insurance schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojna (PMJJBY), from the purview of GST and passed on to the insured/Government the benefit of reduction in premium?	<p>As per the IRDA Circular dated 27.03.2018, "the proposal to exempt reinsurance schemes in respect of specified insurance schemes has been approved by the GST Council in its 25<sup>th</sup> meeting held on 18.01.2018, on the condition that the benefit of reduction in the premium on such Insurance schemes, must be passed on to the beneficiaries and the State and Central Exchequers. Insurers shall avoid any undue enrichment on this account."</p> <p>A copy of the DO. No. 354/12/2018-TRU dated 24<sup>th</sup> January 2018, issued by the Hon'ble Finance secretary, Government of India (enclosed with IRDAI Circular) states as under:</p> <p>"Considering the fact that no GST is payable on insurance premium of such schemes and the GST paid on the re-insurance is included in the cost of insurance premium charged by the Insurance companies from the beneficiaries and also shared between the Centre and State Governments, the proposal to exempt reinsurance schemes in respect of specified insurance schemes has been approved by the GST council in its 25<sup>th</sup> meeting held at New Delhi on 18.01.2018."</p> <p>No reduction of premium has been passed on to the insured/Government on account of the exemption of the reinsurance scheme as envisaged in the directions.</p> <p>As per the management of the company, the pricing under the PMJJBY scheme is arrived at as per advice of the 'Department of Financial Services of Ministry of Finance' and no benefit is available to the company due to the exemption.</p>





## ANNEXURE 'II' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(j) under 'Report on Other Legal and Regulatory Requirements' section of our Independent Auditors' report of even date to the Members of SBI Life Insurance Company Limited)

**Report on the Internal Financial Controls with reference to standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls with reference to standalone financial statements of **SBI Life Insurance Company Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

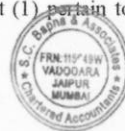
Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and as prescribed under section 143(10)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

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

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

### Meaning of internal financial controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of





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

**Inherent Limitations of internal financial controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**Other Matter**

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 has been certified by the Appointed Actuary as per the IRDA Financial Statements Regulations, and has been relied upon by us, as mentioned in "Other Matter" of our audit report on the standalone financial statements for the year ended March 31, 2021. Accordingly, our opinion on the internal financial controls with reference to the standalone financial statements does not include reporting on the operating effectiveness of the management's internal controls over the valuation and accuracy of the aforesaid actuarial valuation. Our opinion is not modified in respect of the above matter.

For S.K. Patodia & Associates

**Chartered Accountants**

Firm Regn. No. 112723W

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**Sandeep Mandawewala**

Partner

Membership No. 117917

UDIN: 21117917AAAAJA4285



For S.C. Bapna & Associates

**Chartered Accountants**

Firm Regn. No. 115649W

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**S.C. Bapna**

Partner

Membership No. 071765

UDIN: 21071765AAAAAC3785



**Place: Mumbai**

**Date: May 03, 2021**



## INDEPENDENT AUDITORS' CERTIFICATE

[Ref: Independent Auditor's Certificate in accordance with the Schedule I (B) (11)(d) of Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 ]

To

**The Board of Directors**

**SBI Life Insurance Company Limited**

1. This certificate is issued in accordance with terms of our engagement letter with SBI Life Insurance Company Limited (the "Company"). Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 (the "Regulations") require the auditors to issue certificate regarding applicable Net Asset Value ("NAV") for applications received as at March 31, 2021 in terms of Schedule I (B) (11)(d) of the Regulations.

### **Management's responsibility:**

2. The preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal controls relevant to the applicability of NAV for applications received as at March 31, 2021.
3. The Company's management is responsible for complying with conditions stated in the Regulations.

### **Auditor's Responsibility:**

4. Pursuant to the requirement of this certificate, it is our responsibility to provide reasonable assurance as to whether:
  - a) The Company has declared March 31, 2021 as a business day for accepting applications;
  - b) The Company has declared NAV for March 31, 2021 on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2021;
  - c) The applications received on March 31, 2021, upto 3.00 p.m. have been stamped and that the NAV of March 31, 2021 is applied for applications received upto 3.00 p.m as per Policy Issuance Procedure;
  - d) The applications received on March 31, 2021, after 3.00 p.m. have been stamped and that the NAV of next business day of financial year i.e. April 1, 2021 is applied for applications received after 3.00 p.m. as per Policy Issuance Procedure.
5. We audited financial statements of the Company as of and financial year ended March 31, 2021 on which we issued an unmodified audit opinion vide our report dated May 3, 2021. Our audit of these financial





statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "ICAI"). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

6. In this connection, we have performed the following procedures:

- a) Obtained representation from the management that the Company has declared March 31, 2021 as a business day for accepting application forms and that it has declared NAV for March 31, 2021;
- b) Obtained the list of applications for New Business, Renewal Premium, Top-up, Surrender, Free – Look Cancellation, Fund Switches, Withdrawal, and Partial Withdrawal in respect of Unit linked Products on March 31, 2021 (together referred to as "Application Forms"), from the Company;
- c) Selected samples of Application Forms from the listing mentioned in paragraph 6(b) above and verified whether:
  - i. The applications received on March 31, 2021, upto 3.00 p.m. have been appropriately stamped; and the NAV of March 31, 2021 is applied for such applications for the selected samples as per Policy Issuance Procedure; and
  - ii. The applications received on March 31, 2021, after 3.00 p.m. hours have been appropriately stamped; and the NAV of next business day of financial year i.e. April 1, 2021 is applied for such applications for the selected samples as per Policy Issuance Procedure.
- d) We have read the certificate dated 27<sup>th</sup> April 2021 of the concurrent auditors of the Company, M/s. Haribhakti & Co. LLP, Chartered Accountants which has been furnished to us certifying compliance with Regulation 5 of Schedule I(B).

7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.





**S.K.Patodia&Associates**  
**Chartered Accountants**  
Choice House  
Shree Shakambhari Corporate Park,  
Plot No. 156-158, J.B.Nagar  
Andheri (East) Mumbai 400 099

**S.C. Bapna & Associates**  
**Chartered Accountants**  
501, Arcadia,  
195, Nariman Point,  
Mumbai-400 021

**Opinion:**

9. Based on the procedures performed by us, as mentioned in paragraph 6 above, and according to the information and explanations and representations provided to us by the Company's management, we report that:
- (a) The Company has declared March 31, 2021 as a business day for accepting applications;
  - (b) The Company has declared NAV for March 31, 2021 on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2021;
  - (c) The applications received on March 31, 2021 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2021 is applied for applications received upto 3.00 p.m. as per Policy Issuance Procedure and
  - (d) The applications received on March 31, 2021 after 3.00 p.m. have been stamped and that the NAV of next business day of financial year i.e. April 1, 2021 is applied for applications received after 3.00 p.m. as per Policy Issuance Procedure.
10. This certificate is addressed to and provided to the Board of Directors of the Company, solely for inclusion in the annual accounts of the Company as per Schedule I (B) (11)(d) of the Regulations and should not to be used by any other person or distributed for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S.K.Patodia & Associates  
**Chartered Accountants**  
Firm Regn. No. 112723W

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**Sandeep Mandawewala**  
Partner  
Membership No. 117917  
UDIN: 21117917AAAAJC1489

**Place: Mumbai**

**Date: May 3, 2021**



For S.C. Bapna & Associates  
**Chartered Accountants**  
Firm Regn. No. 115649W

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**S.C. Bapna**  
Partner  
Membership No. 071765  
UDIN: 21071765AAAAAE6831





## FORM A-RA

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDAI

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Policyholders' Account (Technical Account)

(₹ '000)

Particulars	Schedule	Year ended March 31, 2021	Year ended March 31, 2020
<b>Premiums earned - Net</b>			
(a) Premium	1	50,25,41,681	40,63,47,288
(b) (Reinsurance ceded) (Refer note (c) of Schedule 16 (B))		(48,58,891)	(31,07,173)
(c) Reinsurance accepted		-	-
		<b>49,76,82,790</b>	<b>40,32,40,115</b>
<b>Income from Investments</b>			
(a) Interest, Dividends & Rent - Net of Amortisation		9,74,48,265	8,91,80,989
(b) Profit on sale / redemption of investments		8,22,70,453	4,11,59,972
(c) (Loss on sale / redemption of investments)		(2,02,50,515)	(2,01,62,330)
(d) Transfer / Gain on revaluation / Change in fair value* (including for derivative contracts)		15,50,91,928	(8,02,10,755)
<b>Other Income</b>			
(a) Contribution from the Shareholders' A/c (Refer note no. 28 of Schedule 16 (C))		82,47,937	47,62,804
(b) Others			
- Income on unclaimed amount of policyholders (Refer note no. 26 and 38 of Schedule 16 (C))		1,31,093	1,95,771
- Miscellaneous income (Refer note no. 38 of Schedule 16 (C))		2,27,056	2,61,830
		<b>32,31,66,217</b>	<b>3,51,88,281</b>
<b>Total (A)</b>		<b>82,08,49,007</b>	<b>43,84,28,396</b>
<b>Commission</b>	2	1,77,87,806	1,62,49,391
<b>Operating Expenses related to Insurance Business</b>	3	2,41,22,509	2,41,30,848
Provision for Doubtful Debts		(2,237)	4,329
Bad Debts written off		1,485	2,220
Provision for Tax			
- Income Tax (Refer note no. 15 of Schedule 16 (C))		9,75,588	37,67,393
Provisions (other than taxation)			
(a) For diminution in the value of investments (Net) (Refer note no. 20 of Schedule 16 (C))		(17,11,102)	7,05,227
(b) For standard assets and non-standard assets (Refer note no. 21 of Schedule 16 (C))		(1,933)	5,32,390
Goods and Service Tax on charges		64,34,619	55,31,880
<b>Total (B)</b>		<b>4,76,06,735</b>	<b>5,09,23,478</b>
<b>Benefits Paid (Net)</b>	4	21,49,28,755	16,17,53,462
<b>Interim &amp; Terminal Bonuses Paid</b>		8,97,709	7,55,865
<b>Change in valuation of liability in respect of life policies</b>			
(a) Gross **		16,31,72,600	11,27,44,362
(b) (Amount ceded in Re-insurance)		(4,62,916)	(3,83,091)
(c) Amount accepted in Re-insurance		-	-
(d) Fund reserve		35,76,33,543	7,68,75,133
(e) Funds for discontinued policies		1,89,98,376	1,68,12,209
<b>Total (C)</b>		<b>75,51,68,067</b>	<b>36,85,57,940</b>
<b>SURPLUS/ (DEFICIT) (D) = (A) - (B) - (C)</b>		<b>1,80,74,205</b>	<b>1,89,46,978</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' account		1,67,87,622	1,46,26,523
Transfer to other reserves		-	-
Balance being funds for future appropriations		12,86,583	43,20,455
<b>Total (D)</b>		<b>1,80,74,205</b>	<b>1,89,46,978</b>



FORM A-RA

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDAI

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Policyholders' Account (Technical Account)

(₹ '000)

Particulars	Schedule	Year ended March 31, 2021	Year ended March 31, 2020
<b>Details of Total Surplus :-</b>			
a) Interim & Terminal Bonuses Paid		8,97,709	7,55,865
b) Allocation of bonus to policyholders		1,39,49,212	1,29,63,341
c) Surplus shown in the revenue account		1,80,74,205	1,89,46,978
<b>Total Surplus: [(a) + (b) + (c)]</b>		<b>3,29,21,126</b>	<b>3,26,66,184</b>
<b>Funds for Future Appropriation</b>			
Opening balance		71,36,661	28,16,206
Add: Current Period Appropriation		12,86,583	43,20,455
<b>Balance carried forward to Balance sheet</b>		<b>84,23,244</b>	<b>71,36,661</b>
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	<b>16</b>		

\* Represents the deemed realised gain as per norms specified by the Authority  
\*\* Represents Mathematical Reserves after allocation of bonus

As required by erstwhile Section 40-B(4) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Expenses of Management of Insurers transacting life insurance business Regulations, 2016, we certify that allowable expenses of management in respect of life insurance business in India by the company have been debited to the Policyholders' Revenue Account.

Schedules referred to above form an integral part of the Revenue Account.

This is the Revenue Account referred to in our report of even date.

For and on behalf of the Board of Directors

For S. K. Patodia & Associates  
Chartered Accountants  
(F.R. No. 112723W)

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by SANDEEP  
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Date:  
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Sandeep Mandawewala  
Partner  
Membership No. 117917

For S.C. Bapna & Associates  
Chartered Accountants  
(F.R. No. 115649W)

SUBHASH  
CHAND BAPNA  
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S.C. Bapna  
Partner  
Membership No. 071765

Dinesh Kumar Khara  
Chairman  
(DIN :06737041)

Narayan K. Seshadri  
Director  
(DIN :00053563)

Manish Kumar Sharma  
MD & CEO  
(DIN :08740737)

Sangramjit Sarangi  
President & CFO

Prithesh Chaubey  
Appointed Actuary

Vinod Koyande  
Company Secretary

Place : Mumbai  
Date : May 3, 2021



## Form A-PL

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDAI

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Shareholders' Account (Non-technical Account)

(₹ '000)

Particulars	Schedule	Year ended March 31, 2021	Year ended March 31, 2020
Amount transferred from Policyholder Account (Technical Account)		1,67,87,622	1,46,26,523
Income from Investments			
(a) Interest, Dividend & Rent - Net of Amortisation		52,11,067	46,65,594
(b) Profit on sale / redemption of investments		22,67,233	16,87,512
(c) (Loss on sale / redemption of investments)		(5,93,455)	(15,86,116)
Other Income		63,067	67,929
<b>Total (A)</b>		<b>2,37,35,534</b>	<b>1,94,61,442</b>
Expenses other than those directly related to the insurance business			
(a) Rates and Taxes		-	-
(b) Directors' sitting fees		12,165	5,365
(c) Board meeting related expenses		141	2,609
(d) Depreciation		2,074	3,910
(e) Other Expenses		32,948	2,49,387
(f) Corporate Social Responsibility expenses (Refer note no. 37 of Schedule 16 (C))		2,62,521	2,21,697
Bad debts written off		-	-
Contribution to the Policyholders' Account (Refer note no. 28 of Schedule 16 (C))		82,47,937	47,62,804
Provisions (Other than taxation)			
(a) For diminution in the value of Investment (Net) (Refer note no. 20 of Schedule 16 (C))		(2,46,829)	80,175
(b) Provision for doubtful debts		-	-
(c) Provision for standard and non-standard assets (Refer note no. 21 of Schedule 16 (C))		-	-
<b>Total (B)</b>		<b>83,10,957</b>	<b>53,25,947</b>
Profit / (Loss) Before Tax		1,54,24,577	1,41,35,495
Provision for Taxation			
- Income Tax (Refer note no. 15 of Schedule 16 (C))		8,66,083	(86,336)
Profit / (Loss) After Tax		1,45,58,494	1,42,21,831
<b>APPROPRIATIONS</b>			
(a) Balance at the beginning of the year		7,88,23,269	6,46,01,438
(b) Interim dividends during the year (Refer note no. 36 of Schedule 16 (C))		25,00,177	-
(c) Proposed final dividend		-	-
(d) Dividend distribution tax		-	-
(e) Transfer to reserves/ other accounts		-	-
<b>Profit / (Loss) carried to the Balance Sheet</b>		<b>9,08,81,586</b>	<b>7,88,23,269</b>
<b>EARNINGS PER EQUITY SHARE (in ₹)</b> (Refer note no. 17 of Schedule 16 (C)) (Face Value ₹ 10/- per share)			
Basic		14.56	14.22
Diluted		14.55	14.22
Significant accounting policies & Notes to accounts	16		
Schedule referred to above forms an integral part of the Profit and Loss Account			

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of the Board of Directors

For S. K. Patodia & Associates  
Chartered Accountants  
(F.R. No. 112723W)

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Date: 2021.05.03  
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Sandeep Mandawewala  
Partner  
Membership No. 117917

For S.C. Bapna & Associates  
Chartered Accountants  
(F.R. No. 115649W)

SUBHASH CHAND  
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S.C. Bapna  
Partner  
Membership No. 071765

Dinesh Kumar Khara  
Chairman  
(DIN : 06737041)

Maresh Kumar Sharma  
MD & CEO  
(DIN : 08740737)

Prithesh Chaubey  
Appointed Actuary

Narayan K. Seshadri  
Director  
(DIN : 00093563)

Sangramjit Sarangi  
President & CFO

Vinod Koyande  
Company Secretary

Place : Mumbai  
Date : May 3, 2021



## Form A-BS

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDAI

## BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Schedule	As at March 31, 2021	As at March 31, 2020
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	5	1,00,00,709	1,00,00,263
Reserves and Surplus	6	9,09,26,418	7,88,38,921
Credit / (Debit) Fair Value Change Account		30,77,237	(14,08,346)
<b>Sub-Total</b>		<b>10,40,04,364</b>	<b>8,74,30,838</b>
<b>Borrowings</b>	7	-	-
<b>Policyholders' Funds</b>			
Credit / (Debit) Fair Value Change Account (including for derivative contracts - Refer note no.23A (vi) of Schedule 16 (C))		2,72,68,135	(1,58,71,946)
Policy Liabilities (Refer note no. 7 of Schedule 16 (C)) (Refer note no. 27(f) & (g) of Schedule 16 (C) for Funds for discontinued policies)		92,40,74,750	76,12,30,063
Insurance Reserves		-	-
Provision for Linked Liabilities		96,54,95,367	76,30,07,278
Add: Fair value change (Linked)		12,65,40,403	(2,86,05,050)
Add: Funds for Discontinued Policies (Refer note no. 27(h) of Schedule 16 (C))		-	-
(i) Discontinued on account of non-payment of premium		6,90,13,752	5,05,04,363
(ii) Others		11,00,663	7,46,681
<b>Total Linked Liabilities</b>		<b>1,16,21,50,186</b>	<b>78,56,53,272</b>
<b>Sub-Total</b>		<b>2,11,34,93,071</b>	<b>1,53,10,11,389</b>
Funds for Future Appropriation - Linked (Refer note no. 5 of Schedule 16 (C))		-	-
Funds for Future Appropriation - Other (Refer note no. 5 of Schedule 16 (C))		84,23,244	71,36,661
<b>TOTAL</b>		<b>2,22,59,20,678</b>	<b>1,62,55,78,888</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>			
- Shareholders'	8	8,60,47,092	6,82,79,462
- Policyholders'	8A	93,93,64,378	73,41,99,373
Assets held to cover Linked Liabilities	8B	1,16,21,50,186	78,56,53,270
Loans	9	35,80,781	36,44,815
Fixed assets	10	56,54,309	58,11,848
<b>Current Assets</b>			
Cash and Bank Balances	11	2,71,05,185	1,42,32,265
Advances and Other Assets	12	4,44,02,454	4,39,79,570
<b>Sub-Total (A)</b>		<b>7,15,07,639</b>	<b>5,82,11,835</b>
<b>Current Liabilities</b>	13	3,80,50,146	2,78,36,589
Provisions	14	43,33,561	23,85,126
<b>Sub-Total (B)</b>		<b>4,23,83,707</b>	<b>3,02,21,715</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>2,91,23,932</b>	<b>2,79,90,120</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)		-	-
<b>TOTAL</b>		<b>2,22,59,20,678</b>	<b>1,62,55,78,888</b>
<b>Movement in funds for discontinued policies (Linked) (Refer note no. 27(e) of Schedule 16 (C)):</b>			
Amount refunded to the Policyholders		1,89,99,311	1,07,64,936
Amount transferred to the "Funds for Discontinued Policies" (Net of revival)		3,47,97,968	2,49,44,376
Contingent Liabilities (Refer note no.1 of Schedule 16 (C))		-	-
Significant Accounting Policies & Notes to Accounts	16	-	-
Schedules referred to above form an integral part of Balance Sheet			

