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PROSPECTUS
Dated May 12, 2022
100% Book Built Issue

भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

LIFE INSURANCE CORPORATION OF INDIA
IRDAI REGISTRATION NUMBER: 512

Central Office	Contact Person	Email and Telephone	Website
Yogakshema, Jeevan Bima Marg Nariman Point, Mumbai 400 021, Maharashtra, India	Pawan Agrawal *Company Secretary and Compliance Officer*	Investors@licindia.com +91 22 2202 2079	www.licindia.in

OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF FINANCE, GOVERNMENT OF INDIA

DETAILS OF THE OFFER

TYPE	OFFER FOR SALE SIZE	OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Offer for Sale	221,374,920 Equity Shares aggregating to ₹205,572.31* million	₹205,572.31* million	The Offer was made pursuant to Regulation 6(1) of SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIIs and RIIs, see "*Offer Structure*" on page 565.

OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT(₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS (IN ₹)
President of India, acting through the Ministry of Finance, Government of India	Promoter	221,374,920 Equity Shares	0.16**

**Subject to finalisation of Basis of Allotment.*
***As certified by M/s. Batliboi & Purohit, Chartered Accountants, our Statutory Auditor to the Offer, pursuant to the certificate dated May 12, 2022.*

OFFER PRICE: ₹949 PER EQUITY SHARE.
A DISCOUNT OF ₹45 PER EQUITY SHARE WAS OFFERED TO THE RETAIL INDIVIDUAL BIDDERS BIDDING IN THE RETAIL PORTION AND THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.
A DISCOUNT OF ₹60 PER EQUITY SHARE WAS OFFERED TO THE ELIGIBLE POLICYHOLDERS BIDDING IN THE POLICYHOLDER RESERVATION PORTION.
THE OFFER PRICE IS 94.9 TIMES THE FACE VALUE OF THE EQUITY SHARES.
BIDS WERE MADE FOR A MINIMUM OF 15 EQUITY SHARES AND IN MULTIPLES OF 15 EQUITY SHARES THEREAFTER.

RISKS IN RELATION TO THE FIRST OFFER: The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price was determined by our Corporation and the Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 103 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Corporation and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 24.

CORPORATION'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Corporation, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Corporation and the Offer, which is material in the context of the Offer, that the information contained in Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms that the statements made or confirmed by it in this Prospectus to the extent of information specifically pertaining to them and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.
LISTING
The Equity Shares offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, BSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Name of Book Running Lead Manager and logo	Contact Person	Telephone and Email	Name of Book Running Lead Manager and logo	Contact Person	Telephone and Email
Kotak Mahindra Capital Company Limited	Ganesh Rane	Tel: +91 22 4336 0000 E-mail: lic.ipo@kotak.com	**Goldman Sachs (India) Securities Private Limited**	Chirag Jasani	Tel: +91 22 6616 9000 E-mail: licipo@gs.com
Axis Capital Limited	Mayuri Arya	Tel: +91 22 4325 2183/84 E-mail: lic.ipo@axiscap.in	**ICICI Securities Limited**	Sameer Purohit/ Sumit Singh	Tel: +91 22 6807 7100 E-mail: lic.ipo@icicisecurities.com
BofA Securities India Limited	Abhay Agarwal	Tel: +91 22 6632 8000/ 8411 E-mail: dg.lici_ipo@bofa.com	**JM Financial Limited**	Prachee Dhuri	Tel: +91 22 6630 3030/ 3262 E-mail: lic.ipo@jmfl.com
Citigroup Global Markets India Private Limited	Huzefa Bodabhaiwala	Tel: +91 22 6175 9999 E-mail: licindia.ipo@citi.com	**J.P. Morgan India Private Limited**	Saarthak K Soni	Tel: +91 22 6157 3000 E-mail: LIC_IPO@jpmorgan.com
Nomura Financial Advisory and Securities (India) Private Limited	Vishal Kanjani/ Sandeep Baid	Tel: +91 22 4037 4037 E-mail: licipo@nomura.com	**SBI Capital Markets Limited**	Sambit Rath / Mounika T	Tel: +91 22 2217 8300 E-mail: lic.ipo@sbicaps.com

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Telephone and Email
KFin Technologies Limited	M Murli Krishna	Tel: +91 40 6716 2222 E-mail: lic.ipo@kfintech.com Toll-free number: 1800 3094 001

BID/OFFER PERIOD

ANCHOR INVESTOR BID/ OFFER PERIOD OPENED ON	**MONDAY, MAY 2, 2022**	**BID/OFFER OPENED ON**	**WEDNESDAY, MAY 4, 2022**	**BID/OFFER CLOSED ON**	**MONDAY, MAY 9, 2022**

PROSPECTUS
Dated: May 12, 2022
100% Book Built Issue

LIFE INSURANCE CORPORATION OF INDIA

Our Corporation was established as 'Life Insurance Corporation of India' on September 1, 1956 under the Life Insurance Corporation Act, 1956. For details of change in the central office of our Corporation, see "*History and Certain Corporate Matters – Changes in central office of our Corporation*" on page 272.

Central office: Yogakshema, Jeevan Bima Marg, Nariman Point, Mumbai 400 021, Maharashtra, India
Contact Person: Pawan Agrawal, Company Secretary and Compliance Officer; **Tel**: +91 22 2202 2079
E-mail: Investors@licindia.com; **Website**: www.licindia.in; **IRDAI Registration number**: 512

OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF FINANCE, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFER OF 221,374,920 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF LIFE INSURANCE CORPORATION OF INDIA ("OUR CORPORATION" OR THE "ISSUER") THROUGH AN OFFER FOR SALE OF 221,374,920 EQUITY SHARES BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF FINANCE, GOVERNMENT OF INDIA ("SELLING SHAREHOLDER") FOR CASH AT A PRICE OF ₹949 PER EQUITY SHARE ("OFFER PRICE"), AGGREGATING TO ₹205,572.31* MILLION (THE "OFFER").

THE OFFER INCLUDES A RESERVATION OF 1,581,249 EQUITY SHARES AGGREGATING TO ₹1,429.45 MILLION (CONSTITUTING 0.025% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEE(S) (THE "EMPLOYEE RESERVATION PORTION") AND A RESERVATION OF 22,137,492 EQUITY SHARES AGGREGATING TO ₹19,680.23 MILLION (CONSTITUTING 0.35% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE POLICYHOLDER(S) ("POLICYHOLDER RESERVATION PORTION"). OUR CORPORATION AND THE SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), OFFERED (I) A DISCOUNT OF 4.74% ON THE OFFER PRICE (EQUIVALENT OF ₹45 PER EQUITY SHARE) TO THE RETAIL INDIVIDUAL BIDDERS BIDDING IN THE RETAIL PORTION ("RETAIL DISCOUNT"), (II) A DISCOUNT OF 4.74% ON THE OFFER PRICE (EQUIVALENT OF ₹45 PER EQUITY SHARE) TO ELIGIBLE EMPLOYEE(S) BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"), AND (III) A DISCOUNT OF 6.32% ON THE OFFER PRICE (EQUIVALENT OF ₹60 PER EQUITY SHARE) TO THE ELIGIBLE POLICYHOLDER(S) BIDDING IN THE POLICYHOLDER RESERVATION PORTION ("POLICYHOLDER DISCOUNT"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION AND POLICYHOLDER RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE 3.5% AND 3.13%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR CORPORATION.

THE FACE VALUE OF EQUITY SHARES IS ₹10 EACH. THE OFFER PRICE IS 94.9 TIMES THE FACE VALUE OF THE EQUITY SHARES.

**Subject to finalisation of Basis of Allotment.*

The Offer was made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", the "**QIB Portion**"). Our Corporation, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares were added to the Net QIB Portion. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not less than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer was made available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders (defined hereinafter) Bidding using the UPI Mechanism, if applicable, in which case, the corresponding Bid Amounts were blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" beginning on page 569.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Corporation, there has been no formal market for the Equity Shares of our Corporation. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Corporation and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 24.

DISCLAIMER CLAUSE OF THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA ("IRDAI")

The IRDAI does not undertake any responsibility for the financial soundness of our Corporation or for the correctness of any of the statements made or opinions expressed in this connection. Any issuance of observation by the IRDAI under the LIC General Regulations (as defined in "*Definitions and Abbreviations*") shall not in any manner be deemed to be or serve as a validation of the representations by our Corporation in the offer document.

CORPORATION`S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Corporation, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Corporation and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms that the statements made or confirmed by it in this Prospectus and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus and this Prospectus are proposed to be listed on the Stock Exchanges. Our Corporation has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters each dated February 14, 2022. For the purposes of the Offer, the Designated Stock Exchange is BSE. For details of the material contracts and documents that were made available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 641.

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC Plot No. C-27, 'G' Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: lic.ipo@kotak.com Website: https://investmentbank.kotak.com Investor Grievance ID: kmccredressal@kotak.com Contact Person: Ganesh Rane SEBI Registration Number: INM000008704	**Axis Capital Limited** 1st Floor, Axis House C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: +91 22 4325 2183/84 E-mail: lic.ipo@axiscap.in Website: www.axiscapital.co.in Investor Grievance ID: complaints@axiscap.in Contact Person: Mayuri Arya SEBI Registration Number: INM000012029	**BofA Securities India Limited** Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Tel : +91 22 6632 8000/ 8411 E-mail : dg.lici_ipo@bofa.com Website : www.ml-india.com Investor Grievance ID: dg.india_merchantbanking@bofa.com Contact Person : Abhay Agarwal SEBI Registration Number : INM000011625	**Citigroup Global Markets India Private Limited** 1202, 12th Floor First International Finance Centre, G-Block Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: licindia.ipo@citi.com Investor Grievance ID: investors.cgmib@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Contact Person: Huzefa Bodabhaiwala SEBI Registration Number: INM000010718	**Goldman Sachs (India) Securities Private Limited** 951-A, Rational House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Tel: +91 22 6616 9000 E-mail: licipo@gs.com Website: www.goldmansachs.com Investor Grievance ID : india-client-support@gs.com Contact Person: Chirag Jasani SEBI Registration Number: INM000011054

					REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India Tel : +91 22 6807 7100 E-mail : lic.ipo@icicisecurities.com Website : www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person : Sameer Purohit/ Sumit Singh SEBI Registration Number : INM000011179	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030/ 3262 E-mail: lic.ipo@jmfl.com Website: www.jmfl.com Investor Grievance ID : grievance.ibd@jmfl.com Contact Person: Prachee Dhuri SEBI Registration Number: INM000010361	**J.P. Morgan India Private Limited** J.P. Morgan Tower, Off. C.S.T. Road Kalina, Santacruz (East) Mumbai 400 098 Maharashtra, India Tel : +91 22 6157 3000 E-mail : LIC_IPO@jpmorgan.com Website : www.jpmipl.com Investor Grievance ID: investorsmb.jpmipl@jpmorgan.com Contact Person : Saarthak K Soni SEBI Registration Number : INM000002970	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot F Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: licipo@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Investor Grievance ID: investorgrievances-in@nomura.com Contact Person: Vishal Kanjani/ Sandeep Baid SEBI Registration Number: INM000011419	**SBI Capital Markets Limited** 202, Maker Tower "E", Cuffe Parade Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 E-mail: lic.ipo@sbicaps.com Website: www.sbicaps.com Investor Grievance ID : investor.relations@sbicaps.com Contact Person: Sambit Rath/Mounika T SEBI Registration Number: INM000003531	**KFin Technologies Limited** Selenium, Tower B, Plot No- 31 and 32 Gachibowli, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: lic.ipo@kfintech.com Investor Grievance ID: einward.ris@kfintech.com Website: www.kfintech.com Contact Person: M Murli Krishna SEBI Registration Number: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENED ON*	**WEDNESDAY, MAY 4, 2022**
BID/OFFER CLOSED ON	**MONDAY, MAY 9, 2022**
ANCHOR INVESTOR BID/ OFFER PERIOD OPENED ON	**MONDAY, MAY 2, 2022**

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such applicable legislation, act, regulation, rules, guidelines or policies as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the Life Insurance Corporation Act, the SEBI Act, the SCRA, the Depositories Act, the Insurance Act, and the rules and regulations made thereunder including the SEBI ICDR Regulations and the IRDAI Issuance of Capital Regulations. Further, Offer related terms used but not defined in this Prospectus shall have the meaning ascribed to such terms under the General Information Document. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis for Offer Price", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act" beginning on pages 112, 253, 106, 308, 103, 517 and 589, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Corporation", "Corporation", "LIC" and "LICI"	Life Insurance Corporation of India, a corporation established under the Life Insurance Corporation Act and having its Central Office at Yogakshema, Jeevan Bima Marg, Nariman Point, Mumbai 400 021, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Corporation together with the Subsidiaries

Corporation Related Terms

Term	Description
ANANDA	Atma Nirbhar Agents New Business Digital App
Appointed Actuary	Appointed actuary appointed by our Corporation as per the provisions of Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017, namely Dinesh Pant
Associates	IDBI Bank, IDBI Trusteeship Services Limited, LICHFL Asset Management Company Limited, LIC Housing Finance Limited, LIC Mutual Fund Asset Management Limited and LIC Mutual Fund Trustee Private Limited
Audit Committee	Audit committee of our Board, constituted in accordance with the applicable provisions of the Life Insurance Corporation Act, the IRDAI CG Guidelines (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and rules and regulations made thereunder) and the SEBI Listing Regulations, and as described in "*Our Management - Committees of the Board*" on page 291
"Board" or "Board of Directors"	Board of directors of our Corporation, constituted in accordance with the applicable provisions of the Life Insurance Corporation Act, the SEBI Listing Regulations and IRDAI CG Guidelines (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and rules and regulations made thereunder), and as described in "*Our Management*" beginning on page 282
Central Office	Yogakshema, Jeevan Bima Marg, Nariman Point, Mumbai 400 021, Maharashtra, India
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Corporation, Pawan Agrawal. For details, see "*General Information – Company Secretary and Compliance Officer*" beginning on page 80
CRISIL	CRISIL Limited
CRISIL Report	Report titled "*Analysis of Life Insurance Industry in India and Certain other Countries"* dated March, 2022 prepared and issued by CRISIL, which has been exclusively commissioned and paid for by our Corporation in connection with the Offer and the engagement letter dated September 24, 2021
CRISIL Research	CRISIL Research, a division of CRISIL
DIPAM	Department of Investment and Public Asset Management, Ministry of Finance, Government of India
Director(s)	Directors on our Board as described in "*Our Management*" beginning on page 282
EDMS	Enterprise Document Management System
Embedded Value Reports	Embedded value reports titled "*Results of Indian Embedded Value of the Life Insurance Corporation of India as at September 30, 2021*" and "*Report on Indian Embedded Value of the Life Insurance Corporation of India as at 31 March 2021*", each dated February 10, 2022, issued by the Independent Actuary
Equity Shares	Equity shares of face value of ₹10 each of our Corporation
Executive Committee	Executive committee of our Board, constituted in accordance with the applicable provisions of the Life Insurance Corporation Act, and as described in "*Our Management - Committees of the Board*" on page 291
Government Nominee Director	Government nominee director of our Corporation, Pankaj Jain. For details, see "*Our Management*" on page 282
IDBI Bank	IDBI Bank Limited
Independent Actuary	Independent actuary namely Heerak Basu, Partner, Milliman Advisors LLP
Independent Directors	Independent directors on our Board, as described in "*Our Management*" beginning on page 282

Term	Description
Investment Committee	Investment committee of our Board, constituted in accordance with the applicable provisions of the Life Insurance Corporation Act and the IRDAI CG Guidelines (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and rules and regulations made thereunder) and as described in "*Our Management – Committees of the Board*" on page 291
Investment Policy	Our Corporation's investment policy delineating our investment objectives and policies
IPO Committee	IPO committee of our Board, constituted in relation to the Offer
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Corporation identified in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in "*Our Management – Key Managerial Personnel*" on page 302
LIC GJF	LIC Golden Jubilee Foundation
LICMF Asset Management	LIC Mutual Fund Asset Management Limited
LICMF Trustee	LIC Mutual Fund Trustee Private Limited
Managing Director(s)	Managing director(s) of our Corporation. For details, see "*Our Management*" on page 282
Material Subsidiaries	The material subsidiaries of our Corporation, namely Life Insurance Corporation (International) B.S.C. (c) and Life Insurance Corporation (Singapore) Pte. Ltd.
Nomination and Remuneration Committee	Nomination and remuneration committee of our Board, constituted in accordance with the applicable provisions of the Life Insurance Corporation Act, the IRDAI CG Guidelines and the SEBI Listing Regulations (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and rules and regulations made thereunder) and as described in "*Our Management – Committees of the Board*" on page 291
Policyholders' Protection Committee	Policyholders' protection committee of our Board, constituted in accordance with the applicable provisions of the IRDAI CG Guidelines, and as described in "*Our Management – Committees of the Board*" on page 291
PRAGATI	Performance Review Application Growth and Trend Indicator
"Promoter" or "Selling Shareholder"	The promoter of our Corporation being the President of India, acting through the Ministry of Finance, Government of India
"Restated Consolidated Financial Statements" or "Restated Consolidated Financial Information" or "Restated Financial Statements"	Restated consolidated financial information of our Corporation comprising (i) the restated consolidated statement of assets and liabilities, (ii) the restated consolidated statement of revenue account (also called the policyholders' account or technical account), (iii) the restated consolidated statement of profit & loss account (also called the shareholders' account/non-technical account), and (iv) the restated consolidated statement of receipts and payments account (also called the cash flow statement), for the nine months ended December 31, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and significant accounting policies and notes to restated consolidated financial information and other explanatory notes prepared in accordance with the Life Insurance Corporation Act, the Insurance Act, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI and as restated by the Statutory Auditor to the Offer in accordance with the requirements of the SEBI ICDR Regulations and other applicable provisions, if any
"Risk Management Committee" or "RMCB"	Risk management committee of our Board, constituted in accordance with the applicable provisions of the SEBI Listing Regulations and the IRDAI CG Guidelines and as described in "*Our Management – Committees of the Board*" on page 291
Shareholder(s)	Holder(s) of Equity Shares of our Corporation from time to time
SICCI	Saudi Indian Company for Cooperative Insurance
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, constituted in accordance with the applicable provisions of the SEBI Listing Regulations, and as described in "*Our Management – Committees of the Board*" on page 291
Statutory Auditor to the Offer	M/s. Batliboi & Purohit, Chartered Accountants (also one of the joint statutory central auditors of our Corporation for the standalone financial statements of our Corporation for Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021)
Subsidiaries	The subsidiaries of our Corporation, namely LIC Cards Services Limited, LIC Pension Fund Limited, Life Insurance Corporation (International) B.S.C. (c), Life Insurance Corporation (Lanka) Limited, Life Insurance Corporation (Nepal) Ltd., Life Insurance Corporation (Singapore) Pte. Ltd. and Life Insurance Corporation (LIC) of Bangladesh Limited
Whole-time Chairperson	Whole-time chairperson of our Corporation, Mangalam Ramasubramanian Kumar. For details, see "*Our Management*" on page 282
With Profits Committee	With Profits Committee of our Board, constituted in accordance with the applicable provisions of the Insurance Regulatory and Development Authority of India (Non-Linked Insurance Products) Regulations, 2019, and as described in "*Our Management – Committees of the Board*" on page 291

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange

Term	Description
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who had Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors, being ₹949 per Equity Share, in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Corporation and the Selling Shareholder, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/Offer Period	Period during which Anchor Investors submitted their Bids, which opened on May 2, 2022
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors, in terms of the Red Herring Prospectus and this Prospectus, being ₹949 per Equity Share The Anchor Investor Offer Price was decided by our Corporation and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	60% of the QIB Portion, constituting 59,296,853 Equity Shares, that were allocated by our Corporation and the Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Application Supported by Blocked Amount" or "ASBA"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and includes applications made by UPI Bidders using the UPI Mechanism, where made available, where the Bid Amount was blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
ASBA Account	Bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and which includes the account of UPI Bidders which was blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism, where made available
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form(s)	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which was be considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis	Axis Capital Limited
Bankers to the Offer	Collectively, Escrow Collection Banks, Public Offer Account Banks, Sponsor Banks and Refund Banks, as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" beginning on page 565
Bid(s)	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids (net of Discounts) indicated in the Bid cum Application Form and paid by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer. RIBs could apply at the Cut-off Price and the Bid Amount was Cap Price (net of the Retail Discount), multiplied by the number of Equity Shares Bid for by such RIB and mentioned in the Bid cum Application Form. Eligible Employee(s) who applied in the Employee Reservation Portion could apply at the Cut-off Price and the Bid Amount was Cap Price (net of the Employee Discount), multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee does not exceed ₹200,000 (net of Employee Discount). Eligible Policyholder(s) who applied in the Policyholder Reservation Portion could apply at the Cut-off Price and the Bid Amount was Cap Price (net of the Policyholder Discount), multiplied by the number of Equity Shares Bid for by such Eligible Policyholder(s) and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Policyholder Reservation Portion by an Eligible Policyholder(s) does not exceed ₹200,000 (net of the Policyholder Discount)
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	15 Equity Shares and in multiples of 15 Equity Shares thereafter

Term	Description
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries were required to not accept any Bids, being May 9, 2022, which was notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi daily newspaper (Marathi the regional language of Maharashtra, where our Central Office is located), each with wide circulation.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries were required to start accepting Bids, being May 4, 2022, which was notified in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Central Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between May 4, 2022 and May 9, 2022, inclusive of both days and including Saturday, May 7, 2022 and Sunday, May 8, 2022, during which Bidders submitted their Bids, in accordance with the SEBI ICDR Regulations
Bidder	Any investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
BofA Securities	BofA Securities India Limited
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely, Kotak, Axis, BofA Securities, Citigroup, Goldman Sachs, I-Sec, JM Financial, J.P. Morgan, Nomura and SBICAP
Broker Centres	Centres notified by the Stock Exchanges where Bidders could have submitted the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, being ₹949 per Equity Share, above which the Offer Price and the Anchor Investor Offer Price were not finalised and above which no Bids were accepted. The Cap Price is 105% of the Floor Price
Cash Escrow and Sponsor Banks Agreement	The cash escrow and sponsor banks agreement dated April 25, 2022, entered into between our Corporation, the Selling Shareholder, the Book Running Lead Managers, the Registrar to the Offer, the Bankers to the Offer and the Syndicate Members for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Accounts and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Citigroup	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price, being ₹949 per Equity Share, finalised by our Corporation and the Selling Shareholder, in consultation with the BRLMs. Only RIBs Bidding in the Retail Portion, Eligible Employee(s) Bidding in the Employee Reservation Portion and the Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion were entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders were not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders submitted the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms were available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Offer Accounts or the Refund Accounts, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, where made available, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Accounts or the Refund Accounts, as the case may be, in terms of the Red Herring Prospectus and this Prospectus following which Equity Shares will be Allotted in the Offer

Term	Description
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs, Eligible Employee(s), Eligible Policyholder(s) and Non-Institutional Bidders with an application size of up to ₹ 500,000 (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries means Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders could have submitted the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	BSE Limited
Discount(s)	Retail Discount, Employee Discount and/or Policyholder Discount, as applicable
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated February 13, 2022 issued by our Corporation, in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, read with the corrigendum dated February 15, 2022 filed with SEBI
Eligible Employee(s)	Permanent employees of our Corporation, Subsidiaries or a Director of our Corporation, working in India (excluding such employees who are not eligible to invest in the Offer under applicable laws), as of the date of filing of the Red Herring Prospectus with the Stock Exchanges and who continues to be an employee or director of our Corporation at the time of Bid / Offer Opening Date. Directors, Key Managerial Personnel and other employees of our Corporation involved in the Offer Price fixation process could not participate in this Offer and will not constitute Eligible Employee(s) for the purposes of this Offer.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the preliminary offering memorandum (comprising the Red Herring Prospectus and the preliminary international wrap dated April 26, 2022) constituted an invitation to subscribe to or to purchase the Equity Shares
Eligible Policyholder(s)	Policyholders (excluding such other persons not eligible under applicable laws, rules, regulations and non-Individual policy holders) of our Corporation having one or more policies of our Corporation as on the date of the Draft Red Herring Prospectus and Bid / Offer Opening Date and are residents of India were eligible to apply in this Offer under the Policyholder Reservation Portion. *Note: A policyholder of our Corporation was required to ensure that his / her PAN details are updated in the policy records of our Corporation at the earliest. A policyholder who did not update his / her PAN details with our Corporation before expiry of two weeks from the date of the filing of the Draft Red Herring Prospectus with SEBI (i.e., by February 28, 2022) was not considered as an Eligible Policyholder*
Employee Discount	Our Corporation and the Selling Shareholder, in consultation with the BRLMs, offered a discount of 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) to Eligible Employee(s)
Employee Reservation Portion	The portion of the Offer being 1,581,249 Equity Shares aggregating to ₹1,429.45 million (constituting 0.025% of the post-Offer paid-up Equity Share capital), which was made available for allocation to Eligible Employee(s), on a proportionate basis. Eligible Employee(s) who applied in the Employee Reservation Portion could apply at the Cut-off Price and the Bid Amount was Cap Price (net of Employee Discount), multiplied by the number of Equity Shares Bid for such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee does not exceed ₹200,000 (net of Employee Discount). The reservation for Eligible Employee(s) does not exceed 5.00% of the post-Offer Equity Share capital of our Corporation
Escrow Accounts	Accounts opened with the Escrow Collection Banks and in whose favour the Anchor Investors transferred money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Banks	Banks which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Accounts have been opened, in this case being, Axis Bank Limited, HDFC Bank Limited and Kotak Mahindra Bank Limited
First or sole Bidder	Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appeared as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, being ₹902 per Equity Share, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price were finalised and below which no Bids were accepted
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI

Term	Description
	Circulars, as amended from time to time. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs
Goldman Sachs	Goldman Sachs (India) Securities Private Limited
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Limited
J.P. Morgan	J.P. Morgan India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	Maximum number of RIBs who could be allotted the minimum Bid Lot. This was computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids having been received at or above the Offer Price
Mutual Fund Portion	5% of the Net QIB Portion or 1,976,562 Equity Shares which was available for allocation to Mutual Funds only, subject to valid Bids having been received at or above the Offer Price
Net Offer	The Offer, less the Employee Reservation Portion and Policyholder Reservation Portion
Net Proceeds	Offer Proceeds less the Offer expenses. For further details, see "*Objects of the Offer*" beginning on page 100
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Bidders	All Bidders that are not QIBs or RIBs and who Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Net Offer being not less than 15% of the Net Offer consisting of 29,648,427 Equity Shares which was available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids having been received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA
Offer	Initial public offer of 221,374,920 Equity Shares aggregating to ₹205,572.31* million, comprising of the Net Offer, the Employee Reservation Portion and the Policyholder Reservation Portion **Subject to finalisation of Basis of Allotment*
Offer Agreement	Agreement dated February 13, 2022 entered amongst our Corporation, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	Offer for sale of the Offered Shares, at the Offer Price aggregating to ₹205,572.31* million offered for sale by the Selling Shareholder in the Offer **Subject to finalisation of Basis of Allotment*
Offer Price	₹949 per Equity Share, being the final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and this Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which was decided by our Corporation and the Selling Shareholder in consultation with the BRLMs in terms of the Red Herring Prospectus and this Prospectus. The Offer Price was decided by our Corporation and the Selling Shareholder in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process, and the Red Herring Prospectus and this Prospectus. A discount of (a) 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) was offered to Retail Individual Bidder(s) Bidding in the Retail Portion, (b) 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) was offered to Eligible Employee(s) Bidding in the Employee Reservation Portion, and (c) 6.32% on the Offer Price (equivalent of ₹60 per Equity Share) was offered to Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion. The Discount(s) has been decided by our Corporation and Selling Shareholder, in consultation with the BRLMs
Offer Proceeds	Proceeds of the Offer (consisting of the Offer for Sale), which is to be made available to the Selling Shareholder. For further information about the use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 100
Offered Shares	221,374,920 Equity Shares aggregating to ₹205,572.31* million offered for sale by the Selling Shareholder in the Offer for Sale **Subject to finalisation of Basis of Allotment*
Policyholder Discount	Our Corporation and Selling Shareholder, in consultation with the BRLMs, offered a discount of 6.32% on the Offer Price (equivalent of ₹60 per Equity Share) to Eligible Policyholder(s)
Policyholder Reservation Portion	The portion of the Offer being 22,137,492 Equity Shares aggregating to ₹19,680.23 million (constituting 0.35% of the post-Offer paid-up Equity Share capital), which was made available for allocation to Eligible Policyholder(s), on a proportionate basis, post the receipt of necessary approvals from the Government of India. The aggregate of reservations for Eligible Policyholder(s) does not exceed 10.00% of the Offer size. Eligible Policyholder(s) applying in the Policyholder Reservation Portion could apply at the Cut-off Price and the Bid Amount was Cap Price (net of the Policyholder Discount), multiplied by the number of Equity Shares Bid for such Eligible Policyholder and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Policyholder Reservation Portion by an Eligible Policyholder does not exceed ₹200,000 (net of Policyholder Discount)

Term	Description
Price Band	Price band of a minimum price of ₹902 per Equity Share (Floor Price) and the maximum price of ₹949 per Equity Share (Cap Price). The Price Band and the minimum Bid Lot size for the Offer were decided by our Corporation and the Selling Shareholder in consultation with the BRLMs, and were advertised in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi newspaper (Marathi the regional language of Maharashtra, where our Central Office is located), each with wide circulation and were made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Corporation and the Selling Shareholder in consultation with the BRLMs finalised the Offer Price, being May 10, 2022
Prospectus	This Prospectus dated May 12, 2022, issued by our Corporation in accordance with provisions of the SEBI ICDR Regulations containing, *inter alia*, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Accounts	Bank accounts opened with the Public Offer Account Banks to receive monies from the Escrow Accounts and ASBA Accounts on the Designated Date
Public Offer Account Banks	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Accounts have been opened, in this case being, Axis Bank Limited, HDFC Bank Limited and Kotak Mahindra Bank Limited
QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion), being not more than 50% of the Net Offer, consisting of 98,828,089 Equity Shares, that was available for allocation to QIBs (including Anchor Investors), subject to valid Bids having been received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	The red herring prospectus dated April 26, 2022, issued by our Corporation in accordance with provisions of the SEBI ICDR Regulations, which did not have complete particulars of the Offer Price and the size of the Offer
Refund Accounts	Account opened with the Refund Banks, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Banks	Bankers to the Offer and with whom the Refund Accounts have been opened, in this case being, Axis Bank Limited, HDFC Bank Limited and Kotak Mahindra Bank Limited
Registered Brokers	Stock brokers registered under Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended, with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated February 8, 2022 entered amongst our Corporation, the Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
Retail Discount	Our Corporation and the Selling Shareholder, in consultation with the BRLMs, offered a discount of 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) to Retail Individual Bidder(s)
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Net Offer, being not less than 35% of the Net Offer, consisting of 69,179,663 Equity Shares, that was available for allocation to RIBs (subject to valid Bids having been received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs, Eligible Employee(s) Bidding in the Employee Reservation Portion and Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
SBICAP	SBI Capital Markets Limited
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount was blocked by authorising an SCSB, a list of which is available on the website of SEBI at https:/www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer could be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI