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board of Directors

For S. K. Patodia & Associates  
Chartered Accountants  
(F.R. No. 112723W)SANDEEP MANDAWALA  
Date: 2021.05.03  
17:49:34 + 05'30'Sandeep Mandawewala  
Partner  
Membership No. 117917For S.C. Bapna & Associates  
Chartered Accountants  
(F.R. No. 115649W)SUBHASH CHAND BAPNA  
2021.05.03 15:03:46  
+05'30'S.C. Bapna  
Partner  
Membership No. 071765Dinesh Kumar Khara  
Chairman  
(DIN :06737041)Mahesh Kumar Sharma  
MD & CEO  
(DIN :08740737)Prithesh Chaudhary  
Appointed ActuaryNarayan K. Seshadri  
Director  
(DIN :00053563)Sangramjit Sarangi  
President & CFOVinod Koyande  
Company SecretaryPlace : Mumbai  
Date : May 3, 2021



Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED  
Registration Number: 111 dated 29th March, 2001 with the IRDAI  
**RECEIPTS AND PAYMENTS ACCOUNT (CASH FLOW STATEMENT) FOR THE YEAR ENDED MARCH 31, 2021**

Particulars	Schedule	Year ended March 31, 2021	Year ended March 31, 2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Premium Collection (including Goods and Service Tax collected)		51,04,13,523	41,03,66,118
Other receipts		65,711	66,274
Payments to or receipts from the re-insures, net of claims/benefits		(22,97,700)	(7,87,935)
Cash paid to suppliers and employees <sup>1</sup>		(2,29,10,819)	(2,25,70,026)
Cash paid towards Income Tax		(57,08,015)	(59,87,704)
Cash paid towards Goods and Service Tax		(1,10,74,729)	(99,40,710)
Commission Paid		(1,79,79,652)	(1,62,20,471)
Benefits Paid		(21,17,30,347)	(16,18,86,786)
Security deposit		(1,528)	(52,879)
<b>Net cash from / (for) Operating activities (A)</b>		<b>23,87,76,443</b>	<b>19,29,85,882</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Cost of purchase of investments		(1,45,53,87,726)	(1,29,60,07,920)
Proceeds from sale of investments		1,18,85,61,846	1,04,06,35,745
Investments in money market instruments and in liquid mutual funds (Net)		(3,14,16,535)	47,95,175
Interest received		10,23,23,400	7,87,21,755
Dividend received		55,43,955	46,92,517
Purchase of fixed assets		(10,45,207)	(8,09,928)
Proceeds from sale of fixed assets		1,337	1,727
Expenses related to investments		(1,02,112)	(80,653)
Security deposit		(9,54,266)	51,278
Loan against Policies		(35,092)	(2,18,664)
Loans disbursed		(7,50,000)	(20,00,000)
Loan repayment received		12,33,333	3,50,000
<b>Net cash from / (for) Investing activities (B)</b>		<b>(19,20,27,068)</b>	<b>(16,98,68,969)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital (net)		26,493	14,790
Proceeds from short term borrowing		-	-
Repayment of short term borrowing		-	-
Interim dividend paid		-	(19,99,592)
Dividend distribution tax		-	-
<b>Net cash from / (for) Financing activities (C)</b>		<b>26,493</b>	<b>(19,84,803)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents (net) (D)</b>		<b>(5,932)</b>	<b>5,128</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>		<b>4,67,69,936</b>	<b>2,11,37,238</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>6,19,77,071</b>	<b>4,08,39,832</b>
<b>Cash and cash equivalents at end of the year (Refer note no. (f) of Schedule 16 (B))</b>		<b>10,87,47,007</b>	<b>6,19,77,071</b>
Cash (including cheques, drafts)		6,94,210	1,00,580
Bank Balances (includes bank balances in unit linked funds) <sup>2, 3</sup>		87,51,972	21,68,431
Fixed Deposits (Less than 3 months) <sup>4</sup>		2,100	-
Money Market Instruments		9,92,98,725	5,97,08,059
<b>Total</b>		<b>10,87,47,007</b>	<b>6,19,77,071</b>
<b>Reconciliation of Cash &amp; Cash Equivalents with Cash &amp; Bank Balance (Schedule 11)</b>			
Add:- Fixed deposit more than 3 months - Shareholder & Policyholder <sup>5</sup>		1,76,01,253	1,18,91,500
Add:- Stamps / franking on hand		55,650	71,754
Less:- Money Market Instruments		(9,92,98,725)	(5,97,08,059)
<b>Cash &amp; Bank Balances as per Schedule 11</b>		<b>2,71,05,185</b>	<b>1,42,32,265</b>
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	<b>16</b>		

<sup>1</sup> Includes cash paid towards Corporate Social Responsibility expenditure ₹ 2,62,521 thousand (previous year ended March 31, 2020: ₹ 221,697 thousand)

<sup>2</sup> Includes balance in dividend account which is unclaimed amounting to ₹ 894 thousand (₹ 895 thousand at March 31, 2020)

<sup>3</sup> Includes Bank balance with the SBI - Bahrain Branch for the order of Central Bank of Bahrain (CBB) as per the regulatory requirement amounting ₹ Nil (previous year ended March 31, 2020: ₹ 9,934 thousand)

<sup>4</sup> Includes fixed deposits kept with bank for issuance of bank guarantees

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Fixed Deposits less than 3 months</b>	<b>2,100</b>	<b>-</b>
<b>Fixed Deposits more than 3 months</b>	<b>31,553</b>	<b>33,600</b>

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 under the "Direct Method" laid out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

This is the Receipts and Payments account referred to in our report of even date

For and on behalf of the Board of Directors

For S. K. Patodia & Associates  
Chartered Accountants  
(F.R. No. 112723W)

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MANDAW MANDAW  
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Sandeep Mandawewala  
Partner  
Membership No. 117917

For S.C. Bapna & Associates  
Chartered Accountants  
(F.R. No. 115649W)

SUBHASH CHAND BAPNA  
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S.C. Bapna  
Partner  
Membership No. 071765

Dinesh Kumar Khara  
Chairman  
(DIN : 06737041)

Mahesh Kumar Sharma  
MD & CEO  
(DIN : 06740737)

Prithesh Chaubey  
Appointed Actuary

Narayan K. Seshadri  
Director  
(DIN : 00053563)

Sangramjit Sarangi  
President & CFO

Vinod Koyande  
Company Secretary

Place : Mumbai  
Date : May 3, 2021



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 1**  
**PREMIUM**

( ₹ '000)

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	First year premiums	10,33,81,043	9,82,87,923
2	Renewal premiums	29,62,99,223	24,04,22,341
3	Single premiums	10,28,61,416	6,76,37,025
	<b>Total Premium</b>	<b>50,25,41,681</b>	<b>40,63,47,288</b>

Notes:- 1. All the premium income relates to business in India.  
2. For accounting policy on Premium refer note (b) (i) of Schedule 16 (B))

**SCHEDULE - 2**  
**COMMISSION EXPENSES**

( ₹ '000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Commission paid		
Direct - First year premiums	86,35,714	82,38,894
- Renewal premiums	76,67,839	64,43,915
- Single premiums	11,21,788	9,79,408
<b>Total (A)</b>	<b>1,74,25,342</b>	<b>1,56,62,217</b>
Add: Commission on re-insurance accepted	-	-
Less: Commission on re-insurance ceded	-	-
<b>Net commission</b>	<b>1,74,25,342</b>	<b>1,56,62,217</b>
<b>Rewards</b>	<b>3,62,464</b>	<b>5,87,174</b>
<b>Break-up of the commission expenses (Gross) incurred to procure business:</b>		
Agents	59,13,455	55,50,330
Brokers	55,402	46,952
Corporate agency	5,25,949	2,88,926
Bancassurance	1,09,26,091	97,71,801
Micro Insurance Agent		-
CSC		-
IMF	732	391
Web Aggregator	3,712	3,817
Referral	-	-
<b>Total (B)</b>	<b>1,74,25,342</b>	<b>1,56,62,217</b>

For accounting policy on commission refer note (g) of Schedule 16 (B))



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 3**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

(' 000)

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Employees' remuneration & welfare benefits (Refer note no. 12 & 19 of Schedule 16 (C))	14,909,750	13,613,835
2	Travel, conveyance and vehicle running expenses	518,853	721,254
3	Training expenses	417,030	616,779
4	Rent, rates & taxes	886,040	814,434
5	Repairs	738,242	675,485
6	Printing & stationery	76,548	162,174
7	Communication expenses	427,314	533,843
8	Legal & professional charges	1,420,729	1,641,531
9	Medical fees	374,193	393,745
10	Auditors' fees, expenses, etc.		
	(a) as auditor	5,700	5,700
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters	-	-
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity (Refer note no. 25 (ix) of Schedule 16 (C))	1,933	1,653
	(d) Out of pocket expenses	25	423
11	Advertisement, Publicity and marketing	212,161	942,596
12	Interest & bank charges	83,190	84,857
13	Recruitment expenses	8,745	29,664
14	Information technology expenses	1,042,891	842,287
15	Goods and Service Tax	194,188	113,773
16	Stamp duty on policies	1,073,765	927,260
17	Depreciation	991,906	888,599
18	Other expenses	739,306	1,120,956
	<b>Total</b>	<b>24,122,509</b>	<b>24,130,848</b>



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 4**

**BENEFITS PAID (NET)**

( ₹ '000)

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Insurance claims		
	(a) Claims by death	3,01,31,811	1,73,20,157
	(b) Claims by maturity	6,20,10,289	4,38,11,242
	(c) Annuities / Pension payment	35,70,401	21,97,182
	(d) Other benefits		
	- Survival	1,42,68,646	82,54,294
	- Surrender	4,71,58,280	3,70,90,942
	- Discontinuance / Lapsed termination	2,43,20,531	1,52,38,102
	- Withdrawals	3,71,50,112	3,94,42,883
	- Rider	1,75,775	89,856
	- Health	29,063	16,554
	- Interest on unclaimed amounts	1,30,543	1,94,544
	- Others	35,052	12,174
2	(Amount ceded in reinsurance)		
	(a) Claims by death	(40,47,654)	(19,12,942)
	(b) Claims by maturity	-	-
	(c) Annuities / Pension payment	-	-
	(d) Other benefits		
	- Health	(4,094)	(1,526)
3	Amount accepted in reinsurance		
	(a) Claims by death	-	-
	(b) Claims by maturity	-	-
	(c) Annuities / Pension payment	-	-
	(d) Other benefits		
	- Health	-	-
	<b>Total</b>	<b>21,49,28,755</b>	<b>16,17,53,462</b>

**Notes :**

- a) Claims include claims settlement costs, wherever applicable.
- b) Legal, other fees and expenses also form part of the claims cost, wherever applicable.
- c) All the claims are paid or payable in India.
- d) For accounting policy on benefits paid refer note (f) of Schedule 16 (B))



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 5**  
**SHARE CAPITAL**

( ₹ '000)			
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	<b>Authorised Capital</b> 2,000,000,000 (Previous year - 2,000,000,000) Equity Shares of ₹ 10/- each	2,00,00,000	2,00,00,000
2	<b>Issued Capital</b> 1,000,070,908 (Previous year - 1,000,026,295) Equity Shares of ₹ 10/- each	1,00,00,709	1,00,00,263
3	<b>Subscribed Capital</b> 1,000,070,908 (Previous year - 1,000,026,295) Equity Shares of ₹ 10/- each	1,00,00,709	1,00,00,263
4	<b>Called-up Capital</b> 1,000,070,908 (Previous year - 1,000,026,295) Equity Shares of ₹ 10/- each	1,00,00,709	1,00,00,263
	Less : Calls unpaid	-	-
	Add : Shares forfeited (Amount originally paid up)	-	-
	Less : Par value of Equity shares bought back	-	-
	Less : Preliminary expenses	-	-
	Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	<b>Total</b>	<b>1,00,00,709</b>	<b>1,00,00,263</b>

**Note :**

Out of the total share capital, 555,000,000 shares (Previous year March 31, 2020 - 576,000,000 shares) of ₹10 each are held by the holding company State Bank of India.

**SCHEDULE - 5A**

**PATTERN OF SHAREHOLDING**

[As certified by the Management]

Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
Indian - State Bank of India (Holding Company and its Nominees)	55,50,00,000	55.50	57,60,00,000	57.60
Foreign - BNP Paribas Cardif	20,03,612	0.20	5,20,07,092	5.20
<b>Others</b>	44,30,67,296	44.30	37,20,19,203	37.20
<b>Total</b>	<b>1,00,00,70,908</b>	<b>100</b>	<b>1,00,00,26,295</b>	<b>100</b>



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 6**  
**RESERVES AND SURPLUS**

( ₹ '000)

Sr. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
1	Capital reserve		-		-
2	Capital redemption reserve		-		-
3	Share premium				-
	Opening Balance	14,526		-	
	Add : Additions during the year	26,072		14,526	
	Less : Deductions during the year	-	40,598	-	14,526
4	Revaluation reserve		-		-
5	General reserves	-		-	
	Less : Debit balance in Profit and Loss account, if any	-		-	
	Less : Amount utilized for buy-back	-	-		-
6	Catastrophe reserve		-		-
7	Employee Stock Options Outstanding Account				
	Opening Balance	1,126		-	
	Add : Additions during the year	3,133		1,126	
	Less : Deductions during the year	25	4,234	-	1,126
8	Balance of profit in Profit and Loss account		9,08,81,586		7,88,23,269
	<b>Total</b>		<b>9,09,26,418</b>		<b>7,88,38,921</b>

**SCHEDULE - 7**  
**BORROWINGS**

( ₹ '000)

Sr. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
1	Debentures / bonds		-		-
2	Banks		-		-
3	Financial institutions		-		-
4	Others		-		-
	<b>Total</b>		-		-



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 8**

**INVESTMENTS - SHAREHOLDERS'**

(₹ '000)			
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>LONG TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	2,28,22,986	1,68,05,809
2	Other Approved Securities	1,60,87,097	1,30,72,611
3	Other Investments (Other Approved Investments)		
	(a) Shares		
	(aa) Equity	1,31,10,986	1,07,04,254
	(bb) Preference	44	68
	(b) Mutual fund	-	-
	(c) Derivative instruments	-	-
	(d) Debentures / Bonds	93,86,278	38,10,026
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate (Refer note no. 22 of Schedule 16 (C))	5,68,171	-
4	Investment in Infrastructure and Social Sector	1,39,97,955	1,32,86,273
5	Other than Approved Investments (Other Investments)	27,24,838	45,60,280
		<b>7,86,98,357</b>	<b>6,22,39,321</b>
	<b>SHORT TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	19,32,224	14,87,955
2	Other Approved Securities	3,03,461	1,55,764
3	Other Investments (Other Approved Investments)		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative instruments	-	-
	(d) Debenture / Bonds	7,31,399	1,44,801
	(e) Other Securities		
	(aa) Fixed Deposit	-	-
	(bb) Certificate of Deposit	-	-
	(cc) Commercial Paper	-	-
	(dd) Repo / TREP Investments	2,48,995	30,36,467
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	24,38,637	7,15,209
5	Other than Approved Investments (Other Investments)	16,94,019	4,99,945
		<b>73,48,735</b>	<b>60,40,141</b>
	<b>Total</b>	<b>8,60,47,092</b>	<b>6,82,79,462</b>

**Notes :**

(₹ '000)			
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Aggregate cost of Investments in Fixed Deposits reclassified to Schedule 11		
	Fixed Deposit - Long Term	-	-
	Fixed Deposit - Short Term	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
2	Investments made out of Catastrophe reserve at cost	Nil	Nil
3	Particulars of Investment other than listed equity shares		
	Amortised cost	7,44,67,305	6,03,04,615
	Market value	7,69,73,014	6,25,59,082
4	Break-up of Infrastructure and Social Sector Investment		
	<b>Long Term Investments</b>		
	a) Other Approved Investments - Equity	2,77,005	3,53,275
	b) Other Approved Investments - Bonds & Debentures	1,33,69,931	1,21,23,081
	c) Other Investments - Equity	-	-
	d) Other Investments - Bonds & Debentures	3,51,020	8,09,917
	<b>Short Term Investments</b>		
	a) Other Approved Investments - Equity	-	-
	b) Other Approved Investments - Bonds & Debentures	23,39,666	7,15,209
	c) Other Investments - Equity	-	-
	d) Other Investments - Bonds & Debentures	98,971	-
5	<b>Break-up of Other than Approved Investments (Other Investments)</b>		
	Bonds & Debentures	19,54,415	27,39,073
	Equity	24,64,442	23,21,152
	Mutual Funds & Alternative Investment Funds	-	-
6	Securities deposited (other than cash) towards margin requirement for equity and Government securities trade (Refer note no. 3 of Schedule 16 (C))		
	a) Fixed Deposit with National Securities Clearing Corporation Limited (NSCCL)	-	2,00,000
	b) Fixed Deposit with Indian Clearing Corporation Limited (ICCL)	-	-
	c) Government Securities with Clearing Corporation of India Ltd.- TREP Segment		
	Amortised Cost	7,87,894	5,26,097
	Market value	7,95,461	5,51,532
	d) Government Securities with Clearing Corporation of India Ltd.- Securities Segment		
	Amortised Cost	28,35,407	23,02,520
	Market value	29,56,294	24,31,553
7	Impairment / NPA provision on debt investments (Refer note no. 21 (B) of Schedule 16 (C))	-	-
8	For accounting policy on investments, refer note (k) of Schedule 16 (B)		42