Term	Description
	circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Share Escrow Agent	KFin Technologies Limited
Share Escrow Agreement	Agreement dated April 25, 2022, entered amongst our Corporation, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate could accept ASBA Forms from Bidders
Sponsor Banks	Axis Bank Limited, HDFC Bank Limited and Kotak Mahindra Bank Limited, being Bankers to the Offer, appointed by our Corporation to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars
Syndicate Agreement	Agreement dated April 25, 2022, entered amongst our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI, who are permitted to accept Bids (other than by Anchor Investors), Bid cum Application Form (other than Anchor Investor Application Form) and place orders with respect to the Offer in accordance with this Prospectus and the Syndicate Agreement and who are permitted to carry out activities as an underwriter, namely, Investec Capital Services (India) Private Limited, JM Financial Services Limited, Kotak Securities Limited and SBICAP Securities Limited
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The Underwriting Agreement dated May 12, 2022 entered amongst our Corporation, the Selling Shareholder and the Underwriters
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors who applied as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees, under the Employee Reservation Portion, (iii) Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion, and (iii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 were required to use UPI and were required to provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that was used by the UPI Bidders, in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of the Bid/Offer

Term	Description
	Period, Working Day shall mean all days on which ASBA designated branches of commercial banks are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/Industry Related Terms or Abbreviations

Term	Description
ALM	Asset-liability management
AML	Anti-money laundering
APE	Annualised premium equivalent, calculated as the sum of annualised first year premiums on regular premium policies, and 10% of single premiums of both individual and group business written by us, adjusted for new business cancellations, effected during the relevant fiscal year or period
Asset Liability Management	Process of establishing, implementing, monitoring, and reviewing strategies related to assets and liabilities of the life insurance business to achieve financial objectives, for a given set of risk appetite
AUM	Assets under management, comprising policyholders' investment, shareholders' investment and assets held to cover linked liabilities
Average Group APE	Group APE divided by the number of policies under group business
Average Individual APE	Individual APE divided by the number of new policies under individual business
ELSS	Equity-linked savings scheme
"Embedded Value" or "EV"	Present value of shareholders' interests in the earnings distributable from the assets of the life insurance business after an allowance for the aggregate risks in the existing life insurance business of the entity for the relevant date
EVOP	Embedded value operating profit
ERM	Enterprise risk management
ESG	Environmental, social and governance
GNPA	Gross non-performing assets
GWP	Gross written premium
"Indian Embedded Value" or "IEV"	Indian Embedded Value or IEV consists of our Adjusted Net Worth ("ANW") (consisting of our free surplus and required capital) and the value of in-force business ("VIF"). The free surplus is the market value of assets allocated to, but not required to support, the in-force covered business as at the applicable valuation date. The required capital is determined as the amount of assets attributed to the covered business over and above that required to back liabilities for covered business, the distribution of which to shareholders is restricted. The VIF is a measure of the value of the Shareholders' interest in our "covered business". The VIF represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. The "covered business" is all life insurance and pensions business, accident and health insurance business across both individual and group segments: (a) that has been written by our Corporation in India; and (b) that has been written by our Corporation's entities outside of India, either through its branches, subsidiaries or joint ventures. For more details, see "*Embedded Value Reports*" on page 592
IEVOE	IEVOE, or Indian Embedded Value operating earnings, is the summation of our (i) VNB added during the year; (ii) expected return on existing business; and (iii) variances in operating experience. For more details, see "*Embedded Value Reports*" on page 592
IMF	Insurance marketing firm
MDRT	Million Dollar Round Table
MIS	Management information systems
NBP	New business premium
Operating Expense Ratio	Operating expenses as a percentage of total premium
ORIEV	ORIEV, or Operating return on Indian Embedded Value, is the ratio of IEVOE for any given period to the IEV at the beginning of that period,
Persistency Ratio	Proportion of business that is retained from the business underwritten and is measured in terms of the number of policies and premiums underwritten
"Policyholders' Account" or "Technical Account"	Revenue account of our Restated Consolidated Financial Statements
RP & LP	Regular premium and limited premium
"Shareholders' Account" or "Nontechnical Account"	Profit and loss account of our Restated Consolidated Financial Statements
Solvency Ratio	The ratio of (i) the amount of the available solvency margin, which is excess of value of assets (as furnished in Form-AA specified under the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstracts for Life Insurance Business) Regulations, 2016) over the value of life insurance liabilities (as furnished in Form-KT-3 of the Insurance Regulatory and Development Authority of India (Actuarial Reports and Abstracts for Life Insurance Business) Regulations, 2016) and other liabilities of policyholders' fund and shareholders' funds to (ii) to the amount of Required Solvency Margin as specified in Form-KT-3 of the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstracts for Life Insurance Business) Regulations, 2016
SP & FP	Single premium and fully paid up premium
Surrender Ratio	Total surrender amount divided by total investments during the year/period
Total Cost Ratio	Total cost (commission and operating expenses) as a percentage of premium
TP	Total premium
ULIP	Unit linked insurance plan
"Value of New Business" or "VNB"	Value of New Business or VNB is the present value of expected future earnings from new policies written during any given period. VNB for our Corporation set forth in this Prospectus is derived from

Term	Description
	the Embedded Value Reports. VNB set forth in the Embedded Value Reports were not based on all policies. For more details, see "*Embedded Value Reports*" on page 592
VIF	Value of in-force business, which represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the "covered business", after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. The "covered business" is all life insurance and pensions business, accident and health insurance business across both individual and group segments: (a) that has been written by our Corporation in India; and (b) that has been written by our Corporation's entities outside of India, either through its branches, subsidiaries or joint ventures. For more details, see "*Embedded Value Reports*" on page 592
VNB Margin	Ratio of VNB to APE (as set forth in the Embedded Value Reports) for the relevant period and is a measure of the expected profitability of new business in percentage terms. VNB Margin set forth in this Prospectus is derived from the Embedded Value Reports

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
AIFs	Alternative Investments Funds, as defined in, and registered under the SEBI AIF Regulations
Amendment Rules	Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016
BDT	Bangladeshi Taka
BHD	Bahraini Dinars
BSE	BSE Limited
CAGR	Compound annual growth rate
CY	Calendar year
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
CSR	Corporate social responsibility
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
Conservation Ratio	Total renewal premium income in the current year divided by first year premium and renewal premium income in the previous year
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*formerly known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
D-SII	Domestic Systemically Important Insurer
EBITDA	Earnings before interest, taxes, depreciation and amortisation. EBITDA is calculated as restated consolidated profit/ loss for the period / year, adjusted to exclude (i) depreciation and amortization expenses, (ii) finance costs and (iii) tax expense
EPS	Earnings Per Share
e-NACH	Electronic National Automated Clearing House
FBIL	Financial Benchmark India Pvt Ltd
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEDAI	Foreign Exchange Dealers Association of India
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019

Term	Description
FEMA Regulations	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
Financial Statements Regulations	Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FINCON	Financial conglomerate
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Gazette	Gazette of India
GDP	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
Insurance Act	Insurance Act, 1938
IPO	Initial public offering
IRDA Act	Insurance Regulatory and Development Authority Act, 1999
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI CG Guidelines	Guidelines on corporate governance for insurer in India issued by the IRDAI by way of circular no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IRDAI Issuance of Capital Regulations	Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015
IRDAI Registration of Corporate Agents Regulations	Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015
IFRS	International Financial Reporting Standards
IMPS	Immediate Payment Service
India	Republic of India
Indian GAAP	Generally accepted accounting principles in India
IST	Indian Standard Time
IT	Information Technology
IT Act	Income Tax Act, 1961
kW	Kilowatts
KYC	Know your customer
"Life Insurance Corporation Act" or "LIC Act"	Life Insurance Corporation Act, 1956
LIC General Regulations	Life Insurance Corporation General Regulations, 2021
MSMEs	Micro, Small, and Medium Enterprises
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"N/A" or "N.A."	Not applicable
N.C.	Not calculated
NACH	National Automated Clearing House
NIA	National Insurance Academy, Pune
NAV	Net Asset Value
NBFC	Non-banking financial company
NBFC-SI	Systemically important non-banking financial company
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings ratio
PAN	Permanent Account Number
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana

Term	Description
PMSBY	Pradhan Mantri Suraksha Bima Yojana
PAT	Profit after tax
PPP	Purchasing power parity
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Revaluation Reserves	Revaluation Reserves Account
RTGS	Real Time Gross Settlement
ROE	Return on equity
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI MF Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
SME	Small and Medium Enterprises
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. GAAP	Generally Accepted Accounting Principles in the United States (as adopted by the U.S. Securities and Exchange Commission)
U.S. Securities Act	United States Securities Act of 1933, as amended
“U.S.” or “USA” or “United States”	United States of America
“USD” or “US$”	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
YTM	Yield To Maturity

SUMMARY OF THIS OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including "*Risk Factors*", "*Objects of the Offer*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*", "*Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" and "*Offer Procedure*" beginning on pages 24, 100, 183, 112, 517, 589 and 569, respectively.

Primary business of our Corporation

Our Corporation has been providing life insurance in India for more than 65 years and is the largest life insurer in India, with a 61.6% market share in terms of premiums (or GWP), a 61.4% market share in terms of New Business Premium (or NBP), a 71.8% market share in terms of number of individual policies issued, a 88.8% market share in terms of number of group policies issued for the nine months ended December 31, 2021, as well as by the number of individual agents, which comprised 55% of all individual agents in India as at December 31, 2021. (*Source: the CRISIL Report, which has been exclusively commissioned and paid for by our Corporation in connection with the Offer and the engagement letter dated September 24, 2021*).

Primary Industry in which our Corporation operates

There are currently 24 life insurance companies in India, with Life Insurance Corporation being the sole public player. The size of the Indian life insurance industry was ₹6.2 trillion on a total-premium basis in Fiscal 2021, up from ₹5.7 trillion in Fiscal 2020. The industry's total premium has grown at 11% CAGR in the five years ended Fiscal 2021. CRISIL Research forecasts the industry's total premium to grow at 14-15% CAGR over the next five years, to reach close to ₹12.4 trillion by Fiscal 2026. (*Source: the CRISIL Report, which has been exclusively commissioned and paid for by our Corporation in connection with the Offer and the engagement letter dated September 24, 2021*).

Name of our Promoter

Our Promoter is the President of India acting through the Ministry of Finance, Government of India.

Offer Size

Offer for Sale(1)	221,374,920 Equity Shares aggregating to ₹205,572.31* million by the Selling Shareholder
Employee Reservation Portion(2)	1,581,249 Equity Shares aggregating to ₹1,429.45 million (constituting 0.025% of the post-Offer paid-up Equity Share capital)
Policyholder Reservation Portion(3)	22,137,492 Equity Shares aggregating to ₹19,680.23 million (constituting 0.35% of the post-Offer paid-up Equity Share capital)
Net Offer	197,656,179 Equity Shares aggregating to ₹184,462.63 million

**Subject to finalization of Basis of Allotment.*

(1) *The Offer has been authorised by resolution of our Board dated February 11, 2022, read with resolution of our Board dated April 23, 2022, respectively. The Selling Shareholder, through its letter dated April 26, 2022 conveyed its approval for the Offer for Sale of up to 221,374,920 Equity Shares. Further, the Equity Shares offered by the Selling Shareholder in the Offer are eligible for being offered for sale in the Offer in accordance with Section 5(9)(c) of the Life Insurance Corporation Act.*

(2) *The Employee Reservation Portion does not exceed 5.00% of our post-Offer Equity Share capital. For further details, see "Offer Structure" beginning on page 565.*

(3) *The Policyholder Reservation Portion does not exceed 10.00% of the Offer size. For further details, see "Offer Structure" beginning on page 565.*

For further details, see "*The Offer*" on page 71.

Objects of the Offer

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of 221,374,920 Equity Shares by the Selling Shareholder. The Selling Shareholder (President of India acting through the Ministry of Finance, Government of India) will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Corporation will not receive any proceeds from the Offer.

Aggregate pre-Offer shareholding of Promoter/ Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India)

The aggregate pre-Offer shareholding of our Promoter/ Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) as a percentage of the pre-Offer paid-up Equity Share capital of our Corporation is set out below:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
1.	President of India, acting through the Ministry of Finance, Government of India	6,324,997,701	100.00
Total		**6,324,997,701**	**100.00**

For further details, see "*Capital Structure*" beginning on page 92.

Summary of Financial Information

A summary of the financial information of our Corporation as per the Restated Consolidated Financial Statements is as follows:

(*₹ in million*)

Particulars	As at and for the nine months period ended December 31, 2021	As at and for the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Equity share capital	63,249.98	1,000.00	1,000.00	1,000.00
Net worth[(1)]	82,304.99	65,146.44	8,546.53	8,153.27
Total income				
- Policyholders (Revenue account)	5,122,792.05	7,037,094.45	6,456,054.72	5,708,095.70
- Shareholder's account (Profit and loss account)	1,195.88	229.89	354.43	455.19
Profit after tax	17,153.12	29,741.39	27,104.78	26,273.78
Earnings per Share[(2)] (₹ / share)				
- Basic	2.71	4.70	4.29	4.15
- Diluted	2.71	4.70	4.29	4.15
Net asset value per equity share[(2)] [(3)] (₹)	13.01	10.30	1.35	1.29
Total borrowings (as per restated consolidated balance sheet)[(4)]	36.66	36.65	2,534,135.99	2,694,005.95
	(₹ in million, except ratios and percentages)			
Indian Embedded Value (consolidated)	5,396,860	956,050	464,970	N.C.
Indian Embedded Value operating earnings (consolidated) ("**IEVOE**")	N.C.	171,510	N.C.	N.C.
Operating return on Indian Embedded Value (consolidated) ("**ORIEV**")	N.C.	36.89%	N.C.	N.C.

(1) Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.
(2) The basic earnings per share, diluted earnings per share and net asset value for the year ended March 31, 2021 has been computed on the basis of equity shares issued on September 8, 2021. For details, please see "Capital Structure - Equity Share Capital History of our Corporation" beginning on page 92.
(3) NAV per Equity Share = Net worth as per the Restated Consolidated Financial Statements / number of Equity Shares.
(4) Our borrowings decreased from ₹2,534,135.99 million as at March 31, 2020 to ₹36.65 million as at March 31, 2021 primarily due to IDBI Bank's borrowings no longer being consolidated as a subsidiary.

Qualifications by the Statutory Auditor to the Offer which have not been given effect to in the Restated Financial Statements

The Restated Financial Statements do not contain any qualifications by the Statutory Auditor to the Offer.

Summary of outstanding litigations and material developments

A summary of outstanding litigation proceedings involving our Corporation, Directors, and Subsidiaries, as at April 29, 2022 (except litigation involving the Directors which is as at the date of this Prospectus):

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)
Corporation						
By the Corporation	226*^	–	–	–	3	81,527.65^
Against the Corporation	37*	63	1#	–	–	748,946.96
Directors						
By the Directors	–	–	–	–	–	–
Against the Directors	–	–	–	–	–	–
Promoter						
By the Promoter	–	–	–	–	–	–
Against the Promoter	–	–	–	–	–	–
Subsidiaries						
By the Subsidiaries	–	–	–	–	–	–
Against the Subsidiaries	–	4**	-	–	–	USD 434,439**

Notes:
**Also includes criminal cases which have been instituted by or against the branch managers, senior officials and agents of our Corporation.*
^153 cases amounting to approximately ₹15,568.95 million are in relation to violation of Section 138 of the Negotiable Instruments Act, 1881.
 # Our Corporation, together with SBI Life Insurance Company Limited have proceeded to appeal before the Supreme Court against an order meted out by SEBI. As such, our Corporation is currently a petitioner for this case.
*** These are involving Life Insurance Corporation (International) B.S.C. (c).*

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 517.

Risk factors

Investors should see "*Risk Factors"* beginning on page 24 to have an informed view before making an investment decision.

Summary of contingent liabilities

The details of our contingent liabilities as at December 31, 2021 are set forth in the table below:

(*₹ in million*)

S. No.	Particulars	As at December 31, 2021
1.	Partly paid-up investments	6,049.61
2.	Claims against our Corporation not acknowledged as debts	143.91
3.	Underwriting commitments outstanding	-
4.	Guarantees given by or on behalf of our Corporation	0.79
5.	Statutory demands/liabilities in dispute, not provided for*	280,797.91
6.	Reinsurance obligations to the extent not provided for	-
7.	Others	
	- Policy related claims under litigation	4,440.60
	- Claims under litigation other than policy holders	2,634.69
Total		**294,067.51**

**This includes tax litigations where our Corporation has filed an appeal before the Commissioner of Income Tax (Appeal) against an adverse order of an assessing officer.*

For further details, see "*Financial Statements – Annexure XXIV – Note B. Notes to Restated Consolidated Financial Information - Contingent Liabilities*" on page 367.

Summary of related party transactions

Summary of the related party transactions derived from the Restated Financial Statements is as follows:

(*₹ in million*)

Sr. No.	Particulars	Nine months ended December 31, 2021	Year ended		
			March 31, 2021	March 31, 2020	March 31, 2019
1.	**Purchase of equity, debts, bonds and mutual fund**				
	a) Associates				
	LIC Housing Finance Limited	23,355.12	0.00	0.00	0.00
	LICHFL Asset Management Company Limited	0.00	0.00	4.42	0.00

Sr. No.	Particulars	Nine months ended December 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
	LIC Mutual Fund Asset Management Limited	108,042.30	102,802.02	61,174.64	93,455.66
	b) Subsidiaries				
	Life Insurance Corporation (International) B.S.C. (c)	8,804.06	0.00	0.00	0.00
	Life Insurance Corporation (Singapore) Pte. Ltd.	0.00	0.00	523.50	529.20
	IDBI Bank Limited*	0.00	0.00	47,430.00	195,259.59
2.	**Sale of mutual fund**				
	a) Associates				
	LICHFL Asset Management Company Limited	0.00	0.00	4.78	0.00
	LIC Mutual Fund Asset Management Limited	93,242.33	106,520.09	74,249.85	104,218.11
3.	**Redemption on debts & bonds/ loans**				
	a) Associates				
	LIC Housing Finance Limited	15,000.00	20,000.00	5,000.00	17,500.00
	IDBI Bank Limited	2,500.00	400.00	0.00	0.00
	b) Subsidiaries				
	IDBI Bank Limited*	0.00	0.00	10.00	3,740.00
4.	**Gain income**				
	a) Associates				
	LIC Mutual Fund Asset Management Limited	385.01	750.53	5,276.23	1,856.75
5.	**Application money**				
	a) Associates				
	LIC Mutual Fund Asset Management Limited	0.00	2,250.00	0.00	0.00
	b) Subsidiaries				
	Life Insurance Corporation (Lanka) Limited	0.00	0.00	60.54	0.00
	LIC Pension Fund Limited	200.00	0.00	0.00	0.00
6.	**Income from investment**				
	a) Associates				
	LIC Housing Finance Limited	8,993.45	15,790.83	16,967.31	16,904.16
	LICHFL Asset Management Company Limited	1.36	1.36	2.56	0.99
	LIC Mutual Fund Asset Management Limited	4.95	0.00	2.48	4.95
	IDBI Bank Limited*	1,581.85	2,821.74	0.00	0.00
	IDBI Trusteeship Services Limited*	54.00	45.00	0.00	0.00
	b) Subsidiaries				
	Life Insurance Corporation (Nepal) Ltd.	0.00	0.00	164.62	0.00
	Life Insurance Corporation (International) B.S.C. (c)	0.00	0.00	0.00	358.97
	Life Insurance Corporation (Lanka) Limited	0.00	0.00	0.00	8.28
	IDBI Bank Limited*	0.00	0.00	2,824.30	1,742.30
	IDBI Trusteeship Services Limited*	0.00	0.00	45.00	0.00
7.	**Rent**				
	a) Associates				
	LIC Housing Finance Limited	60.67	84.35	73.37	63.19
	LIC Mutual Fund Asset Management Limited	17.25	20.97	25.13	21.39
	b) Subsidiaries				
	LIC Cards Services Limited	0.39	0.41	0.44	0.34
8.	**Reimbursement/ payment towards other administrative expenses**				
	a) Associates				

Sr. No.	Particulars	Nine months ended December 31, 2021	Year ended		
			March 31, 2021	March 31, 2020	March 31, 2019
	LIC Housing Finance Limited	17.77	18.12	8.48	10.64
	LICHFL Asset Management Company Limited	1.60	1.03	1.86	2.61
	LIC Mutual Fund Asset Management Limited	15.28	19.23	2.78	16.66
	IDBI Bank Limited*	183.41	12.89	0.00	0.00
	b) Subsidiaries				
	LIC Pension Fund Limited	201.42	134.59	122.55	97.85
	LIC Cards Services Limited	0.17	0.25	0.25	0.38
	IDBI Bank Limited*	0.00	0.00	3.35	0.00
9.	**Annual technical/ I.T. solution fees received, maintenance and support services**				
	a) Subsidiaries				
	Life Insurance Corporation (Nepal) Ltd.	1.00	2.00	2.00	2.00
	Life Insurance Corporation (LIC) of Bangladesh Limited	1.64	1.70	1.59	0.00
	Life Insurance Corporation (International) B.S.C. (c)	1.40	0.00	7.38	29.30
10.	**Managerial remuneration**				
	Key Managerial Personnel	65.72	51.20	52.27	33.75
	Total	**262,732.16**	**251,728.31**	**214,041.68**	**435,857.07**

**IDBI Bank became a subsidiary with effect from January 2019 following our Corporation's acquisition of 51% shareholding in IDBI Bank. IDBI Trusteeship Services Limited is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares, so IDBI Trusteeship Services Limited also became our Corporation's subsidiary with effect from January 2019. In December 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutions placement. Consequently, IDBI Trusteeship Services Limited was also reclassified from a subsidiary to an associate on such date.*

Outstanding balances

(*₹ in million*)

Sr. No.	Particulars	As at December 31, 2021	As at		
			March 31, 2021	March 31, 2020	March 31, 2019
1.	**Debt and loan**				
	LIC Housing Finance Limited	130,517.52	145,504.43	165,504.44	170,504.44
	IDBI Bank Limited*	27,520.70	30,020.83	30,421.10	30,431.37
2.	**Interest accrued on non-convertible debentures**				
	LIC Housing Finance Limited	5,716.91	3,990.90	4,528.44	5,332.18
	IDBI Bank Limited*	1,269.33	779.17	799.15	797.31
3.	**Current and saving account balances**				
	IDBI Bank Limited*	27,638.60	38,200.00	25,070.00	0.85
4.	**Other dues from subsidiaries/ holding company**				
	LIC Housing Finance Limited	21.20	10.8	23.9	21.6
	IDBI Bank Limited*	0.00	0.00	0.00	0.00
	Life Insurance Corporation (LIC) of Bangladesh Limited	13.00	12.94	13.35	12.32
	Life Insurance Corporation (International) B.S.C (c)	11.61	3.50	42.37	1.99
	LIC Pension Fund Limited	5.28	134.58	122.55	97.85
	LIC Cards Services Limited	204.06	143.92	109.31	76.31
	LIC Mutual Fund Asset Management Limited	(0.74)	(0.72)	(0.99)	(0.70)
	Total	**192,917.47**	**218,800.35**	**226,633.62**	**207,275.52**

**IDBI Bank became a subsidiary with effect from January 2019 following our Corporation's acquisition of 51% shareholding in IDBI Bank. IDBI Trusteeship Services Limited is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares, so IDBI Trusteeship Services Limited also became our Corporation's subsidiary with effect from January 2019. In December 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutions placement. Consequently, IDBI Trusteeship Services Limited was also reclassified from a subsidiary to an associate on such date.*

For further details, see "*Financial Statements – Annexure XXIV – B. Notes to Restated Consolidated Financial Information – 24. Related Party Disclosure- LICI*" on page 391.

Financing Arrangements

There have been no financing arrangements whereby our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Corporation during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Details of price at which specified securities were acquired by/ allotted to our Promoter, also the Selling Shareholder, in the last three years preceding the date of this Prospectus

S. No.	Name of the acquirer	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share (in ₹)
1.	President of India, acting through the Ministry of Finance, Government of India	September 8, 2021*	100,000,000	10
		September 8, 2021#	622,747,922	N.A.
		September 8, 2021#	5,602,249,779	N.A.

**Issued against the paid-up capital held by the GoI prior to an amendment to the Life Insurance Corporation Act by the Finance Act, 2021.*
#Bonus issue of Equity Shares.

Weighted average price at which the Equity Shares were acquired by/ allotted to our Promoter/ the Selling Shareholder in the three years and in the one year preceding the date of this Prospectus

The weighted average price at which the Equity Shares were acquired by our Promoter, also the Selling Shareholder, in the three years and in the one year preceding the date of this Prospectus is:

Sr. No.	Name of the Shareholder	Number of Equity Shares acquired	Three years - weighted average price of acquisition per Equity Share (in ₹)*	One year - weighted average price of acquisition per Equity Share (in ₹)*
1.	President of India, acting through the Ministry of Finance, Government of India	6,324,997,701	0.16	0.16

**As certified by M/s. Batliboi & Purohit, Chartered Accountants, our Statutory Auditor to the Offer, pursuant to the certificate dated May 12, 2022.*

Average cost of acquisition of Equity Shares by our Promoter/ the Selling Shareholder

The average cost of acquisition of Equity Shares held by our Promoter, also the Selling Shareholder (President of India acting through the Ministry of Finance, Government of India), are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares acquired	Average cost of Acquisition per Equity Share (in ₹)*
1.	President of India, acting through the Ministry of Finance, Government of India	6,324,997,701	0.16

**As certified by M/s. Batliboi & Purohit, Chartered Accountants, our Statutory Auditor to the Offer, pursuant to the certificate dated May 12, 2022.*

Details of pre-IPO placement

Our Corporation does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus until the listing of the Equity Shares.

Issue of Equity Shares for consideration other than cash in the last one year

Except for the bonus allotments made on September 8, 2021, our Corporation has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus. For further details, see "*Capital Structure - Notes to the Capital Structure - Issue of Equity Shares for consideration other than cash or out of revaluation reserves*" on page 93.

Split / Consolidation of Equity Shares in the last one year

Our Corporation has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

a. Our Corporation *vide* its letter dated January 18, 2022 has sought an exemption under Regulation 300(1) of the SEBI ICDR Regulations from considering audited financial statements of Subsidiaries and Associates of our Corporation incorporated in India in the preparation of restated audited consolidated financial information of our Corporation for the six months period ended September 30, 2021 and nine months period ended December 31, 2021 (to be included in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus, as applicable) in relation to the

Offer. Subsequently, SEBI *vide* its letter dated January 28, 2022 granted a one-time relaxation on the exemption sought by our Corporation.

b. Our Corporation *vide* its letter dated February 13, 2022 has sought an exemption under Regulation 300(1) of the SEBI ICDR Regulations from (i) depositing one per cent (1%) of the amount of securities offered for subscription to the public as security deposit as required under Regulation 38(1) of the SEBI ICDR Regulations; and (ii) disclosing the (a) consolidated number of creditors, and (b) total number of micro, small and medium enterprises creditors in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus to be filed with SEBI as required under Clause 12(A)(2) of Part A to Schedule VI of SEBI ICDR Regulations, as applicable. Subsequently, SEBI *vide* is letter dated March 8, 2022 acceded the exemption sought by our Corporation.

c. Our Corporation *vide* letter dated April 23, 2022, has sought an exemption under Regulation 300(1) of the SEBI ICDR Regulations from fresh filing of the draft red herring prospectus with SEBI pursuant to a reduction in the estimated Offer size by more than 50% due to volatile market conditions and circumstances outside the control of our Corporation. Subsequently, SEBI *vide* its letter dated April 25, 2022 granted one-time relaxation on the exemption sought by our Corporation.

d. SEBI has, by way of a letter dated April 25, 2022, to the Department of Investment and Public Asset Management, granted one-time exemption to offer such number of Equity Shares in the Offer aggregating to 3.5% of the total number of Equity Shares in the paid-up equity share capital of our Corporation.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Prospectus to "India" are to the Republic of India and all references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Prospectus is in IST. Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Financial Data

Unless the context requires otherwise, the financial information in this Prospectus is derived from the Restated Consolidated Financial Statements of our Corporation comprising (i) the restated consolidated statement of assets and liabilities, (ii) the restated consolidated statement of revenue account (also called the policyholders' account or technical account), (iii) the restated consolidated statement of profit & loss account (also called the shareholders' account/non-technical account), and (iv) the restated consolidated statement of receipts and payments account (also called the cash flow statement), for the nine months ended December 31, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and significant accounting policies and notes to restated consolidated financial information and other explanatory notes prepared in accordance with the Life Insurance Corporation Act, the Insurance Act, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI and as restated by the Statutory Auditor to the Offer in accordance with the requirements of the SEBI ICDR Regulations and other applicable provisions, if any. For details, see "*Financial Statements*" beginning on page 308.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Corporation does not provide reconciliation of its financial information to IFRS or US GAAP. Our Corporation has not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Corporation's financial data. For details in connection with risks involving differences between Ind AS, US GAAP and IFRS see "*Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial statements*" on page 65. The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should accordingly be limited.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except where the figures are not available to two decimals, all figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Our Corporation's financial year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a "year" in this Prospectus are to a calendar year.

Our Corporation has obtained (i) a certificate dated June 24, 2021 by the Appointed Actuary confirming the adequacy of mathematical reserves to meet our Corporation's future commitments under the contracts and the policyholders' reasonable expectations; (ii) embedded value calculated by an Independent Actuary as per the actuarial practice standard issued by Institute of Actuaries of India; and (iii) a certificate dated February 25, 2022 from our Appointed Actuary in relation to statutory actuarial valuation of our Corporation for the nine months ended December 31, 2021.

Additionally, our Corporation has obtained a certificate dated June 24, 2021, from our Appointed Actuary in relation to actuarial report and abstract for the financial year ended March 31, 2021, under the Insurance Act and the Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016.

Unless the context otherwise indicates, any percentage or amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 24, 183 and 452, respectively, and elsewhere in this Prospectus have been calculated on the basis of amounts derived from our Restated Financial Statements, restated in accordance with SEBI ICDR Regulations. Further, certain operational and financial parameters of our insurance business, including, (i) contribution of distribution channels to our Corporation's new business premium for individual products; (ii) annualised premium equivalent for individual and group businesses; and (iii) Persistency Ratios for individual product premiums, have been included on India only basis numbers and may not be derived from our Restated Consolidated Financial Statements.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of insurance companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies in India or elsewhere. For further details in this regard, see "*Risk Factors – We have included certain non-GAAP financial measures and certain other selected statistical information related to our business, financial condition, results of operations and cash flows in this Prospectus. These non-GAAP financial measures and statistical information may vary from any standard methodology that is applicable across the life insurance segment, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other life insurance players*" on page 36.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America;
- "BDT" or "Taka" or "BD" are to the Bangladeshi Taka, the official currency of Bangladesh;
- "BHD" are to the Bahraini dinar, the official currency of Bahrain;
- "Nepalese Rupee" are to the Nepalese Rupees, the official currency of Nepal;
- "SGD" are to the Singapore Dollar, the official currency of Singapore; and
- "LKR" are to the Sri Lankan Rupee, the official currency of Sri Lanka.

Our Corporation has presented certain numerical information in this Prospectus in "lakh", "million" and "crores" units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other foreign currencies:

(in ₹)

Currency	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019*
1 USD	74.30	73.80	73.50	75.39
1 BDT	0.87	0.85	0.85	0.87
1 BHD	197.95	194.25	193.09	197.91
1 Nepalese Rupee	0.62	0.62	0.62	0.62
1 SGD	55.05	53.78	54.33	52.68
1 LKR	0.37	0.39	0.36	0.40

Source: FBIL Reference Rate as available on https://www.fbil.org.in/

** Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being a Saturday and March 31, 2019 being a Sunday.*

Industry and Market Data

Unless otherwise indicated, industry and market data used throughout this Prospectus has been obtained or derived from the report titled *'Analysis of Life Insurance Industry in India and Certain other Countries'* dated March, 2022 issued by CRISIL which was appointed by our Corporation *vide* engagement letter dated September 24, 2021 and has been exclusively commissioned and paid for by our Corporation in connection with the Offer. CRISIL Limited is an independent agency and has no relationship with our Corporation or its Directors, Promoter or the Book Running Lead Managers as on the date of this Prospectus. For further details in relation to risks involving in this regard, see "*Risk Factors – Certain sections of this Prospectus contain information from the CRISIL Report, which was commissioned and paid for by our Corporation, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*" on page 67.

The sections "*Offer Document Summary*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" of this Prospectus contain data and statistics from the CRISIL Research which is subject to the following disclaimer:

"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Life Insurance Corporation of India will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. The data used in these sources may have been reclassified by us for the purposes of presentation.

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 24.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 103 includes information relating to our listed peer group companies. No investment decision should be made solely on the basis of such information.

Our Corporation (through the IPO Committee or the Whole-time Chairperson or the Managing Director(s) of our Board) and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational / technical / procedural difficulties including but not limited to amending the operational terms of the Offer, the Offer procedure and the Offer structure, basis of allocation / allotment, allocation per investor category and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain “forward-looking statements”. All statements contained in this Prospectus that are not statements of historical fact constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “seek to”, “shall”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements made by us in this Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- the continuing effect of the COVID-19 pandemic;
- any unfavourable publicity harming our brand name and reputation, and in turn harming our leading position in the Indian life insurance industry;
- adverse persistency metrics or an adverse variation in persistency metrics;
- segregation of the single consolidated ‘Life Fund’ of our Corporation into two separate funds, viz., a participating policyholders’ fund and a non-participating policyholders’ fund, effective September 30, 2021;
- certain investments of our Corporation’s pension and group and life annuity funds, which had previously been invested in Approved Investments, have been re-classified as other investment and as such other investments have not been transferred to the Shareholders’ funds at amortised cost after 90 days;
- actual claims experienced and other parameters are different from the assumptions used in pricing our products and setting reserves for our products;
- interest rate fluctuations;
- significant technical complexity involved in embedded value calculations and the estimates used in the Embedded Value Reports could vary materially if key assumptions are changed or if our experience differs from our assumptions used to calculate our Indian Embedded Value; and
- any regulatory changes or market developments that adversely affect sales of our participating products.

For further discussion of factors that could cause the actual results to differ from our expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 23, 183 and 452, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Our forward-looking statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

None of our Corporation, the Selling Shareholder, our Directors, the Book Running Lead Managers or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof, or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Corporation shall ensure that investors in India are informed of material developments from the date of this Prospectus in relation to the statements and undertakings made by it in this Prospectus until the time of the grant of listing and trading permission for the Equity Shares sold in the Offer by the Stock Exchanges. Further, the Selling Shareholder (President of India acting through the Ministry of Finance, Government of India) shall ensure that investors in India are informed of material developments from the date of this Prospectus in relation to the statements and undertakings specifically made or confirmed by the Selling Shareholder in this Prospectus until the time of the grant of listing and trading permission for the Equity Shares sold in the Offer by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the risks and uncertainties described below as well as other information contained in this Prospectus before making an investment in the Equity Shares. Prospective investors should read this section in conjunction with "Industry Overview", "Our Business", "Financial Statements", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Embedded Value Reports" on pages 112, 183, 308, 452 and 592, respectively, before making an investment decision in relation to the Equity Shares.

The risks described in this section are those that we consider to be the most significant and material to our business, financial condition, results of operations and cash flows as at the date of this Prospectus. We have described the risks and uncertainties that we currently believe to be material, but the risks set out in this section may not be exhaustive, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks, or other risks that are not currently known or are now deemed immaterial actually occur, our business, financial condition, results of operations and cash flows could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors described below. Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below.

To the extent the COVID-19 pandemic negatively affects our business and results of operations, it may also have the effect of heightening many of the other risks described in this section. In making an investment decision, prospective investors must rely on their own examinations of us and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences they could encounter in investing in the Equity Shares.

This section contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further details, see "Forward-Looking Statements" on page 23.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from the Restated Consolidated Financial Statements, which are in "Financial Statements" on page 308. Financial information for the nine months ended December 31, 2021 is not indicative of full-year results and is not comparable with the financial information presented for Fiscal 2019, Fiscal 2020 and Fiscal 2021. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Corporation" or "our Corporation" are to our Corporation on a standalone basis, and references to "we", "us" and "our", are to our Corporation and our Subsidiaries on a consolidated basis.

Certain industry and market data used in this section have been derived from the CRISIL Report, which has been exclusively prepared for the purpose of the Offer. Our Corporation commissioned and paid for the CRISIL Report fee pursuant to an engagement letter dated September 24, 2021. CRISIL Research is not related in any manner to our Corporation or any of our Directors or our Promoter. The CRISIL Report was prepared using publicly available financial information. As we have not publicly disclosed consolidated financial statements prior to the filing of this Prospectus, the CRISIL Report was prepared using our Corporation's standalone financial statements and filings made with the IRDAI. For more details, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 22.

INTERNAL RISK FACTORS

Risks Related to Our Business

1. ***The ongoing COVID-19 pandemic could adversely affect all aspects of our business, including: (i) restricting the ability of our agents to sell our products; (ii) significantly increasing our expenses due to changes in laws and regulations and investing in new methodologies to overcome the restrictions brought in to address the spread of COVID-19 and the adverse changes in population mortality/morbidity or utilization behaviours; (iii) adversely affecting our investment portfolio; (iv) adversely affecting our operational effectiveness; and (v) heightening the risks we face in our business, including those discussed in this Prospectus.***

   The World Health Organization (WHO) declared the outbreak of COVID-19 a global pandemic on March 11, 2020. The Government initiated a nation-wide lockdown from March 25, 2020 for three weeks on all services except essential services (which included insurance offices), which was extended to May 31, 2020. Vide its circular dated May 9, 2020, the IRDAI extended the deadline to pay insurance premiums on all life insurance policies to May 31, 2020, for all policies where the premium was due in the month of March 2020, in line with the nation-wide lockdown. The IRDAI further allowed insurers to permit delays in the renewal of health insurance policies for up to 30 days. Although the nation-wide lockdown was lifted in a phased manner from June 1, 2020, in the aftermath of the second wave witnessed in the first quarter of Fiscal 2022, many states implemented localized restrictions in the form of, among others, weekend lockdowns, restricting non-essential businesses from operating and/or implementing night curfews to prevent the spread of infections. (*Source: the CRISIL Report*). While the insurance sector was exempted from COVID-19-related state curfews and lockdowns, we closed certain of our branch offices at different points of time in order to comply with state and local COVID-19-related regulations, which placed certain limitations on our operations. Our offices were permitted to remain open with restricted attendance, starting with up to 10% attendance and gradually increasing up to 15%, 33% and 50% attendance, following which the attendance restrictions were lifted. For details on the other measures, we have taken in response to the COVID-19 pandemic, see "*Our Business – Recent Developments – Responses to the COVID-19 Pandemic*" on page 251.

With regard to the current COVID-19 pandemic, our Corporation was mandated by the IRDAI to take, among others, the following measures: (i) submit details of all branch closures or partial closures every fortnight, (ii) keep track of data in respect of claims related to COVID-19, (iii) create and submit to the IRDAI a business continuity plan to manage processes, transactions, reporting and customer service, which our Corporation has yet to create and submit (we have yet to receive any correspondence from the IRDAI regarding consequences for failing to submit a business continuity plan), (iv) form a crisis management committee comprising Key Managerial Personnel to decide certain COVID-19 related decisions pertaining to our business operations, (v) put systems in place to enable policyholders to pay premiums via digital methods, which we already had in place, and (vi) adopt a simplified and expedited claim procedure for claims arising on account of COVID-19. For further details on government-imposed measures pertaining to COVID-19, see "*Key Regulations and Policies – Insurance Regulatory and Development Authority of India's COVID-19 related measures for life insurers*" on page 269.

The COVID-19 pandemic has created a low interest rate environment, with the RBI bringing the reverse repo rate to 3.35% and the repo rate to 4.00% on May 22, 2020, which remained unchanged as at December 31, 2021. To tide over any unwarranted volatility, the RBI also increased borrowing limits under the marginal standing facility of the liquidity adjustment facility window from 2% to 3% as at June 30, 2020, where it stood as at December 31, 2021. The marginal standing facility stood at 4.25% as at December 31, 2021 (lowered from 4.65% as at May 22, 2020). Investment returns are expected to remain subdued as interest rates stay low for longer, thereby impacting life insurance products.

The COVID-19 pandemic, the nationwide lockdown and other restrictions and regulatory actions taken by the IRDAI have had, and may continue to have, the following adverse effects on our business, financial condition, results of operations and cash flows:

- Our and our distribution partners' ability to distribute our products was adversely affected due to lockdowns and social distancing measures limiting in-person interactions. In addition, the pandemic caused a deferral of exams by the IRDAI for individual agents and corporate agents, which prevented us from adding as many new agents as we would have liked to. As a result, the number of our active (which means they had sold at least one policy in the prior 12 months) individual agents decreased by 3.60% from 1,086,000 as at March 31, 2021 to 1,046,856 as at December 31, 2021. Our individual policies are primarily distributed by our individual agents. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our individual agents procured ₹493,380.11 million, ₹492,100.48 million, ₹535,746.48 million and ₹344,636.26 million of our new business premium ("**NBP**") for our individual products in India, respectively, which was 96.69%, 95.73%, 94.78% and 96.20% of our NBP for individual products in India, respectively. The table below sets forth the total number of individual policies and group policies (in terms of lives insured) issued in India by our Corporation in Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the number of individual policies and group policies (in terms of lives insured) issued in India by our Corporation for each quarter of Fiscal 2019, Fiscal 2020, Fiscal 2021 and for the first, second and third quarters of Fiscal 2022.

Particulars	**New Individual Policies Issued in India**	**New Group Policies Issued in India (in terms of lives insured)**	**Total**
	(in million)		
First quarter of Fiscal 2019	3.55	3.31	6.86
Second quarter of Fiscal 2019	5.05	18.81	23.86
Third quarter of Fiscal 2019	4.60	21.90	26.50
Fourth quarter of Fiscal 2019	8.21	9.58	17.79
Total for Fiscal 2019	**21.40**	**53.60**	**75.00**
First quarter of Fiscal 2020	3.41	4.76	8.17
Second quarter of Fiscal 2020	5.09	6.50	11.59
Third quarter of Fiscal 2020	7.04	12.30	19.34
Fourth quarter of Fiscal 2020	6.35	16.97	23.32
Total for Fiscal 2020	**21.90**	**40.53**	**62.43**
First quarter of Fiscal 2021	1.91	2.44	4.35
Second quarter of Fiscal 2021	4.24	7.87	12.11
Third quarter of Fiscal 2021	5.38	6.14	11.52
Fourth quarter of Fiscal 2021	9.44	15.11	24.55
Total for Fiscal 2021	**20.98**	**31.56**	**52.54**

Particulars	New Individual Policies Issued in India	New Group Policies Issued in India (in terms of lives insured)	Total
	(in million)		
First quarter of Fiscal 2022	2.31	3.84	6.15
Second quarter of Fiscal 2022	5.05	7.87	12.92
Third quarter of Fiscal 2022	5.29	5.02	10.31

As can be seen from the above table, our total number of individual policies and group policies (in terms of lives insured) issued in India decreased by 16.76% from 75.00 million for Fiscal 2019 to 62.43 million for Fiscal 2020 and further decreased by 15.84% to 52.54 million for Fiscal 2021. The pandemic and the related lockdowns adversely affected sales of our individual policies primarily in the fourth quarter of Fiscal 2020 (down 22.66% to 6.35 million policies from 8.21 million policies in the fourth quarter of Fiscal 2019), and the first quarters of Fiscal 2021 and Fiscal 2022 (down 46.20% to 1.91 million policies and down 34.93% to 2.31 million policies from 3.55 million policies in the first quarter of Fiscal 2019, respectively). Also see "*-Insurance volumes in India typically increase significantly in the last quarter of each Fiscal Year due to customers capitalising on income tax advantages that life insurance products offer. As such, our results of operations of any given period are not necessarily indicative of our annual results of operations*" on page 62.

- Although our NBP increased by 25.28% from ₹1,422,052.22 million for Fiscal 2019 to ₹1,781,518.78 million for Fiscal 2020 on a consolidated basis, our first-year premiums decreased by 41.24% from ₹584,464.99 million for Fiscal 2020 to ₹343,409.95 million for Fiscal 2021 on a consolidated basis. While the primary reason for this decrease was because of a higher base in Fiscal 2020 due to a first-year premium of ₹231,600 million from a superannuation scheme with one of the state governments completed in May 2019, another reason for the decrease was due to COVID-19 adversely affecting our and our distribution partners' ability to distribute our products due to lockdowns and social distancing measures limiting in-person interactions.

- Our persistency ratios decreased as at March 31, 2020 compared to as at March 31, 2019 but had generally recovered as at March 31, 2021 and December 31, 2021. Persistency ratio is the proportion of business that is retained from the business underwritten and is measured in terms of the number of policies and premiums underwritten (the "**Persistency Ratio**"), further subdivided for individual products based on (i) regular premium and limited premium ("**RP & LP**"), (ii) single premium and fully paid-up premium ("**SP & FP**"). Maintaining a high level of persistency is important for our results of operations, as a large block of in-force policies provides us with regular revenue in the form of renewal premiums. For more details, see "*-Adverse persistency metrics or an adverse variation in persistency metrics could have a material adverse effect on our financial condition, results of operations and cash flows*" on page 27. The following table sets forth our Persistency Ratios in terms of amount of premium by (i) regular premium and limited premium, (ii) single premium and fully paid-up premium and (iii) total premium in India for individual products as at the dates indicated.

Individual Products	As at March 31,									As at December 31, 2021		
	2019			2020			2021					
	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)
13th month	77	100	88	72	100	85	79	100	87	77	100	88
49th month	60	95	73	58	96	72	63	97	79	65	96	80
61st month	63	92	72	54	94	70	59	95	72	62	96	79

The decrease in the Persistency Ratios as at March 31, 2020 compared to as at March 31, 2019 was primarily due to the nation-wide lockdown from March 25, 2020 for three weeks on all services except essential services (which included insurance offices), which was extended to May 31, 2020. The decrease in the 61st month Persistency Ratios for regular premium and limited premium from 63% as at March 31, 2019 to 59% as at March 31, 2021 and 62% as at December 31, 2021 was primarily due to declines in some our customers' financial positions caused by the COVID-19 pandemic. For more details on our Persistency Ratios in India, see "*Our Business – Operations – Customer Service and Retention*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators – Persistency Ratios*" and the funds for discontinued policies disclosed in "*Financial Statements – Annexure I: Restated Consolidated Statement of Assets and Liabilities*" on pages 221, 465 and 318, respectively.

- Our insurance claims by death (net) increased during the pandemic. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our insurance claims by death (net) (i.e. claims paid by death less amount ceded in reinsurance for claims by death) were ₹169,637.70 million, ₹173,418.17 million, ₹234,833.35 million and ₹293,107.37 million, respectively, on a consolidated basis, which were 6.72%, 6.79%, 8.14% and 12.49% of our total benefits paid (net), respectively, on a consolidated basis.

- Our Corporation granted an extended grace period until May 31, 2020 for payment of premiums due in March 2020. IRDAI's guidelines permitted insurers to grant this grace period. This grace period adversely affected our cash flows in March 2020 and April 2020 but did not have any adverse effect on our Persistency Ratios or investments.

- For Fiscal 2021 and the nine months ended December 31, 2021, a separate mortality reserve of ₹23,445.99 million and ₹74,195.61 million was provided for the COVID-19 pandemic on a consolidated basis, respectively. We will continue to review this mortality reserve as the pandemic evolves. Currently, we believe the mortality loading in premium rates is adequate for the long term due to the expected duration of the pandemic. The uncertainties related to the pandemic are currently being addressed through our COVID-19 reserve and we are observing the impact of COVID-19 as it unfolds by comparing the actual to expected claims experience. We cannot guarantee that our COVID-19 reserves will be adequate to cover the excess claims arising out of the COVID-19 pandemic. In particular, according to CRISIL Research, as at January 9, 2022, India reported 4,033 Omicron cases, and going forward, in a scenario of a significant rise in COVID-19 cases for a sustained period of time due to the Omicron variant and a rise in mortality rates, the performance of the life insurance industry may be impacted over the short run, as witnessed by the industry during the second wave of COVID-19 during the first quarter of Fiscal 2022. (*Source: the CRISIL Report*).

The extent to which the pandemic will continue to affect our business, financial condition, results of operations and cash flows in the future will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

2. ***Our brand name, reputation and perception are critical in maintaining our leading position in the Indian life insurance industry and any unfavourable publicity concerning us could have an adverse effect on our brand name and consequently adversely affect our business, financial condition, results of operations and cash flows.***

Our business is, to a large extent, reliant on the strength of the brand 'LIC'. Our brand name is one of the key drivers in maintaining our leading position in the Indian life insurance industry. The strength of the brand 'LIC' could be adversely affected by changes in customers' and the market's perceptions about us, particularly in the insurance sector, where integrity, trust and customer confidence are paramount. We are exposed to the risk that litigation, misconduct by our employees, agents or other distribution partners, operational failure and negative publicity could harm our brand, reputation, customer trust and business. For further details, see "*-We are exposed to misconduct and fraud by our employees and intermediaries and any such instances could adversely affect our reputation, business, financial condition, results of operations and cash flows*", "*-Failures of or inadequacies in our information technology systems could have a material adverse effect on our business, financial condition, results of operations and cash flows" and "-Our business involves the use, transmission and storage of confidential information and the failure to properly safeguard such information could result in violations of data privacy laws and regulations and lead to reputational harm and monetary damages, which could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on pages 37, 46 and 46, respectively. Our reputation could also be adversely affected if our products do not perform as expected, whether or not such expectations are founded. In addition, our reputation could be adversely affected by the conduct or performance of third parties acting for us, over which we have no control. Although we have not experienced any incident during the period from April 1, 2018 to the date of this Prospectus that has or could in the future have a material adverse effect on the brand LIC's value, any damage to the brand 'LIC' or our reputation may result in loss of existing and potential customers and distribution arrangements or could cause potential intermediaries to reconsider doing business with us. Furthermore, negative publicity may increase regulatory scrutiny over our operations, as well as increase litigation, which may further increase our cost of operations and adversely affect our profitability. Accordingly, any unfavourable publicity concerning us could have an adverse effect on our brand name and consequently adversely affect our business, financial condition, results of operations and cash flows.

In addition, we may also be exposed to unfavourable publicity relating to the life insurance industry as a whole. The conduct of a competitor unrelated to us may taint the reputation of the insurance industry as a whole and result in increased regulatory supervision and legislative scrutiny of the Indian insurance industry's practices as well as increased litigation risks, which could increase our cost of doing business and adversely affect our results of operations.

3. ***Adverse persistency metrics or an adverse variation in persistency metrics could have a material adverse effect on our financial condition, results of operations and cash flows.***

Events such as changes in regulatory policies, volatility in capital markets, loss of customer confidence in the insurance industry or in us, or declines in our customers' financial positions due to a deterioration in economic conditions, such as the economic deterioration caused by the COVID-19 pandemic, or lockdowns and social distancing measures limiting in-person interactions, such as those caused the COVID-19 pandemic, may cause discontinuations of our customers' insurance policies. In addition, if we do not achieve satisfactory investment returns or underperform in relation to our competitors, or if the market environment changes such that our products become less attractive, or if there is an actual or perceived deterioration in our financial strength, our customers may decide to surrender their policies.

In the extreme case scenario where a large number of our customers surrender their policies, leading to pay-outs exceeding our cash flows, we may have to dispose of our investment assets, possibly at unfavourable prices, in order to make the significant amount of surrender payments. Some of our investment assets, such as investments categorised as held-to-maturity debt securities and equity investments in private companies, have low liquidity and we may be forced to sell such investment assets at below market value to cover the surrendered payments, which could materially and adversely affect our financial condition and results of operations. In the last three Fiscal Years and the nine months ended December 31, 2021, we have not been forced to sell any assets at below market prices due to the surrender of customer policies.

While the probability of higher surrenders at the end of the lock-in period (when policyholders no longer have to pay surrender penalties) for unit-linked policies has been included in the actuarial assumptions used for the calculation of future projected profits, we may encounter higher than expected surrenders or experience concentrated surrenders at times other than at the end of such lock-in period, or in extreme cases, an operating loss for a particular period on account of such surrenders. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our Corporation had 4.79 million, 3.34 million, 2.12 million and 1.81 million unit-linked insurance policies being serviced in India, respectively, which represented 1.65%, 1.15%, 0.74% and 0.65%, respectively, of our Corporation's individual policies being serviced in India. For further details, refer to the sensitivity analysis in "*Embedded Value Reports*" on page 592.

Maintaining high Persistency Ratios is important for our results of operations, as a large block of in-force policies provides us with regular revenue in the form of renewal premiums. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our renewal premiums were ₹1,962,566.57 million, ₹2,025,372.44 million, ₹2,203,275.87 million and ₹1,589,522.50 million, which were 57.67%, 52.91%, 54.29% and 55.63% of premium (also known as gross written premium ("**GWP**")) on a consolidated basis, respectively. Therefore, decreases in our Persistency Ratios would have an adverse effect on our financial condition, results of operations and cash flows.

We believe that the 13th month Persistency Ratio is an important metric to assess the quality of our sales because it is the first opportunity for us to assess the likelihood of premiums being paid beyond the first year, thereby reaffirming the policyholder's decision to buy the insurance policy and thus reflecting the quality of business written. A high level of 49th month and 61st month Persistency Ratios reflects the success of products with a long-term horizon. The following table sets forth our Persistency Ratios in terms of amount of premium by (i) regular premium and limited premium, (ii) single premium and fully paid-up premium and (iii) total premium in India for individual products as at the dates indicated.

Individual Products	As at March 31,									As at December 31, 2021		
	2019			2020			2021					
	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)
13th month	77	100	88	72	100	85	79	100	87	77	100	88
49th month	60	95	73	58	96	72	63	97	79	65	96	80
61st month	63	92	72	54	94	70	59	95	72	62	96	79

The decrease in the Persistency Ratios as at March 31, 2020 compared to as at March 31, 2019 was primarily due to the nation-wide lockdown from March 25, 2020 for three weeks on all services except essential services (which included insurance offices), which was extended to May 31, 2020. The decrease in the 61st month Persistency Ratios for regular premium and limited premium from 63% as at March 31, 2019 to 59% as at March 31, 2021 and 62% as at December 31, 2021 was primarily due to declines in some our customers' financial positions caused by the COVID-19 pandemic.

For more details on our Persistency Ratios, see "*Our Business – Operations – Customer Service and Retention*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators – Persistency ratio*" and the funds for discontinued policies disclosed in "*Financial Statements – Annexure I: Restated Consolidated Statement of Assets and Liabilities*" on pages 221, 465 and 318, respectively.

4. Segregation of the single consolidated 'Life Fund' of our Corporation into two separate funds, viz., a participating policyholders' fund and a non-participating policyholders' fund, effective September 30, 2021, may adversely affect our business, financial condition, results of operations and cash flows.

The fund of our Corporation, actuarial valuations and apportionment of surpluses between the policyholders and Shareholder of our Corporation are provided for in Sections 24, 26 and 28 of the Life Insurance Corporation Act, respectively. Prior to the amendment to Section 24 of the Life Insurance Corporation Act, our Corporation had only one single consolidated 'Life Fund' in respect of its life insurance business. Consequent to the amendments to Section 24 of the Life Insurance Corporation Act, our Board was mandated to cause our Corporation to maintain two separate funds, i.e., a participating policyholders' fund and a non-participating policyholders' fund. In exercise of its powers under Section 24(1) of the Life Insurance Corporation Act and in discharging the aforesaid legislative mandate, our Board approved the segregation of the existing Life Fund into two funds, i.e., the participating policyholders' fund and non-participating policyholders' fund, with effect from September 30, 2021. As at December 31, 2021, the participating policyholders' fund aggregated to ₹25,092,146.61 million and the non-participating policyholders' fund aggregated to ₹11,577,145.08 million.

Upon promulgation of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002, as amended ("**Financial Statements Regulations**"), by the IRDAI, our Corporation has prepared its financial statements in the manner prescribed by the Financial Statements Regulations and the orders/circulars issued thereafter, as amended from time to time. While in the balance sheet included in the annual audited financial statement our Corporation continued to reflect a single consolidated Life Fund (as amended by the erstwhile Section 24 of the Life Insurance Corporation Act), pursuant to the Financial Statements Regulations, the Revenue Account has been prepared on a segmental basis (i.e., segregating into a participating policyholders' fund and a non-participating policyholders' fund) as per the Financial Statements Regulations by developing account procedures whereby premium collection, claims payment and other direct expenses such as commission etc. were recorded line-of-business wise in the books of accounts. Further, the 'investible surplus' was consolidated into the 'Pool Fund'. Such investible surplus was then invested by our Corporation in such a manner that the allocation to various lines of business was undertaken on the basis of accretion to the fund, as a consequence of collection, payments and recording under individual lines of business in the books of accounts. As such, the revenue account prepared segment-wise formed part of our annual audited financial statements and was submitted to the IRDAI and published as part of our Corporation's annual report. Corresponding details in this regard have also been periodically disclosed in various forms filed with the IRDAI (such as Form L-26 and Form L-42) as part of the public disclosures. In light of the segregation, information on the Life Fund previously disclosed by our Corporation will not be comparable with disclosures on the participating policyholders' fund and the non-participating policyholders' fund.

Whilst prior to the segregation of the Life Fund, surplus as assessed by the Appointed Actuary for the Life Fund was distributed amongst our Corporation's policyholders and Shareholder in the ratio of 95:5, post segregation of the Life Fund, 100% of the surplus generated out of the non-participating business is available for distribution to all of the Shareholder(s) of the Corporation and the surplus from the participating business shall be distributed amongst our policyholders and Shareholder in the ratio of 95:5, which ratio is being modified as 90:10, in a phased manner. For details, see "*– The changes in our Corporation's surplus distribution policy may reduce the attractiveness of our participating products, which could have an adverse effect on our business, financial condition, results of operations and cash flows*" on page 43.

The surplus for the non-participating policyholders' fund was ₹15,940.19 million for the nine months ended December 31, 2021, all of which was transferred to the Shareholders' Account. Prior to the segregation of the Life Fund as at September 30, 2021, the surplus for the non-participating business was effectively shared in the ratio of 95:5 between the participating business and the Shareholder. Although our Corporation cannot quantify the impact on the distributable surplus for participating policyholders in the future, the decrease in the surplus available to participating policyholders' resulting from the segregation of the Life Fund may reduce the attractiveness of the Corporation for certain categories of customers. See "*-Adverse persistency metrics or an adverse variation in persistency metrics could have a material adverse effect on our financial condition, results of operations and cash flows"* on page 27.

5. The entire Net Proceeds will be paid to the President of India and our Corporation will not receive any proceeds of the Offer.

The entire Net Proceeds will be paid to the President of India and our Corporation will not receive any proceeds of the Offer. The President of India may utilise the Net Proceeds as the President of India deems fit. For further details, see "*Capital Structure*" and "*Objects of the Offer*" on pages 92 and 100, respectively.

6. Certain investments of our Corporation's pension and group and life annuity funds, which had previously been invested in Approved Investments, have been re-classified as other investment and as such other investments have not been transferred to the Shareholders' funds at amortised cost after 90 days, our Corporation is not in compliance with the IRDAI Master Circular on Investments version two issued in May 2017. The loss that would have accrued in the profit and loss account (Shareholders' Account) had these investments been transferred to the Shareholders' funds at amortised cost was ₹60,281.58 million as at December 31, 2021.

In relation to funds forming part of the pension and group and life annuity funds, our Corporation is subject to Regulation 6 of the IRDAI Investment Regulations, which prescribe that our Corporation invests the pension and group and life annuity funds in "Approved Investments" (as defined under the IRDAI Investment Regulations), which include Central Government securities, state government securities and other approved securities. If investments no longer meet the criteria laid out for being considered Approved Investments, they are re-classified as 'other investments' and the insurer is required to ensure that such downgraded securities do not continue to be part of the pension and group and life annuity funds within a period of 90 days of such re-classification. After expiry of such 90-day period, if such downgraded securities continue to be categorised as other investments, the value of such securities is required to be made good by transfer to the insurer's shareholders' funds at the amortised cost of such securities in the books of such insurer.

As at December 31, 2021, our Corporation had other investments of ₹121,431.58 million (₹8,785.65 million in equity and ₹112,645.94 million in debt instruments) forming part of the pension and group and life annuity funds that had not been transferred after 90 days of becoming other investments. The market value of the equity investments of ₹8,785.65 million was ₹2,009.64 million. Out of the debt investments of ₹112,645.94 million, ₹59,140.37 million was standard debt in respect of which all dues are paid. The remaining ₹53,505.57 million comprises non-performing assets, which stands fully provisioned in the policyholders' funds as at December 31, 2021. The loss that would have accrued in the profit and loss account (Shareholders' Account) had these investments been transferred to the Shareholders' funds at amortised cost was ₹60,281.58 million as at December 31, 2021. While our Corporation undertook reasonable efforts to dispose of securities that were re-classified as other investments, such securities could not be sold in a commercially reasonable manner due to the inadequate appetite of the secondary market to acquire the securities offered in large quantities, which resulted in the market values of such securities being highly compressed. Our Corporation is hence required to ensure that these investments are transferred to the Shareholders' funds at amortised cost, which our Corporation has yet to undertake. The market value of the applicable other investments may decrease and the loss that will accrue in the profit and loss account (Shareholders Account) when these investments are transferred to the Shareholders' funds at amortised cost may be more than the loss noted above and to such extent Shareholders' funds would stand reduced.

In this regard, our Corporation had written to the IRDAI explaining the current position vis-à-vis the other investments of the Corporation forming part of the pension and group and life annuity funds and requested the IRDAI to consider granting permission to hold such other investments in the pension and group and life annuity funds, up to January 31, 2023, which will provide the Corporation reasonable time to dispose of the other investments from the pension and group and life annuity funds. In addition, our Corporation has also assured the IRDAI that all the prospective investments in the pension and group and life annuity funds would be in total compliance with the provisions of IRDAI Investment Regulations. In response thereto the IRDAI, having considered our Corporation's request, has permitted our Corporation to hold the other investments in the pension and group and life annuity funds up to January 31, 2023, subject to the following conditions: (a) the Corporation's Investment Committee shall review the position of compliance on a quarterly basis; (b) the Corporation shall comply with extant regulations with regard to all new investments in the pension and group and life annuity funds; and (c) the Corporation shall be in full compliance with the IRDAI Investment Regulations by January 31, 2023 and there shall be no further extensions given by the IRDAI.