**SBI LIFE INSURANCE COMPANY LIMITED**  
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**SCHEDULE - 8A**

**INVESTMENTS - POLICYHOLDERS'**

		(₹ '000)	
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>LONG TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	39,84,02,225	29,69,83,212
2	Other Approved Securities	14,25,41,845	10,77,61,926
3	Other Investments (Other Approved Investments)		
	(a) Shares		
	(aa) Equity	8,88,81,978	7,13,06,005
	(bb) Preference	63,068	97,922
	(b) Mutual fund	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures / Bonds	5,85,78,268	5,43,36,337
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate (Refer note no. 22 of Schedule 16 (C))	27,30,393	-
4	Investments in Infrastructure and Social Sector	15,34,55,677	13,03,17,132
5	Other than Approved Investments (Other Investments)	1,59,86,897	1,07,46,821
		<b>86,06,40,351</b>	<b>67,15,49,354</b>
	<b>SHORT TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	71,41,248	1,14,48,948
2	Other Approved Securities	28,19,634	21,49,816
3	Other Investments (Other Approved Investments)		
	(a) Shares		
	(aa) Equity	20,34,645	-
	(bb) Preference	-	-
	(b) Mutual Funds	1,43,78,263	57,60,157
	(c) Derivative Instruments	-	-
	(d) Debenture / Bonds	31,87,387	1,03,65,116
	(e) Other Securities		
	(aa) Fixed Deposit	-	-
	(bb) Certificate of Deposit	-	-
	(cc) Commercial Paper	9,96,136	3,36,382
	(dd) Repo / TREP Investments	4,07,62,672	2,52,10,617
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	72,33,214	71,28,983
5	Other than Approved Investments (Other Investments)	1,70,827	2,50,000
		<b>7,87,24,028</b>	<b>6,26,50,019</b>
	<b>Total</b>	<b>93,93,64,378</b>	<b>73,41,99,373</b>

**Notes :**

		(₹ '000)	
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Aggregate cost of Investments in Fixed Deposits reclassified to Schedule 11		
	Fixed Deposit - Long Term	1,49,44,100	51,20,700
	Fixed Deposit - Short Term	26,25,600	67,37,200
	<b>Total</b>	<b>1,75,69,700</b>	<b>1,18,57,900</b>
2	Aggregate cost of Investments in State Bank of India (Holding Company) (Refer note no. 42(C) of Schedule 16 (C))	NIL	1,650
3	Investments made out of Catastrophe reserve at cost	NIL	Nil
4	Particulars of Investment other than listed equity shares		
	Amortised cost	83,81,51,734	66,10,57,411
	Market value	87,96,25,533	70,69,01,247
5	Break-up of Infrastructure and Social Sector Investment		
	<b>Long Term Investments</b>		
	a) Other Approved Investments - Equity	42,70,586	40,22,821
	b) Other Approved Investments - Bonds & Debentures	14,84,05,652	12,39,16,652
	c) Other Investments - Equity	-	-
	d) Other Investments - Bonds & Debentures	7,79,438	23,77,658
	<b>Short Term Investments</b>		
	a) Other Approved Investments - Equity		
	b) Other Approved Investments - Bonds & Debentures	72,33,214	70,30,022
	c) Other Investments - Equity		
	d) Other Investments - Bonds & Debentures	-	98,961
6	<b>Break-up of Other than Approved Investments (Other Investments)</b>		
	Bonds & Debentures	8,72,773	24,94,919
	Equity	1,13,93,524	49,76,341
	Mutual Funds & Alternative Investment Funds	38,91,427	35,25,561
7	Investment under "Long Term - Other Investments (Other Approved Investments) - (g) Investment Properties - Real Estate" represents investment in units of Real Estate Investment Trusts (REIT).		
8	Securities deposited (other than cash) towards margin requirement for equity and Government securities trade		
	a) Fixed Deposit with National Securities Clearing Corporation Limited (NSCCL)	-	-
	b) Fixed Deposit with Indian Clearing Corporation Limited (ICCL)	-	-
	c) Government Securities with Clearing Corporation of India Ltd.- TREP Segment		
	Amortised Cost	-	-
	Market value	-	-
	d) Government Securities with Clearing Corporation of India Ltd.- Securities Segment		
	Amortised Cost	-	-
	Market value	-	-
9	Impairment / NPA provision on debt investments (Refer note no. 21 (B) of Schedule 16 (C))	-	-
10	For accounting policy on investments, refer note (k) of Schedule 16 (B)		



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 8B**

**ASSETS HELD TO COVER LINKED LIABILITIES**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>LONG TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	24,04,36,805	20,14,82,615
2	Other Approved Securities	10,04,71,056	6,03,58,751
3	Other Investments (Other Approved Investments)		
	(a) Shares		
	(aa) Equity	42,76,39,747	21,80,72,129
	(bb) Preference	8,638	13,412
	(b) Mutual fund	20,15,011	30,55,749
	(c) Derivative Instruments	-	-
	(d) Debentures / Bonds	3,47,52,420	4,09,28,173
	(e) Other Securities (represents Fixed Deposit with a Scheduled Bank)	30,19,500	7,23,900
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	9,94,07,935	10,21,16,790
5	Other than Approved Investments (Other Investments)	8,28,28,929	3,22,16,179
		<b>99,05,80,042</b>	<b>65,89,67,698</b>
	<b>SHORT TERM INVESTMENTS</b>		
1	Government securities and Government guaranteed bonds including Treasury Bills	7,09,00,449	6,83,96,994
2	Other Approved Securities	13,11,973	2,12,186
3	Other Investments (Other Approved Investments)		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual fund	1,00,60,216	27,54,089
	(c) Derivative Instruments	-	-
	(d) Debentures / Bonds	20,28,599	92,92,413
	(e) Other Securities		
	(aa) Fixed Deposit	6,74,400	14,85,600
	(bb) Certificate of Deposit	-	-
	(cc) Commercial Paper	31,29,593	1,61,962
	(dd) Repo / TREP Investments	5,66,42,214	2,94,18,414
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	72,77,699	14,63,309
5	Other than Approved Investments (Other Investments)	44,73,475	50,042
6	Net Current Assets [Refer Note below]	1,50,71,526	1,34,50,563
		<b>17,15,70,143</b>	<b>12,66,85,572</b>
	<b>Total</b>	<b>1,16,21,50,186</b>	<b>78,56,53,270</b>

Notes :

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Aggregate cost of Investments in State Bank of India (Holding Company) (Refer note no. 42 (C) of Schedule 16 (C))	6,53,400	8,52,500
2	Investments made out of Catastrophe reserve at cost	Nil	Nil
3	Particulars of Investment other than listed equity shares		
	Amortised cost	65,02,95,847	52,70,95,707
	Market value	66,65,46,339	52,94,49,195
4	Break-up of Net Current Assets - "Assets Held To Cover Linked Liabilities"		
	a) Interest accrued and not due	1,13,18,750	1,19,99,647
	b) Net receivable to Unit linked Funds	13,45,382	27,54,028
	c) Investment sold - pending for settlement	96,86,203	12,97,688
	d) Investment purchased - pending for settlement	(73,17,193)	(25,41,224)
	(e) Other receivable / (payable)	38,384	(59,576)
	f) Application money for Investment	-	-
	<b>Total</b>	<b>1,50,71,526</b>	<b>1,34,50,563</b>
5	Break-up of Infrastructure and Social Sector Investment		
	<b>Long Term Investments</b>		
	a) Other Approved Investments - Equity	2,71,76,156	1,78,58,992
	b) Other Approved Investments - Bonds & Debentures	7,22,31,779	8,32,29,174
	c) Other Investments - Equity	-	-
	d) Other Investments - Bonds & Debentures	-	10,28,624
	<b>Short Term Investments</b>		
	a) Other Approved Investments - Equity	-	-
	b) Other Approved Investments - Bonds & Debentures	72,77,699	14,63,309
	c) Other Investments - Equity	-	-
	d) Other Investments - Bonds & Debentures	-	-
6	<b>Break-up of Other than Approved Investments (Other Investments)</b>		
	Bonds & Debentures	55,47,699	29,54,520
	Equity	2,57,16,417	68,36,909
	Mutual Funds & Alternative Investment Funds	5,60,38,288	2,24,74,792
7			
	Impairment / NPA provision on debt investments (Refer note no. 21 (B) of Schedule 16 (C))	5,25,790	5,25,790
8	For accounting policy on investments, refer note (k) of Schedule 16 (B)		



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 9**

**LOANS**

(₹ '000)			
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	<b>SECURITY WISE CLASSIFICATION</b>		
	<i>Secured</i>		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt Securities etc	-	-
	(c) Loans against policies	11,36,431	7,19,065
	(d) Others (On Book Debts and Current Assets)	24,44,350	29,25,750
	<i>Unsecured</i>	-	-
	<b>Total</b>	<b>35,80,781</b>	<b>36,44,815</b>
2	<b>BORROWER - WISE CLASSIFICATION</b>		
	(a) Central and State Governments	-	-
	(b) Banks and Financial institutions	24,44,350	29,25,750
	(c) Subsidiaries	-	-
	(d) Companies	-	-
	(e) Loans against policies	11,36,431	7,19,065
	(f) Others	-	-
	<b>Total</b>	<b>35,80,781</b>	<b>36,44,815</b>
3	<b>PERFORMANCE - WISE CLASSIFICATION</b>		
	(a) Loans classified as standard less provisions		
	(aa) In India	35,80,781	36,44,815
	(bb) Outside India	-	-
	(b) Non - standard loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	<b>Total</b>	<b>35,80,781</b>	<b>36,44,815</b>
4	<b>MATURITY - WISE CLASSIFICATION</b>		
	(a) Short Term	1,06,911	2,06,951
	(b) Long Term	34,73,870	34,37,864
	<b>Total</b>	<b>35,80,781</b>	<b>36,44,815</b>

**Note:**

(₹ '000)			
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Aggregate cost of principal receivable within 12 months from the Balance Sheet date out of Long Term Loans	5,08,333	5,95,833
2	Provision towards Standard Asset (Refer note no. 21 (A) of Schedule 16 (C))	9,817	11,750
3	Loans considered doubtful and the amount of provision (Other than standard provision) created against such loans	NIL	Nil
4	Short-term loans include those where the principal is repayable within 12 months from Balance Sheet date. Long term loans are the loans other than short-term loans.		
5	For accounting policy on loans, refer note (I) of Schedule 16 (B)		



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 10**

**FIXED ASSETS**

(₹ '000)

Particulars	Cost / Gross block				Depreciation					Net block	
	As at April 01, 2020	Additions	Deductions	As at March 31, 2021	As at April 01, 2020	For the period	On Adjustments	On Sales	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Goodwill	-	-	-	-	-	-	-	-	-	-	-
Intangibles - software	23,45,416	2,02,411	253	25,47,574	19,69,669	3,76,847	-	253	23,46,263	2,01,311	3,75,747
Land-freehold	17,62,522	-	-	17,62,522	-	-	-	-	-	17,62,522	17,62,522
Leasehold property	-	-	-	-	-	-	-	-	-	-	-
Building on freehold land #	6,77,870	-	-	6,77,870	95,218	10,813	-	-	1,06,031	5,71,838	5,82,651
Building on Leasehold Land	14,27,317	-	-	14,27,317	80,980	22,599	-	-	1,03,580	13,23,738	13,46,337
Furniture & fittings	9,70,651	57,319	43,692	9,84,278	6,15,427	1,24,425	-	43,012	6,96,840	2,87,437	3,55,224
Information technology equipment	14,69,465	3,15,157	22,971	17,61,652	13,86,745	1,04,713	-	22,822	14,68,637	2,93,015	82,720
Vehicles	2,495	-	-	2,495	546	312	-	-	858	1,638	1,949
Office equipment	7,45,538	1,29,930	17,997	8,57,471	4,53,169	1,37,605	-	16,953	5,73,821	2,83,650	2,92,369
Leasehold improvements	11,39,235	2,42,539	15,978	13,65,796	3,75,398	1,75,297	-	15,781	5,34,915	8,30,881	7,63,837
Servers & Networks	4,02,100	8,185	2,942	4,07,342	2,85,514	41,369	-	2,942	3,23,940	83,402	1,16,586
<b>Total</b>	<b>1,09,42,609</b>	<b>9,55,540</b>	<b>1,03,832</b>	<b>1,17,94,316</b>	<b>52,62,666</b>	<b>9,93,980</b>	<b>-</b>	<b>1,01,762</b>	<b>61,54,884</b>	<b>56,39,432</b>	<b>56,79,942</b>
Capital work in progress and capital advances	1,31,905	4,27,136	5,44,164	14,877	-	-	-	-	-	14,877	1,31,905
<b>Grand Total</b>	<b>1,10,74,514</b>	<b>13,82,676</b>	<b>6,47,996</b>	<b>1,18,09,193</b>	<b>52,62,666</b>	<b>9,93,980</b>	<b>-</b>	<b>1,01,762</b>	<b>61,54,884</b>	<b>56,54,309</b>	<b>58,11,848</b>
<b>Previous year ended March 31, 2020</b>	<b>1,03,47,459</b>	<b>13,50,158</b>	<b>6,23,104</b>	<b>1,10,74,514</b>	<b>43,95,227</b>	<b>9,00,309</b>	<b>-</b>	<b>32,870</b>	<b>52,62,666</b>	<b>58,11,848</b>	

# Includes certain asset leased out pursuant to operating lease agreements (Refer note no. 16 (b) of Schedule 16 (C))  
For accounting policies on fixed assets and depreciation refer note (h) of Schedule 16 (B)



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 11**

**CASH AND BANK BALANCES**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Cash (including cheques, drafts and stamps)	7,49,860	1,72,334
2	Bank balances		
	(a) Deposit accounts		
	(aa) Short-term (due within 12 months of the date of balance sheet)	26,25,600	67,37,200
	(bb) Others	1,49,44,100	51,20,700
	(b) Current accounts* (Refer note no. 3(b) of Schedule 16 (C))	87,51,078	21,67,536
	(c) Others <sup>#</sup> (Refer note no. 3(b) of Schedule 16 (C))	33,653	33,600
	(d) Unclaimed Dividend Accounts	894	895
3	Money at call and short notice		
	(a) With banks	-	-
	(b) With other institutions	-	-
4	Others	-	-
	<b>Total</b>	<b>2,71,05,185</b>	<b>1,42,32,265</b>
	Balances with non-scheduled banks included in 2 and 3 above	Nil	Nil
	<b>Cash and bank balances</b>		
1	In India	2,71,05,185	1,41,53,712
2	Outside India (Refer note no. 3(b) of Schedule 16 (C))		78,553
	<b>Total</b>	<b>2,71,05,185</b>	<b>1,42,32,265</b>

\* Includes debit and credit balances of bank accounts.

<sup>#</sup> Other bank balances comprise of ₹ 33,653 thousand (Previous year ended March 31, 2020 : ₹ 33,600 thousand) kept with bank for issuance of bank guarantees.

**Note:**

**Break-up of cash (including cheques, drafts and stamps) :**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Cash in hand		22
2	Postal franking & Revenue Stamps	55,650	71,754
3	Cheques in hand	6,94,210	1,00,558
	<b>Total</b>	<b>7,49,860</b>	<b>1,72,334</b>



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 12**

**ADVANCES AND OTHER ASSETS**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
	<b>ADVANCES</b>		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	4,37,640	4,05,672
4	Advances to Directors / Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	-
6	Advances to suppliers	1,31,358	1,10,222
7	Advances to employees	9,982	9,117
	<b>Total (A)</b>	<b>5,78,980</b>	<b>5,25,011</b>
	<b>OTHER ASSETS</b>		
1	Income accrued on investments		
	a) Shareholders'	18,34,321	17,08,279
	b) Policyholders'	2,30,99,941	2,92,91,705
2	Outstanding Premiums (Refer note no. 38 of Schedule 16 (C))	35,68,593	45,05,491
3	Agents' Balances	15,534	24,412
	Less:- Provision for doubtful receivables	(31)	(1,216)
	Net Agent Balances	15,503	23,196
4	Foreign Agents' Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	12,36,130	44,804
6	Due from subsidiaries / holding company	-	-
7	Deposit with Reserve Bank of India	-	-
8	Security deposit (including margin money for derivative contracts)	21,30,929	11,75,135
9	Receivables (Refer Note-1 below)	67,95,826	24,39,167
10	Goods and Service Tax and Service tax advance and unutilized credit	14,94,941	9,95,003
11	Assets held for unclaimed amount of policyholders (Refer note no. 26 of Schedule 16 (C))	33,31,445	30,08,192
12	Income accrued on unclaimed fund (Refer note no. 26 of Schedule 16 (C))	3,15,845	2,63,586
	<b>Total (B)</b>	<b>4,38,23,474</b>	<b>4,34,54,559</b>
	<b>Total (A + B)</b>	<b>4,44,02,454</b>	<b>4,39,79,570</b>

**Note: 1**

'Receivables' under Advances and other assets (Schedule 12) comprise of:

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Dividend	23,571	7,972
2	Proceeds from sale / Maturity of investments	16,66,874	4,44,970
3	Receivable from Unit linked /Non Unit Linked funds (Refer note no.32 of Schedule 16 (C))	47,03,315	15,79,733
4	Derivative Asset (Refer note no. 23(1) (v) of Schedule 16 (C))	46,900	-
5	Others	3,55,165	4,06,492
	<b>Total</b>	<b>67,95,826</b>	<b>24,39,167</b>



**SBI LIFE INSURANCE COMPANY LIMITED**  
**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE - 13**

**CURRENT LIABILITIES**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Agents' balances	9,00,085	5,82,336
2	Balances due to other insurance companies (including reinsurers)	1,24,173	1,95,985
3	Deposits held on re-insurance ceded	-	-
4	Premium received in advance (Refer note no. 38 of Schedule 16 (C))	64,329	50,766
5	Unallocated premium and other deposits	36,17,790	31,84,271
6	Sundry creditors	74,18,644	71,01,205
7	Due to subsidiaries / holding companies	4,53,808	5,57,292
8	Claims outstanding	61,41,234	24,81,893
9	Annuities due	51,029	13,721
10	Due to Officers / Directors	-	-
11	Unclaimed amount - policyholders (Refer note no. 26 of Schedule 16 (C))	33,31,445	30,08,192
12	Income accrued on unclaimed fund (Refer note no. 26 of Schedule 16 (C))	3,15,845	2,63,586
13	Others [Refer note below]	1,56,31,764	1,03,97,342
	<b>Total</b>	<b>3,80,50,146</b>	<b>2,78,36,589</b>

**Note:**

'Others' under current liabilities (Schedule 13) comprise of:

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Brokerage payable	564	1,792
2	Outstanding payables for investments	16,24,251	2,26,720
3	Payable to Unit linked Fund / Unclaimed Fund	60,74,866	43,71,491
4	TDS Payable	5,27,155	3,24,918
5	Goods and Service Tax Payable	20,39,520	14,73,453
6	Other Statutory liabilities	1,46,945	1,33,062
7	Derivative Liability (Refer note no. 23(1) (v) of Schedule 16 (C))	1,50,205	-
8	Others*	50,68,259	38,65,906
	<b>Total</b>	<b>1,56,31,764</b>	<b>1,03,97,342</b>

\* Includes unclaimed dividend amounting to ₹ 894 thousands (Previous year ended March 31, 2020 : ₹ 895 thousand)

\* Includes amount payable to policyholders towards lapsed policies amounting to ₹ 3,584,007 thousands  
(Previous year ended March 31, 2020 : ₹ 2,860,184 thousand)

**SCHEDULE - 14**

**PROVISIONS**

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	For taxation (Net of Advance tax. Refer Note below)	7,52,067	11,92,997
2	For proposed dividends	-	-
3	For dividend distribution tax	-	-
4	For employee benefits (Refer note no. 19 of Schedule 16 (C))	10,81,316	11,92,129
5	For interim dividend (Refer note no. 36 of Schedule 16 (C))	25,00,177	-
	<b>Total</b>	<b>43,33,561</b>	<b>23,85,126</b>

**Provision for taxation (Net of advance tax)**

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Provision for tax	(1,87,36,247)	(1,68,94,576)
2	Advance tax and taxes deducted at source	1,79,84,179	1,57,01,579
	<b>Total</b>	<b>(7,52,067)</b>	<b>(11,92,997)</b>

**SCHEDULE - 15**

**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

(₹ '000)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
1	Discount allowed in issue of shares / debentures	-	-
2	Others	-	-
	<b>Total</b>	<b>-</b>	<b>49</b>



## SBI LIFE INSURANCE COMPANY LIMITED

### Schedule 16

Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2021

#### A. Corporate Information and Nature of Operations

SBI Life Insurance Company Limited ('the Company') is established as a joint venture between State Bank of India (SBI) and BNP Paribas Cardif SA, incorporated on October 11, 2000 as a Company under the Companies Act. The Company is registered with the Insurance Regulatory and Development Authority of India ('IRDAI') vide registration no. 111 dated March 29, 2001 and is carrying on the business of life insurance and annuity. The Company'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. Some of these policies have riders such as accident and disability benefit, level term and critical illness. The equity shares of the Company are listed on the National Stock Exchange (NSE) and BSE Limited (formerly known as Bombay Stock Exchange).