In the event our Corporation is unable to dispose of the other investments in the pension and group and life annuity funds by January 31, 2023, the value of such other investments is required to be made good by transfer to our Shareholders' funds at amortised cost. Our Corporation intends to comply with Regulation 6 of the IRDAI Investment Regulations going forward and shall comply with the directives given by the IRDAI. Our Corporation shall also continuously review its other investments under pension and group and life annuity funds in future and dispose of securities that are newly reclassified as other investments within the stipulated 90 days. While our Corporation has been provided dispensation by the IRDAI pursuant to our Corporation's request, we may be subject to certain regulatory actions for failing to comply with the aforesaid directives of the IRDAI. Moreover, our Corporation may be subject to certain regulatory actions if our Corporation fails to comply with the aforesaid requirement of transfer to the Shareholders' funds in the future. For further details, see "– *Our Corporation is subject to periodic inspections by the IRDAI. Inspection by the IRDAI is a regular exercise for all insurance companies and we may be subject to inspections from the IRDAI in the future."* on page 57.

7. Our Corporation is governed by the Life Insurance Corporation Act and the rules and regulations framed thereunder and it is not subject to the Companies Act. Shareholders of our Corporation have less rights as compared with the shareholders of a company under the Companies Act. In addition, our Corporation is also governed by the Insurance Act and the rules, regulations and guidelines issued by the IRDAI, each only to the extent applicable and not inconsistent with the provisions of the Life Insurance Corporation Act and the rules and regulations framed thereunder.

Our Corporation is not a company within the meaning of Section 2(20) of the Companies Act and is established and governed as per the provisions of the Life Insurance Corporation Act and the rules and regulations framed thereunder. Accordingly, our Corporation is not subject to the provisions of the Companies Act. Further, Shareholders of our Corporation have less rights as compared with the shareholders of a company under the Companies Act. For details of certain rights available to the Shareholders of our Corporation, see "*Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" beginning on page 589. In addition, our Corporation is also governed by the Insurance Act and the rules, regulations and guidelines issued by the IRDAI, each only to the extent applicable and not inconsistent with the provisions of the Life Insurance Corporation Act and the rules and regulations framed thereunder. For further details of rules and regulations that are applicable to our Corporation, see "*Key Regulations and Policies*" on page 253.

8. ***Our individual agents procure most of our individual new business premiums. If we are unable to retain and recruit individual agents on a timely basis and at reasonable cost, there could be a material adverse effect on our results of operations.***

Having a committed, competent pool of individual agents is a key factor in our ability to increase our premiums for individual products. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation had 1,179,229, 1,208,826, 1,353,808 and 1,329,448 individual agents in India, respectively, of which 1,069,816, 1,080,809, 1,086,000 and 1,046,856, respectively, were active (which means they had sold at least one policy in the prior 12 months). The 3.60% decrease in the number of our active agents from March 31, 2021 to December 31, 2021 was primarily due to COVID-19 adversely affecting our agents' ability to distribute our products due to lockdowns and social distancing measures limiting in-person interactions. In addition, the pandemic caused a deferral of exams by the IRDAI for individual agents and corporate agents, which prevented us from adding as many new agents as we would have liked to. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our individual agents procured ₹493,380.11 million, ₹492,100.48 million, ₹535,746.48 million and ₹344,636.26 million of our new business premium ("**NBP**") for our individual products in India, respectively, which was 96.69%, 95.73%, 94.78% and 96.20% of our NBP for individual products in India, respectively.

As at December 31, 2021, our Corporation's individual agency force accounted for 55% of the total agent network in India and was 6.8 times the number of agents of the second largest life insurer in terms of agent network. (*Source: the CRISIL Report*). In addition, we have the most productive agent network in the Indian life insurance sector, as evidenced by the fact that for the nine months ended December 31, 2021 and Fiscal 2021, our Corporation's agents had an average NBP of ₹260,069 and ₹412,934 per agent, respectively, compared to the average NBP of ₹108,888 and ₹124,892 per agent for the median of the top five private players, respectively, and our Corporation's agents sold 9.0 and 15.3 individual policies per agent on average, respectively, which was the most in India, compared with the median of the top five private players' agents selling 1.1 and 1.6 individual policies per agent, respectively. (*Source: the CRISIL Report*).

We, as with other players within the life insurance industry in India, experience high attrition levels among individual agents, as shown below:

- For Fiscal 2019, we terminated the services of 233,476 individual agents in India, or 20.32% of our individual agents in India as at March 31, 2018, and we appointed and reinstated 263,894 individual agents in India, which represented 22.97% of our individual agents in India as at March 31, 2018.
- For Fiscal 2020, we terminated the services of 243,740 individual agents in India, or 20.67% of our individual agents in India as at March 31, 2019, and we appointed and reinstated 273,337 individual agents in India, which represented 23.18% of our individual agents in India as at March 31, 2019.
- For Fiscal 2021, we terminated the services of 200,487 individual agents in India, or 16.59% of our individual agents in India as at March 31, 2020, and we appointed and reinstated 345,469 individual agents in India, which represented 28.58% of our individual agents in India as at March 31, 2020.
- During the nine months ended December 31, 2021, we terminated the services of 260,378 individual agents, which represented 19.23% of our individual agents in India as at March 31, 2021, and we appointed and reinstated 236,018 individual agents in India, which represented 17.43% of our individual agents in India as at March 31, 2021.

We attract and attempt to retain our individual agents through incentives, such as remuneration paid, retirement benefits, advances, group insurance, training support, pre- and post-sale support services, our reputation, our diverse product range, and our financial position. Set forth below is a table that shows the commission and other benefits paid to individual agents as a percentage of new business premium from individual products sold by individual agents for our Corporation for the years/period indicated.

(*in ₹ million*)

Particulars	**Year Ended March 31,**			**Nine Months Ended December 31, 2021**
	2019	**2020**	**2021**	
New Business Premium for individual products through individual agents of our Corporation ("**NBP**") **(A)**	493,380.11	492,100.48	535,746.48	344,636.26
Commission and other benefits for New Business paid to individual agents for individual products **(B)**	103,957.59	110,792.60	107,112.83	71,032.65
Commission and other benefits paid to individual agents of our Corporation (as a % of NBP) **(B/A)**	21.07%	22.51%	19.99%	20.61%
Total commission paid (as a % of total NBP) for our Corporation*	14.0%	12.0%	12.0%	12.2%
Median of top 5 private players for total commission paid (as a % of total NBP)*	9.8%	9.8%	9.2%	8.7%

** Source: Company public disclosures, CRISIL Research*

We may need to increase commission and other benefits in order to attract and retain enough agents, subject to the cap on commission payable to our agents. Pursuant to Regulation 5 of the Insurance Regulatory and Development Authority of India (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016, we, as with all other players in India, are subject to various caps on commission payable to our distribution partners. There is no guarantee that we will be able to find suitable replacements for agents whose services we lose in a timely manner or at all and successfully implement a smooth transition of responsibilities to them. Individual agents may resign or be terminated for various reasons, including non-procurement of minimum business and pursuing other employment avenues for personal reasons. If we fail to attract and retain agents, our ability to market and sell our products and provide our customers with the level of service we aim to provide them could be adversely affected since a considerable decrease in the number of our agents could lead to us having reduced capacity in distributing our products, which could have a material adverse effect on our results of operations.

9. ***As at the date of this Prospectus, our Corporation holds 25.34% of the paid-up equity share capital of Infrastructure Leasing and Financial Services Limited ("IL&FS"). However, IL&FS has not been considered as an associate for the purpose of consolidation in our Corporation's consolidated financial statements.***

As at the date of this Prospectus, our Corporation holds 32.54 million equity shares in IL&FS, constituting 25.34% of the total issued and paid-up equity share capital of IL&FS. The investments in equity shares in IL&FS were made out of policyholders' funds. The details of the equity shares in IL&FS acquired and held by our Corporation are set out below:

Month and year of acquisition	Number of equity shares in IL&FS acquired by our Corporation (in million)	Total number of outstanding equity shares in IL&FS held by our Corporation following the acquisition (in million)	Percentage of the then outstanding equity shares in IL&FS held by our Corporation following the acquisition (%)
November 2005	16.09	16.09	15.00
March 2006	11.90	27.99	26.98
July 2010	1.94	29.93	27.00
January 2015	2.62	32.54	25.34*

Note:
** Acquired by way of a rights issue.*

Our Corporation had representation on the board of directors of IL&FS between the period May 2006 and September 2018. However, with effect from October 1, 2018, the existing board of directors of IL&FS was superseded and suspended. This was pursuant to the Ministry of Corporate Affairs' petition to the National Company Law Tribunal, Mumbai Bench ("**NCLT**"), under Section 241(2) read with Section 242 of the Companies Act, 2013 for the prayer to supersede the existing board of directors and appoint the new board of directors with immediate effect, with a view to prevent further mismanagement and protect public interest.

Although our Corporation owns more than 20% of the outstanding shares in IL&FS, our Corporation did not have any representation on the board of directors of IL&FS or any involvement in the management or administration of IL&FS as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, and, as such, our Corporation did not have any management control or significant influence in IL&FS as of those dates. Accordingly, our Corporation's investments in equity shares in IL&FS have been accounted for as per Accounting Standard 13 – Accounting for Investments. Therefore, IL&FS has not been considered as an associate for the purpose of consolidation in our Corporation's consolidated financial statements. A more detailed analysis of why IL&FS has not been considered as an associate for the purpose of consolidation in our Corporation's consolidated financial statements as per Accounting Standard 23 - Accounting for Investments in Associates in consolidated financial statements is set forth below.

Points given in Accounting Standard 23 (Para 5): the existence of significant influence by an investor is usually evidenced in one or more of the following ways:	**Comments**
a) Representation on the board of directors or corresponding governing body of the investee.	Our Corporation was not represented on the board of directors of IL&FS as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021.
b) Participation in policy making processes.	Our Corporation did not participate in policy making processes in IL&FS in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.
c) Material transactions between the investor and the investee.	There were no material transactions between our Corporation and IL&FS in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.
d) Interchange of managerial personnel.	There was no interchange of managerial personnel between our Corporation

Points given in Accounting Standard 23 (Para 5): the existence of significant influence by an investor is usually evidenced in one or more of the following ways:	**Comments**
	and IL&FS in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.
e) Provision of essential technical information.	There was no provision of essential technical information between our Corporation and IL&FS in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.

10. The pre-Offer equity shareholding of the Promoter is 100%, and upon completion of the Offer the Promoter will own 96.5% of the outstanding Equity Shares, which will allow the Promoter to continue to exercise significant influence over us.

The pre-Offer equity shareholding of the Promoter is 100%, and upon the completion of the Offer the Promoter will own 96.5% of the outstanding Equity Shares, which will allow the Promoter to continue to exercise significant influence over us. As a result, the GoI will continue to exercise significant influence over our business and all matters requiring Shareholder's approval, including proposed five-year plans, revenue budgets, transactions with the GoI and other controlled entities, the composition of our Board of Directors, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, investments and capital expenditures and any other matters as the GoI deems fit. Pursuant to the Life Insurance Corporation Act, the GoI's shareholding in our Corporation cannot fall below 51%, which prevents a change in control of our Corporation and may make some transactions more difficult or impossible without the support of the GoI.

The GoI, *vide* its notification dated June 30, 2021, amended the Securities Contracts (Regulation) Rules, 1957 to give it discretion to exempt any listed public sector company from any or all of the provisions of the Securities Contracts (Regulation) Rules, including the requirement that listed companies must have at least 25% public shareholding.

In addition, our Corporation may be required to take certain actions in furtherance of the GoI's economic or policy objectives. There can be no assurance that such actions would necessarily be beneficial to our Corporation. The interests of the Promoter as the controlling Shareholder of our Corporation could be in conflict with the interests of our other Shareholders. We cannot assure you that the Promoter will act to resolve any conflicts of interest in favour of our Corporation or the other Shareholders. To the extent that the interests of the Promoter differ from your interests, you may be disadvantaged by any action that the Promoter may seek to pursue. For more information, see "*Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" on page 589.

Further, under the provisions of the Life Insurance Corporation Act, limited matters, including approval of our financial statements, adoption of our annual reports and approval of declaration of dividends are required to be approved by the Shareholders. Most of the other matters concerning our Corporation are required to be decided by the Board or GoI, as applicable. Accordingly, our Shareholders other than the Promoter may have limited involvement in the matters decided or transactions undertaken by our Corporation.

11. Our Corporation has issued Equity Shares during the preceding year at a price that may be below the Offer Price.

In the 12 months preceding the filing of this Prospectus, our Corporation has issued Equity Shares at a price that may be lower than the Offer Price, as below:

Date of Allotment/ Transfer	No. of Equity Shares Allotted/ Transferred	Face Value per Equity Share (₹)	Issue/ Acquisition Price (₹)	Nature of Consideration	Nature of Transaction
September 8, 2021	100,000,000	10	10	Cash	Subscription(1) by the President of India acting through the Ministry of Finance under Section 5(2) of the Life Insurance Corporation Act
September 8, 2021	622,747,922	10	N.A.	N.A.	Bonus issue(2) to the President of India acting through the Ministry of Finance under Section 5(4) of the Life Insurance Corporation Act
September 8, 2021	5,602,249,779	10	N.A.	N.A.	Bonus issue(3) to the President of India acting through the Ministry of Finance under Section 5(4) of the Life Insurance Corporation Act

Notes:

*(1) The paid-up equity capital of our Corporation was ₹1,000 million (provided held by the GoI) prior to amendment to the Life Insurance Corporation Act by the Finance Act, 2021 ("**Amendment**"). Pursuant to the Amendment, our Corporation was required, with the previous approval of the GoI, to issue Equity Shares to the GoI in consideration for the paid-up equity capital provided by the GoI as it stood before the coming into force of Section 131 of the Finance Act, 2021.*

(2) The Equity Shares were allotted against the free reserves outstanding as on March 31, 2020.

(3) The Equity Shares were allotted against retained Government of India's share of surplus for the Fiscals 2020 and 2021.

For more information, see "*Capital Structure – History of Equity Share Capital of our Corporation*" on page 92. The price at which Equity Shares have been issued by our Corporation in the preceding 12 months is not indicative of the

Offer Price.

12. If actual claims experienced and other parameters are different from the assumptions used in pricing our products and setting reserves for our products, it could have a material adverse effect on our business, financial condition and results of operations.

As is customary in the life insurance industry, we price our products based on assumptions and estimates for future claim payments, expenses, benefits and other parameters. The assumptions regarding mortality/morbidity are derived from our historical experience, industry data and data from reinsurers. We determine liabilities that provide for future obligations relating to our products based on certain assumptions and estimates, and our earnings therefore are dependent on the extent to which actual benefits, claims and other parameters are consistent with the assumptions and estimates we have used in the pricing of our products and the determination of the appropriate amount of policy reserves.

Mortality risk, or the risk of there being higher mortality rates than expected, is more significant for our pure protection products as compared to our other products that offer both protection benefits and savings. Similarly, if actual mortality rates are lower than expected for annuitants, it could have a material adverse effect on the profitability of our annuity portfolio. The actual to expected death strain ratios for Fiscal 2019, Fiscal 2020 and Fiscal 2021 in respect of non-linked life assurance par business were 57.00%, 50.66% and 61.82%, respectively. The actual to expected death strain ratio is (amount paid on death less reserve) as a percentage of ((death benefit less reserve) multiplied by the mortality rate). The morbidity/mortality rates considered for pricing certain products for which we have limited experience, such as LIC’s Cancer Cover and LIC’s Arogya Rakshak, among others, involve an elevated degree of uncertainty, as we have limited experience as compared to making assumptions for certain other existing products. Mortality/morbidity risks have increased in light of the COVID-19 pandemic. If actual outcomes are not consistent with historical data or our actual investment performance is worse than the underlying assumptions, our profitability may be materially and adversely affected, which may cause negative variance in our Indian Embedded Value and have a material adverse effect on our business, results of operations and financial condition.

Moreover, based on our risk assessment, if we under-price our products, our profitability could be adversely affected, while if we overprice our products, our competitiveness, sales, market share and business prospects may be materially and adversely affected. In addition, various assumptions related to future investment returns are used in pricing our products and setting reserves. Actual investment returns that are lower than those projected could result in significant losses on particular products, thereby causing us to increase the price of our products, thereby affecting future business. If we do not accurately price our insurance products, it could adversely affect our results of operations and financial condition.

We establish and carry reserves as balance sheet liabilities to pay future policyholder benefits and claims. It is also pertinent to note that any shortfall in reserves to meet the Policyholders’ Reasonable Expectation (PRE) shall be met by the Shareholders. Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of the liabilities for unpaid benefits and claims, we cannot precisely determine the amount that we will ultimately pay to settle these liabilities. These amounts may vary from the estimated amounts, particularly when payments may not occur until well into the future. In addition, actual experience, such as lapse, mortality, expense and morbidity, investment returns and inflation can be different from the assumptions used when we establish reserves for and price our products or otherwise use such assumptions in conducting our business. Significant deviations in actual experience from our assumptions could have a material adverse effect on our business, results of operations and financial condition. For instance, premiums for one-year renewable group term assurance products are guaranteed for one year, and are reviewed and revised at subsequent renewal dates. However, it is difficult to forecast and allow for unusual events, such as COVID-19, in pricing and such events may cause significant deviation in actual experience leading to a material adverse effect on our business, results of operations and financial condition.

The tables below show our claims settlement ratio and claims paid out as a percentage of premium for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively, (i) in India, (ii) by product type in India where the claims paid out as a percentage of premium was more than 100%, (iii) outside India (including Subsidiaries) and (iv) in India and outside India (including Subsidiaries) (i.e., the total).

Particulars	**Fiscal 2019**				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
Total in India	3,371,300.19	1,740,587.75	1,631,381.37	93.73	48.39
Of which:					
Non-Linked Products:					
Annuity Participating	*48.74*	*1,303.95*	*1,234.41*	*94.67*	*2,532.64*
Pension Participating	*7,078.98*	*7,498.84*	*7,466.65*	*99.57*	*105.48*
Variable Non-Participating	*472.15*	*2,022.30*	*1,959.78*	*96.91*	*415.08*
Linked Products:					

Particulars	Fiscal 2019				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
Life Non-Participating	*4,423.68*	*75,926.64*	*74,394.39*	*97.98*	*1,681.73*
Total Outside India (including Subsidiaries)	31,645.96	34,671.70	33,822.10	97.55	106.88
Total	**3,402,946.15**	**1,775,259.45**	**1,665,203.47**	**93.78**	**48.93**

Product Type	Fiscal 2020				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
Total in India	3,790,135.62	1,753,896.98	1,598,102.47	91.12	42.16
Of which:					
Non-Linked Products:					
Annuity Participating	*44.91*	*699.59*	*621.19*	*88.79*	*1,383.19*
Health Non-Participating	*3,148.80*	*449.87*	*315.52*	*70.14*	*104.02*
Variable Non-Participating	*376.54*	*464.51*	*397.05*	*85.48*	*105.45*
Linked Products:					
Life Non-Participating	*4,597.22*	*9,395.33*	*6,358.51*	*67.68*	*138.31*
Pension Non-Participating	*1,797.64*	*13,879.19*	*8,084.55*	*58.25*	*449.73*
Total Outside India (including Subsidiaries)	37,978.88	33,108.64	31,991.58	96.63	84.24
Total	**3,828,114.50**	**1,787,005.62**	**1,630,094.05**	**91.22**	**42.58**

Product Type	Fiscal 2021				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
Total in India	4,028,881.36	2,020,376.82	1,854,316.78	91.78	46.03
Of which:					
Linked Products:					
Life Non-Participating	*11,538.52*	*51,504.04*	*34,801.58*	*67.57*	*301.61*
Pension Non-Participating	*1,360.61*	*18,776.96*	*13,134.56*	*69.95*	*965.34*
Group Non-Participating	*27.47*	*38.05*	*38.05*	*100.00*	*138.51*
Total Outside India (including Subsidiaries)	29,626.66	42,087.47	40,637.02	96.55	137.16
Total	**4,058,508.02**	**2,062,464.29**	**1,894,953.80**	**91.88**	**46.69**

Product Name	Nine months ended December 31, 2021				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
Total in India	2,837,532.82	1,651,698.57	1,488,063.04	90.09	52.44
Of which:					
Non-Linked Products:					
Annuity Participating	*19.84*	*1,067.52*	*1,008.91*	*94.51*	*5,085.23*
Variable Non-Participating	*59.10*	*632.41*	*578.62*	*91.49*	*979.05*
Linked Products:					
Life Non-Participating	*20,016.67*	*48,662.44*	*45,850.97*	*94.22*	*229.06*
Pension Non-Participating	*734.32*	*8,349.62*	*3,776.74*	*45.23*	*514.32*
Group Non-Participating	*22.04*	*28.18*	*28.18*	*100.00*	*127.86*
Total Outside India (including Subsidiaries)	19,766.73	18,467.00	16,897.85	91.50	85.49
Total	**2,857,299.55**	**1,670,165.57**	**1,504,961.29**	**90.11**	**52.67**

For more information on our claims settlement ratio and claims paid out as a percentage of premium by product type in India for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively, see "*Our Business-Operations-Claims Management*" on page 224.

13. ***We have included certain non-GAAP financial measures and certain other selected statistical information related to our business, financial condition, results of operations and cash flows in this Prospectus. These non-GAAP financial measures and statistical information may vary from any standard methodology that is applicable across the life insurance segment, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other life insurance players.***

Certain non-GAAP financial measures and other statistical information relating to our business, financial condition, results of operations and cash flows have been included in this Prospectus. Our performance metrics, including Persistency Ratios, annual premium equivalent ("**APE**"), value of new business ("**VNB**"), VNB margin, Indian Embedded Value, Indian Embedded Value operating earnings and operating return on Indian Embedded Value are non-GAAP financial measures and are significantly different from those of non-insurance companies and may require certain estimates and assumptions in their calculation. These performance metrics are not part of our Restated Consolidated Financial Statements and are unaudited. For further information on the non-GAAP financial measures, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation –Non-GAAP Financial Measures*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Indian Embedded Value*" on pages 21, 463 and 467, respectively. Such non-GAAP measures do not measure operating performance or liquidity defined by generally accepted accounting principles. These metrics may be calculated differently among different insurance companies. Persistency measures the number of policies as well as the premium retained in the books of an insurer and highlights, among others, the insurer's practices in selling products. Persistency of policies is the backbone of long-term sustainability and growth in a life insurance business. Higher persistency of profitable products helps to improve the overall profitability of our Corporation. We urge you to exercise caution before relying on these metrics and these must be read along with the Restated Consolidated Financial Statements, which have been included in "*Financial Statements*" on page 308.

14. ***Interest rate fluctuations may materially and adversely affect our profitability. In addition, the limited amounts and types of long-term fixed income products in the Indian capital markets and the legal and regulatory requirements on the types of investment and amount of investment assets that insurance entities are permitted to make could severely limit our ability to closely match the duration of our assets and liabilities and thereby decrease our interest rate risk.***

Interest rate fluctuations may materially and adversely affect our profitability. Depending on the nature of our asset and liability portfolio, our results of operations could be materially and adversely affected either by rising interest rates or decreasing interest rates. We seek to manage interest rate risk by matching, to the extent commercially practicable, the average duration of our investment assets and the corresponding insurance policy liabilities they support. Matching the duration of our assets to the corresponding liabilities reduces our exposure to changes in interest rates, because the effect of the changes could largely be offset against each other. However, restrictions under Indian insurance laws and related regulations, including the IRDAI Investment Regulations, on the type of investments and amount of investment assets in which we may invest, as well as the limited amounts and types of long-term investment assets in the Indian capital markets capable of matching the duration of our liabilities, may result in a shorter duration of assets compared to liabilities with respect to certain investments. We cannot assure you that the investment restrictions imposed in insurance companies in India will not be strengthened or the sizes and types of long-term fixed income products available in the Indian securities market may increase in the future. Our failure to closely match the duration of our assets to that of the corresponding liabilities will continue to expose us to risks related to interest rate changes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Interest rates are highly sensitive to many factors, including monetary and taxation policies, domestic and international economic and political considerations, balance of payments, inflationary factors, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond our control. For example, since April 1, 2018, the RBI reduced the repo rate several times, resulting in a reduction of the repurchase rate from 6.00% to 4.00%.

As at December 31, 2021 on a standalone basis, our Corporation's policyholders' investments (long-term and short-term) in fixed income securities, which comprised (i) Government securities and Government guaranteed bonds, including treasury bills, (ii) debentures/bonds and (iii) fixed deposits, was ₹28,558,196.79 million, which represented 71.29% of policyholders' investments, and Shareholders' investments (long-term and short-term) in fixed income securities was ₹36,387.24 million, which represented 56.73% of Shareholders' investments. During periods of declining interest rates, the interest on fixed income securities will be adversely affected as our maturing investments and bonds that are redeemed or prepaid to take advantage of the lower interest rate environment will have to be replaced with new investments carrying lower yields, thus reducing the yield on our investments. In addition, as at December 31, 2021 on a standalone basis, our Corporation's policyholders' investments (long-term and short-term) in loans were ₹1,223,793.90 million, which represented 3.05% of our Corporation's policyholders' investments. During periods of declining interest rates, the yield on loans will be adversely affected as loans that are repaid will have to be replaced with new loans carrying lower interest rates, thus reducing the yield on our loans. At present, we do not have hedging arrangements in place to mitigate the risk of declining interest rates.

Non-participating products have insurance and investment guarantees. We use assumptions on future investment returns when pricing our non-participating products and setting our reserves. Actual investment returns that are lower than those projected could lead to us incurring losses on non-participating products and cause us to increase the prices of our non-participating products in the future, which could cause our new business to decline. For the nine months ended December 31, 2021, on a standalone basis, our simple average yield on investments for participating products was 9.33%, our simple average yield on investments for non-participating products was 7.45% and our simple average yield on investments for linked products was 11.02%. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on an India only basis, our new business premium from non-participating products was ₹1,028,669.97 million, ₹1,367,506.82 million, ₹1,491,733.65 million and ₹1,010,454.97 million, which represented 72.34%, 76.76%, 80.94% and 80.19% of our new business premium, respectively. Our exposure to interest rate risk with respect non-participating products will increase if we increase sales of non-participating products. For details, see "*Our Business – Our Strategies – Further diversify our product mix by increasing the contribution of the non-participating portfolio*" on page 192.

For participating products, a decline in interest rates may result in lower bonus rates for policyholders, which may lead to policyholder dissatisfaction and therefore, an increase in surrenders and a decrease in sales of new policies. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our surrender ratio, which is calculated on the basis of total surrender amount divided by total investments during the year/period ("**Surrender Ratio**"), was 2.36%, 2.32%, 2.21% and 1.71% on an India only basis, respectively. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on an India only basis, our premium from participating products was ₹2,201,255.37 million, ₹2,278,148.94 million, ₹2,443,989.53 million and ₹1,766,788.55 million, respectively, which represented 65.29%, 60.11%, 60.66% and 62.27% of our premium, respectively.

A sustained or sharp decline in interest rates may result in the reduction of our interest rate assumption used to calculate the statutory policy liabilities, which would increase mathematical reserves. Increases in mathematical reserves could have a material adverse effect on our financial condition and results of our operations, and could require us to take actions, such as realigning discretionary benefits to our policyholders or capital funding from Shareholders, or a combination of both.

Although our Corporation has not experienced such instances in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, rising interest rates could lead to higher levels of surrenders and withdrawals of existing policies as policyholders seek to buy products with perceived higher returns, which may require us to sell our invested assets and make cash payments to policyholders at a time when prices of those assets are declining, which may lead us to incur losses.

For details on the effect of interest rates being different from that assumed for the base value of our Corporation's Indian Embedded Value and Value of New Business (or VNB) included in the Embedded Value Reports and herein, see the sensitivity analysis in "*Embedded Value Reports*" on page 592. References to the Embedded Value Reports are to the reports from the Independent Actuary dated February 10, 2022 and titled "Results of Indian Embedded Value of the Life Insurance Corporation of India as at 30 September 2021" and "Report on Indian Embedded Value of the Life Insurance Corporation of India as at 31 March 2021".

15. We are exposed to misconduct and fraud by our employees and intermediaries and any such instances could adversely affect our reputation, business, financial condition, results of operations and cash flows.

Misconduct by our employees, agents or other distribution partners could result in violations of laws and regulations, which could bring regulatory sanctions, litigation and reputational or financial loss to us, as well as financial loss to our customers. Such misconduct and fraud could include:

- engaging in mis-selling, misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- binding us to transactions that exceed authorised limits;
- hiding unauthorised or unsuccessful activities, such as insider trading, resulting in unknown and unmanaged risks or losses;
- improperly using or disclosing confidential information;
- making illegal or improper payments;
- falsifying documents or data;
- misappropriation of funds;
- engaging in unauthorised or excessive transactions to the detriment of our customers;
- intra-employee disputes or disciplinary proceedings initiated against our employees; or
- otherwise not complying with applicable laws or our internal policies and procedures.

For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, in India, our Corporation received 4,276 unfair business practices complaints out of approximately 21.43 million policies sold, 3,994 unfair business practices complaints out of approximately 21.92 million policies sold, 4,107 unfair business practices complaints out of approximately 21.01 million policies sold and 2,578 unfair business practices complaints out of approximately 12.67 million policies sold, respectively. Our Corporation's ratio of 2.1 unfair business practice complaints (which refers to the grievances reported by the policyholders under 'unfair business practices') per 10,000 policies in Fiscal 2021 was significantly lower compared to other players, where the median number of mis-selling complaints per 10,000 policies for the top five private players was 19.5 in Fiscal 2021. (*Source: the CRISIL Report*).

The following tables set forth the number of fraud cases, including cases of cash embezzlement by intermediaries, committed against our Corporation in India and the total amount of involved in such fraud cases for the Fiscal Years and period presented.

Particulars	Fiscal 2019		Fiscal 2020		Fiscal 2021		Nine months ended December 31, 2021	
	No. of fraud cases	Total amount involved in fraud cases (₹ in million)	No. of fraud cases	Total amount involved in fraud cases (₹ in million)	No. of fraud cases	Total amount involved in fraud cases (₹ in million)	No. of fraud cases	Total amount involved in fraud cases (₹ in million)
Internal	45	121.96	21	68.57	29	14.56	28	15.34
Intermediaries	30	18.63	15	17.45	28	27.34	8	4.23
Total	**75**	**140.59**	**36**	**86.02**	**57**	**41.90**	**36**	**19.57**

Also see "*Outstanding Litigation and Material Developments – Litigation involving our Corporation – Litigation by our Corporation*" on page 519.

It is not possible to prevent all misconduct and fraud by our employees, agents and other distributors and any instances of misconduct or fraud could adversely affect our reputation, business, financial condition, results of operations and cash flows.

16. ***There is significant technical complexity involved in embedded value calculations and the estimates used in the Embedded Value Reports could vary materially if key assumptions are changed or if our experience differs from our assumptions used to calculate our Indian Embedded Value. In addition, regardless of the appropriateness of the assumptions, there may be a risk that the model used to calculate Indian Embedded Value itself may not be appropriate despite taking due care to ensure that models are appropriate. Our VNB may vary as future experience may be different from the assumptions used in calculating our VNB. The inclusion of these values should not be regarded as a representation of our future profitability by us, the Independent Actuary, the BRLMs or any other person.***

In order to provide investors with an additional tool to understand our economic value and business results, information regarding our Indian Embedded Value has been discussed in "*Embedded Value Reports*" on page 592. While we have obtained the reports from the Independent Actuary, there is significant technical complexity involved in embedded value calculations and the estimates used in such Embedded Value Reports could vary materially if key assumptions are changed or if our experience differs from the assumptions used to calculate our Indian Embedded Value. The calculation of the values necessarily includes numerous assumptions and estimates with respect to, among other things, mortality and morbidity, policy/premium discontinuance rates and revival/reinstatement rates, commission and expenses, inflation, policyholder bonuses/crediting rates, reinsurance, asset values, reference rates, investment returns and discount rates, stochastic asset model, taxation as well as statutory reserving and capital requirements – many of which are beyond our control.

In addition, regardless of the appropriateness of the assumptions, there may be a risk that the model used to calculate Indian Embedded Value itself may not be appropriate despite taking due care to ensure that models are appropriate as set out in "*Embedded Value Reports*" on page 592. Our Indian Embedded Value results may not be comparable with those of insurers in other jurisdictions. Moreover, the values shown in the Embedded Value Reports and in this Prospectus do not encompass the full range of potential outcomes.

We have not previously calculated our Indian Embedded Value and retained the Independent Actuary to calculate our Indian Embedded Value as at March 31, 2020, March 31, 2021 and September 30, 2021 for the purposes of the Offer.

Our VNB may vary as future experience may be different from the assumptions used in calculating our VNB. Since our actual market value is determined by investors based on a variety of information available to them, our Indian Embedded Value and our VNB should not be construed as a direct reflection of our actual market value and performance, nor should they be construed to have any correlation with the price of the Equity Shares. Investors should read the discussion in "*Embedded Value Reports*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Indian Embedded Value*" on pages 592 and 467, respectively, and use special care when interpreting Indian Embedded Value and VNB results and should not place undue reliance on them. The inclusion of these values should not be regarded as a representation of our future profitability by us, the Independent Actuary, the BRLMs or any other person. Furthermore, we do not intend to update or otherwise revise these values in the future, whether as a result of new information, future events or otherwise. You should read the Embedded Value Reports in their entirety, including the disclaimers, context and assumptions set forth therein. It should also be recognised that assumptions and estimates involve judgment and are forward-looking, actual future results may vary from those shown, on account of changes in the operating and economic environments and natural variations in experience and such differences may be material. We cannot assure you that the future experience will be in line with the assumptions made. See "*Forward-Looking Statements*" on page 23.

17. ***A significant proportion of our Corporation's total new business premiums are generated by participating products and single premium products, and any significant regulatory changes or market developments that adversely affect sales of such products could have a material adverse effect on our business, financial condition, results of operations and cash flows and may also require us to make changes to our existing product designs.***

For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, NBP of our individual participating products was ₹342,140.92 million, ₹357,946.96 million, ₹351,227.57 million and ₹249,695.17 million, respectively, which contributed 67.05%, 69.64%, 62.13% and 69.70% to our total individual NBP in India, respectively.

In addition, for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the NBP derived from our single premium products in India was ₹1,109,204.24 million, ₹1,202,310.08 million, ₹1,503,971.24 million and ₹1,040,028.61 million, which contributed 78.00%, 67.49%, 81.61% and 82.53% to our total NBP in India, respectively.

During the period from April 1, 2018 to the date of this Prospectus, IRDAI had introduced new product regulations, namely the IRDAI (Linked Insurance Products) Regulations, 2019 and the IRDAI (Non-Linked Insurance Products) Regulations, 2019 (collectively the "**IRDAI Product Regulations 2019**"). In accordance with the IRDAI Product Regulations 2019, we were required to make certain modifications and adjustments to our products sold to ensure that they were compliant with the new regulations. For more details on the salient provisions under the IRDAI Product Regulations 2019 and the changes that we were required to make, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations and Financial Condition – Regulatory Environment in India – IRDAI Regulations*" on page 455.

In addition, if our participating products generate lower than expected returns to policyholders, this may result in increased surrenders, which would have an adverse effect on our total premium and thereby on our financial condition, results of operations and cash flows. See "-*Adverse persistency metrics or an adverse variation in persistency metrics could have a material adverse effect on our financial condition, results of operations and cash flows*" and "-*Segregation of the single consolidated 'Life Fund' of our Corporation into two separate funds, viz., a participating policyholders' fund and a non-participating policyholders' fund, effective September 30, 2021 may adversely affect our business, financial condition, results of operations and cash flows*" on pages 27 and 28, respectively.

18. Our risk management policies and procedures and internal controls, as well as the risk management tools available to us, may not be adequate or effective.

We have historically established a risk management system by developing internal control systems comprising an organisational framework, policies, procedures and methods to help us identify risks and develop mitigating measures that we consider to be appropriate for the scale of our business operations, and we endeavour to continuously improving these systems. For more details, see "*Our Business – Risk Management*" on page 230. However, due to the inherent limitations in the design and implementation of such a system, including internal control environment, risk identification and evaluation, effectiveness of risk control, and information communication, our systems may not be adequate or effective in identifying or mitigating our risk exposure in all market environments or against all types of risks. Although our Corporation has not experienced such instances during the period from April 1, 2018 to the date of this Prospectus, these methods may also fail to predict future risk exposures, which could be significantly greater than those indicated by historical measures. In particular, some methods of managing risk are based upon observed historical market behaviour and claims experience. Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters. This information may not be accurate, complete or properly evaluated. Moreover, the information and experience data that we rely on may quickly become obsolete as a result of market and regulatory developments, and our historical data may be unable to adequately reflect risks that may emerge from time to time in the future.

We have a risk management framework, with individual functional heads at our corporate offices monitoring and managing the risks relating to their functions. Our Board of Directors provide overall guidance on risk management, which includes providing oversight on key risks and measures, approving our risk management policy, our risk management strategy, our risk appetite statement, our asset/liability management ("**ALM**") policy on an annual basis and the business continuity plan. For further details, see "*Our Business – Risk Management*" on page 234. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, as well as appropriate and consistently applied internal control systems. As part of our risk management procedures, we use models that rely on assumptions and projections that are inherently uncertain. These policies, procedures, internal controls and assumptions may not be adequate or effective, and our business, financial condition and results of operations could be materially and adversely affected by the corresponding increase in our risk exposure and actual losses experienced as a direct or indirect result of failures of our risk management policies and internal controls. Any mitigation programmes that we may utilise may also not be fully effective or may not adequately cover our liabilities and may leave us exposed to unidentified and unanticipated risks. Any inability to implement and continuously upgrade effective risk management procedures or non-availability of adequate information to respond to such risks in a timely manner may result in significant operational risks including non-compliance with applicable regulations which may adversely affect our business and financial performance.

We are mainly in the business of being paid to accept certain risks and provide relevant protection. Our employees do so in part by taking decisions that expose us to risks. These decisions include setting underwriting guidelines and standards, product design and pricing, investment decisions, and pursuit of business opportunities, among others. In addition, our employees and intermediaries may make decisions beyond their scope of authority that expose us to additional risks. For more details, see "-*We are exposed to misconduct and fraud by our employees and intermediaries and any such instances could adversely affect our reputation, business, financial condition, results of operations and cash flows*" on page 37.

Any future expansion and diversification in our insurance product offerings and investments will require us to continue to enhance our risk management and internal control capabilities. As the Indian insurance market continues to evolve, we are likely to offer a broader and more diversified range of life insurance products and invest in a wider range of investment assets in the future. If we fail to timely adapt our risk management and internal control policies and procedures to our developing business, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

19. Our Corporation is a Domestic Systemically Important Insurer and a financial conglomerate, which subjects our Corporation to enhanced regulatory supervision measures.

The IRDAI, *vide* press releases dated September 24, 2020 and December 30, 2021, recognized our Corporation (amongst others) as a Domestic Systemically Important Insurer ("**D-SII**"), which subjects our Corporation to comply with the following enhanced regulatory supervision measures: (i) putting in place a sound corporate governance framework for identification of risks and for promoting a sound risk management culture; (ii) establishing a monitoring mechanism for the assessment, analysis, review, mitigation and management of at least the following risks: (a) interest rate risk, (b) stock market risk, (c) risk of non-performing assets, (d) foreign exchange risks for reinsurer and (e) legal risk, where our Corporation shall put in place a robust enterprise risk management system, which shall be monitored at regular intervals by the Risk Management Committee, the functioning of which shall be under the supervision of the Board; and (iii) being subjected to intensive supervision in the form of higher frequency and higher intensity of both on-site and off-site monitoring. If we fail to comply with the aforementioned enhanced regulatory supervision measures, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Further, our Corporation is a financial conglomerate ("**FINCON**") and is therefore subject to enhanced regulatory supervision of the inter-regulatory forum consisting of the Indian financial sector regulators, such as the IRDAI, RBI, SEBI, the National Housing Bank and the Pension Fund Regulatory and Development Authority.

20. There are material outstanding legal proceedings involving our Corporation and one of our Subsidiaries.

There are material outstanding legal proceedings involving our Corporation and one of our Subsidiaries. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

As at April 29, 2022, our Corporation, either by itself or through its officials, agents and employees, is involved in approximately 27,214 criminal, consumer, civil proceedings, tax proceedings and actions taken by statutory or regulatory authority. These legal proceedings are currently pending at different adjudication stages before various courts and tribunals across India and include, among others: (i) approximately 263 criminal cases filed in relation to, among others, misappropriation of premium amounts, fraudulent encashment of cheques, fraudulent death claims, disciplinary proceedings or actions taken against employees of our Corporation and complaints filed under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques; (ii) approximately 12,533 consumer matters filed in relation to, among others, delay in settlement and payment of claims and benefits to policyholders, repudiation of claims due to, among other things, suppression of material facts or default in payment of premium, claims for premium amounts and benefits under lapsed policies and claims in relation to typographical errors in the information disclosed in our Jeevan Saral policies or failure to disclose certain information in such policies, which led to, among other things, payment of lower amounts in claims, maturity amounts or surrender amounts; (iii) approximately 14,354 civil cases filed in relation to, among others, rival claims on policies, claims for issuance of succession certificates, mortgage suits filed by our Corporation against outstanding dues, matters related to estates and matters initiated by employees (currently in service/ former and those engaged on a temporary/ ad hoc/ part-time basis, including development officers) against termination of their services by our Corporation, wherein such employees have also filed cases seeking, among other things, non-promotion, a stay on their termination orders, reinstatement, regularisation of services, alternate employment within our Corporation and resolution of issues pertaining transfer to different locations or disciplinary actions initiated against them; (iv) 63 tax proceedings; and (v) one regulatory matter filed by SEBI in relation to Regulation 7B of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 involving our equity shareholding in UTI Asset Management Company Limited. These civil cases also include approximately 52 contempt proceedings initiated against managers and senior officials of our Corporation alleging non-compliance with orders passed by courts for, among others, reinstatement and regularisation of employees (including development officers), compassionate appointments (i.e., the granting of an appointment to a dependent family member when a Government worker dies while providing his or her services or retires on medical grounds), non-payment of claim amounts and delay in provision of benefits to current and retired employees.

(i) Thomas Franco Rajendra Dev (along with 14 other petitioners) has filed a writ petition dated May 9, 2022 before the Supreme Court (the "**SC Writ Petition**"); and (ii) L. Ponnammal ("**Madras Petitioner**") has filed a special leave petition dated May 2, 2022 before the Supreme Court of India in appeal against the order dated March 21, 2022 passed by the High Court of Madras dismissing the Madras Petitioner's writ petition. Charudatt Changdeo Pawar and others ("**Bombay Petitioners**") have filed a special leave petition dated May 5, 2022 before the Supreme Court against the order dated April 11, 2022 passed by the Bombay High Court rejecting the plea for *ad interim* relief in the Bombay Writ Petition (*defined below*). In this regard, a writ petition had earlier been filed by Charudatt Changdeo Pawar and others ("**Bombay Petitioners**") before the High Court of Bombay ("**Bombay Writ Petition**") dated March 16, 2022 challenging, *inter alia*, the constitutionality of the amendments made to the LIC Act by the Finance Act, and seeking that the DRHP be held as illegal, void and *ultra vires* the LIC Act. the Bombay Petitioners also sought *ad interim* reliefs, *inter alia*, restraining the Central Government from selling its shares in our Corporation as part of the public issue and restraining our Corporation from launching an initial public offering, in the interest of protecting the policyholders.

Pursuant to an order of the Supreme Court dated May 12, 2022, the special leave petition filed by the Bombay Petitioners has been dismissed. The SC Writ Petition, the special leave petition filed by the Madras Petitioner's and the Bombay Writ Petition will now be heard together and have been tagged along with a subsisting matter before a larger bench of the Supreme Court. For further details in relation to these matters, see "*Outstanding Litigation and Material Developments – Litigation involving our Corporation - Civil Litigation that is Non-Quantifiable but Deemed Material*" on page 519. These matters are currently pending to be heard before the Supreme Court of India and we cannot ascertain the impact that an adverse order in relation to any or all of these matters could have on the Offer, the Selling Shareholder's ability to transfer the Shares, or the financial condition, results of operations and cash flows of the Corporation or the quantum of surplus that will be available to it for distribution to shareholders.

The details of such material outstanding litigations as at April 29, 2022 (except litigation involving the Directors which is as at the date of this Prospectus) are as follows:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or stock exchanges against our Promoter	Material civil litigations	Aggregate amount involved (₹ in million, except as noted)
Corporation						
By the Corporation	226*^	–	–	–	3	81,527.65^
Against the Corporation	37*	63	1#	–	–	748,946.96
Directors						
By the Directors	–	–	–	–	–	–
Against the Directors	–	–	–	–	–	–
Promoter						
By the Promoter	–	–	–	–	–	–
Against the Promoter	–	–	–	–	–	–
Subsidiaries						
By the Subsidiaries	–	–	–	–	–	–
Against the Subsidiaries	–	4**	-	–	–	USD 434,439**

Notes:
** Also includes criminal cases which have been instituted by the branch managers, senior officials and agents of our Corporation.*
^ 153 cases amounting to approximately ₹15,568.95 million are in relation to violation of Section 138 of the Negotiable Instruments Act, 1881.
 # Our Corporation, together with SBI Life Insurance Company Limited have proceeded to appeal before the Supreme Court against an order meted out by SEBI. As such, our Corporation is currently a petitioner for this case.
*** These involve Life Insurance Corporation (International) B.S.C. (c).*

While the amounts and interests levied thereon to the extent ascertainable and involved in these matters have been mentioned above, the amounts and interests involved in many pending litigations are not ascertainable or quantifiable and are hence not disclosed.

Further, our Corporation received orders under Section 143(3) of the IT Act for the assessment years 2003, 2004 and 2005, respectively, alleging that our Corporation incorrectly calculated its total income for these assessment years and no deductions should have been claimed on: (i) dividend income; (ii) provision for solvency margin; and (iii) loss from Jeevan Suraksha fund, and that our Corporation is liable to pay tax amounting to ₹7,563.41 million, ₹9,645.79 million and ₹15,458.46 million, respectively. Our Corporation filed an appeal before the Commissioner of Income Tax – Appeals. However, the orders in relation to such assessment years sustained the additions made by the assessing officer. The Income Tax Appellate Tribunal, while ruling on our appeal, held that the profits in the insurance business is governed by Section 44 of the IT Act read with the rules in the First Schedule to the IT Act and, therefore, the assessing officer has no power to make any disallowance in relation to solvency margin. The Commissioner of Income Tax-1 has filed a special leave petition before the Supreme Court of India which is currently pending. We have not made any provision for these matters. In the event the Supreme Court of India rules against our Corporation, it will adversely affect our financial condition, results of operations and cash flows. Further, we cannot assure you that similar demands will not be raised by any authorities for other assessment years.

For further details of outstanding legal proceedings, see "*Outstanding Litigation and Material Developments*" on page 517.

21. Our Corporation is in breach of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("SEBI MF Regulations"), which prohibit any shareholder from holding 10% or more of the shareholding or voting rights in any asset management company, or the trustee company of a mutual fund from holding, directly or indirectly, 10% or more of shareholding or voting rights in the asset management company or the trustee company of any other mutual fund.

In terms of Regulation 7B(2)(a) of the SEBI MF Regulations, any shareholder holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of a mutual fund cannot have, directly or indirectly, among other things, 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund.

LIC Mutual Fund Asset Management Limited ("**LICMF Asset Management**") is engaged in the business of asset management. Our Corporation owns 45.00% of the outstanding shares in LICMF Asset Management. LIC Mutual Fund Trustee Private Limited ("**LICMF Trustee**") is engaged in the business of acting as a trustee for mutual fund and devising mutual fund schemes. Our Corporation owns, directly, 49.00% of the outstanding shares in LICMF Trustee.

IDBI Bank became a subsidiary of our Corporation with effect from January 21, 2019 following our Corporation's acquisition of an additional 827,590,885 equity shares in IDBI Bank, which resulted in our Corporation owning 51% of the outstanding shares in IDBI Bank. On December 19, 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutional placement. Approvals were sought and received from the IRDAI, the RBI, SEBI and the Competition Commission of India when our Corporation acquired its 51% stake in IDBI Bank. IDBI Bank holds 66.67% of the issued and paid-up capital of IDBI Asset Management Limited ("**IDBI AMC**"), which is the asset manager of IDBI Mutual Fund. Consequently, our Corporation may be in breach of Regulation 7B of the SEBI MF Regulations.

Efforts were made to explore various possibilities for divesting IDBI Bank's stake in its mutual fund business, including by way of merger, sale of the company or the mutual fund assets to another entity, in order to ensure compliance with the SEBI MF Regulations. Thereafter, our Corporation was approached by IDBI Bank with a proposal to sell the schemes of IDBI AMC to LICMF Asset Management. In its meeting held on February 25, 2022, the Board approved the acquisition of the schemes of IDBI AMC by LICMF Asset Management and our Corporation subscribing to equity shares in LICMF Asset Management using Shareholders' funds to help fund the acquisition. In terms of Regulation 22(e) of the SEBI MF Regulations, no change in the control of any asset management company can be made unless, among other things, SEBI's approval is obtained and the unitholders are given an option to exit on the prevailing net asset value without any exit load. Accordingly, change of control requires the unitholders of schemes managed by IDBI AMC to be given an option to exit and it is possible that some such unitholders may choose to not continue and, to that extent, assets under management that are acquired by LICMF Asset Management may stand reduced. There can be no assurance that SEBI will approve the acquisition. If the acquisition is completed, our Corporation will no longer be in breach of the SEBI MF Regulations. However, there is no assurance that our Corporation will not be subject to further penalty, strictures or any other sanctions prescribed under the applicable laws for its failure to comply with the SEBI MF Regulations prior to the completion of the acquisition (if completed).

22. While we believe that IDBI Bank, one of our Associates, does not need to raise further capital at the moment, we may be required to infuse additional funds into IDBI Bank in the future. We may also be required to ensure that one of our Associates cease undertaking housing finance activities in order to comply with regulatory requirements.

IDBI Bank became a subsidiary of our Corporation with effect from January 21, 2019 following our Corporation's acquisition of an additional 827,590,885 equity shares in IDBI Bank, which resulted in our Corporation owning 51% of the outstanding shares in IDBI Bank. The RBI, *vide* its letter dated November 2, 2018 ("**Approval Letter**"), granted approval for our Corporation to acquire the additional equity shares in IDBI Bank, subject to, among others, our Corporation adequately capitalising IDBI Bank to ensure compliance with the minimum capital requirements stipulated by the RBI for a period of at least five years with a view towards enabling IDBI Bank to move out of the prompt corrective action framework.

We infused ₹47,430.00 million into IDBI Bank, currently one of our Associates on October 23, 2019 using policyholders' funds. IDBI Bank raised ₹14,351.80 million on December 19, 2020 by way of a qualified institutional placement. IDBI Bank has come out of the prompt corrective action framework since March 10, 2021, subject to compliance with certain conditions and continuous monitoring.

In light of its financial condition and results of operations, we believe that IDBI Bank does not need to raise further capital at this time. However, if IDBI Bank requires additional capital prior to the expiry of the applicable five-year period and it is unable to raise capital, we would be required to infuse additional funds into IDBI Bank, which may have an adverse effect on our financial condition and results of operations.

Additionally, the RBI in its Approval Letter has stipulated that either IDBI Bank or LIC Housing Finance Limited, our Associates, will have to cease conducting housing finance activity within a period of five years from the date of the Approval Letter and that housing finance activity shall be conducted only by one entity. The impact of complying with this requirement of the RBI may have an adverse effect on our financial condition, results of operations and cash flows.

23. We face significant competition and our business, financial condition, results of operations and cash flows could be materially harmed if we are unable to compete effectively.

We face significant competition in India and overseas in respect of our life insurance business and other sectors or industries in which we operate. Our ability to compete is based on a number of factors, including premiums charged and other terms and conditions of coverage, product features, investment performance, services provided, product development, distribution capabilities, scale, experience, commission structure, brand strength and name recognition, information technology and actual or perceived financial strength.

Our Corporation is the only public sector life insurance company in India and our primary competitors are private life insurance companies in India. Private sector insurance companies have been growing faster than us and gaining market share since their entry into the Indian insurance industry in 2001. From Fiscal 2016 to Fiscal 2021, the total premium for life insurance private sector players in the life insurance industry in India increased at a CAGR of 18% while our Corporation's total premium in India increased at a CAGR of 9% for the same period. *(Source: the CRISIL Report)*. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our Corporation had a market share of 66.4%, 66.2%, 64.1% and 61.6%, respectively, in terms of total premium in the Indian life insurance sector. (*Source: the CRISIL Report*). Accordingly, there can be no assurance that our Corporation will not lose further market share.

Our competitors also include non-life (i.e., health and general) insurance companies (to the extent that they distribute health insurance products), pension funds, mutual fund companies, reinsurance companies, banks and other financial services providers.

We also face potential competition from commercial banks, which are permitted to invest in, or form alliances with, insurance companies to offer insurance products and services that compete against those offered by us. Closer integration between the insurance and banking sectors may potentially better align their economic interests and increase incentives for banks to distribute insurance products and services of their insurance business affiliates and partners instead of ours. Such potential competitors may further increase the competitive pressures we expect to face, especially in our bancassurance business. With further liberalization of the Indian economy and permitted foreign investment in the insurance sector through the recently passed Insurance (Amendment) Act, 2021, there is an impending threat of foreign players entering the market and capturing market share.

Our individual products are primarily distributed by individual agents. There is a growing trend for individual products to be distributed online. Digital technology is a new force that is driving massive changes in the insurance sector. According to CRISIL Research, insurers are moving towards adopting a digital services model, enabling customers to complete the entire insurance processes online (from discovery of information to advice and purchase) either on their own or with the help of a service provider/agent. Insurers are now harnessing digital technology to scale their business model and provide a hassle-free experience to their customers. (*Source: the CRISIL Report*). Certain of our Corporation's products are available for purchase online on our Corporation's website. However, none of our products are available for purchase on third-party websites. For further details on the distribution of our products, see "*Our Business – Distribution Network*" on page 205. If our products remain unavailable for purchase on third-party websites, we may lose market share.

Consolidation among our competitors, including acquisitions of insurance companies in India, could result in additional or more established competitors with strong financial resources, marketing and distribution capabilities and brand recognition. The increased competitive pressures resulting from these and other factors may materially and adversely harm our business, financial condition, results of operations and cash flows by, among other things, reducing our market share, decreasing our margins and spreads, reducing the growth of our customer base and increasing our policy acquisition costs, operating expenses and turnover of management and agents.

For more details on the competitive landscape in India, see "*Industry Overview – Overview of the Indian Insurance Industry – Evolution of Life Insurance Industry*" and "*Industry Overview – Deep Dive into the Indian Life Insurance Industry – Movement in Key Industry Parameters*" on pages 120 and 141, respectively.

24. ***The changes in our Corporation's surplus distribution policy may reduce the attractiveness of our participating products, which could have an adverse effect on our business, financial condition, results of operations and cash flows.***

For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the surplus in respect of our Corporation's participating fund was allocated between policyholders and Shareholders in the ratio of 95:5. In accordance with our Corporation's approved surplus distribution policy, the surplus in respect of the participating fund will be allocated between policyholders and Shareholders in the ratio of 95:5 for Fiscal 2022, 92.5:7.5 for each of Fiscal 2023 and Fiscal 2024 and then 90:10 from Fiscal 2025 onwards.

As per Section 49 of the Insurance Act, which is applicable for private players, the surplus to be distributed is that arising from the valuation balance sheet as a result of an actuarial valuation of the assets and liabilities of the insurer and up to 10% of such surplus in the participating segment can be transferred to shareholders. According to CRISIL Research, in line with the Insurance Regulatory and Development Authority (Distribution of Surplus) Regulations, 2002, the top five private players transfer a maximum of one-ninth of the participating policyholders' surplus to the shareholders' account. The surplus includes the bonus allocated to the participating policyholders and the interim bonus paid. Therefore, the top five private players allocated approximately 10% of the participating policyholders' account surplus to its shareholders in Fiscal 2021. (*Source: the CRISIL Report*). However, the amount our Corporation transferred to the Shareholder's Account was approximately 5% of the total surplus in Fiscal 2021 as against up to the 10% permitted by the Life Insurance Corporation Act. (*Source: the CRISIL Report*). For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our NBP in India from individual participating products was ₹342,140.92 million, ₹357,946.96 million, ₹351,227.57 million and ₹249,695.17 million, respectively, which represented 67.05%, 69.64%, 62.13% and 69.70% of our NBP in India from individual participating products, respectively, and our NBP in India from group participating products was ₹51,241.33 million, ₹56,065.00 million, nil and nil, respectively, which represented 5.62%, 4.42%, 0.00% and 0.00% of our NBP in India from group participating products, respectively. Increasing the Shareholders' share of the surplus in our Corporation's participating fund may reduce the attractiveness of our participating products, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

25. ***Customer preferences and market trends for life insurance, health insurance and pension products may change, and we may be unable to respond appropriately or in time to sustain our business or our market share in the markets in which we operate.***

The life insurance, health insurance and pension markets are constantly evolving with our customers' preferences. As a result, we must continually respond to changes in these markets, as well as customer preferences and market trends, to remain competitive, grow our business and maintain market share in the geographical markets in which we operate. We face many risks when introducing new products. Our new products may also be rendered obsolete or uneconomical by competition or developments in the life insurance, health and pension industries. Furthermore, even if our current and anticipated product offerings respond to changing market demand, we may be unable to commercialise them. We also generally increase our marketing efforts in connection with the introduction of new products and advertising in regional languages to reach out to more people, which increases the costs associated with our business. These costs are likely to lead to initial losses that could have an adverse effect on our results. The failure of new products to be profitable or become profitable over time may adversely affect our business, financial condition, results of operations and cash flows.

Moreover, potential products may fail to receive necessary regulatory approvals, be difficult to market on a large scale, be uneconomical to introduce, fail to achieve market acceptance or be precluded from commercialisation by proprietary rights of third parties. An inability to commercialise our products would materially impair the viability of our business. Accordingly, our future success will depend on our ability to adapt to changing customer preferences, demographic trends, industry standards and new product offerings and services. Any of these changes may require us to re-evaluate our business model and adopt significant changes to our strategies and business plan. Any inability to adapt to these changes would have a material adverse effect on our business, financial condition and results of operations.

26. ***Our business could be adversely affected if we are unable to obtain regulatory approvals or licenses in the future, or maintain or renew our existing regulatory approvals or licenses.***

We require certain approvals, licenses, registrations and permissions for operating our business. For details of these approvals, licenses, registrations and permissions in relation to our Corporation in India, see "*Government and Other Approvals*" on page 530.

The opening and closing or relocation of places of business by insurance companies in India are governed by the Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015 ("**IRDAI Places of Business Regulations**"). Our Corporation has obtained the requisite regulatory approvals for opening each of our offices under Regulation 7(i) after the IRDAI Places of Business Regulations came into effect. The IRDAI's approval is not required for places of business opened under Regulation 7(ii), which only requires insurance companies to inform the IRDAI, which our Corporation has done. Although our Corporation has not experienced such instances during the period from April 1, 2018 to the date of this Prospectus, any failure in the future to obtain or renew licenses required, or any delay in obtaining approvals in relation to our business, may materially affect our ability to carry on or conduct our business. Further, any failure to obtain relevant licenses or to comply with the terms of any licenses that we are currently required to maintain, could subject us to penalties and restrict our ability to conduct certain lines of business, which could have a material adverse effect on our business, financial condition and cash flows.

27. ***If our Corporation does not meet solvency ratio requirements, our Corporation could be subject to regulatory actions and could be forced to raise additional capital.***

Indian laws and regulations require our Corporation to maintain a specified level of solvency. Under the Insurance Act, every insurer is required to maintain (at all times) an excess of value of assets over the amount of liabilities of, not less than 50% of the amount of minimum capital as prescribed therein. IRDAI further specifies a level of solvency ratio, which is the ratio of (i) the amount of the Available Solvency Margin, which is excess of value of assets (as furnished in form-AA specified under Insurance Regulatory Development Authority of India (Actuarial Report and Abstracts for Life Insurance Business) Regulations, 2016) over the value of life insurance liabilities (as furnished in form-KT-3 of Insurance Regulatory Development Authority of India (Actuarial Reports and Abstracts for Life Insurance Business) Regulations, 2016) and other liabilities of policyholders' fund and shareholders' funds to (ii) to the amount of Required Solvency Margin as specified in form-KT-3 of Insurance Regulatory Development Authority of India (Actuarial Report and Abstracts for Life Insurance Business) Regulations, 2016 (the "**Solvency Ratio**"). As at December 31, 2021, the mandated Solvency Ratio was 1.50. If our Corporation fails to meet the minimum 1.50 Solvency Ratio required under IRDAI regulations, in accordance with Section 64VA(4) of the Insurance Act, we may be required to submit a financial plan to the IRDAI, indicating a plan of action to correct the deficiency within a specified period not exceeding six months. The IRDAI may propose modifications to the financial plan so submitted if the IRDAI deems it to be inadequate, and in such an eventuality, the IRDAI may impose such restrictions as it may deem necessary, including restrictions with regard to transacting any new business or the appointment of administrator with respect to our business, or both. In certain exceptional circumstances, this could also result in a suspension of our Corporation's certificate of registration as a life insurance company. For further details on the Solvency Ratio required to be maintained by our Corporation, see "*Key Regulations and Policies - Certain regulations notified by the IRDAI*" on page 256. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation's Solvency Ratio (within India business) was 1.60, 1.55, 1.76 and 1.77, respectively.

Our Corporation's Solvency Ratio is affected by factors such as our amount of capital, product mix, business growth, inadmissible assets and profitability. If our share capital and profit cannot continue to support the growth of our business in the future, if the IRDAI increase the statutorily required Solvency Ratio or changes the solvency regime from the current regime, if our financial condition or results of operations deteriorate, or if we cannot comply with the statutorily required Solvency Ratio requirements for any other reason, we may need to raise additional capital in order to meet such requirements. Any such change, including a change to a risk-based solvency regime, could subject us to significant compliance costs and we may need to raise additional capital in order to achieve compliance with the changed requirement. Under a risk-based solvency regime, the solvency requirements of an insurer will depend on the risks underwritten by the insurer and, consequently, this may result in our Corporation having to maintain a Solvency Ratio of more than 1.50 in proportion to the risks underwritten. Under the Life Insurance Corporation Act, the shareholding of the Government in our Corporation cannot fall below 51%, which may limit the availability of funds such that, cumulatively, all investors will be able to hold not more than 49% of the shareholding of our Corporation at any time. Also see "*-We may need additional capital in the future, and we cannot assure you that we will be able to obtain such capital on acceptable terms or at all*" on page 60.