#### B. Basis of Preparation and Significant Accounting Policies

##### a. Basis of preparation and presentation

The Financial Statements are prepared under the historical cost convention, on accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP) and in compliance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable, the provisions of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015 and Insurance (Amendment) Act, 2021, the Insurance Regulatory and Development Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the Accounting Regulations), the Master Circular on Preparation of Financial Statements and Filing of Returns of Life Insurance Business dated December 11, 2013 and various other circulars and notifications issued by the Insurance Regulatory and Development Authority of India thereafter.

The accounting policies used in preparation of the financial statements are consistent with those followed in the previous year.

##### Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets,



liabilities, revenues and expenses and disclosure of contingent liabilities as of the date of the financial statements. The reliance upon estimates and assumptions used in the accompanying financial statements are based on management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Difference between the actual and estimates are recognised in the period in which the actual results materialise or are known. Any revision to accounting estimates is recognised prospectively in current and future periods.

**b. Revenue recognition**

**i. Premium Income**

Premium of non-linked business is recognised as income (net of goods and service tax) when due from policyholders. In respect of linked business, premium income is recognised when the associated units are allotted. In case of variable insurance products (VIPs), premium income is recognised on the date when the Policy Account Value is credited. Uncollected premium from lapsed policies is not recognised as income until such policies are revived.

Top up premiums are considered as single premium.

**ii. Income from Linked funds**

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 of policy and recognised when recovered.

**iii. Investment Income**

Dividend income for quoted shares is recognised on ex-dividend date, for non-quoted shares the dividend is recognised when the right to receive dividend is established.

Investment income on Alternate Investment Funds (AIFs), Real Estate Investment Trusts (REITs) Infrastructure Investment Trusts (InvITs), are recognized as and when declared by respective Fund/Trust.

Interest income is recognised on accrual basis. Pre-acquisition interest paid/received to/from counterparty on purchase/sale transaction is debited/credited to interest accrued and not due account. Accretion of discount and amortisation of premium in respect of debt securities are effected over the remaining term of such instruments on the basis of the related Yield-to-Maturity.

Realised gains and losses in respect of equity securities and units of mutual funds, Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sales proceeds or redemption proceeds and weighted average amortised cost. Cost in respect of equity shares and units of mutual funds, Equity Exchange Traded funds (ETFs), Infrastructure Investment Trusts (InvITs) and Real Estate Investments Trusts (REITs) are computed using the weighted average method.



Fees received on lending of equity shares under Securities lending and borrowing scheme (SLB) is recognised as income over the period of the lending on straight-line basis.

**iv. Income from loans**

Interest income on loans is recognised on an accrual basis. Loan processing fee is recognised on receipt basis.

**v. Rental Income**

Rental income is recognised in the income statement on the straight line basis over the lease period.

**c. Reinsurance premium ceded**

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.

**d. Liability for life policies (Policy liabilities)**

The actuarial liability of all the life insurance policies has been calculated by the Appointed Actuary in accordance with the Insurance Act 1938, and as per the rules & regulations and circulars issued by IRDAI from time to time and the relevant Guidance Notes (GN) and / or Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India.

Non-linked business is reserved using a prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience e.g. interest rates, mortality and expenses.

For participating products, vested bonuses are those which were distributed by the Company consequent to the actuarial valuations carried out annually at the end of each financial year dated 31st March, 2002 to 31st March, 2021. For participating pension products, special one-time bonus declared during financial year 2003-04 and 2004-05 have been taken into account. Appropriate future bonus assumptions have been made.

For Group-Par-Pension, the reserve is the Accumulated Fund Value.

For Non-Linked - Individual fund-based products and Non-Linked - Group fund-based products, the policy liability in respect of savings portion is equal to the fund value as on the date of valuation.

The unit liability in respect of Individual - Linked and Group - Linked business has been considered as the value of the units standing to the credit of the policy holders, using the net asset value (NAV) as on the valuation date.

The adequacy of charges under individual unit linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under Unit Linked products offered with Guarantee.

Variable insurance policies (VIPs) have also been valued in a manner similar to the ULIP business by considering liability as the policy account standing to the credit of the policyholders plus additional provisions for adequacy of charges to meet expenses.



Appointed Actuary is satisfied that the nature and extent of re-insurance arrangements require no additional reserve to be set aside apart from reinsurance reserves set aside based on Unearned Premium Reserve (UPR) methodology.

Considering the prudence of the valuation basis and the margins in the assumptions, our assessment is that, the reserve set aside is sufficient to meet all future policy outgoes under adverse conditions.

**e. Funds for future appropriation**

For non-linked participating business, the balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined at the Balance Sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' fund. In respect of participating policies any allocation to the policyholder would also give rise to a shareholder transfer in the required proportion.

The fund for future appropriations held in the unit-linked funds, represents surplus that has arisen from lapsed policies unlikely to be revived. This surplus is required to be held within the policyholders' fund till the point at which the policyholders' can no longer revive their policy.

**f. Benefits paid**

- i. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
- ii. Claims by death and rider are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims.
- iii. Claims by maturity are accounted on the policy maturity date.
- iv. Survival and annuity benefit claims are accounted when due.
- v. Surrenders and withdrawals are accounted as and when intimated. Benefits paid also includes amount payable on lapsed policies which are accounted for as and when due. Surrenders, withdrawals and lapsation are disclosed at net of charges recoverable.
- vi. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.
- vii. Amount recoverable from re-insurers are accounted for in the same period as the related claim and are reduced from claims.

**g. Acquisition costs**

Acquisition costs such as commission, medical fees, etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts. The same are expensed in the period in which they are incurred.

**h. Fixed assets, intangibles and depreciation**

**Fixed assets**

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Cost includes the purchase price and any other cost which can be directly attributed to bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on existing fixed assets is expensed out except where such expenditure increases the future economic benefits from the existing assets.



## Intangibles

Intangible assets are stated at cost, less accumulated amortisation and impairment, if any. Expenditure incurred on major application software and their customisation or further development is recognised as an intangible asset. The same is capitalised under fixed assets if such expenditure results in a benefit of enduring nature. Other software expenses are expensed in the period in which they are incurred. Subsequent expenditure incurred on existing assets is expensed out except where such expenditure increases the future economic benefits from the existing assets, in which case the expenditure is amortised over the remaining useful life of the original asset.

## Capital work in progress

Costs of assets as at the Balance sheet date not ready for its intended use are disclosed as capital work-in-progress. Advances paid towards the acquisition of fixed assets and intangibles at the Balance Sheet date are disclosed as capital work-in-progress.

## Depreciation/ amortisation

The Company is following straight line method of depreciation provided on pro rata (monthly) basis for period of use for the following type of assets based on useful life as prescribed under Part "C" of Schedule II to the Companies Act, 2013:

Nature of Asset	Useful life
Furniture & fittings	10 Years
Office equipments	5 Years
Vehicles	8 Years
Building	60 Years
Information technology equipment	3 Years
Servers & networks	6 Years

Software expenses are amortised over a maximum period of 3 years.

Leasehold improvements are amortised equally over the period of lease. Capital expenditure on individual assets up to ₹ 1,000 are not capitalized and expensed out as revenue expenditure. Assets individually costing more than ₹ 1,000 and up to ₹ 20,000 are fully depreciated in the month of acquisition.

Depreciation is charged to Revenue and Profit & Loss Account based on the "put to use" criteria as per IRDAI guidelines.

### i. Impairment of fixed assets

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, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If at the Balance sheet date, there is an indication that an impairment loss recognised for an asset in earlier accounting periods is no longer required or has decreased; reversal of impairment loss is recognised. The recoverable amount is reassessed and the asset is reflected at recoverable amount, subject to a maximum of depreciable historical cost.



**j. Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing on that date.

Non-monetary items like fixed assets which are recorded at historical cost are reported using the exchange rate at the date of transaction.

Non-monetary items other than fixed assets, which are recognised at fair value or other similar valuation are reported using exchange rate at the date when such value was determined.

Exchange differences either on settlement or on translation are recognised in the Revenue Account or Profit and Loss Account, as the case may be.

**k. Investments**

Investments are made and accounted in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, and Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Investment Policy of the Company and various other circulars/ notifications as issued by IRDAI from time to time.

Investments are recorded on the trade date at cost, which includes brokerage, security transaction tax, education cess and stamp duty, wherever applicable and excludes interest paid, if any, on purchase.

Bonus entitlements are recognised as investments on the 'ex-bonus date'. Rights entitlements are recognised as investments on the 'ex-rights date'.

**i. Classification of Investments**

Investments maturing within twelve months from balance sheet date and investments made with the specific intention to dispose-off within twelve months from balance sheet date shall be classified as short-term investments.

Investments other than Short-term investments are classified as "Long-term investments".

**ii. Valuation - shareholders' investments and non-linked policyholders' investments**

**Debt securities**

Debt securities, including Government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount over a period of holding/ maturity on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

**Equity, equity related instruments & preference shares**

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered.

If NSE closing price is not available for any security, then BSE closing price is used for valuation.



Unlisted equity shares, equity related instruments & preference shares are measured at historical cost. In case of Security Lending & Borrowing ('SLB'), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL').

Unrealised gains or losses arising due to change in the fair value of equity shares are recognised in the Balance Sheet under "Fair value change account".

On each balance sheet date, the Company assess whether impairment of listed equity securities has occurred. Any impairment loss is recognised as an expense in the Revenue or Profit and Loss Account to the extent of the difference between the re-measured fair value of the security or investment and its weighted average cost as reduced by any previous impairment loss recognised as an expense in the Revenue or Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue or Profit and Loss Account, is recognised in the Revenue or Profit and Loss Account.

#### **Mutual funds**

Investments in mutual funds are valued at the previous day's Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Balance Sheet under "Fair value change account".

#### **Alternative Investment Funds (AIFs)**

Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair value change account".

#### **Interest Rate Derivatives (IRDs)**

Interest Rate Derivative (IRD) contracts for hedging of highly probable forecasted transactions on insurance contracts and investment cash flows in life, pension and annuity business, are accounted for in the manner specified in accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India (ICAI) in June 2015 effective from FY 2016-17, IRDAI circular no. IRDA/F&I/INV/CIR/138/06/2014 dated June 11, 2014 ('the IRDAI circular on Interest Rate Derivatives') and IRDAI Investment Master Circular issued in May 2017.

The Company has well defined Board approved interest rate risk hedging Policy and Process document covering various aspects related to functioning of the derivative transactions undertaken to mitigate interest rate risk as per the Interest rate risk hedging strategy. At the inception of the hedge, the Company designates and documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

Forward Rate Agreement ("FRA") is a forward contract to hedge the risk of movements in interest rates. In a FRA contract, the Company fixes the yield on the government bond for the period till the maturity of the



contract. The Company enters into FRA to hedge interest rate risk on forecasted transactions: a) Reinvestment of maturity proceeds of existing fixed income investments; b) Investment of interest income receivable; and c) Expected policy premium income receivable on insurance contracts which are already underwritten in Life, Pension & Annuity business.

The Company follows “hedge accounting” for accounting of all Interest rate derivative financial instruments as per Guidance Note on Accounting for Derivative Contracts issued by Institute of Chartered Accountants of India (ICAI).

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve. The fair valuation or Mark to market valuation of the derivative financial instruments is done independently by both the parties i.e. the Company and the counter party. The counter party (bank) valuation is considered for margin settlement as the counter party (bank) is the valuation agent as per forward rate agreement.

Hedging instruments are initially recognised at fair value and are re-measured at fair value at subsequent reporting dates. The effective portion of fair value gain / loss on the interest rate derivative that is determined to be an effective hedge is recognised in equity account i.e. “Hedge Fluctuation Reserve” or “HFR” under the head ‘Credit/(Debit) Fair Value Change Account’ in the Balance Sheet and the ineffective portion of the change in fair value of such derivative instruments is recognised in the Revenue Account or Profit and Loss account in the period in which they arise. The fair value gain / loss on the interest rate derivative that is determined to be an ineffective hedge is recognised in the revenue account or profit and loss account in the period in which they arise.

The accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account or profit and loss account, in the same period during which the income from investments acquired from underlying forecasted cash flow is recognized in the Revenue Account or profit and loss account. Hedge accounting is discontinued when the hedging instrument is terminated or it becomes probable that the expected forecast transaction will no longer occur or the risk management objective is changed or no longer expected to be met. On such termination, accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account or Profit and Loss account. Costs associated with derivative contracts are considered as at a point in time cost.

#### **Real Estate Investment Trusts (REITs)/ Infrastructure Investments Trusts (InvITs)**

The Investment in Units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust. Unrealised gains or losses arising due to change in the fair value of Real Estate Investment Trust (REITs)/Infrastructure Investments Trusts (InvITs) are recognised in the Balance Sheet under “Fair value change account”.



### iii. Valuation - Linked business

#### Debt securities

Debt securities including Government securities with remaining maturity of more than one year are valued at prices obtained from CRISIL.

Debt securities including government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term tenor, it is valued at amortized cost using yield to maturity method. In case of securities with options, earliest Call Option / Put Option date will be taken as maturity date for this purpose.

Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

#### Equity, equity related instruments & preference shares

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, closing price at primary exchange i.e. NSE is considered.

If NSE closing price is not available for any security, then BSE closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.

In case of Security Lending & Borrowing (SLB), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.

Unrealised gains or losses arising due to change in the fair value are recognised in the Revenue Account.

#### Mutual funds

Investments in mutual funds are valued at the previous day's Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Revenue Account.

#### Real Estate Investment Trusts (REITs)/ Infrastructure Investments Trusts (InvIT)

The Investment in Units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust. Unrealised gains or losses arising due to change in the fair value of REITs units are recognised in the Revenue Account.



#### **iv. Transfer of investments**

In the case of deficit in Revenue Account, transfer of securities from shareholders to policyholders is done as below:

- (i) Debt securities are transferred at lower of net amortised cost or market value on the date of transfer;
- (ii) Equity securities are transferred at lower of cost or market value on the date of transfer.

In the case of surplus in Revenue Account, transfer of securities from policyholders' to shareholders' is done as below:

- (i) Debt securities are transferred at net amortised cost;
- (ii) Equity securities are transferred at market value on the date of transfer.

No transfer of investments is carried out between non-linked policyholders' funds. In case of unit linked fund, inter schemes transfers are affected at prevailing market value at the time of transfer.

#### **v. Impairment of Investments**

On each balance sheet date, the Company assesses whether there is any indication of impairment of investments or reversal of impairment loss recognised in prior periods. Any impairment loss is recognised as an expense in the Revenue or Profit and Loss Account to the extent of the difference between the re-measured fair value of the security or investment and its weighted average cost as reduced by any previous impairment loss recognised as an expense in the Revenue or Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue or Profit and Loss Account, is recognised in the Revenue or Profit and Loss Account.

#### **vi. Provision for Non-Performing Assets (NPAs)**

All assets where the interest and/or principal repayment remain overdue for more than 90 days at the Balance Sheet date are classified as NPA and provided for in accordance with the requirement of applicable IRDAI Regulations/circulars.

#### **I. Loans**

Investments in Loans are stated at historical cost, less repayments, subject to provision for impairment losses & non-performing asset (NPA) provision, if any.

#### **m. Provision for Standard Assets**

In accordance with the IRDAI guidelines on 'Prudential norms for income recognition, asset classification, provisioning and other related matters in respect of debt portfolio' vide the Master circular, adequate provisions are made for estimated loss arising on account from/under recovery of loans and advances (other than loans and advances granted against insurance policies issued by the insurer) outstanding at the balance sheet date in respect of standard assets.



**n. Employee benefits**

**(i) Post-employment benefit**

**Defined benefit plans**

**Provident Fund**

The Company makes contribution towards provident fund, a defined benefit retirement plan. The provident fund is administered by the trustees of the SBI Life Insurance Company Limited Employees PF Trust. The contribution paid or payable under the schemes is charged to the Revenue Account during the period in which the employee renders the related service. Further, an actuarial valuation is conducted annually by an independent actuary to recognise the deficiency, if any, in the interest payable on the contributions as compared to the interest liability as per the statutory rate.