India's solvency regime may be different from those of other countries. Therefore, our Corporation's calculation of Solvency Ratio might not be comparable to that of insurance companies in other countries with which an investor in the Equity Shares might be familiar. The present framework of determination is a factor-based approach with factors and computational methodology prescribed in the IRDAI's Asset Liability and Solvency Margin Regulations, 2016 (the "**ALSM Regulations**"). These factors include mathematical reserves before reinsurance, mathematical reserves after reinsurance, sum at risk before reinsurance and sum at risk after reinsurance. However, internationally, we believe there is a movement by regulators to move away from a factor-based approach to a risk-based approach for the determination of an insurance company's capital. Any such shift by the IRDAI to adopt a risk-based approach could potentially affect our capital requirements and consequently our capital position, which in turn could lead to the need for a capital infusion.

28. ***Our Corporation's terminal bonuses in India have been largely expensed in the revenue account in line with the forbearance granted by the IRDAI and the Board's approval in this regard. Our Corporation will be required to fully reserve terminal bonus for new eligible participating products launched on or after April 1, 2023, which could adversely affect the amount of participating policyholders' benefits and our Corporation's Solvency Ratio from April 1, 2023 onwards.***

Terminal bonus is a type of bonus payable to eligible participating policies exiting by way of maturity, death or surrender in accordance with the terms and conditions of the policies. Pursuant to IRDAI's letters dated August 13, 2007 and September 3, 2021, terminal bonuses in respect of within India business was not fully reserved for but expensed and shown in the revenue account in the books of the Corporation. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our Corporation paid terminal bonuses of ₹34,162.64 million, ₹42,949.01 million, ₹59,526.87 million and ₹46,613.38 million, respectively, on an India only basis. As per IRDAI's letter dated September 3, 2021, our Corporation will be required to fully reserve terminal bonus for new eligible participating products launched on or after April 1, 2023, which could adversely affect the amount of participating policyholders' benefits and the Solvency Ratio from April 1, 2023 onwards. For further details, see "*– If our Corporation does not meet solvency ratio requirements, our Corporation could be subject to regulatory actions and could be forced to raise additional capital.*" on page 44.

29. ***We are exposed to many types of operational risks, the occurrence of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We are exposed to many types of operational risks, including:

- human and systems errors when executing complex and high-volume transactions;
- incorrect calculations of our net asset value;
- failure of technology in our processes causing errors or disrupting our operations;
- inadequate technology infrastructure or inappropriate systems architecture;
- failure to adequately monitor and control our various distribution partners;
- failure to replace end-of-life systems;
- failure to implement sufficient information security controls;
- an interruption in services by our service providers; and
- damage to physical assets, either IT assets or non-IT assets.

If any operational risks, including any of the foregoing, were to occur, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Although there have not been any instances where the occurrence of operational risks has caused a material adverse effect on our business during the period April 1, 2018 to the date of this Prospectus, we cannot assure you that such instances may not occur in the future, and if they occur, that they will not have a material adverse effect on our business, financial condition, results of operations and cash flows.

30. ***Failures of or inadequacies in our information technology systems could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business operations depend heavily on the ability of our information technology systems to process and record a large number of transactions across different distribution channels and numerous product lines. In particular, transaction processes have become increasingly complex, and the volume of transactions continues to grow at a significant rate. The proper functioning of our financial controls, accounting, customer database, customer service and other data processing systems, including those relating to underwriting and claims processing functions, actuarial and risk management, and the communications systems linking our offices and our principal IT centres, are critical to our business operations and our ability to compete effectively. For more information on our information technology systems, see "*Our Business – Technology and Digital Initiatives*" on page 215.

A partial or complete failure of any of these information technology or communications systems could result in our inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and customer data, or a failure to comply with regulatory requirements. While our Corporation has not experienced such incidents during the period from April 1, 2018 to the date of this Prospectus, any such failure could also affect our risk management and customer service functions, resulting in a material adverse effect on our business, financial condition, results of operations and cash flows. These failures could be caused by, among other things, software bugs, computer virus attacks, malware and cybersecurity attacks, conversion errors due to system upgrading, failure to successfully implement ongoing information technology initiatives, natural disasters such as earthquakes and floods, war, terrorist attacks and unanticipated problems at our existing and future facilities.

Pursuant to the IRDAI Guidelines on Information and Cyber Security for Insurers dated April 7, 2017 (IRDA/IT/GDL/MISC/082/04/2017), the Information & Cyber Security Assurance Audit 2020-2021 conducted on our Corporation found certain key findings in our IT operations, including, among others, patching guidelines not being followed at the department level, patches not being applied periodically to our systems and anti-virus solutions not being uniformly installed across all applicable IT infrastructure. We cannot guarantee that such findings will not result in penalties or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows.

As part of our Corporation's business continuity planning and framework, we maintain disaster recovery facilities for our Corporation's core business application infrastructure and other critical systems in Bengaluru and Mumbai (ISO

27001:2013 certified) designed to be activated in the event of a system failure and maintain tape back-ups on a weekly basis. However, we cannot assure you that our Corporation's business activities would not be materially disrupted in the event of a partial or complete failure of any of these or other information technology systems or related processes.

31. ***Our business involves the use, transmission and storage of confidential information and the failure to properly safeguard such information could result in violations of data privacy laws and regulations and lead to reputational harm and monetary damages, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business involves the collection, processing, storage, use and transmission of a large volume of confidential policyholder information, as well as financial, employee and operational information, both online and offline. Despite the security measures we have put in place, there remains a risk that such data could be lost and/or misused as a result of intentional or unintentional acts by internal or external parties. While our Corporation has not experienced such incidents during the period from April 1, 2018 to the date of this Prospectus, our computer networks and IT infrastructure may be exposed to computer attacks or disruptions, which may jeopardize the security of information stored in and transmitted through our computer systems or the systems that we manage. As a result, we may be required to expend significant resources to protect against the threat of these security breaches or to alleviate problems caused by these breaches. Techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target. We may be unable to anticipate these techniques or implement adequate preventative measures. Even if we anticipate these attacks, we may not be able to counteract these attacks in time to prevent them. In addition, our arrangements with third-party vendors and service providers expose us to the risk of such third parties failing to maintain and protect the security and confidentiality of our or our policyholders' information and data. We are also at risk of a data security breach involving a vendor or another third party or by internal stakeholders, including our agents or employees, which could result in a breakdown of such third party's data protection processes or in cyber-attackers gaining access to our infrastructure through the third party. To the extent that a vendor or third party or our internal stakeholders suffer a data security breach that compromises its operations, we could incur significant costs related to litigation, service interruptions or damage to our reputation or relationships with our policyholders. Although our Corporation has not experienced such material incidents during the period from April 1, 2018 to the date of this Prospectus, any security breach, data theft, unauthorised access, unauthorised usage, virus or similar breach or disruption could result in loss or disclosure of confidential information, damage to our reputation, litigation, regulatory investigations or other liabilities, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Also see, "*-Failures of or inadequacies in our information technology systems could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 46.

We are subject to various data privacy laws and regulations that regulate the use of customer data. Compliance with these laws and regulations may restrict our business activities and require us to incur increased expenses and devote considerable time to compliance efforts. For example, data privacy laws and regulations could limit our ability to leverage our large customer base and the customer bases of our distribution partners to develop cross-selling opportunities. Applicable data privacy laws and regulations could also adversely affect our distribution channels and limit our ability to use third-party firms in connection with customer data. Certain of our corporate agency agreements include provisions for the sharing of customer data between us and our bancassurance partners, which agreements were made in accordance with applicable laws and regulations relating to data privacy.

Certain of these laws and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws and regulations are also subject to change and may become more restrictive in the future. For instance, the IRDAI issued its Guidelines on Information and Cyber Security for Insurers dated April 7, 2017, which effected a comprehensive information and cyber security framework in the Indian insurance sector, and timelines for all insurers to comply with certain measures, such as the finalisation of a Board-approved Information and Cyber Security Policy and the completion of the first comprehensive Information and Cyber Security assurance audit. On February 24, 2021, the IRDAI formed a working group committee to review and consider whether to update its cyber security guidelines amidst the increase in cyberattacks in the wake of the COVID-19 pandemic.

Moreover, with the proposed enactment of the Personal Data Protection Bill, 2019 ("**Personal Data Protection Bill**"), and the ongoing regulatory discussions regarding proposed Indian regulations to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential liability. The Personal Data Protection Bill proposes a legal framework to govern the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the GoI, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The Personal Data Protection Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The GoI is also in the process of considering legislation governing non-personal data (defined as any data other than personal data). In September 2019, the Ministry of Electronics and Information Technology of the GoI formed a committee of experts ("**NPD Committee**") to recommend a regulatory regime to govern non-personal data. The NPD Committee has released two reports, which recommend, among other items, a framework to govern non-personal data, access and sharing of non-personal data with the GoI and corporations alike who will undertake a 'duty of care' to the community to which the non-personal data pertains and a registration regime for "data businesses", meaning businesses that collect, process or store data, both personal and non-personal.

As part of our operations, we are required to comply with the Information Technology Act, 2000, which provides for civil and criminal liability, including compensation to persons affected and penalties for various cyber-related offences, such as the unauthorised disclosure of confidential information and failure to protect sensitive personal data. In addition, the GoI has implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and or Information) Rules, 2011, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information. For further details, see "*Key Regulations and Policies*" on page 253. Further restrictions and other changes in data privacy laws and regulations could have a material adverse effect on our business and results of operations.

32. We may be unable to implement our growth strategies, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our assets under management ("**AUM**") (comprising policyholders' investment, shareholders' investment and assets held to cover linked liabilities) on a standalone basis increased at a CAGR of 10.92% from ₹29,879,232.74 million as at March 31, 2019 to ₹36,761,787.68 million as at March 31, 2021 and were ₹40,121,719.94 million as at December 31, 2021. Our premium in India increased at a CAGR of 9.32% from ₹3,371,275.78 million in Fiscal 2019 to ₹4,028,862.15 million in Fiscal 2021. However, these rates of growth may not be indicative of future growth. The Indian life insurance sector is highly competitive and the success of our business in India depends greatly on our ability to effectively manage our business and implement our growth strategies. For details on our strategies, see "*Our Business – Our Strategies*" beginning on page 192. For details on competition, see "*-We face significant competition and our business, financial condition, results of operations and cash flows could be materially harmed if we are unable to compete effectively*" and "*Our Business – Competition*" on pages 43 and 240, respectively. There can be no assurance that we will be able to successfully implement our growth strategies or that if we do implement those strategies, it will result in an improvement in our financial condition and results of operations.

33. Higher than expected operating expenses related to our insurance business could have a material adverse effect on our results of operations.

We price our products based on the assumptions of operating expenses that we expect to incur in the future. Our operating expenses related to insurance business on a consolidated basis primarily comprise (i) employees' remuneration & welfare benefits, (ii) service tax on premium, (iii) allowances and commission (other than commission to insurance agents), (iv) rents, rates & taxes (v) advertisement and publicity and (vi) depreciation. For details, see "*Financial Statements – Annexure VII: Restated Consolidated Statement of Operating Expenses Related to Insurance Business*" on page 327. Our operating expenses related to insurance business expenses may be higher than expected due to various factors, including inflation and changes in the regulatory framework. According to CRISIL Research, our Corporation's operating expenses increased at 9.0% CAGR from Fiscal 2016 to Fiscal 2021, compared to the 10.4% CAGR and 12.1% CAGR increases in operating expenses for the Indian life insurance industry and private players, respectively, over the same period. (*Source: the CRISIL Report*). Any higher-than-expected increases in our operating expenses related to insurance business could have an adverse effect on our results of operations. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our operating expenses related to insurance business to premium ratio (as a percentage of premium) was 8.33%, 8.99%, 8.66% and 9.54%, respectively, on a consolidated basis. In addition, some of our operating expenses related to insurance business are fixed, i.e., (i) employees' remuneration and welfare benefits, (ii) travel conveyance and vehicle running expenses, (iii) training expenses, (iv) rents, rates and taxes, (v) repairs, (vi) printing and stationery, (vii) communication expenses, (viii) legal and professional charges, (ix) auditors' fees, expenses etc., (x) interest and bank charges, (xi) others and (xii) depreciation (the "**Fixed Operating Expenses Related to Insurance Business**"). For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our Fixed Operating Expenses Related to Insurance Business to premium ratio (as a percentage of premium) was 6.62%, 7.31%, 7.29% and 8.38%, respectively, on a consolidated basis. As such, if future sales decrease or are otherwise are lower than expected, our operating expenses related to insurance business may not fall proportionately, or at all, which would have an adverse effect on our financial condition and results of operations.

34. The actuarial valuations of policies with outstanding liabilities are not required to be audited and if such valuation is incorrect, it could have an adverse effect on our business, financial condition and results of operations.

The actuarial valuation presented in our financial statements and elsewhere of liabilities for our policies with outstanding liabilities are performed by the Appointed Actuary, who certifies the insurance entity's actuarial valuation, and confirms that, in his/her opinion, the assumptions for such valuation are in accordance with the guidelines and norms prescribed by the applicable provisions of/ issued by the IRDAI, the Life Insurance Corporation Act, the Insurance Act, the Institute of Actuaries of India and the Actuarial Practice Standards. The valuation results, including policy liabilities, are approved by the Board. The statutory auditors of our Corporation rely on the certificate by the Appointed Actuary with respect to the adequacy of reserves. We regularly monitor the assumptions used in the calculation of reserves, such as discount rates, mortality, morbidity and expenses, including expense inflation. If such assumptions prove to be incorrect, it could have an adverse effect on our financial condition and results of operations, given that there is no independent assurance on the actuarial liabilities through an audit process.

35. ***Our investments are subject to (i) credit risks, (ii) concentration risks and (iii) liquidity risks, which could have a material adverse effect on our financial condition, results of operations and cash flows.***

A. *We are subject to the credit risk of the issuers whose debt securities we hold.*

Our debt investments are subject to the risk that the counterparties whose debt we hold do not perform their obligations owed to us, whether due to bankruptcy, lack of liquidity, business failure, economic downturn, fraud, or any other reason, and if they default on their obligations to us, we could suffer significant losses. We are also subject to the risk that our rights against these counterparties may not be enforceable in all circumstances, or at all, and such losses could have a material adverse effect on our financial condition, results of operations and cash flows. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our Corporation's write-offs for investments were ₹3,506.17 million, ₹5,974.64 million, ₹7,694.33 million and ₹38,608.04 million, on a standalone basis, respectively, all of which were for losses from defaults on debt. In addition, we are also subject to the risk of non-payment of interest owed to us. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, the amount of overdue interest payable to our Corporation on a standalone basis was ₹305,858.19 million, ₹335,924.89 million, ₹364,644.43 million and ₹378,934.81 million, respectively.

B. *Concentration of our investment portfolio in India and any particular asset class, market or industry in India may increase our risk of suffering investment losses.*

Events or developments that have a negative effect on India in general and any particular industry, asset class, or group of related industries in India, may have a greater negative effect on our investment portfolio to the extent that our portfolio is concentrated. These types of concentrations in our investment portfolio increase the risk that, in the event we experience a significant loss in any of these investments, our financial condition and results of operations would be materially and adversely affected. We hold significant amounts of government and governmental agency bonds and corporate bonds. As a result, we have significant credit exposure to sovereign and corporate issuers. The performance of our fixed income securities investment portfolio is particularly sensitive to market and macroeconomic conditions in India, including the financial performance and repayment ability of certain Indian state-related entities, some of which may depend on government support.

The following table sets forth information relating to our investments by asset class on a standalone basis as at the dates indicated:

Asset Class	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	(₹ in million, except percentages)							
Central Government Securities	10,373,515.68	34.71	11,929,482.44	38.80	13,909,318.24	37.83	15,280,892.28	38.09
State Government Securities	8,183,564.22	27.39	9,030,603.86	29.37	9,616,086.38	26.16	9,729,787.35	24.25
Other Approved Securities	261,054.74	0.87	262,116.32	0.85	261,768.90	0.71	225,658.73	0.56
Loans	1,195,710.23	4.00	1,225,854.34	3.99	1,204,046.46	3.28	1,223,793.90	3.05
Debentures, Bonds and Pass-Through Certificates	2,871,093.13	9.61	3,305,201.65	10.75	3,311,178.86	9.01	3,343,170.36	8.33
Equity	6,521,387.43	21.83	4,616,496.75	15.02	7,967,938.08	21.67	9,851,751.51	24.56
Venture Funds/ Alternative Investment Funds, Mutual Funds & Exchange Traded Funds(1)	125,560.90	0.42	97,332.32	0.32	248,814.22	0.68	258,711.91	0.64
Money	232,258.62	0.78	120,777.14	0.39	93,115.47	0.25	59,221.86	0.15

Asset Class	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	(₹ in million, except percentages)							
Market Instruments								
Other Investments[(2)]	115,087.79	0.39	155,592.65	0.51	149,521.07	0.41	148,732.04	0.37
Total	**29,879,232.74**	**100.00**	**30,743,457.47**	**100.00**	**36,761,787.68**	**100.00**	**40,121,719.94**	**100.00**

Notes:

(1) As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation's: (i) mutual fund investment had carrying values of ₹85,105.11 million, ₹29,220.97 million, ₹137,774.14 million and ₹105,909.27 million, respectively; (ii) exchange traded funds investment had carrying values of ₹30,802.55 million, ₹58,130.00 million, ₹100,625.36 million and ₹140,981.56 million, respectively; and venture funds/alternative investment funds investment had carrying values of ₹9,653.24 million, ₹9,981.35 million, ₹10,414.72 million and ₹11,821.08 million, respectively.

(2) Other investments comprise investments in preference shares and investment properties.

The following table sets forth our Corporation's investments in debt and equity in sectors that comprises more than 5% of the total investments in equity and debt on a standalone basis as at the dates indicated

Sector wise exposure to industry (Equity & Bonds)	As at March 31, 2019		As at March 31, 2020		As at March 31, 2021		As at December 31, 2021	
	Amount (₹ in million)	% of total	Amount (₹ in million)	% of total	Amount (₹ in million)	% of total	Amount (₹ in million)	% of total
Financial & Insurance Activities	2,182,514.65	7.91%	2,512,309.86	8.18%	2,582,337.93	7.60%	2,563,103.94	7.07
Infrastructure Related Activities	1,994,291.37	7.22%	2,273,751.28	7.40%	2,403,364.01	7.07%	2,364,941.76	6.52
Others[(1)]	23,429,775.17	84.87%	25,922,463.57	84.41%	28,992,614.13	85.33%	31,319,357.74	86.40
Total investment assets (book value of life insurance and pension products and market value of ULIPs)	**27,606,581.18**	**100.00%**	**30,708,524.71**	**100.00%**	**33,978,316.07**	**100.00%**	**36,247,403.44**	**100.00%**

Notes:

(1) Others comprise other industry exposure (<5% of total investment assets), Government securities, state government securities, collateralised borrowing and lending obligation, mutual funds, venture capital funds, investment properties and loans against properties and on mortgage of properties, policy loans and other loans.

(2) Data based on the industry classification as per National Industrial Classification and IRDAI (Investment) Returns prepared as per the IRDAI Investment Regulations and the Guidance Note on Preparation of Investment Returns in Technical Guide on Internal/Concurrent Audit of Investment Functions of Insurance Companies issued by the Institute of Chartered Accountants of India.

All of our Corporation's investments are governed by the IRDAI Investment Regulations and the Investment Master Circulars issued by IRDAI from time to time. If we become subject to additional restrictions in future with regard to the asset classes that we are permitted to invest in, our portfolio may not be sufficiently diversified to mitigate the effects of potential concentration risk. For further details on the regulation of our investments, see "*Key Regulations and Policies*" on page 253.

For further details on our Corporation's investments, see "*Our Business – Investments*" on page 224.

C. *Our investment portfolio is subject to liquidity risk, which could adversely affect its realizable value.*

Some of our investments may not have sufficient liquidity as a result of a number of factors, including a lack of suitable buyers and market makers, market sentiment and volatility, and the size of our investments. Due to the significant size of some of our fixed income investments, relative to the trading volume/size and liquidity of the relevant types of investment in relevant markets, our ability to sell certain bonds without significantly depressing market prices, or at all, may be limited. Further, as a large institutional investor in India, we may also hold significant positions in many of the listed stocks that we directly invest in, and any decision to sell or any perception in the market that we intend to sell could adversely affect the liquidity and market price of such security and, in turn, our returns on investments in such security. We also hold investments in unlisted equity and other investments which are not readily tradable on the market. As at December 31, 2021, unlisted equity comprised ₹28,702.06 million, or 0.07%, of our total investments on a standalone basis. While, to our knowledge, we have not had any circumstances in the past three years and the nine months ended December 31, 2021 where we were unable to sell these or potentially illiquid assets, or were required to sell these or the potentially illiquid assets at significantly lower prices, if, in the future, we are required to dispose of these or the other potentially illiquid assets on short notice due to significant insurance claims to be paid, surrenders and withdrawals of existing life and health insurance policies or other reasons, we could be forced to sell such assets at prices significantly lower than the prices we have recorded in our financial statements. As a result, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

36. ***We have limited, if any, experience in investing in certain asset classes that have recently been permitted, and we could lack experience in investing in other asset classes that may be permitted in the future by the IRDAI. Our lack of investment experience in certain new asset classes could reduce our investment returns and cause our investment returns to fall below expectations, which could in turn have a material adverse effect on our business, financial condition, results of operations and cash flows.***

From time to time, the IRDAI expands the scope of permitted investments for Indian insurance companies. For example, *vide* its circular dated April 22, 2021, the IRDAI allowed insurers to invest in infrastructure investment trusts and *vide* its circular dated April 8, 2021, the IRDAI allowed insurers to invest in domestic fund-of-funds, including those that invest in start-up companies. We expect that the IRDAI will continue to expand the list of permitted investments. Our Corporation invested in infrastructure investment trusts and as at December 31, 2021 our Corporation's investments in infrastructure investment trusts had a carrying value on a standalone basis of ₹523.38 million, which represented 0.00% of our Corporation's investments (policyholders' and Shareholders' together) on a standalone basis as at December 31, 2021. When making investments in new asset classes, we may face new and heightened risks due in part to our limited experience, if any, in investing in such asset classes. The risk and liquidity profiles of these new asset classes may significantly differ from those of the asset classes that we traditionally invest in, and investments in these asset classes may increase the overall risk exposure of our investment portfolio. While we have an investment management framework in place that delineates our investment objectives and policies, our lack of investment experience in certain new asset classes could reduce our investment returns and cause our investment returns to fall below expectations, which could in turn have a material adverse effect on our business, financial condition, results of operations and cash flows. For further details, see "*Our Business – Investments*" on page 228.

37. ***A significant portion of our individual premium in India is concentrated in certain states. Any significant reduction in premiums from any of these states could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

A significant portion of our individual NBP in India is concentrated in the states of Maharashtra, West Bengal, Uttar Pradesh, Gujarat and Tamil Nadu in India. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our top five states in India in terms of individual NBP contributed ₹253,962.10 million, ₹251,818.66 million, ₹278,161.77 million and ₹169,358.84 million, respectively, which was 49.77%, 48.99%, 49.21% and 47.27% of our total individual NBP in India, respectively. For more details, see "*Our Business–Geographical Presence*" on page 211. Due to the geographic concentration of our individual premiums in India, any significant reduction in premium due to any materially adverse social, political or economic developments, natural calamities, civil disruptions, or changes in the policies of the states or local governments in these areas could have a material adverse effect on our business, financial condition, results of operations and cash flows.

38. ***If our bancassurance partners prefer to promote other insurers' products or terminate their agreements with us, it could have an adverse effect on our results of operations.***

For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our bancassurance partners procured ₹13,456.70 million, ₹15,077.84 million, ₹19,007.60 million and ₹9,169.99 million, respectively, of our Corporation's NBP for our individual products in India, which was 2.64%, 2.93%, 3.36% and 2.56%, respectively, of our Corporation's NBP for our individual products in India and ₹295.17 million, ₹91.72 million, ₹316.61 million and ₹14,896.63 million, respectively, of our Corporation's NBP for our group products in India, which was 0.03%, 0.01%, 0.02% and 1.65%, respectively, of our Corporation's NBP for our group products in India.

Pursuant to the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, banks, non-banking financial companies, cooperative societies and other eligible firms can act as non-exclusive corporate agents for up to three life insurers, three general insurers and three health insurers. Accordingly, our existing bancassurance partners may simultaneously act as agents for our competitors. We attract and try to retain bancassurance partners by offering competitive commissions and training. If our bancassurance partners promote sales of our competitors' products over our products, which they may do if our competitors offer more favourable terms (subject to regulatory caps) or better training, this would adversely affect sales of our products and have an adverse effect on our results of operations. In addition, if any of our bancassurance partners terminate their agreements with us, it would also have an adverse effect on sales of our products and our results of operations. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation had 78, 76, 69 and 70 bancassurance partners in India, respectively. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, nil, six, eight and four bancassurance partners terminated their agreements with our Corporation, respectively.

39. ***Any inability to verify the accuracy and completeness of information provided by or on behalf of our customers and counterparties for pricing and the underwriting of our insurance policies, handling claims and maximizing automation may subject us to fraud, misrepresentation and other similar risks, which could adversely affect our***

business, financial condition and results of operations. We are obliged to collect certain information in relation to our customers and counterparties and depend on the accuracy and completeness of information provided by or on behalf of such persons.

In deciding whether to issue policies to customers, pay out claims or enter into other transactions with counterparties, we rely on information furnished to us by or on behalf of our customers and counterparties, including, personal details, their medical histories, income statements and other financial information. Our financial condition and results of operations could be negatively affected by relying on any incorrect, misleading or incomplete information sourced from customers and counterparties. Such information might include non-disclosure of pre-existing medical conditions, inaccurate, incomplete or forged income and financial statements, KYC documents, thereby leading to violation of laws including anti-money laundering ("**AML**") related laws. In the past, our Corporation has been subjected to caution by the IRDAI in connection with lapses in our Corporation's KYC and AML processes.

In addition, pursuant to an amendment to Section 45 of the Insurance Act, no life insurance policy can be called into question on any grounds, including misstatement of facts or fraud, at any time after three years from the date of the policy, i.e., the later of (i) date of issuance of policy, (ii) commencement of risk or (iii) revival of policy (or any rider to the policy). While we have not failed to detect any instance of fraud or inaccuracy of information concerning customers of counterparties that resulted in higher mortality and credit risks than those we had assumed, if we are unable to detect any such misstatement or fraud within the stipulated period, we could be subjected to higher morbidity, mortality and credit risks than those we have assumed. This could lead to higher claim payments to customers and could have a material adverse effect on our business, financial condition and results of operations.

40. We depend on our Key Managerial Personnel and other skilled personnel, and the loss of their services could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our market position and success depend to a large extent on our ability to recruit and retain Key Managerial Personnel. If we are unable to retain or suitably replace members of our Key Managerial Personnel, it could have a material adverse effect on our business, financial condition, results of operations and cash flows. Although none of our Key Managerial Personnel resigned during these years/period, some of our Key Managerial Personnel retired from our Corporation or were transferred to other positions in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the attrition of our Key Managerial Personnel was six out of an average number of 12, or 50.00% (four of whom retired and two of whom were transferred), five out of an average number of 12, or 41.67% (three of whom retired and two of whom were transferred), five out of an average number of 12, or 41.67% (two of whom retired and three of whom were transferred) and four out of an average number of 13, or 30.77% (three of whom retired and one of whom was transferred), respectively. The attrition was calculated as the number of Key Managerial Personnel who retired during the Fiscal Year or period divided by the monthly average closing headcount during the same Fiscal Year or period. Further, the tenure of our previous Chief Financial Officer ended on March 31, 2022 and our Corporation appointed Sunil Agrawal as the new Chief Financial Officer with effect from April 1, 2022. For further details on our Key Managerial Personnel, see "*Our Management*" on page 282.

In addition, the success of our business is in part dependent on the continued service of other skilled personnel who have in-depth knowledge and understanding of our business, including members of our senior management, information technology specialists, experienced investment managers and other finance professionals. We also rely on the sound underwriting, product development, risk control, business development, investments and actuarial expertise of our senior management members and skilled actuarial, underwriting and other personnel. In particular, we rely on a limited number of actuarial personnel, including our Appointed Actuary. Actuaries work in a specialised profession and there are a limited number of persons qualified to practice as an actuary in India, given the stringent eligibility requirements prescribed for appointed actuaries under the IRDAI regulations, including the Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017, as amended. The market for actuaries is competitive, and we may not continue to be successful in our efforts to attract and retain actuaries. As at December 31, 2021, our Corporation had 22 actuaries, including our Appointed Actuary. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the attrition of our actuaries was nil out of an average number of 15, nil out of an average number of 15, 13.33% or two out of an average number of 15 (two of whom retired and nil of whom was transferred) and nil out of an average number of 22, respectively. The attrition was calculated as the number of actuaries who left during the Fiscal Year or period divided by the monthly average closing headcount during the same Fiscal Year or period.

Although the retirement of Key Managerial Personnel and actuaries during the last three Fiscal Years and the nine months ended December 31, 2021 has not had an adverse effect on our business, financial condition, results of operations and cash flows, we may need to increase compensation and other benefits in order to attract and retain Key Managerial Personnel and other skilled personnel in the future in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the Indian life insurance industry for such personnel. The loss of their services could have a material adverse effect on our business, financial condition, results of operations and cash flows.

41. ***We entered into certain related party transactions in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021. We will continue to enter into related party transactions, and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into certain transactions with related parties for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 aggregating on a consolidated basis to ₹435,857.07 million, ₹214,041.68 million, ₹251,728.32 million and ₹262,732.16 million, respectively, which represented 7.64%, 3.32%, 3.58% and 5.13% of our total income (Policyholders' Account), respectively. For further details on our related party transactions, see "*Financial Statements – Annexure XXIV – B. Notes to Restated Consolidated Financial Information – 24. Related Party Disclosure – LICI*" and "*Summary of this Offer Document – Related Party Transactions*" on pages 391 and 15, respectively.

Except with respect to the leasing of certain premises to subsidiaries and associates, which aggregated to ₹84.92 million, ₹98.95 million, ₹105.73 million and ₹78.31 million on a consolidated basis for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively, which represented 0.00%, 0.00%, 0.00% and 0.00% of our total income (Policyholders' Account), respectively, we believe that all such transactions have been conducted on an arm's length basis. With effect from November 1, 2021, our Corporation's policy is that all new leases, including the renewal of then existing leases, to related parties are to be entered into on an arm's length basis. It is likely that we will continue to enter into related party transactions in the future and we cannot assure you that we would not achieve more favourable terms if such transactions are entered into with unrelated parties. There can be no assurance that related party transactions, individually or in the aggregate, will not have an adverse effect on our business and results of operations. Such related party transactions may also potentially involve conflicts of interest.

42. ***We rely on third-party service providers in several areas integral to our operations and hence do not have full control over the services provided to us or our customers.***

We rely on third parties in several areas of our operations on a regular basis. In particular, we have outsourced a portion of our operations, such as distribution of products, housekeeping services, network and call centre services, to third parties. Accordingly, some of these third parties have direct access to our systems in order to provide their services to us. For details on the risks posed by our third-party service providers operating the majority of our communications, network, and computer hardware and software, see "*-Our business involves the use, transmission and storage of confidential information and the failure to properly safeguard such information could result in violations of data privacy laws and regulations and lead to reputational harm and monetary damages, which could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 46.

In addition, we may have disagreements with our third-party vendors or service providers regarding the issue of who is responsible for any failures or incidents under applicable business associate agreements or other applicable outsourcing agreements. Any contractual remedies and/or indemnification obligations we may have for vendor or service provider failures or incidents may not be adequate to fully compensate us for any losses suffered as a result of any vendor's failure to satisfy its obligations to us. In addition, our vendor and service provider arrangements could be adversely impacted by changes in vendors' or service providers' operations or financial condition, or other matters outside of our control. Violations of, or non-compliance with, laws and/or regulations governing our business or non-compliance with contract terms by third-party vendors and service providers could increase our exposure to liability to our members, providers, or other third parties, or could result in sanctions and/or fines from the regulators that oversee our business, and could harm our business and reputation. Moreover, if these vendor and service provider relationships were terminated for any reason, we may not be able to find alternative partners in a timely manner and may experience disruptions to our operations in connection with vendor or service provider transitions. As a result, we may not be able to fully meet the demands of our intermediaries or customers and, in turn, our business, financial condition, and results of operations may be harmed.

43. ***Certain of our employees are members of unions that our Corporation has not recognized, and we may be subject to industrial unrest, slowdowns and increased wage costs, which could adversely affect our business and results of operations.***

As at December 31, 2021, our Corporation had 105,207 full-time employees (including 43 employees deputed to foreign entities). The terms and conditions of services provided by our Corporation's employees are governed by the rules notified by the Government in exercise of the powers vested under Section 48(2)(cc) of the Life Insurance Corporation Act. Our Corporation has not recognized any unions or other labour associations and does not enter into any wage settlement agreements, including for revised wage structures, ex-gratia payments, attendance bonuses or provisions or enhancements of insurance policies. However, certain of our employees are members of unions and associations that our Corporation has not recognized. Accordingly, it may be difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Labour unrest or strikes associated with our business could also damage our reputation with our customers. We have been affected by strikes, work stoppages or other labour disputes in the past. For instance, on January 8, 2019, 38,522, or 35.29%, of our Corporation's employees went on strike for two days, demanding a wage revision and certain options for pensions and recruitment. On January 8, 2020, 39,646, or 37.36%, of our Corporation's employees went on strike for one day to prevent our Corporation's listing on the Stock Exchanges, to get rid of the Defined Contribution Pension Scheme (also known as the New Pension Scheme) and to demand a wage revision, introduce a five-day work week and recruit in Class IV (i.e., 'subordinate staff' as per the Life Insurance Corporation of India (Staff) Rules, 1960) with immediate effect. On February 4, 2020, 76,576, or 70.83% of our Corporation's employees went on strike for one hour to oppose a proposal in the Union Budget to list the Equity Shares on the Stock Exchanges and disinvest a portion of the Government's Equity Shares through an initial public offering. On November 26, 2020, 37,640, or 34.88%, of our Corporation's employees went on strike for one day to protest listing the Equity Shares on the Stock Exchanges to demand a wage revision and to replace the Defined Contribution Pension Scheme. On March 18, 2021, 86,531, or 62.60% of our Corporation's employees went on strike for one day to demand a wage revision and an improvement in pensions, to oppose an amendment to the Life Insurance Corporation Act that would facilitate the listing of the Equity Shares on the Stock Exchanges and to oppose an amendment to the Insurance Act to increase foreign direct investments in insurance companies to 74%. Labour unrest or work stoppages may cause us to experience a significant disruption of our operations.

If a greater percentage of our work force became unionised, our labour costs may increase. Any significant increase in our labour costs may have an adverse effect on our results of operations. In addition, if our employees demand arrangements that could cause us to incur higher employment costs, such arrangements could limit our ability to adjust workforce headcounts or salaries or to restructure our business in response to difficult economic conditions. This reduced flexibility could have an adverse effect on our business, financial condition and results of operations.

44. Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Corporation is governed by exhaustive and complex laws, regulations, rules and guidelines issued from time to time by the IRDAI, and other regulatory/statutory/governmental authorities in India, which include the following:

- **Investment Restrictions**: In terms of the IRDAI Investment Regulations read with the Investments – Master Circular issued by the IRDAI in May 2017 and other rules, guidelines and circulars issued by the IRDAI under the IRDAI Investment Regulations, our Corporation is bound to invest a fixed percentage of our Corporation's controlled fund for certain products in certain specified categories of assets and instruments, including bonds and securities issued by various government institutions. For example, our Corporation is required to invest a minimum of 50% of our life fund (funds other than those relating to our pension, general annuity and group businesses and unit reserves of all categories of our unit-linked business) in government securities, which could have a negative impact on our income since interest earned on this portion are at rates that are generally less favourable than those received on our other interest-earning assets. Our Corporation is also required to invest a minimum of 15% of our life funds in housing and infrastructure sectors. As at December 31, 2021, our Corporation's investment in the Housing & Infrastructure sector was 8.09% of the Total Life fund (BV). Additionally, the IRDAI prescribes exposure norms and prudential norms which govern the types and categories of securities in which our Corporation is permitted to invest. Other Investments are restricted to 15% of our Corporation's total investments. While the term "Other Investments" is not defined under the IRDAI Investment Regulations, such term is used to include those investments of an insurer which are other than the "Approved Investments." The term "Approved Investments" is defined under Regulation 3(a) of the IRDAI Investment Regulations. The investments that are 'deemed' Approved Investments are listed in Regulation 3(b) of the IRDAI Investment Regulations.

- **Issuance of Capital:** The issuance of capital by our Corporation is governed by the LIC General Regulations notified by our Corporation on July 22, 2021, which, among other things, prescribes the manner and conditions subject to which equity shares may be issued by our Corporation, the manner of holding meetings of our Board and its committees, the kind and nature of share capital and debentures, the manner of issue of securities, calls and forfeiture of shares, the manner of nomination by member, the manner of keeping and maintaining registers, the payment of dividends and the transfer of securities. For further information, see "*Key Regulations and Policies*" on page 253.

- **Foreign Investment Restrictions**: The DPIIT has introduced an amendment to the FDI Policy by issuance of Press Note no. 1 (2022 Series) dated March 14, 2022 and consequent amendment to the FEMA Non-debt Instruments Rules, restricting FDI to up to 20% in our Corporation through automatic route. Further, there are certain restrictions on transfers of Equity Shares of our Corporation. Under the Life Insurance Corporation Act, the shareholding of the Government in our Corporation cannot fall below 51%, meaning that cumulatively, all investors will be able to hold not more than 49% of the shareholding of our Corporation at any time. Additionally, no entity other than the Government shall hold Equity Shares in excess of 5% of the issued equity share capital of our Corporation, or such higher percentage as the Government may notify. For the avoidance of doubt, the Life Insurance Corporation Act shall be adhered to in case of any variance between the Life Insurance Corporation Act and the IRDAI's regulations. For further information, see "*-Investors, including foreign investors are subject to foreign investment limits* *prescribed under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse effect on the market price of the Equity Shares*" on page 68.

- **Solvency Ratio Requirement**. IRDAI regulations require our Corporation to have a minimum Solvency Ratio of 1.50. For more details, see "*-If our Corporation does not meet solvency ratio requirements, our Corporation could be subject to regulatory actions and could be forced to raise additional capital*" on page 44.

- **Restrictions on Place of Business**: The Insurance Act and the Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015 require that IRDAI's approval be obtained prior to opening a place of business within India, or a representative/liaison/foreign branch office outside India.

- **Approval for Appointment and Remuneration of Certain Key Managerial Personnel and the Remuneration Guidelines**: The Government has framed various rules in exercise of the powers conferred by Section 48 of the Life Insurance Corporation Act. Life Insurance Corporation of India, Chairman (Certain Terms and Conditions of Services) Rules, 1998 as amended, govern the payment of remuneration/compensation to the Chief Executive of our Corporation. Life Insurance Corporation of India, Managing Director (Revision of Certain Terms and Conditions of Services) Rules, 1998 as amended govern the payment of remuneration/compensation to the managing directors of our Corporation. The Government has the power to appoint the chairperson, chief executive officer and the managing directors of our Corporation. Our Corporation's other Key Managerial Personnel are all employees of our Corporation, drawing remuneration as per the rules notified by the Government except Pawan Agrawal, the Company Secretary and Compliance Officer and Sunil Agrawal, the Chief Financial Officer, who are appointed on a contractual basis. See "*Key Regulations and Policies – The Life Insurance Corporation Act and Life Insurance Corporation General Regulations, 2021 ("**LIC General Regulations**")*" on page 253 for further details of rules governing remuneration of Key Managerial Personnel. Our Corporation does not obtain, and is not required to obtain, approval from the IRDAI before designating Key Managerial Personnel, while our Corporation's Chairperson and Managing Directors are appointed/notified by the Government. The Life Insurance Corporation Act provides for the composition and qualification of the Board of Directors.

- **Caps on Commission or Remuneration to Agents and Insurance Intermediaries**: The Insurance Regulatory and Development Authority of India (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016 limits our ability to incentivise our insurance intermediaries in India (e.g., individual agents, corporate agents, insurance brokers, bancassurance partners, brokers and insurance marketing firms) by imposing limits on the payment of commission or remuneration to such agents and intermediaries.

- **Regulations for Unit-linked and Non-linked Insurance Products**: The Insurance Regulatory and Development Authority of India (Unit-Linked Insurance Products) Regulations, 2019 and the Insurance Regulatory and Development Authority of India (Non-Linked Insurance Products) Regulations, 2019 set forth various regulations regarding, among others, minimum death benefits and policy terms, discontinuance terms, caps on various charges under products, surrender value offered under unit-linked and non-linked products and administration and disclosure norms of such products, with the objective of protecting the interests of policyholders and ensuring that insurers follow prudent practices while designing and pricing life insurance products.

- **Obligations to Rural and Social Sectors**: The Insurance Regulatory and Development Authority of India (Obligation of Insurers to Rural and Social Sectors) Regulations, 2015, requires an insurer to undertake certain insurance related business in rural and social sectors, and require life insurers, including our Corporation, to underwrite a certain percentage of our number of policies underwritten to persons in the rural sector. Our Corporation is required to underwrite 20% of the total policies underwritten by us in a Fiscal Year to the rural sector. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, we underwrote 4.75 million, 4.69 million, 4.50 million and 5.82 million new policies in the rural sector, respectively, which was 22.15%, 21.37%, 21.43% and 19.85% of our new policies issued in India, respectively. Further, our Corporation is required to ensure that 5% of the business procured in a Fiscal Year are underwritten to identified social sectors. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, we underwrote 10.58 million, 8.08 million, 4.97 million and 3.59 million new policies (individual policies and group policies in terms of lives insured) in the identified social sectors, respectively, which was 12.92%, 10.39%, 7.96% and 8.33% of our new policies (individual policies and group policies in terms of lives insured) issued in India, respectively. We have not been subject to any penalties and have not received any adverse comments from the IRDAI in relation to the foregoing requirements in the period from April 1, 2018 to March 8, 2022.

- **Regulations in Relation to Preparation of Financial Statements**: The Financial Statements Regulations, as amended, notified by the IRDAI on March 30, 2002, require insurance companies to prepare financial statements in a prescribed format. As investment in real estate investment property is made out of policyholders' funds and not shareholders' funds, any changes in the carrying amount of real estate investments are taken to revaluation reserves account ("**Revaluation Reserves**") under insurance reserves, forming part of policyholders' funds. Accordingly, any profit/loss on sale of investments would include accumulated changes in the carrying amount previously recognised under the Revaluation Reserves. The IRDAI may issue directions specifying the amount to be released from the Revaluation Reserves for declaring bonus to the policyholders. Further, except for the amount that is released to policyholders as per the IRDAI's direction, no other amount can be distributed to shareholders out of Revaluation Reserves.

- **Appointed Actuary System**: The Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017, as amended, require every insurer to appoint an Appointed Actuary, who renders actuarial advice to the management of the insurer, particularly in the areas of product designing and pricing, insurance contract wording, investments and reinsurance. The Appointed Actuary certifies all statutory valuations required to be provided in the Actuarial Report and Abstract (including valuation of the insurer's assets and liabilities) as well as other returns as required under the applicable Acts and Regulations and confirms that in his opinion, the assumptions for such statutory valuations are in accordance with the respective applicable provisions in the Acts, the regulations and guidelines of the IRDAI and actuarial practice standards issued by the Institute of Actuaries of India. The statutory actuarial valuation presented in our Corporation's financial statements and elsewhere of statutory liabilities for our policies with outstanding liabilities are certified by the Appointed Actuary.

- **Approval of Products**: Pursuant to the Insurance Act and the File and Use Guidelines, every insurance product offered by our Corporation in India, including the terms and pricing, as well as benefits payable under these products, is subject to the IRDAI's prior approval.

- **Retention of Information**: Pursuant to the Insurance Regulatory and Development Authority of India (Minimum Information Required for Investigation and Inspection) Regulations, 2020, our Corporation is required to maintain various records to enable an investigating officer to effectively discharge his or her duties as per the Insurance Act, including a record of all insurance proposals received, a record of cover notes issued, a record of all insurance policies issued, details of each insurance agent, attendance records of staff, a record of all claims intimated and a record of premiums received, among others.

- **Advertising**: Our advertising and marketing campaigns are subject to the Insurance Regulatory and Development Authority of India (Insurance Advertisements and Disclosure) Regulations, 2021, as amended, read with the IRDAI Master Circular on Insurance Advertisements dated October 17, 2019 (collectively referred to as "**IRDAI Advertisement Regulations**"), which among other things, limits the involvement of third parties in our advertising, requires us to file a copy of each advertisement with the IRDAI and establish and maintain certain policies and procedures related to our advertisements. In addition, revisions to the IRDAI Advertisement Regulations could further restrict our ability to effectively conduct our advertising and marketing campaigns, which could impair our ability to improve brand recognition and build brand loyalty. In addition to the IRDAI Advertisement Regulations, the Corporation is also subject to the Consumer Protection Act, 2019 and the regulatory purview of Central Consumer Protection Authority.

- **Expenses of Management**: The IRDAI (Expenses of Management of Insurers Transacting Life Insurance Business) Regulations, 2016 ("**EOM Regulations**") prescribe the limit and scope of the expenses of the management in life insurance business, i.e., all operating expenses, including commission/brokerage payable to intermediaries, that are charged to the revenue account (policyholders' account). The EOM Regulations prescribe the percentage of the allowable expenses under various segments of life insurance business and the insurers are obligated to ensure that the expenses of management are within the allowable limits on an overall as well as segmental basis. If the expenses of management exceed the allowable limits, the excess is required to be charged to the Shareholders' Account. The calculation of whether the expenses of management are within the allowable limits is done only on a Fiscal Year basis. While our Corporation has been overall compliant with the limits since Fiscal 2018, we have not been complying with the allowable limits in certain segments since Fiscal 2018 and consequently, the IRDAI granted forbearance from adherence to specified limits on a segmental basis up until the end of Fiscal 2020. For Fiscal 2021, our Corporation did not meet the specified expense limits in four segments by a total of ₹1,875.02 million. Our Corporation did not charge this amount to the Shareholders' Account on the basis that our Corporation intends to apply to the IRDAI for obtaining forbearance from adhering to the segmental limits under the EOM Regulations for Fiscal 2021.

The frequent enactment/repeal of, or amendments to, interpretations of laws and regulations could, among other things: require us to implement changes to our types of coverage, or prevent us from innovating and evolving; increase our administrative costs; impose additional capital and surplus requirements; result in withdrawal of the Government's guarantee to pay the sums assured by all policies issued by our Corporation, including any bonuses declared in respect thereof; make it more difficult to obtain regulatory approvals to operate our business or maintain existing regulatory approvals; prevent or delay us from entering into new service areas or product lines; and increase or change our liability to policyholders in the event of malpractice by our distributors, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Regulatory changes have resulted in changes to our business practices in the past and could continue to do so in the future. For instance, changes in the IRDAI's regulations relating to products in 2013 and 2019 resulted in the withdrawal of a majority of our products twice over a span of seven years. Although we were able to promptly introduce new or substitute products, the withdrawals resulted in temporary disruptions. There can be no assurance that if the same or a similar situation arises, we will be able to overcome the disruptions as successfully or as promptly as we have done in the past.

In addition, our Corporation has received and continues to receive queries, requests for clarification and directions from the IRDAI on an ongoing basis, in respect to policyholders' grievances, adherence to regulations, alleged deficiencies observed by the IRDAI during an inspection of our corporate agents, compliance with AML guidelines, excess payments to corporate agents, possible discrepancies in audited year-end statistics and status of compliance. Failure to satisfactorily address the queries within timelines, if at all, may result in our Corporation being subject to regulatory action/penalties imposed by the IRDAI. The IRDAI has not imposed any penalties on our Corporation in the period from April 1, 2018 to March 8, 2022. Any future proceedings by the IRDAI on these or other matters may result in the imposition of penalties or sanctions, such as the mandatory recall of products or the issuance of negative reports or opinions that could adversely affect our reputation. Any of these could have a material and/or adverse effect on our business, financial condition, results of operations and cash flows. Regardless of the ultimate outcome, regulatory action can be long drawn, requiring significant investment of time and resources.

45. Our Corporation is subject to periodic inspections by the IRDAI. Inspection by the IRDAI is a regular exercise for all insurance companies and we may be subject to inspections from the IRDAI in the future. Non-compliance with the IRDAI's observations could adversely affect our business, financial condition, results of operations and cash flows.

Our Corporation is subject to periodic inspections by the IRDAI and may be subject to such inspections from the IRDAI in the future. For example, the IRDAI conducted: (i) an onsite inspection of our Corporation from October 17, 2016 to October 28, 2016 and issued its final order dated January 31, 2020; and (ii) a focused onsite inspection in relation to corporate governance matters from November 4, 2019 to November 8, 2019 and issued its final order dated January 11, 2021. The IRDAI *vide* the aforesaid final orders has not levied any penalty on our Corporation.

The IRDAI *vide* its order dated January 31, 2020, identified deviations from mandated compliances under the following: (i) File and Use Guidelines dated December 12, 2001; (ii) IRDAI Circular dated November 4, 2010 and Master Circular dated May 28, 2015 on Treatment of Unclaimed Amounts of Policyholders; (iii) Master Circular on Preparation of Financial Statements and Filing Returns of Life Insurance Business dated December 11, 2013; (iv) IRDAI (Maintenance of Insurance Records) Regulations, 2015; (v) erstwhile IRDAI (Non-linked Insurance Products) Regulations, 2013 and IRDAI (Linked Insurance Products) Regulations, 2013, (vi) Circular dated March 27, 2003 in relation to distribution of insurance products; (vii) erstwhile IRDAI (Protection of Policyholders' Interests) Regulations, 2002; (viii) Guidelines on Corporate Governance for the Insurance Sector dated August 5, 2009; (ix) IRDAI (Issuance of E-insurance Policies) Regulations, 2016; and (x) Circular dated November 3, 2015 on Non-Compliance of Award of Insurance Ombudsman or Order of Motor Accident Claims Tribunals or Consumer Fora.

Pursuant to its focused onsite inspection, the IRDAI *vide* its order dated January 11, 2021 observed various deviations from mandated compliances in relation to: (i) IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017; (ii) Clause 7.2, Clause 7.3, Clause 7.4, Clause 7.8.2, Clause 3 and 3A (2) of Annexure 4 of the Guidelines for Corporate Governance for Insurers in India dated May 18, 2016, (iii) IRDAI (Investment) Regulations, 2016; and (iv) treatment of unclaimed amounts of policyholders. Pursuant to this final order dated January 11, 2021, our Corporation is in the process of complying with the directions of IRDAI and has also submitted the compliance status as on May 24, 2021, to the IRDAI.

For both the aforementioned inspections, our Corporation fully co-operated with the IRDAI and made specific submission on each charge raised. While the IRDAI cautioned our Corporation against future events of non-compliance of a similar nature, issued directions in that regard and did not press any charges against our Corporation, any future non-compliance with the IRDAI's observations could adversely affect our business, financial condition, results of operations and cash flows.

Further, the IRDAI conducted an inspection of our Corporation in July 2021 covering Fiscal 2018, Fiscal 2019 and Fiscal 2020. However, our Corporation has yet to receive the IRDAI's report in relation to this inspection.

46. The occurrence of natural or man-made disasters and catastrophes, such as the COVID-19 pandemic, could materially increase our liabilities for claims by policyholders and result in losses in our investment portfolios, which could in turn have a material adverse effect on our financial condition results of operations and cash flows.

The insurance industry, particularly the health and life insurance markets, is exposed to the risk of catastrophes, such as pandemics or other catastrophic events that cause a large number of hospitalizations and deaths. The occurrence and severity of many catastrophic events is inherently unpredictable. Our insurance business exposes us to claims arising out of such events and catastrophes affecting a large segment of the population. In our group insurance business, a localised event that affects the workplace of one or more of our group insurance customers could cause a significant loss due to mortality or morbidity claims. In particular, our life insurance business is exposed to the risk of catastrophic mortality due to events such as the COVID-19 pandemic, or other events that cause a large number of hospitalizations and deaths. For further details, see "*–The ongoing COVID-19 pandemic could adversely affect all aspects of our* *business, including: (i) restricting the ability of our agents to sell our products; (ii) significantly increasing our expenses due to changes in laws and regulations and investing in new methodologies to overcome the restrictions brought in to address the spread of COVID-19 and the adverse changes in population mortality/morbidity or utilization behaviours; (iii) adversely affecting our investment portfolio; (iv) adversely affecting our operational effectiveness; and (v) heightening the risks we face in our business, including those discussed in this Prospectus*" on page 24. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, pandemics, hurricanes, earthquakes and man-made catastrophes may produce significant damage in larger areas, especially those that are heavily populated. Such catastrophic events could also harm the financial condition of our reinsurers and thereby increase the probability of default on reinsurance recoveries and could also reduce our ability to write new business. In addition, any catastrophe could lead to regulatory changes in India and overseas that may force us to cover healthcare costs for customers for which we would not typically be responsible, such as through the promulgation of emergency regulations requiring insurers to relax prior authorization requirements and cover the cost of vaccinations. Furthermore, pandemics, natural disasters, terrorism and fires could disrupt our operations, increase the numbers of claims, result in uncertainty in pricing our premiums and result in significant loss of property, key personnel and information about our clients and their respective businesses if their business continuity plans fail to cope with the scale or nature of the catastrophe. Such events could adversely affect our business, financial condition, results of operations and cash flows. Apart from the losses caused by the effects of COVID-19, we have not experienced any material losses from the occurrence of natural or man-made disasters or catastrophes in the last three Fiscal Years and the nine months ended December 31, 2021.

While we have set aside a reserve of ₹1,010.09 million as at December 31, 2021 for catastrophic losses on a consolidated basis, our Corporation does not have reinsurance cover specifically to reduce our exposure to claims arising out of catastrophic losses. If catastrophic events covered by our insurance occur with greater frequency and severity than expected, claims arising from such catastrophic events could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, catastrophic events may materially and adversely affect market prices for our investments, thereby causing decreased asset values during a period in which we may also experience increases in claims incurred. A decrease in asset value could result in, among other things, a write-down in the fair value of assets and other changes to our earnings, which would reduce our profitability.

47. The rate of growth of the life insurance and health insurance industries in India may not be as high or as sustainable as we anticipate.

The Indian life insurance industry's premium (GWP) increased at a 11% CAGR from Fiscal 2016 to Fiscal 2021. (*Source: the CRISIL Report*). We expect the life insurance market in India to continue to expand and the insurance penetration and insurance density to continue to rise with the continued growth of the Indian economy, the reform of the social welfare system, favourable demographic patterns and rise in household financial savings. However, the Indian life insurance industry has experienced downturns in the past. For instance, between Fiscals 2011 and 2014, the total premiums of private sector insurance companies declined at a 4% CAGR while our total premiums declined at a 5% CAGR due to regulatory changes by the IRDAI with respect to linked products, a decline in financial savings rates and the weak performance of equity markets. (*Source: the CRISIL Report*). As such, the rate of growth of the life and health insurance industries in India, as well as other countries in which we operate or may operate in future, may not be as high or as sustainable as we anticipate. In particular, the insurance industry in India may not expand, and the low penetration rate of life insurance in India does not necessarily mean that the Indian life insurance industry will grow or that we will succeed in increasing our penetration in the industry. According to CRISIL Research, India's life insurance penetration stood at 3.2% in CY 2020 compared to 4.4% in CY 2010 due to a slowdown in economic growth and in the insurance business due to regulatory changes. (*Source: the CRISIL Report*).

48. We cannot ensure that our intellectual property is protected from copy or use by others, including our competitors, and intellectual property infringement actions may be brought against us.

We have obtained registration of various trademarks associated with our business and operations. We have one trademark application for "LIC Digital" (no. 5210553 under class 36 dated November 16, 2021) pending registration. For complete details of our pending trademark applications and registrations, see "*Government and Other Approvals*" on page 530.

We cannot assure you that we will be able to register all of the trademarks applied for in our name, and such failure may materially and adversely affect our business and reputation. For instance, the failure to register such trademarks could lead to unauthorized use of our trademarks by unlicensed individuals posing as our Corporation's agents, which could harm our business and reputation. Pending completion of registration proceedings, any third-party claim on such intellectual property may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and a favourable outcome cannot be assured. Even if our trademarks are registered, we may be unable to detect any unauthorised use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, and we cannot assure you that such unauthorised use or infringement will not cause material damage to our business and reputation. Our registered trademarks include our Corporation's name, "Life Insurance Corporation of India" in English, our Corporation's logo and the name of our Corporation in Hindi, "Bhartiya Jeevan Bima Nigam". Any claim in relation to the use of the current "LIC" logo by us in the future, regardless of its merits, may give rise to increased trademark prosecution and potential litigation costs. Our Corporation has not had any such litigation in the last three years and the nine months ended December 31, 2021.

We may also be subject to claims that we have breached our licensed use of software or otherwise infringed on the intellectual property of third parties, including infringement by service providers who use such licences to provide services to us. Our Corporation has not been subject to any such claims during the period April 1, 2018 to the date of this Prospectus.

Any of the above matters could have a material adverse effect on our business and results of operations.

49. We may be unable to obtain external reinsurance on a timely basis at reasonable costs and are exposed to concentration risk with individual reinsurers.

We utilise the reinsurance markets to minimize our risk exposure in order to stabilize our earnings and protect our capital resources. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our reinsurance ceded was ₹3,229.81 million, ₹3,359.32 million, ₹4,523.04 million and ₹3,880.29 million on a consolidated basis, respectively, which represented 0.10%, 0.09%, 0.11% and 0.14% of our premium on a consolidated basis, respectively.

Our ability to obtain external reinsurance on a timely basis and at a reasonable cost is subject to a number of factors, many of which are beyond our control. In particular, certain risks that we are subject to, such as epidemics or pandemics, including the COVID-19 are difficult to reinsure. While reinsurance agreements generally bind the reinsurer for the life of the business reinsured at fixed pricing, market conditions beyond our control determine the availability and cost of the reinsurance protection for new business. In certain circumstances, the price of reinsurance for business already reinsured may also increase. If we are unable to renew any expiring external coverage or obtain acceptable new external reinsurance coverage on terms that would provide us with adequate protection, our net risk exposure could increase or, if we are unwilling to bear an increase in net risk exposure, our overall underwriting capacity and the amount of risk we are able to underwrite would decrease. To the extent that we are unable to utilise external reinsurance successfully, our business, financial condition and results of operations could be adversely affected.

For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the total amount ceded in reinsurance for claims paid (claims by death and other benefits) was ₹1,802.15 million, ₹2,135.39 million, ₹4,700.63 million and ₹6,149.97 million on a consolidated basis, respectively, which represented 1.05%, 1.21%, 1.96% and 2.05%, respectively, of insurance claims paid (i.e., claims by death, hospitalisation benefit, major surgical benefit, domiciliary treatment benefit, day care benefit and lump sum benefit/income benefit) on a consolidated basis. Although a reinsurer would be liable to us for the risk transferred pursuant to a reinsurance arrangement, such an arrangement does not discharge our primary liability to our policyholders. As a result, we are exposed to credit risk with respect to our current and future reinsurers. In particular, our reinsurers may default on their obligations to us under our reinsurance arrangements due to bankruptcy, lack of liquidity, downturns in the economy, operational failure, fraud or other reasons. We are also subject to the risk that our rights against our reinsurers may not be enforceable in all circumstances. As a result, although we seek reinsurance arrangements only with reputable and creditworthy reinsurers, a default by a reinsurer or the unenforceability of our rights against such reinsurer would increase the financial losses arising out of a risk we have insured, which would reduce our profitability and may have a material adverse effect on our liquidity position. We cannot assure you that our reinsurers will always be able to meet their obligations under our reinsurance arrangements on a timely basis, if at all. However, if our reinsurers fail to pay us on a timely basis, or at all, our business, financial condition and results of operations could be adversely affected.

We are exposed to concentration risk with individual reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. Our Corporation has reinsurance arrangements with Swiss Re, Munich Re, GIC Re, RGA and Gen Re. For more details, see "*Our Business – Reinsurance*" on page 239.

50. The Statutory Auditor to the Offer has included certain matters of emphasis in its examination report on the Restated Consolidated Financial Statements.

The Statutory Auditor to the Offer's examination report on the Restated Consolidated Financial Statements includes certain matters of emphasis in relation to: (i) the sole purpose of the special purpose consolidated interim financial statements of the Group being for the preparation of the Restated Consolidated Financial Statements as required under the SEBI ICDR Regulations in relation to the proposed initial public offering of the Corporation (for the nine months ended December 31, 2021); (ii) bifurcation of single/unified policyholders' funds into participating policyholders' fund and non-participating policyholders' fund, segregation of assets among participating and non-participating to the extent of available solvency margin and the rationale adopted by the management of our Corporation for the realignment of the assets (for the nine months ended December 31, 2021); (iii) liability on account of an additional contribution of ₹111,246.6 million, arising due to fresh option to employees in Fiscal 2020, which is being amortised over a period of five years from Fiscal 2020 in accordance with the approval granted by the IRDAI *vide* its letter no. 101/2/F&A-Life/LIC/2018-19/208 dated July 6, 2020 (for Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021); (iv) uncertainties arising out of the COVID-19 pandemic and the assessment made by the management of our Corporation of its business and financial statements, including the valuation of policy liability (for Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021); and (v) the auditors of IDBI Bank having reported its business uncertainties due to COVID-19. In view of these uncertainties, the impact on IDBI Bank's results significantly depends on future developments (for Fiscal 2020). For further details, see the examination report on the Restated Consolidated Financial Statements in "*Financial Statements*" on page 308.

51. *We may need additional capital in the future, and we cannot assure you that we will be able to obtain such capital on acceptable terms or at all.*

We may require additional capital in the future to absorb the loss that will be incurred when the other investments forming part of the pension and group funds are transferred to the Shareholders' funds at amortised cost, maintain our Corporation's Solvency Ratio, remain competitive, enter new businesses, pay operating expenses, conduct investment activities, meet our liquidity needs, expand our base of operations and offer new products and services. To the extent our existing sources of capital are insufficient for satisfying our needs, we will need to seek external sources for funding. Our ability to obtain additional capital from external sources in the future is subject to a variety of uncertainties, including:

- our future results of operations and cash flows;
- our ability to obtain the necessary regulatory approvals on a timely basis;
- any tightening of credit markets and general market conditions for debt and equity raising activities by insurance companies and other financial institutions; and
- economic, political and social conditions in the geographical markets in which we operate and elsewhere.