**Gratuity**

The Company has incorporated a gratuity trust. The Company makes contribution to a Gratuity Fund administered by trustees of SBI Life Insurance Company Limited Employees Gratuity Fund. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company.

The Company accounts for the liability for future gratuity benefits based in accordance with Accounting Standard - 15 (Revised). The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date. Actuarial gains and losses are recognised in the Revenue Account.

**(ii) Other long-term employee benefits**

**Compensated Absences and Long Term Service Awards**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

The Company accrues the liability for compensated absences and long term service awards in accordance with Accounting Standard - 15 (Revised). The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

**(iii) Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid for the services rendered by employees is recognised during the period when the employees renders the service. These benefits include salaries and bonuses, short term compensated absences, premium for staff medical insurance (hospitalization), premium for employee group term insurance scheme etc.

**(iv) Employee share based payments**

The Company follows the intrinsic value method to account for its share-based employee compensation plans in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value is measured as the excess, if any, of



the fair market price of the underlying stock over the exercise price on the grant date. The intrinsic value of options, if any, at the grant date is amortised over the vesting period. The fair market price is the latest closing price, immediately prior to the grant date, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then, the stock exchange which records the highest trading volume on the date, immediately prior to the grant date is considered.

**o. Accounting for Leases**

**(i) Operating Lease**

**Where the Company is the lessee**

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.

**p. Taxation**

**Direct Taxes**

Provision for current income tax, if any, is made on an accrual basis after taking credit for all allowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred income tax is recognised for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for tax purposes. The effect of deferred tax asset or liability of a change in the tax rates are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets or liabilities are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.



## **Indirect Taxes**

Goods and service tax liability on output service is set-off against the input tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward under "Advances and other assets" for future set off and are deferred for recognition to the extent there is reasonable certainty that the assets can be realised in future.

### **q. Segmental reporting**

As per Accounting Standard 17 on "Segmental Reporting" read with IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Company has classified and disclosed segmental information in to participating, non-participating and linked businesses, which are further segmented into Individual life, group, health, pension, variable and annuity.

### **r. Provisions and contingent liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from litigation etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Contingent assets are neither recognised nor disclosed.

### **s. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period in the shareholders' account by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **t. Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Receipts and Payments Account comprises of cash and cheques in hand, bank balances, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.



## C. Notes to Accounts

### 1. Contingent Liabilities

₹ ('000)			
Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
1	Partly paid - up investments	10,900,000	8,600,000
2	Claims, other than against policies, not acknowledged as debts by the Company (Refer Note 4)	9,956	5,601
3	Underwriting commitments outstanding (in respect of shares and securities)	---	---
4	Guarantees given by or on behalf of the Company	---	---
5	Statutory demands or liabilities in dispute, not provided (Refer Note 1)	---	---
6	Reinsurance obligations to the extent not provided for in accounts	---	---
7	Others:		
	- Insurance claims disputed by the Company, to the extent not provided or reserved (Refer Note 4)	1,654,364	1,495,749
	- Directions issued by IRDAI under section 34(1) of Insurance Act, 1938 (Refer Note 2)	3,871,020	1,044,294
	<b>Total</b>	<b>16,435,340</b>	<b>11,145,644</b>

#### Notes:

##### Note 1:

Show-cause notices issued by various Government Authorities are not considered as an obligation. When any order or notice is raised by the authorities for which the Company is in appeal under adjudication, these are disclosed as contingent liability except in cases where the probability of any financial outflow is remote.

##### Note 2:

(a) IRDAI has issued directions under Section 34 (1) of the Insurance Act, 1938 to distribute the administrative charges paid to master policyholders amounting to ₹ 843,174 thousands (previous year ended March 31, 2020: ₹ 843,174 thousands) vide order no. IRDA/Life/ORD/Misc/228/10/2012 dated October 5, 2012. The Company had filed an appeal against the said order with the Ministry of Finance, Government of India, which remanded the case back to IRDAI on November 4, 2015. Thereafter, IRDAI issued further directions dated January 11, 2017 reiterating the directions issued on October 5, 2012. The Company filed an appeal against the said directions/ orders with the Securities Appellate Tribunal (SAT), which was dismissed by the SAT vide Order dated 7 April 2021. The Company is in the process of filing an appeal before the Hon'ble Supreme Court challenging the said SAT Order in consultation with the legal counsel.

(b) IRDAI has issued directions under section 34 (1) of the Insurance Act, 1938 to refund the excess commission paid to corporate agents to the members or the beneficiaries amounting to ₹ 2,752,948 thousands (previous year ended March 31, 2020: ₹ 2,752,948 thousands) vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014. The said IRDAI order has been set aside by the Securities Appellate Tribunal (SAT) vide its order dated January 29, 2020. The SAT has remitted



the matter to IRDAI with a direction to recalculate the interest earned on advance premium collected. Subsequently, on March 3, 2021 the Company has received notice of institution of civil appeals filed by IRDAI in Supreme Court against the SAT order dated January 29, 2020. The Company is in the process of filing response/appeal in consultation with the legal counsel.

**Note 3:**

There has been a Supreme Court judgment dated February 28, 2019 relating to components of salary structure that need to be considered while computing provident fund contribution under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. The Company has prospectively included the component of salary in the definition of basic salary and accordingly deducted PF in line with the said judgement of Supreme Court. However, there are interpretive aspects related to the judgment which require clarification. The Company will continue to assess any further development in this matter for the implication on the financial statements, if any on receiving additional clarity on the subject.

**Note 4:**

These cases pertain to litigation pending with various appellate forums/courts.

## 2. Pending Litigation

The Company's pending litigations comprise of claims against the Company primarily by customers and proceedings pending with tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liability (refer note 1 of Schedule 16 (C)) where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results as at March 31, 2021.

## 3. Encumbrances on assets

The Assets of the Company are free from any encumbrances as at March 31, 2021 except for:

- a. Securities or cash deposited as margin for investment trade obligations of the Company:

₹ ('000)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Book Value	Market Value	Book Value	Market Value
<b>1) Clearing Corporation of India Ltd.- Securities Segment</b>				
i) Government Securities	2,835,407	2,956,294	2,302,520	2,431,553
ii) Cash	365,100	365,100	165,100	165,100
<b>Sub Total</b>	<b>3,200,507</b>	<b>3,321,394</b>	<b>2,467,620</b>	<b>2,596,653</b>
<b>2) Clearing Corporation of India Ltd.- TREP Segment</b>				
i) Government Securities	787,894	795,461	526,097	551,532
ii) Cash	5,100	5,100	5,100	5,100
<b>Sub Total</b>	<b>792,994</b>	<b>800,561</b>	<b>531,197</b>	<b>556,632</b>
<b>3) National Securities Clearing Corporation Limited NSCCL - Capital Market Segment</b>				



Particulars	As at March 31, 2021		As at March 31, 2020	
	Book Value	Market Value	Book Value	Market Value
i) Fixed Deposit	-	-	200,000	200,000
ii) Cash	650,586	650,586	-	-
<b>Sub Total</b>	<b>650,586</b>	<b>650,586</b>	<b>200,000</b>	<b>200,000</b>
<b>4) Indian Clearing Corporation Limited ICCL - Capital Market Segment</b>				
i) Fixed Deposit	-	-	-	-
ii) Cash	-	-	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5) CITI Bank N A - Margin for FRA MTM</b>				
i) Cash	39,630	39,630	-	-
<b>Sub Total</b>	<b>39,630</b>	<b>39,630</b>	<b>-</b>	<b>-</b>
<b>6) JP Morgan Chase Bank National Association - Margin for FRA MTM</b>				
i) Cash	64,050	64,050	-	-
<b>Sub Total</b>	<b>64,050</b>	<b>64,050</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>47,47,767</b>	<b>48,76,220</b>	<b>3,198,817</b>	<b>3,353,285</b>

**Notes:**

- Physical custody of the securities is with respective clearing houses; however, Company has a right on the contractual cash flows of these investments. These investments can be invoked by the clearing houses in case of any default by the Company in settlement of trades.
- No Securities or cash deposited as margin for investment trade obligations are issued outside India.

**b. Other assets**

Particulars	₹ ('000)	
	As at March 31, 2021	As at March 31, 2020
<b>1) Sales Tax Department - Jammu as security deposit for registration</b>		
Fixed Deposit	250	250
<b>2) State Bank of India - Bahrain</b>		
Cash at Bank	-	9,934
<b>3) Bank guarantee issued to Post office department and UIDAI</b>		
Fixed Deposit	33,600	33,600
<b>Total</b>	<b>33,850</b>	<b>43,784</b>

**4. Capital commitments**

Particulars	₹ ('000)	
	As at March 31, 2021	As at March 31, 2020
Commitments made and outstanding for loans and investment	3,101,771	3,535,303
Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances)	169,091	193,682



## 5. Actuarial assumptions

The assumptions used in valuation of liabilities are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI.

The actuarial assumptions certified by the Appointed Actuary are as under:

- a. In the actuarial valuation all the policies, which were in the books of the Company and where there is a liability as at March 31, 2021 have been taken into account.

The portfolio consists of Participating, Non-Participating and Linked segments.

‘Participating’ segment is further classified in to the following Lines of Businesses (LoBs): Individual - Life - Participating, Individual - Pension - Participating, Group - Pension - Participating and Individual - VIP - Participating.

‘Non-Participating’ segment is further classified in to the following LoBs: Individual - Life - Non-Participating, Individual - Pension - Non-Participating, Group Savings - Non-Participating, Group One Year Renewable Group Term Assurance (OYRGTA) - Non-Participating, Group Other - Non-Participating, Annuity - Non-Participating (Individual and Group), Health - Non-Participating (Individual and Group), and VIP - Non-Participating (Individual and Group).

‘Linked’ segment is further classified in to the following LoBs: Individual - Life - Linked, Group - Linked and Individual - Pension - Linked.

- b. For policies which are likely to get cancelled during their “free look period”, premium less stamp duty and medical expenses as per the policy contract need to be refunded. Adequate provision is provided for such policies.
- c. The following parametric values are used to carry out the actuarial valuation:

For mortality assumption under life business ‘Indian Assured Lives (2012-2014) Ultimate Mortality table’ and under general annuity business ‘Mortality for Annuitants-LIC (a) (1996-98) Ultimate Rates’ has been used. For Morbidity assumption, the Morbidity Tables provided by re-insurers has been used with suitable adjustment.

The interest rate for valuation lies in the range of 5.50% to 6.00% per annum as shown in the table below. While allocating expenses for the current year, the entire policyholders’ expenses have been allocated product-wise.

Line of Business	Valuation basis as on March 31, 2021	Valuation basis as on March 31, 2020
Participating	5.95%	5.95%
Non-Participating	5.50%	5.50%
Unit Linked	5.50%	5.50%
Annuity	6.00%	6.00%
Health	5.50%	5.50%

As regard for future expenses, on the basis of experience available, fixed expenses are considered separately for single premium products and regular premium products.



Segment / Product	Fixed Expenses Assumptions (Amounts in ₹)	
	Regular Premium	Single Premium
<b>Participating</b> - Individual Life, Individual Pension, Individual VIP <b>Non-Participating</b> - Individual Life, Individual Pension, Annuity (Individual and Group), Health (Individual)	Ranging from 105 to 600 based on the nature of product	Ranging from 72 to 475 based on the nature of product
<b>Linked</b> - Individual Life, Individual Pension	700	525
<b>Non-Participating</b> - Group Other, Group Savings - Swarnaganga <b>Linked</b> - Group (Per life basis)	Ranging from 4.25 to 350 based on the nature of product	Ranging from 10 to 260 based on the nature of product

For fully paid-up and reduced paid-up policies, fixed expenses are considered same as for single premium policies.

An inflation rate of 5.50% per annum (previous year ended March 31, 2020: 5.50% per annum) has been assumed while estimating future expenses.

For participating products, the vested bonuses are those which were distributed by the Company consequent to the actuarial valuations carried out annually at the end of each financial year dated March 31, 2002 to March 31, 2021. Regarding bonus provisions for the current financial year and bonus provision for future years, the bonus rates have been assessed by carrying out Bonus Earning Capacity (BEC)/ asset share investigations and taking into consideration the policyholder's reasonable expectations.

Margin for Adverse Deviation (MAD) has been provided, wherever applicable and required.

In addition to this, Incurred but Not Reported (IBNR) claims reserve is also provided wherever required.

The above parameters and the MAD provision have been observed to ensure prudence and are in accordance with the GN / APS issued by the Institute of Actuaries of India and in concurrence with the Regulations and circulars of IRDAI.

The Surplus emerged from Non-participating segment has been transferred to Profit & Loss Account for the year ended March 31, 2021 based on the recommendation of the Appointed Actuary and the necessary fund transfer will be made after the year end on the basis of Audited financials with required recommendations by the Appointed Actuary.

#### Funds for Future Appropriation

As at March 31, 2021, the Funds for Future Appropriation (FFA) in non-linked participating segments is ₹ 8,423,244 thousands (previous year ended March 31, 2020 ₹ 7,136,661 thousands).

There is no FFA under any other segment.



## 6. Cost of guarantee

Provision of ₹ 3,031,450 thousands (previous year ended March 31, 2020 ₹ 3,895,095 thousands) has also been made for the cost of guarantee under Individual unit linked policies with guarantee. No provision was required to be made (previous year ended March 31, 2020 ₹ 17,388 thousands) for the cost of guarantee under Group unit linked policies as the policies with guarantees have matured during the year.

## 7. Policy liabilities

The non-linked policy liability after reinsurance of ₹ 924,074,750 thousands as on March 31, 2021 (previous year ended March 31, 2020: ₹ 761,230,063 thousands) includes the following non-unit reserve held for linked liabilities:

Particulars	₹ ('000)	
	As at March 31, 2021	As at March 31, 2020
ULIP - Individual	8,616,458	9,395,421
ULIP - Group	25,737	43,971
ULIP - Pension	1,473,600	955,154
<b>Total</b>	<b>10,115,795</b>	<b>10,394,547</b>

The total linked liabilities (excluding non-unit reserve) stands at ₹ 1,162,150,186 thousands as at March 31, 2021 (previous year ended March 31, 2020: ₹ 785,653,272 thousands).

## 8. Reinsurance or Risk retention

In the normal course of its business, the Company seeks to reduce risk exposure by reinsuring certain levels of risk in various areas of exposure with re-insurers. An asset or liability is recorded in the Balance Sheet representing premiums due to or payments due from re-insurers and share of claims recoverable from re-insurers. Extent of risk retained and reinsured is given below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Sum Assured ₹ ('000)	%	Sum Assured ₹ ('000)	%
<b>Individual Business</b>				
Risk Retained	4,403,447,084	79.82%	4,109,452,746	80.82%
Risk Reinsured	1,113,514,388	20.18%	974,979,716	19.18%
<b>Group Business</b>				
Risk Retained	7,445,508,640	71.39%	5,404,740,051	64.25%
Risk Reinsured	2,983,748,821	28.61%	3,007,869,271	35.75%
<b>Total</b>				
Risk Retained	11,848,955,724	74.31%	9,514,192,798	70.49%
Risk Reinsured	4,097,263,209	25.69%	3,982,848,987	29.51%

## 9. Benefits payable

The claims settled and remaining unpaid for a period of more than 6 months on the Balance Sheet date

₹ ('000)



Particulars	As at March 31, 2021		As at March 31, 2020	
	Count	Amount	Count	Amount
Claims	55	9,240	539	49,175

All the claims are payable in India.

#### 10. Investments

- Investments have been made in accordance with the Insurance Act, 1938, and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended from time to time.
- All investments of the Company are performing investments except as disclosed in Note no. 21(B) of Schedule 16 (C).
- Value of contracts in relation to investments for:

₹ ('000)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Shareholder	Non Linked Policyholder	Linked Policyholder	Shareholder	Non Linked Policyholder	Linked Policyholder
Purchases where payment is not made and deliveries are pending	-	1,624,251	7,317,193	-	226,720	2,541,223
Purchases where payment is made and deliveries are pending	-	-	-	-	-	-
Sales where receivables are pending*	619,219	1,047,655	9,686,203	-	444,970	1,297,688

\*No payments are overdue.

- Equity shares lent under the Securities Lending and Borrowing scheme (SLB) continue to be recognised in the Balance Sheet as the Company retains all the associated risk and rewards of these securities. The Fair value of equity shares lent by the Company under SLB and outstanding as at March 31, 2021 is ₹ Nil (March 31, 2020: ₹ Nil).
- Aggregate cost and market value of investments, which are valued at fair value:

₹ ('000)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Book Value	Market Value	Book Value	Market Value
Bonds & Debentures	158,400,610	165,320,735	175,542,370	182,609,579
Equity	460,899,681	601,544,740	386,827,456	336,563,280
Gilts	337,420,293	338,248,083	233,380,620	238,649,507
Mutual Funds	81,157,870	89,681,769	47,506,158	37,570,349
Total	1,037,878,454	1,194,795,327	843,256,604	795,392,715

#### 11. Disclosure on Repo / Reverse Repo transactions

Disclosures pursuant to IRDAI notification IRDA/F&I/CIR/INV/250/12/2012 dated December 04, 2012 are detailed below:



As at March 31, 2021

₹ ('000)

Particulars	Minimum outstanding during the year ended March 31, 2021	Maximum outstanding during the year ended March 31, 2021	Daily average outstanding during the year ended March 31, 2021	Outstanding as at March 31, 2021
Securities Sold under Repo:				
i. Government Securities	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil
Securities Purchased under Reverse Repo:				
i. Government Securities	14,763,132	61,046,088	29,314,470	31,723,542
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil

As at March 31, 2020

₹ ('000)

Particulars	Minimum outstanding during the year ended March 31, 2020	Maximum outstanding during the year ended March 31, 2020	Daily average outstanding during the year ended March 31, 2020	Outstanding as at March 31, 2020
Securities Sold under Repo:				
i. Government Securities	Nil	Nil	Nil	Nil
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil
Securities Purchased under Reverse Repo:				
i. Government Securities	16,567,018	55,219,119	33,667,341	33,813,508
ii. Corporate Debt Securities	Nil	Nil	Nil	Nil



## 12. Managerial remuneration

The Managing Director and CEO have been deputed from State Bank of India and his remuneration is included under "Employees remuneration and welfare benefits" under "Operating expenses related to insurance business." The details of managerial remuneration for current and previous year are as under:

Sr. No.	Particulars	Year ended March 31, 2021			Year ended March 31, 2020
		Mr. Mahesh Kumar Sharma (joined w.e.f May 9, 2020)	Mr. Sanjeev Nautiyal (upto May 8, 2020)	Mr. Arijit Basu (upto March 09, 2018)	Mr. Sanjeev Nautiyal
1	Salary and other allowances	4,870	2,693	494	4,345
2	Provident Fund, Pension fund and Gratuity	527	309	33	492
3	Perquisites	2,783	488	2	3,426
	<b>Total</b>	<b>8,180</b>	<b>3,490</b>	<b>529</b>	<b>8,263</b>

₹ ('000)

### Notes:

1. The appointment and remuneration of managerial personnel is in accordance with the requirements of section 34A of the Insurance Act, 1938 and has been approved by the IRDAI.
2. The remuneration excludes leave encashment and leave travel allowance which would have been accrued in the books of or funded by State Bank of India.
3. Effective May 9, 2020 Mr. Mahesh Kumar Sharma was deputed from State Bank of India as the Managing Director and CEO of the Company. IRDAI has accorded its approval to this appointment.
4. The remuneration of Mr. Sanjeev Nautiyal and Mr. Arijit Basu for the year ended March 31, 2021 includes salary arrears of previous years pertaining to their tenure as MD & CEO of the Company. The salary arrears are in accordance with the wage revision by State Bank of India.

## 13. Percentage of business sector wise

Sector	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rural	Number of New Policies	440,907	381,906
	% of rural sector policies to total policies	26.61%	24.61%
	Premium Underwritten ₹ ('000)	23,213,991	21,250,514
Social	Number of New Policies (including group business)	592	556
	Number of New Lives	571,378	313,405
	Premium Underwritten ₹ ('000)	93,574	38,858
	Social sector lives as a % of total lives	4.64%	3.50%
	Social sector lives as a % of total lives of preceding financial year	6.38%	5.83%
Total	Number of New Policies	1,656,891	1,551,862
	Number of New Lives	12,313,079	8,959,280

### Note:

IRDAI (Obligations of insurers to rural and social sectors) Regulations, 2015 mandates the Company to cover 5% of the total business procured in the preceding financial year (in terms of lives) under the social sector and 20% of the policies written in the respective year under rural sector.



#### 14. Investments of funds and assets pertaining to policyholders' liabilities

##### a. Allocation of investments between policyholders' funds and shareholders' funds

Investments made out of the shareholders' and policyholders' funds are tracked from inception and income accordingly accounted for on the basis of records maintained. As and when necessary, transfers have been made from shareholders' investments to policyholders' investments. In respect of such transfers, the investment income is allocated from the date of transfer.

##### b. Policyholders' liabilities adequately backed by assets

₹ ('000)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Non-Linked	Linked	Total	Non-Linked	Linked	Total
Policyholders' Liabilities*	959,766,129	1,162,150,186	2,121,916,315	752,494,779	785,653,270	1,538,148,049
Policyholders' Assets						
Investments	939,364,378	1,147,078,660	2,086,443,038	734,199,373	772,202,707	1,506,402,080
Loans	3,580,781	-	3,580,781	3,644,815	-	3,644,815
Net Current Assets	16,820,970	15,071,526	31,892,496	14,650,591	13,450,563	28,101,154
<b>Total Assets</b>	<b>959,766,129</b>	<b>1,162,150,186</b>	<b>2,121,916,315</b>	<b>752,494,779</b>	<b>785,653,270</b>	<b>1,538,148,049</b>

\* including funds for future appropriation and fair value change account

#### 15. Taxation

The Company carries on life insurance business and hence the provisions of Section 44 and the first schedule of Income Tax Act, 1961, are applicable for computation of profits and gains of its business. Provision for taxation made in revenue and profit and loss account is as follows:

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue Account	975,588	3,767,393
Profit and Loss Account	866,083	(86,336)
<b>Total</b>	<b>1,841,671</b>	<b>3,681,057</b>

Income tax provisions involves significant judgments in determining the provision for income taxes including judgment on whether tax positions are probable of being sustained in tax assessments. The Management periodically reassess and evaluates tax position with respect to applicable tax law based on facts and circumstances.

#### 16. Operating lease arrangements

##### (a) Assets taken on operating lease:

In accordance with Accounting Standard 19 on 'Leases', the details of leasing arrangements entered into by the Company are as under:

The Company has entered into agreements in the nature of lease or leave and licence with different lessors or licensors for residential premises, office premises and motor vehicles. These are in the nature of



operating lease. Some of these lease arrangements contain provisions for renewal and escalation. There are no restrictions imposed by lease arrangements nor are there any options given to the Company to purchase the properties and the rent is not determined based on any contingency.

The operating lease rentals charged to the Revenue Account during the year and future minimum lease payments as at the Balance Sheet date are as follows:

₹ ('000)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total lease rental charged to Revenue Account	856,234	773,533

₹ ('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
Lease obligation for:		
- Not later than 1 year	715,744	653,465
- Later than 1 year and not later than 5 years	2,457,862	2,150,108
- Later than 5 years	747,957	845,332

(b) Assets given on operating lease:

The Company has entered into an agreement in the nature of leave and licence for leased out some portion of office premises. This is in the nature of operating lease and lease arrangement contains provisions for renewal. There are no restrictions imposed by lease arrangement and the rent is not determined based on any contingency.

The total lease payments received in respect of such lease recognised in Profit and Loss Account for the year is as under:

₹ ('000)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Total lease rental recognised in Profit and Loss Account	61,364	61,364

## 17. Earnings per share

In accordance with Accounting Standard 20 on 'Earning per share', basic earnings per share are calculated by dividing the net profit or loss in the shareholders' account by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

The computation is set out below:

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Net Profit after tax as per Profit & Loss Account available for both basic and diluted earnings per share ₹ ('000)	14,558,494	14,221,831
2	Weighted average number of equity shares		



Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	a. For basic earnings per share	1,000,046,594	1,000,003,338
	b. For diluted earnings per share		
	i) No of equity shares for basic earnings per share as per (a) above	1,000,046,594	1,000,003,338
	ii) Add: Weighted average outstanding options deemed to be issued for no consideration	375,396	402,050
3	Weighted average number of equity shares for Diluted Earnings per Share	1,000,421,990	1,000,405,387
4	Basic Earnings per share (₹) (1/2.a.)	14.56	14.22
5	Diluted Earnings per share (₹) (1/3)	14.55	14.22
6	Face value per share (₹)	10	10

#### 18. Operating expense disclosure

The additional disclosure on operating expenses incurred pursuant to IRDA master circular has been detailed below:

₹ ('000)			
Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Outsourcing expenses	969,499	1,065,014
2	Business development	362,464	587,175
3	Marketing support and advertisement	212,161	942,596
	<b>Total</b>	<b>1,544,124</b>	<b>2,594,785</b>

#### 19. Provision for staff benefit as per Accounting Standard 15 (Revised)

##### a. Defined Benefit Plans:

##### (i) Gratuity

This is a funded defined benefit plan for qualifying employees under which the Company makes a contribution to the SBI Life Insurance Company Limited Employees Gratuity Fund. The plan provides for a lump sum payment as determined in the manner specified under The Payment of Gratuity Act, 1972, to the vested employees either at retirement or on death while in employment or on termination of employment. The benefit vests after five years of continuous service. Defined benefit obligations are actuarially determined at each Balance Sheet date using the projected unit credit method (PUCM) as per Accounting Standard (AS) 15 (Revised), "Employee benefits". Actuarial gains and losses are recognised in the Revenue Account.

₹ ('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. Change in benefit obligation :</b>		
Liability at the beginning of the year	1,276,153	1,034,875
Interest cost	69,550	69,958
Current service cost	124,312	103,586
Past service cost (Non vested benefit)	-	-
Past service cost (Vested benefit)	-	-
Benefit paid	(49,459)	(58,352)
Actuarial (gain) or loss on obligations	134,228	126,086
Liability at the end of the year	1,554,784	1,276,153



Particulars	As at March 31, 2021	As at March 31, 2020
<b>II. Change in plan assets :</b>		
Fair value of plan assets at the beginning of the year	1,165,482	999,881
Expected return on plan assets	63,519	67,592
Contributions	231,752	163,133
Benefits paid	(49,459)	(58,352)
Actuarial Gain or (Losses) on plan assets	133,284	(6,773)
Fair value of plan assets at the end of the year	1,544,577	1,165,482
<b>III. Amount recognized in the Balance Sheet :</b>		
Liability at the end of the year	(1,554,784)	(1,276,153)
Fair value of plan assets at the end of year	1,544,577	1,165,482
Difference	(10,207)	(110,671)
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Net (Liability) or Asset recognized in the Balance Sheet	(10,207)	(110,671)
<b>IV. Expenses recognized in the income statement :</b>		
Current service cost	124,312	103,586
Interest cost	69,550	69,958
Expected return on plan assets	(63,519)	(67,592)
Past service cost (Non vested benefit) recognized	-	-
Past service cost (Vested benefit) recognized	-	-
Recognition of transition liability	-	-
Actuarial (gain) or loss	944	132,859
Expense recognized in P & L	131,287	238,810
<b>V. Balance Sheet reconciliation :</b>		
Opening net liability	110,671	34,994
Expense as above	131,287	238,810
(Employers contribution)	(231,752)	(163,133)
Net Liability or (Asset) recognized in Balance Sheet	10,207	110,671
<b>VI. Actual return on plan assets</b>		
Expected return on plan assets	63,519	67,592
Actuarial gains / (losses) on plan assets	133,284	(6,773)
Actual return on plan assets	196,803	60,819
<b>VII. Expected contribution to fund during the next year (12 months)</b>		
	150,111	234,983



Particulars	As at March 31, 2021	As at March 31, 2020
<b>VIII. Investment details of plan assets</b>		
The major categories of plan assets as a percentage of fair value of total plan assets:		
- Insurer Managed Funds (₹)	1,544,577	1,165,482
- <b>Fund I Investment Allocation Ratio</b>	50%	50%
Corporate Bonds	15%	17%
Equity Shares	22%	25%
Government of India assets	63%	57%
- <b>Fund II Investment Allocation Ratio</b>	50%	50%
Corporate Bonds	24%	31%
Equity Shares	8%	7%
Fixed Deposit	0%	1%
Government of India assets	68%	61%
<b>IX. Actuarial assumptions used</b>		
Discount rate	5.18%	5.45%
Salary escalation rate	10% p.a. up to 5 years & 6% p.a. thereafter	10% p.a. up to 5 years & 6% p.a. thereafter
Expected rate of Return on Plan Assets	5.18%	5.45%
Attrition rate	25.00%	25.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**Notes:**

- a) Discount rate is based on benchmark rate available on Government Securities for the estimated term of the obligations.
- b) The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- c) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

**X. Experience adjustments**

	₹ ('000)				
Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	(1,554,784)	(1,276,153)	(1,034,875)	(841,074)	(681,197)
Plan assets	1,544,577	1,165,482	999,881	791,001	676,592
Surplus or (Deficit)	(10,207)	(110,671)	(34,994)	(50,073)	(4,605)
Experience adjustments on plan liabilities (gains) or losses	121,902	78,574	67,817	58,647	50,189
Experience adjustments on plan assets gain or (losses)	133,284	(6,773)	21,585	545	31,192



(ii) Provident Fund

The rules of the Company's Provident Fund administered by a Trust require that if the Board of Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Based on an actuarial valuation conducted by an independent actuary, there is interest deficiency as at the Balance Sheet date.

₹ ('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>I. Change in benefit obligation :</b>		
Liability at the beginning of the year	5,560,743	4,407,968
Interest cost	475,045	405,041
Current service cost	307,774	279,939
Employee Contribution	654,965	566,633
Liability transferred in	86,368	49,542
Liability transferred out	(74,317)	(41,208)
Benefits paid	(323,830)	(222,882)
Actuarial (gain) or loss on obligations	(115,820)	115,712
Liability at the end of the year	6,570,929	5,560,743
<b>II. Change in plan assets :</b>		
Fair value of plan assets at the beginning of the year	5,444,923	4,505,998
Expected return on plan assets	475,045	405,041
Contributions	962,739	846,572
Transfer from other Company	86,368	49,542
Transfer to other Company	(74,317)	(41,208)
Benefits paid	(323,830)	(222,882)
Actuarial Gain or (Losses) on plan assets	134,867	(98,139)
Fair value of plan assets at the end of the year	6,705,797	5,444,923
<b>III. Amount recognized in the Balance Sheet :</b>		
Liability at the end of the year	(6,570,929)	(5,560,743)
Fair value of plan assets at the end of year	6,705,797	5,444,923
Funded status	134,867	(115,820)
Asset not recognized in balance sheet	134,867	-
(Shortfall) recognized in the balance sheet	-	(115,820)
<b>IV. Expenses recognized in the income statement :</b>		
Current service cost	307,774	279,939
Interest cost	475,045	405,041
Expected return on plan assets	(475,045)	(405,041)
Interest shortfall	(115,820)	115,820
Expense recognized in income statement	191,954	395,759
<b>V. Balance Sheet reconciliation :</b>		
Opening net liability	115,820	-
Expense as above	191,954	395,759
(Employer's contribution)	(307,774)	(279,939)
Shortfall recognized in the balance sheet	-	115,820
<b>VI. Actual return on plan assets</b>		



Particulars	As at March 31, 2021	As at March 31, 2020
Expected return on plan assets	475,045	405,041
Actuarial gains / (losses) on plan assets	134,867	(98,139)
Actual return on plan assets	609,912	306,902
<b>VII. Investment details of plan assets</b>		
Central Government of India assets	1,614,174	1,373,672
State Government of India assets	1,962,710	1,660,577
Special deposits scheme	-	-
Public sector units	1,293,230	832,060
Private sector bonds	1,134,007	1,124,525
Short Term Debt Instruments	-	-
Others	262,564	232,663
Equity / Mutual funds	438,650	221,427
Cash & Cash Equivalents	462	-
Total	6,705,797	5,444,923
<b>VIII. Actuarial assumptions used</b>		
Discount rate	5.18%	5.45%
Attrition rate	25.00%	25.00%
Guaranteed interest rate	8.50%	8.50%
Whilst in service withdrawal	5.00%	5.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

#### IX. Experience adjustments

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	(6,570,929)	(5,560,743)	(4,407,968)	(3,640,237)	(2,994,017)
Plan assets	6,705,797	5,444,923	4,505,998	3,717,436	3,066,946
Asset not recognised in Balance Sheet	134,867	-	98,030	77,199	72,929
Experience adjustments on plan liabilities (gains) or losses	(115,820)	156,495	-	-	-
Experience adjustments on plan assets gain or (losses)	134,867	(98,139)	20,831	4,270	16,188

#### (iii) Other long term benefits

The Company accrues the liability for compensated absences and long term service awards in accordance with Accounting Standard - 15 (Revised). The net present value of the Company's obligation is determined based on the projected unit credit method as at the Balance Sheet date.

₹ ('000)

Particulars	Compensated Absences		Long Term Service Awards	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	855,109	662,438	216,000	303,200
Expenses recognized in the income statement during the year	335,764	249,165	45,358	40,476



Particulars	Compensated Absences		Long Term Service Awards	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Actuarial assumptions used				
Discount rate	5.18%	5.45%	5.18%	5.45%
Salary escalation rate	10% p.a. upto 5 years & 6% p.a. thereafter	10% p.a. upto 5 years & 6% p.a. thereafter	10% p.a. upto 5 years & 6% p.a. thereafter	10% p.a. upto 5 years & 6% p.a. thereafter
Attrition rate	25.00%	25.00%	25.00%	25.00%
Mortality table	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**b. Defined Contribution Plans:**

Particulars	₹ ('000)	
	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Pension Scheme	249,443	215,829
Contribution to National Pension Scheme	30,034	24,151
Contribution to Employee Deposit Linked Insurance (EDLI)	14,982	13,098
Contribution to Employees State Insurance Corporation (ESIC)	30,249	36,855
Contribution to Labour Welfare Fund	1,175	242

**(iv) Employee Stock Option Scheme ("ESOS")**

The SBI Life Employee Stock Option Plan 2018 ('ESOP 2018') and SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018') has been approved by the shareholders of the Company in the Annual General Meeting (AGM) held on September 27, 2018 based on the recommendation of the Board Nomination & Remuneration Committee ('NRC') and Board of Directors ('Board') in their meetings held on August 31, 2018.

The maximum number of stock options granted to eligible employees in accordance with ESOP 2018 shall not exceed 30,000,000 shares. During any one year, no employee shall be granted Options equal to or exceeding 1% of the issued share capital of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting. Further, the maximum number of Options in aggregate granted to an employee under this Plan shall not exceed 1,00,00,000 Options. The Exercise Price shall be determined by the Board Nomination & Remuneration Committee in concurrence with the Board of Directors of the Company on the date the Options are granted and provided in the letter of grant.

The Scheme is directly administered by the Company and provides that eligible employees are granted options to subscribe to equity shares of the Company which vest in a graded manner. The vested options may be exercised within a specified period.

During the year ended March 31, 2021 the NRC in its meeting held on July 21, 2020 has approved the grant of the Employee Stock Options ('Options') under the provisions of ESOS 2018. The details of the options granted and salient features of ESOS 2018 are as stated below:



Particulars	2018-19	2019-20	2020-21
Grant date	December 11, 2018	July 23, 2019	July 21, 2020
Number of options granted	1,041,510	9,59,350	9,24,690
Maximum term of options granted/ Contractual Life	7 years from the grant date	7 years from the grant date	7 years from the grant date
Graded Vesting Period			
1st Year	30% of options granted	30% of options granted	30% of options granted
2nd Year	30% of options granted	30% of options granted	30% of options granted
3rd Year	40% of options granted	40% of options granted	40% of options granted
Mode of settlement	Equity shares	Equity shares	Equity shares
Exercise Price	₹ 562.45	₹ 759.01	₹ 848.44

Vesting of the Options are subject to continued employment achieving a minimum annual performance rating as prescribed in the ESOS 2018.

A summary of status of Company's Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of Options	Weighted Average Exercise Price (₹)	No. of Options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,940,176	659.45	1,038,610	562.45
Add: Granted during the year	924,690	848.44	959,350	759.01
Less: Forfeited/lapsed during the year	(77,328)	664.01	(31,489)	574.50
Less: Exercised during the year	(44,613)	593.83	(26,295)	562.45
Outstanding at the end of the year	2,742,925	724.10	1,940,176	659.45
Exercisable at the end of the year <sup>1</sup>	803,896	631.25	276,624	562.45

<sup>1</sup> vested options available for exercise at the end of the year.

The Company follows intrinsic value method to account for its share-based employee compensation plans. During the year ended March 31, 2021, the Company has granted 924,690 options to its eligible employees under ESOS 2018, of which no options are vested or exercised other than immediate vesting and exercise of 1,830 options due to death of an employee. Out of the total outstanding as at the end of the previous year ended March 31, 2020, 566,940 options are vested during the year ended March 31, 2021.

Details of ESOPs exercised during the year & compensation cost recognised:

₹ ('000)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
No. of options exercised during the year	44,613	26,295
Amount received on exercise of options	26,493	14,790
Amount transferred from Employee Stock Options Outstanding Account	25	-
Amount of increase in paid-up equity share capital	446	263
Amount of increase in securities premium	26,071	14,527
Amount of compensation cost recognized in Revenue Account	3,133	1,126



The weighted average remaining contractual life of the options outstanding as at March 31, 2021 is 5.4 years (Previous year ended March 31, 2020: 6.0 years).

#### Fair value methodology

Method of computation of Fair Value of Options:

The fair value of options has been calculated using the Black-Scholes model. The key assumptions considered for calculating fair value of the options as on the grant date are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Basis
Risk free interest rate	5.02%	6.52%	7.30%	Determined based on G-Sec yield on the grant date corresponding to maturity period equal to expected life of options
Expected life of the options (years)	4.55	4.55	4.55	Average of the weighted-average time to vesting and the contractual life of options
Expected dividend yield	0.20%	0.30%	0.36%	Calculated based on recent rate of dividend declared
Expected volatility	35%	25%	26.78%	Based on historical stock prices using annualised standard deviation of daily change in stock price.

Impact of the fair value method on the net profit and earnings per share:

Had the compensation cost for the Company's stock option plans been determined based on the fair value approach, the Company's net profit for the year and earnings per share (both basic and diluted) would have been as per the proforma amounts indicated below:

₹ ('000)			
Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Net Profit after tax as per Profit & Loss Account available for both basic and diluted earnings per share ₹ ('000)	14,558,494	14,221,831
	Add: Stock-based employee compensation expense under intrinsic value method ₹ ('000)	3,133	1,126
	Less: Stock-based compensation expense determined under fair value based ₹ ('000)	235,257	182,584
2	Net profit (proforma) ₹ ('000)	14,326,371	14,040,373
3	No of equity shares for basic earnings per share	1,000,046,594	1,000,003,338
	Add: Weighted average outstanding options deemed to be issued for no consideration	294,990	235,034
4	Weighted average number of equity shares for Diluted Earnings per Share	1,000,341,583	1,000,238,372
5	Basic Earnings per share (₹) (proforma) (2/3)	14.33	14.04
	Diluted Earnings per share (₹) (proforma) (3/4)	14.32	14.04

## 20. Accounting for diminution in valuation of equity investments

### A. Equity:

The Company has made the provision for diminution in value of investments on a prudent basis for loss on account of reduction in market values of long term investment in equities as under:



- a. Provision for diminution in the value of equity investments as at the year ended:

₹ ('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
Non linked Policyholders Account (Revenue Account)	8,866	1,719,968
Shareholders Account (Profit & Loss Account)	-	246,829
<b>Total</b>	<b>8,866</b>	<b>1,966,796</b>

Note: Above provision for diminution has been adjusted with fair value change account under policyholders' fund and shareholders' fund in the Balance Sheet.

- b. Charge/(reversal) of diminution in the value of equity investments for the year ended:

₹ ('000)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Non linked Policyholders Account (Revenue Account)	(1,711,102)	705,227
Shareholders Account (Profit & Loss Account)	(246,829)	80,175
<b>Total</b>	<b>(1,957,931)</b>	<b>785,402</b>

Note: The figures in bracket, if any, indicates reversal of diminution loss earlier recognised in Revenue or Profit and Loss Account.

## 21. Provision for Standard assets and Non Standard assets for debt portfolio

In accordance with the 'Guidelines on Prudential norms for income recognition, Asset classification, Provisioning and other related matters in respect of Debt portfolio' as specified by IRDAI vide the Master Circular dated December 11, 2013, provision for standard assets and non-standard assets has been recognized as follows: -

### A. Provision for Standard Asset on Loans other than against policy

- i. Standard asset provision on loans other than against policy as at the year ended:

₹ ('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
In Revenue Account	9,817	11,750
In Profit & Loss Account	Nil	Nil

- ii. Charge/(reversal) of standard assets provision on loans other than against policy for the year ended:

₹ ('000)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
In Revenue Account	(1,933)	6,600
In Profit & Loss Account	Nil	Nil

Note: The figures in bracket, if any, indicates reversal of provision earlier recognised in Revenue Account or Profit and Loss Account.

### B. Provision for Non-Performing Assets (Non-standard asset)



₹ ('000)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
In Revenue Account	Nil	525,790
In Revenue Account - Change in Fair Value	Nil	Nil
In Profit & Loss Account	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>525,790</b>

In FY 2020, the Company has classified its investment in Dewan Housing Finance Ltd.(DHFL) as NPA on account of default in interest and principal repayment of non-convertible debenture (NCDs) held in Unit Linked Funds. The provision of ₹ 525,790 thousands at 100% of face value and interest accrued till the date of default has been made in FY 2020.

## 22. Investment Properties - Real Estate Investment Trusts (REITs)

The investment in Real Estate Investment Trusts (REIT's) of ₹ 3,298,563 thousands (Previous year ended March 31, 2020 ₹ Nil) has been disclosed as part of the Investment Property in accordance with the IRDAI circular no. IRDAI/CIR/F&I/INV/056/03/2016-17 dated March 14, 2017 and IRDAI (Investment) Regulations, 2016.

## 23. Forward Rate Agreement

The Company offers guaranteed products wherein the Policyholders are assured of a fixed rate of return for premiums to be received in future. These premiums are likely to be received over a longer tenure and the guaranteed rate of return is fixed at the beginning of the policy term. Any fall in interest rates would mean that each incremental investment of the Company would earn a lower rate of return. Accordingly, the Company manages the Interest Rate Risk in accordance with the IRDAI circular no. IRDA/F&I/INV/CIR/138/06/2014 dated June 11, 2014 ('the IRDAI circular on Interest Rate Derivatives') and IRDAI Investment Master Circular issued in May 2017 which allows insurers to deal in rupee interest rate derivatives such as Forward Rate Agreements ("FRAs"), Interest Rate Swaps ("IRS") and Exchange Traded Interest Rate Futures ("IRF").

The Company has in place a derivative policy approved by Board which covers various aspects that apply to the functioning of the derivative transactions undertaken to substantiate the hedge strategy to mitigate the interest rate risk, thereby managing the volatility of returns from future fixed income investments, due to variations in market interest rates.

The Company has during the year, as part of its Hedging strategy, entered into Forward Rate Agreements (FRA) transactions to hedge the interest rate sensitivity for highly probable forecasted transactions as permitted by the IRDAI circular on Interest Rate Derivatives.

Forward Rate Agreement derivative contracts are over-the-counter (OTC) transactions wherein, the Company lock-in the yield on the government bond for the period till the maturity of the contract with an objective to lock in the price of an interest bearing security at a future date.

Derivatives (FRA) are undertaken by Company solely for the purpose of hedging interest rate risks on account of following forecasted transactions: a) Reinvestment of maturity proceeds of existing fixed



income investments; b) Investment of interest income receivable; and c) Expected policy premium income receivable on insurance contracts which are already underwritten in Life, Pension & Annuity business.

**A. Nature and term of outstanding derivative contract**

- i. Total notional exposure of Interest Rate Derivative undertaken during the year (instrument-wise)

₹ ('000)

Particulars	Period ended March 31, 2021	Period ended March 31, 2020
Forward Rate Agreement(FRA)		
- 7.62% GOI CG 15-09-2039	538,853	Nil
- 6.22% GOI CG 16-03-2035	9,228,761	Nil
- 6.83% GOI CG 19-01-2039	475,410	Nil
<b>Total</b>	<b>10,243,024</b>	<b>Nil</b>

- ii. Total notional exposure of Interest Rate Derivative outstanding as at the Balance Sheet Date (instrument-wise)

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
Forward Rate Agreement(FRA)		
- 7.62% GOI CG 15-09-2039	538,853	NIL
- 6.22% GOI CG 16-03-2035	9,228,761	NIL
- 6.83% GOI CG 19-01-2039	475,410	NIL
<b>Total</b>	<b>10,243,024</b>	<b>Nil</b>

- iii. Notional Principal and Mark-to-market value of Interest Rate Derivative outstanding and not 'highly effective'

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
Notional principal amount of Forward Rate Agreements (FRA) outstanding and not 'highly effective' as at Balance Sheet date	Nil	Nil
Mark-to-market value of Forward Rate Agreements (FRA) and not 'highly effective' as at Balance Sheet date	Nil	Nil

- iv. Loss which would be incurred if counter party failed to fulfil their obligation under agreements

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
Forward Rate Agreement(FRA)		
- CITI BANK N A	Nil	Nil
- JP MORGAN CHASE BANK NATIONAL ASSOCIATION	Nil	Nil

- v. The fair value mark to market (MTM) gains or (losses) in respect of Interest Rate Derivative outstanding as at the Balance Sheet date is stated below:

₹ ('000)

Hedging Instrument	As at March 31, 2021	As at March 31, 2020
--------------------	-------------------------	-------------------------



Hedging Instrument	As at March 31, 2021	As at March 31, 2020
Forward Rate Agreement(FRA)		
- 7.62% GOI CG 15-09-2039	(3,969)	Nil
- 6.22% GOI CG 16-03-2035	(86,706)	Nil
- 6.83% GOI CG 19-01-2039	(12,629)	Nil
<b>Total</b>	<b>(103,304)</b>	<b>Nil</b>

vi. Movement in Hedge Reserve

₹ ('000)

Hedge Reserve Account	As at March 31, 2021			As at March 31, 2020		
	Realized	Unrealized	Total	Realized	Unrealized	Total
Balance at the beginning of the year	-	-	-	-	-	-
Add: Changes in fair value during the year	-	(49,780)	(49,780)	-	-	-
Less: Amounts reclassified to Revenue /Profit & Loss Account included in 'Interest, Dividends & Rent-Gross'	-	-	-	-	-	-
Balance at the end of the year	-	(49,780)	(49,780)	-	-	-

B. Qualitative Disclosures on risk exposure in Fixed Income Derivatives:

Overview of business and processes:

a) Fixed Income Derivative Hedging instruments:

Derivatives are financial instruments whose characteristics are derived from the underlying assets, or from interest and exchange rates or indices. These include forward rate agreements, interest rate swaps and interest rate futures.

The Company during the financial year has entered into FRA derivative instrument to minimise exposure to fluctuations in interest rates on plan assets and liabilities. This hedge is carried in accordance with its established policies, strategy, objective and applicable regulations. The Company does not engage in derivative transactions for speculative purposes.

b) Derivative policy/process and Hedge effectiveness assessment:

The Company has well defined Board approved Derivative Policy and Process document setting out the strategic objectives, regulatory and operational framework and risks associated with interest rate derivatives along with having measurement, monitoring processes and controls thereof. The accounting policy has been clearly laid out for ensuring a process of periodic effectiveness assessment and accounting.

The Company has clearly identified roles and responsibilities to ensure independence and accountability through the investment decision, trade execution, to settlement, accounting and periodic reporting and audit of the Interest Rate Derivative exposures. The risk management framework for the Interest Rate Derivatives are monitored by the Risk Management Committee.

c) Scope and nature of risk identification, risk measurement, and risk monitoring:



The Derivative and related Policies as approved by the Board sets appropriate market limits such as sensitivity limits and value-at-risk limits for exposures in interest rate derivatives. All financial risks of the derivative portfolio are measured and monitored on periodic basis.

#### C. Quantitative disclosure on risk exposure in Forward Rate Agreement

A hedge is deemed effective, if it has a high statistical correlation between the change in value of the hedged item and the hedging instrument (FRA). Gains or losses arising from hedge ineffectiveness, if any, are recognised in the Revenue Account.

The tenure of the hedging instrument may be less than or equal to the tenure of underlying hedged asset/liability.

Counterparty wise details as at March 31, 2021

₹ ('000)

Sr. No.	Counter Party	Derivative Contract	Hedge Designation	Notional Amount	Current Credit Exposure	Potential Future Credit Exposure	Likely impact of 1% increase in interest rate	
							Derivative	Underlying being hedged
1	CITI BANK N A	FRA	Cash Flow Hedge	3,378,793	7,359	97,962	(209,196)	209,840
2	JP MORGAN	FRA	Cash Flow Hedge	6,864,231	20,714	163,477	(438,174)	438,943
	<b>TOTAL</b>			<b>10,243,024</b>	<b>28,073</b>	<b>261,439</b>	<b>(647,370)</b>	<b>648,783</b>

#### 24. Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises.

According to information available with the management, on the basis of intimation received from suppliers, regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to Micro and Small Enterprises under the said Act as follows:

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
a) (i) Principal amount remaining unpaid to supplier under MSMED Act	24,454	16,146
(ii) Interest on (a) (i) above	NIL	NIL
b) (i) Amount of principal paid beyond the appointed date		
(ii) Amount of interest paid beyond the appointed date (as per Section 16)	NIL	NIL
c) Amount of interest due and payable for the period of delay in making payment, but without adding the interest specified under section 16 of the MSMED Act	NIL	NIL
d) Amount of interest accrued and due	NIL	NIL
e) Amount of further interest remaining due and payable even in succeeding years	NIL	NIL

#### 25. Additional disclosure requirements as per Corporate Governance Guidelines



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

Refer summary of financial statement and ratios.

- ii. **Actual solvency margin details vis-à-vis the required solvency margin**

The actual solvency margin of the Company as on March 31, 2021 stands at 2.15 times (previous year ended March 31, 2020: 1.95 times) as against regulatory requirement of 1.50. There has been no capital infusion after FY 2007-08.

- iii. **Persistency ratio**

The persistency ratio (13<sup>th</sup> month) including single premium and fully paid up policies for the year ended March 31, 2021 is 87.92% (previous year ended March 31, 2020 is 86.14%) based on premium amount and 81.84% (previous year ended March 31, 2020 is 75.26%) based on number of policies.

- iv. **Financial performance including growth rate and current financial position of the insurer**

Refer summary of financial statement and ratios.

- v. **A description of the risk management architecture**

The Board has the ultimate responsibility for overseeing the management of risk within the Company. The Risk profile of the Company is reported to the Board by the Risk Management Committee of the Board (RMC-B) from time to time. The RMC-B is responsible for overseeing the Company's risk management program and for ensuring that significant risks to the Company are reported to the Board on a timely basis and apprise the Board of the various risk management strategies being adopted. The Company's Risk Appetite statement is reviewed by the Board so as to ensure that the business of the Company is carried out within the set risk limits.

The RMC-B is supported by Risk Management Committee of the Executives (RMC-E) and the Asset Liability Committee (ALCO). The RMC-E oversees the operational risk activities and the ALCO monitors insurance and investment risk portfolio. RMC-E is convened by Head of Risk Management & Fraud Monitoring and consists of the Managing Director & Chief Executive Officer, Chief Actuary & CRO, Presidents (Zone I, II & III), President - Operations, IT & IB, President - Business Strategy, President & Chief Financial Officer, President & Chief Operating Officer, Appointed Actuary, Chief of HR & Management Services, Chief Audit Officer, Chief Information Officer and Chief Investments Officer. ALCO is chaired by Managing Director & Chief Executive Officer and consists of Chief Actuary & CRO, President - Business Strategy, President & Chief Financial Officer, Appointed Actuary, Head Pricing, Head Valuation, Head - ALM, Chief Investments Officer. ALCO is convened by the Appointed Actuary.

The Company has an Information Security Committee (ISC) consisting of Chief Actuary & CRO, President - Operations, IT & IB; President - Business Strategy, President & Chief Financial Officer, President & Chief Operating Officer, Chief Audit Officer, Head of Risk Management & Fraud Monitoring, and Chief Information Officer. The ISC is convened by the Chief Information Security Officer and it oversees all information and cyber security risks and its control. The Company has constituted a Data Governance Committee (DGC) to oversee formulation and implementation of data governance framework / policies /



procedures in SBI Life. The DGC is convened by the Data Protection Officer and consists of All Presidents, Chief Actuary & CRO, Chief of Human Resources & Management Services, Appointed Actuary, Chief Information Officer, Chief Audit Officer, Head of Risk Management & Fraud Monitoring, Chief of Digital Initiatives, Chief Investment Officer, Chief of Brand & Corporate Communication, Head of Legal, Compliance Officer, and Chief Information Security Officer.

The Company also has a Risk Event Monitoring Committee (REMC) comprising of Chief Actuary & CRO, President - Business Strategy, President & Chief Financial Officer, Chief of Brand & Corporate Communication, Head of Legal and Compliance Officer. The REMC is convened by Head of Risk Management & Fraud Monitoring and primarily oversees reputational risks and other significant external risks. Minutes of the REMC meetings are put up to RMC-E for information.

Head of Risk Management & Fraud Monitoring is responsible and accountable for ensuring that a risk management program is established, implemented and maintained in accordance with Risk Management Policy so that risks are managed to an acceptable level. Head of Risk Management & Fraud Monitoring reports to the Chief Actuary & CRO and maintains functional relationships with all HoDs and Departmental Risk Officers.

SBI Life is moving towards a partnership model for risk management across the organization where the business, functional and risk management units work together to manage risks. The Departmental / Regional Heads are responsible for the management of risk in their areas of control and guide the Risk Officers in their Department. Risk Officer in each Department / Region is responsible for the identification, measurement, monitoring, and co-ordination of Risk Management activities in his / her Department / Region and cascade the Risk Management initiatives within the department / region. Functional risk limits are monitored through the departmental / regional risk appetite statements.

The Company has aligned its risk management practices with ISO 31000:2018 Risk Management guidelines and has been awarded a 'Statement of compliance' in respect of the same by British Standards Institution (BSI). The Company's Business Continuity and Information Security activities are certified to ISO 22301 (Standard on Business Continuity Management) and ISO 27001 (Standard on Information Security Management) respectively.

vi. Details of number of claims intimated, disposed of and pending with details of duration

Particulars	As at March 31, 2021	As at March 31, 2020
No. of claims outstanding at the beginning of the year	22,926	4,095
Add:		
No. of claims reported during the year	1,753,853	1,427,518
Less:		
No. of claims settled during the year	1,741,698	1,407,107
No. of claims repudiated during the year	1,611	1,441
No. of Claims rejected during the year	14	4
No. of claims written back	146	135
<b>No. of claims outstanding at the end of the year</b>	<b>33,310</b>	<b>22,926</b>



Particulars	As at March 31, 2021	As at March 31, 2020
<b>Details of duration of outstanding claims</b>		
Less than 3 months	30,355	21,283
3 months to 6 months	2,900	1,104
6 months to 1 year	54	536
1 year and above	1	3

The Company is adhering 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 related party disclosure Point No 42.

**viii. Any other matters, which have material impact on the insurer's financial position**

Nil

**ix. 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 are detailed below:

₹ ('000)			
Particulars	Services rendered	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Auditors (M/s S C Bapna & Associates (appointed on August 10,2020) and M/s S K Patodia & Associates (appointed on August 10,2020))  (M/s R Devendra Kumar & Associates. (upto August 10,2020))	Certifications <sup>#</sup>	1,933	1,653
Concurrent Auditor (M/s Haribhakti & Co. LLP)	Certifications	115	60

<sup>#</sup> includes fees paid for quarterly limited review of financial statements

**x. Deposits made under Local laws**

The Company has no deposit as at March 31, 2021 (previous year ended March 31, 2020: Nil) made under local laws or otherwise encumbered in or outside India, except investments and deposits detailed in Note 3 of Schedule 16(B).

**26. Age-wise analysis for policyholders' - unclaimed amount**



In accordance with IRDAI Master Circular on Unclaimed amounts of policyholders dated November 17, 2020, the Company maintains a single segregated fund to manage all unclaimed amounts. The amount is invested in money market instruments, liquid mutual funds and fixed deposits of scheduled banks.

The amount in the unclaimed fund has been disclosed in schedule 12 as "Assets held for unclaimed amount of policyholders" alongwith "Income accrued on unclaimed fund". Investment income accruing to the fund is disclosed in the revenue account. Such investment income net of fund management charges is disclosed in schedule 4 "Benefits paid as "interest on unclaimed amounts"

As per IRDA guidelines, the details of the unclaimed amounts of the policyholders or insured's are mentioned below:

As at March 31, 2021

									₹ in lakhs
Particulars	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 120 months*
Claims settled but not paid to the policyholders or insured due to any reasons except under litigation from the insured or policyholders	1,992	-	472	107	87	208	119	999	-
Sum due to the insured or policyholders on maturity or otherwise	18,408	-	3,993	2,302	1,473	2,554	1,073	7,011	2
Any excess collection of the premium or tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	2,259	-	296	158	286	336	126	1,055	2
Cheques issued but not encashed by the policyholder or insured	13,814	-	862	1,328	528	726	588	9,703	79
<b>Total</b>	<b>36,473</b>	<b>-</b>	<b>5,623</b>	<b>3,895</b>	<b>2,374</b>	<b>3,824</b>	<b>1,906</b>	<b>18,768</b>	<b>83</b>

\*More than 120 months category includes amount lying in unclaimed for more than 10 years as at March 31, 2021 and is due for transfer to Senior Citizens' Welfare Fund (SCWF) on or before March 01, 2022 in accordance with IRDAI Master Circular (Unclaimed Amounts of Policyholders) dated November 17, 2020.

As at March 31, 2020

									₹ in lakhs
Particulars	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 120 months
Claims settled but not paid to the policyholders or insured due to any reasons except under	1,621	-	116	265	216	130	758	135	-



Particulars	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 120 months
litigation from the insured or policyholders									
Sum due to the insured or policyholders on maturity or otherwise	14,469	-	2,202	3,186	960	2,861	1,570	3,677	12
Any excess collection of the premium or tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	2,277	-	427	370	147	185	65	1,076	6
Cheques issued but not encashed by the policyholder or insured	14,352	-	906	981	682	651	516	10,475	141
<b>Total</b>	<b>32,718</b>	<b>-</b>	<b>3,651</b>	<b>4,802</b>	<b>2,005</b>	<b>3,828</b>	<b>2,910</b>	<b>15,363</b>	<b>159</b>

Details of Unclaimed amounts and Investment income: -

₹ in lakhs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Policy dues	Income accrued	Policy dues	Income accrued
<b>Opening Balance</b>	30,082	2,636	37,678	4,893
Add : Amount transferred to unclaimed amount	23,946		9,023	
Add : Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	1,632		9,693	
Add: Investment Income on Unclaimed Fund		1,311		1,958
Less: Amount paid during the year	22,108	749	26,161	4,193
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	237	39	151	21
<b>Closing Balance of Unclaimed Amount</b>	<b>33,315</b>	<b>3,158</b>	<b>30,082</b>	<b>2,636</b>

27. Discontinued policies

Pursuant to IRDAI circular IRDA/Reg/2/52/2010 dated July 01, 2010, given below are the disclosures pertaining to discontinued policies:

a. Details of discontinued policies for ULIP are as follows:



Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Number of policies discontinued	362,887	265,946
2	Number of the policies revived	102,424	62,052
3	Percentage of the policies revived	28.22%	23.33%
4	Charges imposed on account of discontinued policies ₹ ('000)	781,722	555,535
5	Charges readjusted on account of revival of discontinued policies ₹ ('000)	203,337	124,736

b. Details of discontinued policies for Traditional VIP are as follows:

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Number of policies discontinued	13,374	14,965
2	Number of the policies revived	3,031	2,614
3	Percentage of the policies revived	22.66%	17.47%
4	Charges imposed on account of discontinued policies ₹ ('000)	26,990	29,080
5	Charges readjusted on account of revival of discontinued policies ₹ ('000)	5,941	4,526

c. Percentage of policies discontinued to total policies (product wise - ULIP):

Sr. No.	Product Name	As at March 31, 2021	As at March 31, 2020
1	Smart Elite Plan	9.89	3.63
2	Smart Scholar	7.87	3.34
3	Smart Power Insurance	18.89	7.94
4	Smart Wealth Builder	15.21	5.57
5	Smart Privilege	11.98	5.06
6	Retire Smart	8.40	4.30
7	Saral Maha Anand	25.78	7.56
8	eWealth Insurance	31.55	11.97
9	Smart InsureWealth Plus	18.93	10.52
10	Saral InsureWealth Plus	23.69	17.74

d. Percentage of policies discontinued to total policies (product wise - Traditional VIP):

Sr. No.	Product Name	As at March 31, 2021	As at March 31, 2020
1	Flexi Smart Plus	12.53	5.45

e. Movement in funds for discontinued policies (Linked):

₹ ('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance of funds for discontinued policies	51,251,044	33,763,710
Add: Fund of policies discontinued during the year	51,153,340	33,210,480



Particulars	As at March 31, 2021	As at March 31, 2020
Less: Fund of policies revived during the year	(16,355,372)	(8,266,104)
Add: Net Income/ Gains on investment of the Fund	3,395,830	3,533,936
Less: Fund Management Charges	(331,114)	(226,043)
Less: Amount refunded to policyholders during the year	(18,999,311)	(10,764,936)
<b>Closing balance of funds for discontinued policies</b>	<b>70,114,416</b>	<b>51,251,044</b>

f. Movement in funds for discontinued policies (Traditional VIP):

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance of funds for discontinued policies	2,513,017	3,188,141
Add: Fund of policies discontinued during the year	2,018,190	2,071,964
Less: Fund of policies revived during the year	(447,333)	(379,953)
Add: Net Income/ Gains on investment of the Fund	209,935	242,280
Less: Fund Management Charges	(14,141)	(16,563)
Less: Amount refunded to policyholders during the year	(1,631,648)	(2,592,852)
<b>Closing balance of funds for discontinued policies</b>	<b>2,648,020</b>	<b>2,513,017</b>

g. Funds for discontinued policies (Traditional VIP):

₹ ('000)

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Discontinued on account of non-payment of premium	2,594,764	2,499,259
(ii) Others	53,257	13,758
<b>Closing balance of funds for discontinued policies</b>	<b>2,648,020</b>	<b>2,513,017</b>

h. Funds for discontinued policies (ULIP):

As at March 31, 2021

₹ ('000)

Particulars	Life	Pension	Total
(i) Discontinued on account of non-payment of premium	58,390,534	10,623,218	69,013,752
(ii) Others	930,253	170,411	1,100,663
<b>Closing balance of funds for discontinued policies</b>	<b>59,320,787</b>	<b>10,793,629</b>	<b>70,114,416</b>

As at March 31, 2020

₹ ('000)

Particulars	Life	Pension	Total
(i) Discontinued on account of non-payment of premium	44,452,720	6,051,643	50,504,363
(ii) Others	610,080	136,600	746,681
<b>Closing balance of funds for discontinued policies</b>	<b>45,062,800</b>	<b>6,188,244</b>	<b>51,251,044</b>

28. Contribution made by the shareholders' to the policyholders' account

The contribution of ₹ 8,247,937 thousands (previous year ended March 31, 2020: ₹ 4,762,804 thousands) made by the shareholders' to the policyholders' account is irreversible in nature, and shall not be recouped to the shareholder's account at any point of time.

29. Foreign Exchange gain/ (loss)

The amount of foreign exchange gain/ (loss) in Revenue Account and Profit & Loss account is as follows:



₹('000)		
Particulars	As at March 31, 2021	As at March 31, 2020
Revenue Account	(76)	-
Profit and Loss Account	(2,098)	5,117
<b>Total</b>	<b>(2,174)</b>	<b>5,117</b>

### 30. Penalty

As per IRDA Master Circular on Preparation of Financial Statements and Filing of Returns of Life Insurance Business dated December 11, 2013, the details of various penal actions taken by various Government Authorities for the year ended March 31, 2021 are mentioned below:

₹ ('000)					
Sr. No.	Authority	Non-Compliance or Violation	Penalty Awarded <sup>#</sup>	Penalty Paid	Penalty Waived or Reduced
1	Insurance Regulatory and Development Authority of India	Nil	Nil	Nil	Nil
2	GST/Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate or Adjudicating Authority or Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies or NCLT or CLB or Department of Corporate Affairs or any Authority under Companies Act, 1956/2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court or Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central or State or Local Government or Statutory Authority	Nil	Nil	Nil	Nil

<sup>#</sup> does not include any penalties awarded under tax litigations which are currently in appeal under adjudication

### 31. Loan Assets restructured during the year are as follows:

₹ ('000)			
Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1	Total amount of Loan Assets subject to restructuring	Nil	Nil
2	Total amount of Standard Assets subject to restructuring	Nil	Nil
3	Total amount of Sub-Standard Assets subject to restructuring	Nil	Nil
4	Total amount of Doubtful Assets subject to restructuring	Nil	Nil



32. 'Net receivable to Unit linked Funds' in Schedule 8B represents unitization pending for investment in Unit linked Funds.

The corresponding 'Receivable from Unit linked Funds/ Non Unit Linked Funds and 'Payable to Unit linked Funds/ Unclaimed Funds' has been reported in schedule 12 and schedule 13 respectively as follows:

₹ ('000)

Year	Particulars	Schedule 8B	Schedule 12	Schedule 13
As on March 31, 2021	Receivable from/ (Payable) to Unit Linked Funds	1,345,382	2,524,421	(3,869,803)
	Receivable from / (Payable) to Non Linked Funds	-	2,178,894	(2,178,894)
	<b>Sub Total</b>	<b>1,345,382</b>	<b>4,703,315</b>	<b>(6,048,696)</b>
	Receivable from/ (Payable) to Unclaimed Funds	-	26,170	(26,170)
	<b>Total</b>	<b>1,345,382</b>	<b>4,729,485</b>	<b>(6,074,866)</b>
	Net receivable / (payable) in Unclaimed Funds	-	-	-
As on March 31, 2020	Receivable from/ (Payable) to Unit Linked Funds	2,754,028	370,129	(3,124,157)
	Receivable from / (Payable) to Non Linked Funds	-	1,209,604	(1,209,604)
	<b>Sub Total</b>	<b>2,754,028</b>	<b>1,579,733</b>	<b>(4,333,761)</b>
	Receivable from/ (Payable) to Unclaimed Funds	-	37,730	(37,730)
	<b>Total</b>	<b>2,754,028</b>	<b>1,617,463</b>	<b>(4,371,491)</b>
	Net receivable / (payable) in Unclaimed Funds	-	-	-

### 33. Participation in Joint Lenders Forum formed under Reserve Bank of India (RBI) Guidelines

The Company has not participated in any Joint Lenders Forum formed under RBI guidelines for loan accounts which could turn into potential NPAs.

### 34. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11(3) of the Insurance Act, 1938.

Sr. No.	Name	Description	Directorship held	Occupation
1	Mr. Mahesh Kumar Sharma	Managing Director & CEO	SBI Life Insurance Company Ltd. (Inducted w.e.f. from May 09, 2020 onwards)	Service

### 35. Long term contracts

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provisions as required under any law/ accounting standard for material foreseeable losses on such long term contracts has been made in the financial statements.

For insurance contracts, actuarial valuation of liabilities for all the policies which were in the books of the Company and where there is a liability as at March 31, 2021 is done by the Appointed Actuary of the company. The assumptions used in valuation of liabilities are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with IRDAI.



### 36. Interim Dividend

The Board at its meeting held on March 25, 2021 has declared an Interim Dividend of ₹ 2.5 per share for the year ended March 31, 2021 (previous year ended March 31, 2020: Nil). Accordingly, a provision of ₹ 2,500,177 thousands (previous year ended March 31, 2020: Nil) have been made towards interim dividend in the accounts for the year ended March 31, 2021.

### 37. Corporate Social Responsibility

The Company has spent ₹ 262,521 thousands for the year ended March 31, 2021 (previous year ended March 31, 2020 ₹ 221,697 thousands) towards Corporate Social Responsibility activities mentioned in Schedule VII of The Companies Act, 2013.

₹ ('000)			
Sector in which project is covered	Project details	Year ended March 31, 2021	Year ended March 31, 2020
Education	The Company has provided support towards the cost of education, nutrition and overall development of underprivileged children from the society, to give equal opportunity of learning to all.	1,11,397	65,777
Education	The Company has contributed towards the infrastructure development of school premises, hostels, playgrounds and classrooms, digital equipment for building smart classrooms, sanitation facilities, kitchen facilities, transport facilities to various schools in rural areas	4,514	22,641
Education	The Company has provided for folding canes for the visually challenged, rehabilitation of the mentally and differently-abled children through education, training, speech & physio therapy, and multisensory stimulation that aid the overall learning of the underprivileged and differently-abled children.	27,842	30,344
Education	The Company has contributed towards vocational training and skill development of people from disadvantaged sections of the society in order to enhance their livelihood opportunities.	1,336	1,960
Healthcare	The Company has contributed towards procurement of various medical facilities improving infrastructure of the hospitals and healthcare institutes, preventive care measures for cancer and screening, and surgeries for the less fortunate children.	1,04,941	66,131
Environment	The Company has contributed towards making a greener planet by planting saplings and maintaining the plantations.	1,282	5,256



Sector in which project is covered	Project details	Year ended March 31, 2021	Year ended March 31, 2020
PM Relief and Disaster Relief	As a socially responsible Company, SBI Life lend its hand in the hour of need by contributing towards disaster relief in the form of providing relief material to the victims of flash floods, arranging clean-up and disinfection drives, and providing warm clothes and other essentials. The contributions for year ended March 31, 2021 include amount paid to Covid PM Care Fund (₹ 10,307 thousands). The contributions for year ended 31 <sup>st</sup> March 2020 include amount paid to Covid PM Care Fund (₹ 15,000 thousands) and (Maharashtra Chief Minister's Relief Fund Covid-19) (₹ 10,000 thousands). The Contribution towards CM (Maharashtra Covid-19 Relief Fund) is in accordance with the MCA circular dated March 23,2020 and subsequent legal advice received by the Company.	11,210	29,071
Setting up of Old Age Home	The Company has provided support towards setting up old age home / any other facility or measure to support old age citizens	-	517
<b>Total</b>		<b>262,521</b>	<b>221,697</b>

i. Gross amount required to be spent by the Company for the year ended March 31, 2021 is ₹ 249,297 thousands (previous year ended March 31, 2020 ₹ 220,308 thousands)

ii. Amount spent during the year on -

₹ ('000)				
Year	Particulars	In cash	Yet to be paid in cash	Total
Year ended March 31, 2021	Construction/ acquisition of any asset	Nil	Nil	Nil
	On purposes other than mentioned above	262,521	Nil	262,521
Year ended March 31, 2020	Construction/ acquisition of any asset	Nil	Nil	Nil
	On purposes other than mentioned above	221,697	Nil	221,697

iii. Amounts of related party transactions pertaining to CSR related activities for the year ended March 31, 2021 was ₹ Nil (previous year ended March 31, 2020 ₹ Nil)

### 38. Previous year figures regrouped

Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with current year's presentation.

Description	Year ended March 31, 2021		Year ended March 31, 2020		Amount ₹ ('000)	Reason
	Schedule	Sub-heading	Schedule	Sub-heading		
Unclaimed FMC Expenses	Revenue Account	Other income - Income on	Revenue Account	Other income - Miscellaneous	1,181	Regrouped for appropriate and



Description	Year ended March 31, 2021		Year ended March 31, 2020		Amount ₹ ('000)	Reason
	Schedule	Sub-heading	Schedule	Sub-heading		
& Equilisation		Unclaimed amount of policyholders		Income		better presentation.

Description	As at March 31, 2021		As at March 31, 2020		Amount ₹ ('000)	Reason
	Schedule	Sub-heading	Schedule	Sub-heading		
GST Receivable on Deposit	Schedule 13 - Current Liabilities	Premium received in advance	Schedule 12 - Advances and Other Assets	Outstanding Premiums	1,270	GST Receivable on Deposit pertaining to Advance Premium has been regrouped from Schedule 12 outstanding Premium to Schedule 13 Premium received in advance for appropriate and better presentation

### 39. Linked Business

Financial statements, for each segregated fund of the linked businesses, is presented in ULIP Disclosures as require by the Master Circular. Segregated funds represent funds maintained in accounts to meet specific investment objectives of policyholders who bear the investment risk. Investment income/ gains and losses generally accrue directly to the policyholders. The assets of each account are segregated and are not subject to claims that arise out of any other business of the insurer.

### 40. COVID-19 impact

The Outbreak of COVID-19 virus continue to spread across the globe including India, resulting in significant impact on global and India's economic environment including volatility in the capital markets. This outbreak was declared as global pandemic by World Health Organisation (WHO) on March 11, 2020. The Company has assessed the overall impact of this pandemic on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended March 31, 2021. Based on the evaluation, the Company have made an additional reserve amounting to INR 1,829,818 thousands towards COVID-19 pandemic and the same has been provided for as at 31/03/2021 in the actuarial policy liability. The Company will continue to closely monitor any future developments relating to COVID-19 which may have any impact on its business and financial position.