In addition, the IRDAI (Other Forms of Capital) Regulations, 2015, provide a limit up to which insurers can raise capital in forms other than equity. The total quantum of the instruments taken together cannot exceed 25% of total of paid-up equity share capital and securities premium of an insurer. However, the total quantum of the "other forms of capital" cannot exceed 50% of the net worth of an insurer. For further details, see "*Key Regulations and Policies – Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015*" on page 266. Future debt financing could include terms that restrict our financial flexibility or restrict our ability to manage our business freely. Furthermore, the terms and amount of any additional capital raised through issuances of equity securities may significantly dilute our Shareholders' equity interests. In addition, under the Life Insurance Corporation Act, the shareholding of the GoI in our Corporation cannot fall below 51%. For details, see "*-Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 54.

52. *Our Directors, Key Managerial Personnel and the Promoter have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.*

The Promoter may be deemed interested in our Corporation to the extent of any transactions entered into with the GoI and their shareholding and dividend entitlement in our Corporation. For further details, see "*Our Promoter*" and "*Our Group Companies*" on pages 305 and 306, respectively.

Our Directors and Key Managerial Personnel may be deemed interested in our Corporation to the extent of remuneration paid to them for services rendered to our Corporation and reimbursement of expenses payable to them. Additionally, our Directors and Key Managerial Personnel may be interested in the Equity Shares that may be subscribed by or allotted to them, their relatives, companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Offer. For further details, see "*Our Management*" on page 282.

53. *In the event that any of our contingent liabilities materialise, our financial condition, results of operations and cash flows may be adversely affected.*

The table below sets forth our Corporation's contingent liabilities as at December 31, 2021 on a standalone basis.

Particulars	As at December 31, 2021 (₹ *in million*)
Partly paid-up investments	6,049.61
Claims, other than against policies, not acknowledged as debts by the Corporation	143.91
Guarantees given by or on behalf of the Corporation and others	0.79
Statutory demands and liabilities in dispute, not provided for	280,797.91*
Others:	
Policy related claims under litigation	4,440.60

Particulars	As at December 31, 2021 (₹ *in million*)
Claims under litigation other than policy holders	2,634.69
Total contingent liabilities	**294,067.51**

Note:
** This includes tax litigations where our Corporation has filed an appeal before the Commissioner of Income Tax (Appeal) against an adverse order of an assessing officer.*

Statutory demands and liabilities in dispute, not provided for relate to the show cause cum demand notices/assessment orders received by us from the respective tax authorities for various assessment years. We have filed appeals against the demand notices/assessment orders with the appellate authorities, including the Office of the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal and the Bombay High Court. Tax authorities have also filed appeals with the Income Tax Appellate Tribunal, the Bombay High Court and the Supreme Court of India for various assessment years. As at December 31, 2021, the aggregate amount of income tax and interest contested in these matters was ₹727,622.90 million. The amount of ₹280,797.91 million for statutory demands and liabilities in dispute, not provided as at December 31, 2021 set forth in the table above includes tax litigations where our Corporation has filed an appeal before the Commissioner of Income Tax (Appeal) against an adverse order of an assessing officer.

For further details regarding our Corporation's contingent liabilities, see "*Financial Statements – Annexure XXIV (B) Disclosures as per IRDAI Regulations & Applicable Accounting Standards – 2. Contingent Liabilities*" on page 367.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialise, our financial condition, results of operations and cash flows may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased amounts of contingent liabilities in the future.

54. ***There have been instances where statutory dues owed by our Corporation have been outstanding at balance sheet dates.***

The table below sets forth details of statutory dues owed by our Corporation (not including those under dispute disclosed under contingent liabilities in the notes to accounts forming part of the Restated Consolidated Financial Statements) that were unpaid at the dates indicated. We cannot assure you that statutory dues owed by our Corporation will not be unpaid at balance sheet dates in the future.

Nature of Statutory Dues	Date	Unpaid Amount (₹ in million)
Amounts deducted towards income-tax from the salaries of the employees and commission paid to agents	As at March 31, 2019	1,068.45
Amount deducted towards Income-tax from payments made to building/service maintenance contractors, policyholders and payment to other statutory authorities	As at March 31, 2019	6.53
Amounts deducted towards income-tax from the salaries of the employees and commission paid to agents	As at March 31, 2020	867.04
Amount deducted towards Income-tax from payments made to building/service maintenance contractors, policyholders and payment to other statutory authorities	As at March 31, 2020	689.87
Amounts deducted towards income-tax from the salaries of the employees and commission paid to agents	As at March 31, 2021	1,319.05
Amount deducted towards Income-tax from payments made to building/service maintenance contractors, policyholders and payment to other statutory authorities	As at March 31, 2021	41.23
Amounts deducted towards income-tax from the salaries of the employees and commission paid to agents	As at December 31, 2021	2,058.62
Amount deducted towards Income-tax from payments made to building/service maintenance contractors, policyholders and payment to other statutory authorities	As at December 31, 2021	7.36

55. ***The several of our branches are leased from third parties. If we are unable to renew or extend such leases, our operations may be adversely affected.***

The several of our branches are in premises leased from various third parties. For further details, see "*Our Business – Properties Used for our Corporation's Business*" on page 250. Any adverse effect on the title, ownership rights, development rights of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or any inability to renew such agreements on terms favourable to us, if at all, may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business and results of operations.

The lease agreements entered into by us for some of our branches have expired. While our Corporation is in the process of renewing some of these lease deeds, there are lease deeds that our Corporation is unable to renew due to ongoing disputes involving such premises, either between the co-owners of the premises or between our Corporation and the owners of the premises. We cannot assure you that we will be able to continue our operations on such leased premises and we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations.

Further, we are unable to locate copies of some of our lease deeds that were entered into by our Corporation and we do not have complete copies of lease deed from some of our branches. Further, our lease deeds are required to be adequately stamped and duly registered. Unless such documents are adequately stamped or duly registered, such documents may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business. We cannot assure you that we will be able to renew any such arrangement when the term of the original arrangement expires, on similar terms or terms reasonable for us or that such arrangements will not be prematurely terminated (including for reasons that may be beyond our control). The failure to identify suitable premises for relocation of existing properties, if required, could have an adverse effect on our business and results of operations.

56. Insurance volumes in India typically increase significantly in the last quarter of each Fiscal Year due to customers capitalising on income tax advantages that life insurance products offer. As such, our results of operations and cash flows for any given period are not necessarily indicative of our annual results of operations and cash flows.

Insurance volumes typically increase significantly in the last quarter of each Fiscal Year, which coincides with the end of the tax year in India, due to customers capitalising on income tax advantages that life insurance products offer. For the same reason, we typically experience lower business volumes in the first quarter of each Fiscal Year. Accordingly, our results of operations and cash flows for any given period are not necessarily indicative of annual results or continuing trends and may vary. In addition, financial information for the nine months ended December 31, 2021 are not indicative of full-year results and are not comparable with the financial information presented for Fiscal 2019, Fiscal 2020 and Fiscal 2021.

57. We had negative cash flows from operating activities for the nine months ended December 31, 2021.

Our net cash flow used in operating activities was ₹97,642.68 million for the nine months ended December 31, 2021 on a consolidated basis. Insurance volumes typically increase significantly in the last quarter of each Fiscal Year, which coincides with the end of the tax year in India, due to customers capitalising on income tax advantages that life insurance products offer. Accordingly, our cash flows for the nine months ended December 31, 2021 are not necessarily indicative of what our cash flows from operating activities will be for Fiscal 2022.

58. Our financial statements differ significantly from financial statements prepared by non-insurance companies.

The Restated Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in India ("**Indian GAAP**"), comprising regulatory norms and guidelines prescribed by the Financial Statements Regulations, the Master Circular on Preparation of Financial Statements and Filing of Returns of Life Insurance Business dated December 11, 2013 (the "**Master Circular**") and other circulars issued by the IRDAI from time to time, provisions of the Insurance Act, 1938, as amended from time to time, norms and guidelines prescribed by the Reserve Bank of India, the Banking Regulations Act, 1949, Pension Fund Regulatory and Development Authority, National Housing Bank Act, 1987, Housing Finance Companies (NHB) Directions, 2010 as amended and in compliance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, and amendments and rules made thereto, to the extent applicable. The Restated Consolidated Financial Statements differ significantly from those of non-insurance companies. In particular, while financial statements of non-insurance companies typically comprise an income statement, a balance sheet and a statement of cash flows, our financial statements comprise a revenue account (also known as the "**Policyholders' Account**" or the "**Technical Account**"), the profit and loss account (also known as the "**Shareholders' Account**" or "**Nontechnical Account**"), balance sheet and our Receipts and Payments Account. You should read the Examination Report attached to our Restated Consolidated Financial Statements and the notes thereto on page 308.

59. Changes in the accounting standards used in the reporting of our Restated Consolidated Financial Statements due to new pronouncements, such as Ind AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for future years, and may materially and adversely affect our financial condition and results of operations.

The Restated Consolidated Financial Statements have been prepared in accordance accounting principles generally accepted in India (Indian GAAP), comprising regulatory norms and guidelines prescribed by the Financial Statements Regulations, the Master Circular and other circulars issued by the IRDAI from time to time, provisions of the Insurance Act, 1938, as amended from time to time, norms and guidelines prescribed by the Reserve Bank of India, the Banking Regulations Act, 1949, Pension Fund Regulatory and Development Authority, National Housing Bank Act, 1987, Housing Finance Companies (NHB) Directions, 2010 as amended, and in compliance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, and amendments and rules made thereto, to the extent applicable.

The IRDAI, vide its circular ref: IRDAI/F&A/CIR/ACTS/023/01/2020 dated January 21, 2020, announced its plans to implement Ind AS 109 only once IFRS 17 is finalised by the International Accounting Standards Board (IASB). The IRDAI has withdrawn its earlier circular dated June 28, 2017, which stated that implementation of Ind AS in the insurance sector will be applicable with effect from April 1, 2020.

The Ministry of Corporate Affairs (the "**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for scheduled commercial banks, insurance companies and non-banking financial companies. Subsequently, MCA issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 ("**Amendment Rules**") applicable for accounting periods commencing on or after March 30, 2016. The Amendment Rules require insurance companies to apply Ind AS for the preparation and presentation of financial statements as notified by the RBI and the IRDAI.

The manner of application of certain Ind AS accounting standards, particularly with respect to insurance companies, is somewhat uncertain, and further guidance on such application is expected to be provided by the IRDAI. In the absence of requisite guidance from the IRDAI on the interpretation and application of Ind AS and policies to insurance companies, we are unable to determine with any degree of certainty the impact that the adoption of Ind AS will have on the preparation and presentation of our financial statements. In the absence of established practice in India regarding the implementation and application of Ind AS to insurance companies, we may encounter technical difficulties in implementing and enhancing our management information systems in the context of our transition to Ind AS. In addition, there is increasing competition for the small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements.

In this Prospectus, we have not made any attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our historical financial statements and there can be no assurance that the adoption of Ind AS will not materially affect the preparation and presentation of our financial statements in the future. In addition, any future changes to accounting standards or related regulations, may have a significant effect on our financial condition and results of operations.

60. Our Corporation is unable to provide certain information in relation to its creditors in accordance with the SEBI ICDR Regulations

Our Corporation is required to disclose (i) based on a policy on materiality adopted by our Board of Directors, details of creditors, which include the consolidated number of creditors and the aggregate amount involved, (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved, and (iii) complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor on our Corporation's website, in accordance with clause 12 (A)(2) of Part A to Schedule VI of the SEBI ICDR Regulations.

The aggregate amount owed to micro, small and medium enterprises creditors and the aggregate amount owed to other creditors have been disclosed under section "*Outstanding Litigation and Material Developments – Outstanding dues to Creditors*" on page 528. However, our Corporation does not maintain the creditor-wise details and the amount owed to each individual creditor (and therefore the total number of micro, small and medium enterprises creditors) centrally, and is accordingly unable to provide such information in this Prospectus. Therefore, our Corporation sought an exemption under Regulation 300(1) of the SEBI ICDR Regulations from disclosing (i) the consolidated number of creditors; and (ii) total number of micro, small and medium enterprises creditors in the Red Herring Prospectus and this Prospectus, which was approved by the SEBI, pursuant to their letter dated March 8, 2022.

EXTERNAL RISK FACTORS

Risks Relating to India

61. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.

The majority of our business, assets and employees are located in India, so our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows. The Indian economy could be adversely affected by various factors, such as the impact of COVID-19 or other pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war (including the ongoing conflict between Russia and Ukraine following Russia's full-scale military invasion of Ukraine in February 2022), natural calamities, volatility in interest rates, volatility in commodity and energy prices, an increase in oil prices, a loss of investor confidence in other emerging market economies and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect our business, financial condition, results of operations and cash flows.

Also see, *"–The ongoing COVID-19 pandemic could adversely affect all aspects of our business, including: (i) restricting the ability of our agents to sell our products; (ii) significantly increasing our expenses due to changes in* *laws and regulations and investing in new methodologies to overcome the restrictions brought in to address the spread of COVID-19 and the adverse changes in population mortality/morbidity or utilization behaviours; (iii) adversely affecting our investment portfolio; (iv) adversely affecting our operational effectiveness; and (v) heightening the risks we face in our business, including those discussed in this Prospectus*" on page 24.

62. ***Financial instability in other countries may cause increased volatility in Indian financial markets and, directly or indirectly, adversely affect the Indian economy and our business, financial condition, results of operations and cash flows.***

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and emerging economies in Asia. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian financial markets. Although economic conditions vary across markets, a loss of investor confidence in one emerging market may cause increased volatility in other emerging markets, including the Indian financial markets. Therefore, financial instability in other countries may cause increased volatility in Indian financial markets and, directly or indirectly, have an adverse effect on the Indian economy and our business, financial condition, results of operations and cash flows.

63. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, financial condition and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and cash flows to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For details on the regulatory and legal framework within which we operate, see "*-Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" and "*Key Regulations and Policies*" on pages 54 and 253, respectively.

The Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending on the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits. The income tax rate applicable for the life insurance business is 12.5% (plus surcharge and cess) under the provisions of section 115B of the IT Act. If this tax rate is increased in the future, it would adversely affect our Corporation's profitability, its ability to reinvest its post-tax profits and the amount of dividends.

In respect of the specific provisions under the IT Act governing the taxation of policyholders in respect of the life insurance products and pension products, Section 80C and Section 80CCC of the IT Act currently permits cumulative deductions of up to ₹150,000 per Fiscal Year for premiums paid under life insurance products/schemes pension plans/ schemes respectively. In case the alternative lower tax regime available under Section 115BAC of the IT Act introduced through Finance Act, 2020 is adopted by the policyholders, then the deductions under Section 80C and Section 80CCC of the IT Act cannot be claimed. This may lead to an adverse impact on the demand for the life insurance products and pension products.

For ULIPs taken on or after February 1, 2021, with effect from April 2021, income earned on contributions beyond ₹0.25 million per annum in ULIPs are taxable. In case of ULIPs having an annual premium of more than ₹0.25 million the income/return on maturity shall be treated as capital gain and charged accordingly under Section 112A of the Income Tax Act. While the tax incidence is for investments beyond the threshold, it also reduces incentives for contributions beyond a point in ULIPs, which may also lead to a shift in demand towards protection and other savings/annuities products, which may cause our competitors to put more focus on participating products, thereby increasing competition in participating products.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time-consuming and costly for us to resolve and may affect the viability of our current businesses or restrict our ability to grow our businesses in the future.

Further, we cannot predict whether any tax laws or other regulations impacting us will be enacted, or whether any such new laws or regulations would have an adverse effect on our business, financial condition and results of operations.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. For instance, the Supreme Court of India on February 28, 2019 had clarified that the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by the companies. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

64. It may not be possible for you to enforce a judgment obtained outside India, including in the United States, against our Corporation or any of our Directors and executive officers that are residents in India, except by way of a suit in India on such judgment.

Our Corporation is incorporated under the laws of India and all of our Corporation's Directors and executive officers reside in India. Furthermore, a substantial part of our Corporation's assets is located in India. As a result, you may be unable to effect service of process in jurisdictions outside India, including in the United States, upon our Corporation or enforce judgments in Indian courts that were obtained in courts of jurisdictions outside India against our Corporation, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908 ("**Civil Code**") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, the UAE, Singapore and Hong Kong, among others, have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment against Indian companies, entities, their directors and executive officers and any other parties who are residents of India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

65. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial statements.

The Restated Consolidated Financial Statements have been prepared in accordance with Indian GAAP as it applies to life insurance entities. No attempt has been made to reconcile any of the information given in this Prospectus to U.S. GAAP, IFRS or any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP as it applies to life insurance entities. Any reliance on the financial disclosures presented in this Prospectus by persons who are unfamiliar with Indian GAAP as it applies to life insurance entities should accordingly be limited.

66. Our business and activities are regulated by the Competition Act, 2002; any adverse application or interpretation of the Competition Act, 2002 could adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an appreciable adverse effect on competition in India and mandates the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits the abuse of dominant position by any enterprise. If it is demonstrated that any contravention committed by a company took place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. Consequently, all agreements entered into by us may fall within the purview of the Competition Act.

Further, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict with certainty the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and cash flows.

Risks Relating to the Equity Shares and the Offer

67. The determination of the Price Band is based on various factors and assumptions. The Offer Price, market capitalization to premium multiple, market capitalization to Indian Embedded Value multiple and price to earnings ratio based on the Offer Price may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchanges or thereafter.

The determination of the Price Band is based on various factors and assumptions and has been determined by our Corporation and the Selling Shareholder (President of India acting through the Ministry of Finance, Government of India) in consultation with the BRLMs. Our premiums earned – net for Fiscal 2021 and the nine months ended December 31, 2021 were ₹4,053,984.98 million and ₹2,853,419.26 million, respectively, on a consolidated basis. The market capitalization to premiums earned – net for Fiscal 2021 is 1.41 at the lower end of the Price Band and 1.48 at the upper end of the Price Band. The market capitalization to Indian Embedded Value as at September 30, 2021 is 1.06 at the lower end of the Price Band and 1.11 at the upper end of the Price Band. The Price to Earnings ratio based on the diluted EPS for Fiscal 2021 is 191.82 at the lower end of the Price Band and 201.91 at the upper end of the Price Band. The Offer Price will be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors as set out in the "*Basis for Offer Price*" on page 103. The Offer Price and such multiples and ratios may not be indicative of the market price of the Equity

Shares upon the listing of the Equity Shares on the Stock Exchanges or thereafter.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors:

- quarterly variations in our results of operations;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- changes in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of Key Managerial Personnel;
- a downgrade in the Government's credit rating;
- changes in exchange rates;
- fluctuations in stock market prices and volumes; and
- general economic and stock market conditions.

The market price of the Equity Shares may decline below the Offer Price and investors may not be able to resell Equity Shares at or above the Offer Price, resulting in a loss of all or part of their investment.

68. Certain sections of this Prospectus contain information from the CRISIL Report, which was commissioned and paid for by our Corporation, and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

This Prospectus includes information that is derived from the CRISIL Report, which was prepared by CRISIL Research pursuant to an engagement with our Corporation for an agreed fee. CRISIL was appointed on September 24, 2021 by our Corporation. CRISIL Research is not in any manner related to our Corporation, our Directors or our Promoter. The CRISIL Report is subject to various limitations and is based on certain assumptions that are subjective in nature. For instance, financial or other information on our Corporation in the CRISIL Report is based on information extracted by CRISIL Research from public sources and may therefore differ from the Restated Consolidated Financial Statements and other information included in this Prospectus. In making an investment decision in the Equity Shares, investors should rely on the financial information provided in "*Financial Statements*" on page 308. While our Corporation, the Selling Shareholder and the BRLMs have no reason to believe the data and statistics in the CRISIL Report are incorrect, our Corporation, the Selling Shareholder and the BRLMs cannot assure you that they are accurate, complete or reliable and therefore, our Corporation, the Selling Shareholder and the BRLMs make no representation or warranty, express or implied, as to the accuracy, completeness or reliability of such data or statistics. Therefore, discussions of matters relating to India, its economy, the global economy and the industry in which we operate are subject to the caveat that data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. In view of the foregoing, investors may be unable to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Prospectus based on, or derived from, the CRISIL Report. Accordingly, potential investors should not place undue reliance on, or base their investment decision solely on this information. For further details, see "*Industry Overview*" on page 112.

69. The average cost of acquisition of the Equity Shares by the Promoter is less than the lower end of the Price Band.

The average cost of acquisition of the Equity Shares for the Promoter is ₹0.16 per Equity Share. If the average cost of acquisition of the Equity Shares for the Promoter is less than the lower end of the Price Band, investors who purchase the Equity Shares would do so at a cost that is higher than the average cost of acquisition of the Equity Shares for the Promoter.

70. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop an active or liquid market for the Equity Shares.

71. Investors will not be able to sell any of the Equity Shares they purchase in the Offer immediately on the Stock Exchanges.

The Equity Shares will be listed on the Stock Exchanges. However, pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicants' demat accounts with depository participants could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the requisite approvals or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

72. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, capital expenditures and applicable Indian legal provisions, as well as the terms of our financing arrangements we may enter into in future.

Any dividends to be declared and paid in the future are required to be recommended by our Corporation's Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the applicable law, including the Life Insurance Corporation Act and the Insurance Act. In addition, there are certain restrictions on dividends that may be paid out of the Revaluation Reserves. For further details, see "*-Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 54.

Further, our Corporation's ability to pay dividends will depend on our future results of operations, financial condition, cash flows, sufficient profitability, capital requirements and applicable Indian legal provisions, such as Solvency Ratio requirements. Further, the Life Insurance Corporation Act provides that dividends may be declared or paid by our Corporation only out of our surpluses, profits or free reserves as provided under the Life Insurance Corporation Act. No dividend shall be declared or paid by our Corporation unless any losses carried over from previous years and any depreciation not provided for in previous years are set off against surpluses and profits for the financial year for which the dividend is proposed to be declared or paid. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. For further details, see "*Dividend Policy*" on page 307.

73. Any future issuance of the Equity Shares may dilute prospective investors' shareholdings, and sales of the Equity Shares by our Promoter may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Corporation, including a primary offering, may lead to the dilution of investors' shareholdings in our Corporation. Upon completion of the Offer, our Promoter will own an aggregate of 96.5% of the Equity Shares. Any future issuances of Equity Shares or the disposal of Equity Shares by our Promoter, or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through an offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the Shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

74. A downgrade in India's sovereign debt rating may adversely affect the trading price of the Equity Shares.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all of which are outside our control. India's sovereign debt rating by the DBRS Morningstar decreased from BBB to BBB "low" on May 20, 2021, and was rated by S&P as BBB- with a "stable" outlook as at July 13, 2021. Any adverse changes to India's credit ratings by international rating agencies may adversely affect our ratings or terms on which we are able to raise additional finances or refinance any existing indebtedness, which may have an adverse effect on the price of the Equity Shares.

75. Investors, including foreign investors, are subject to certain investment limits prescribed under Indian laws that may limit our ability to attract investors, including foreign investors, which may have a material adverse effect on the market price of the Equity Shares.

Pursuant to Section 5A of the Life Insurance Corporation Act, our Corporation is permitted to have a public shareholding of up to 49%, whereby the GoI is required to hold at least 51% of the issued Equity Share capital of our

Corporation. Additionally, pursuant to Section 5A of the Life Insurance Corporation Act, only the GoI, acting individually or with persons acting in concert with such person or constituents of a group, is permitted to hold 5% or more of the issued Equity Share capital of our Corporation, or such higher percentage as the GoI may notify. This would restrict our ability to attract investors investing in 5% or more of the issued Equity Share capital of our Corporation. Further, while residents outside India are permitted to participate in the Offer and purchase the Equity Shares in accordance with applicable laws, if we reach the cap (including the sectoral limit) as may be prescribed under applicable law, our ability to attract additional foreign investors would be curtailed, which may have a material adverse effect on the market price of the Equity Shares. The DPIIT has introduced an amendment to the FDI Policy by issuance of Press Note no. 1 (2022 Series) dated March 14, 2022 and consequent amendment to the FEMA Non-debt Instruments Rules, restricting FDI to up to 20% in our Corporation through automatic route. For further details, see "*-Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 54.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares being held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or relevant regulatory approval having been obtained for sale of shares and the corresponding remittance of sale proceeds. We cannot assure you that the required approval from the RBI can be obtained with or without any particular terms and conditions that may be unfavourable to us. In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 issued by the Ministry of Finance which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

76. Holders of the Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Corporation may be reduced.

77. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures and affairs, such as the composition of our Corporation's Board, Directors' fiduciary duties and liabilities, and Shareholders' rights may differ from those that would apply to a company/corporation in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company/corporation than as a shareholder of a company/corporation in another jurisdiction.

78. Investors may be subject to Indian taxes arising out of the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on the Stock Exchanges held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax

(“**STT**”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by the domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the Shareholders, both for residents as well as non-residents. Our Corporation may or may not grant the benefit of a tax treaty (where applicable) to a non-resident Shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families.

Further, the Finance Act, 2019 made various amendments in the taxation laws and clarified that, in the absence of a specific provision under an agreement, the buyer will be liable to pay stamp duty in case of sale of securities through the Stock Exchanges, while the transferor will be liable to pay stamp duty in other cases of transfer for consideration through a depository. The stamp duty for transfer of securities other than debentures, on a delivery basis, is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments came into effect from July 1, 2020.

79. ***Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.***

The Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

80. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Corporation is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition or results of operations may arise between the date of submission of the Bid and Allotment. Our Corporation may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer of Equity Shares by way of Offer for Sale by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India)(1)	221,374,920 Equity Shares, aggregating to ₹205,572.31* million
The Offer consists of:	
Employee Reservation Portion(2)	1,581,249 Equity Shares aggregating to ₹1,429.45 million (constituting 0.025% of the post-Offer paid-up Equity Share capital)
Policyholder Reservation Portion(3)	22,137,492 Equity Shares aggregating to ₹19,680.23 million (constituting 0.35% of the post-Offer paid-up Equity Share capital)
Net Offer	197,656,179 Equity Shares aggregating to ₹184,462.63 million
The Net Offer consists of:	
QIB Portion(5)(6)	Not more than 98,828,089 Equity Shares
of which:	
- Anchor Investor Portion	59,296,853 Equity Shares
Net QIB Portion	39,531,236 Equity Shares
- *of which:*	
- Mutual Fund Portion (5% of the Net QIB Portion)	1,976,562 Equity Shares
- Balance for all QIBs including Mutual Funds	37,554,674 Equity Shares
Non-Institutional Portion	Not less than 29,648,427 Equity Shares
Retail Portion(4)	Not less than 69,179,663 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to and after the Offer	6,324,997,701* Equity Shares
Use of Net Proceeds of the Offer	Our Corporation will not receive any proceeds from the Offer for Sale. For further details, see "*Objects of the Offer*" beginning on page 100.

**Subject to finalisation of Basis of Allotment.*

(1) *The Offer has been authorised by resolution of our Board dated February 11, 2022, read with resolution of our Board dated April 23, 2022, respectively. The Selling Shareholder, through its letter dated April 26, 2022 conveyed its approval for the Offer for Sale of up to 221,374,920 Equity Shares. Further, the Equity Shares offered by the Selling Shareholder in the Offer are eligible for being offered for sale in the Offer in accordance with Section 5(9)(c) of the Life Insurance Corporation Act.*

(2) *The Employee Reservation Portion does exceed 5.00% of our post-Offer Equity Share capital. For further details, see "Offer Structure" beginning on page 565. Our Corporation and Selling Shareholder, in consultation with the BRLMs, offered a discount of 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) to Eligible Employee(s).*

(3) *The Policyholder Reservation Portion does not exceed 10.00% of the Offer size. For further details, see "Offer Structure" beginning on page 565. Our Corporation and Selling Shareholder, in consultation with the BRLMs, offered a discount of 6.32% on the Offer Price (equivalent of ₹60 per Equity Share) to Eligible Policyholders.*

(4) *Our Corporation and Selling Shareholder, in consultation with the BRLMs, offered a discount of 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) to Retail Individual Bidders.*

(5) *Our Corporation and the Selling Shareholder, in consultation with the Book Running Lead Managers allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" beginning on page 569.*

(6) *Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in the Net QIB Portion or the Non-Institutional Portion or the Retail Portion, was allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Corporation and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion or the Policyholder Reservation Portion, may be added to other reserved category and the unsubscribed portion, if any, after such inter-se adjustments among such reserved categories was added to the Net Offer. Further, (i) an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and the Policyholder Reservation Portion, subject to qualifying the eligibility criteria and applicable limits, and such Bids were not treated as multiple Bids, and (ii) an Eligible Policyholder Bidding in the Policyholder Reservation Portion could also Bid under the Net Offer and the Employee Reservation Portion, subject to qualifying the eligibility criteria and applicable limits, and such Bids were not treated as multiple Bids. Under-subscription, if any, in any category was allowed to be met with spill-over from any other category or combination of categories at the discretion of our Corporation, the Book Running Lead Managers and the Designated Stock Exchange. For further details, see "Offer Structure" beginning on page 565.*

Our Corporation (through the IPO Committee or the Whole-time Chairperson or the Managing Director(s) of our Board) and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational / technical / procedural difficulties including but not limited to amending the operational terms of the Offer, the Offer procedure and the Offer structure, basis of allocation / allotment, allocation per investor category and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges.

Allocation to all categories, except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, was made on a proportionate basis, subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each RIB was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, was made available for allocation on a proportionate basis. For further details, see "*Offer Procedure*" beginning on page 569.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 308 and 452, respectively.

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SUMMARY RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(*₹ in million*)

Particulars	As at			
	December 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS:				
Share Capital	63,249.98	1,000.00	1,000.00	1,000.00
Reserves and Surplus	24,986.17	67,054.71	8,916.58	7,984.35
Credit/(Debit) Fair Value Change Account	1,408.34	784.97	101.69	(887.61)
Minority Interest (Shareholders)	1,018.79	992.76	962.84	877.61
Sub-Total	**90,663.28**	**69,832.44**	**10,981.11**	**8,974.35**
Borrowings	36.66	36.65	2,534,135.99	2,694,005.95
Policyholders' Funds:				
Credit/(Debit) Fair Value Change Account	3,821,597.90	2,729,449.88	(43,165.63)	2,166,952.55
Policy Liabilities	36,600,694.41	34,207,270.03	31,028,155.02	28,056,931.13
Minority Interest (Policyholders)	42.53	209.48	171,331.95	188,363.61
Funds For Discontinued Policies:				
Discontinued On Account Of Non Payment Of Premium	552.09	336.60	333.42	327.10
Others	168.94	169.97	185.17	190.69
Insurance Reserves	148,768.23	127,114.55	114,148.90	130,959.43
Provision For Linked Liabilities	234,273.74	329,591.68	325,352.99	416,508.65
Sub-Total	**40,806,134.50**	**37,394,178.84**	**34,130,477.81**	**33,654,239.11**
Funds For Future Appropriations	11,070.00	33.40	286.82	132.71
Total	**40,907,867.78**	**37,464,044.68**	**34,141,745.74**	**33,663,346.17**
APPLICATION OF FUNDS				
INVESTMENTS:				
Shareholders'	51,866.53	4,264.03	4,008.40	3,693.83
Policyholders'	38,436,172.98	34,984,407.37	29,579,077.57	28,776,866.93
Assets Held to Cover Linked Liabilities	234,670.22	329,749.57	321,698.86	335,668.71
Loans	1,111,411.48	1,087,636.65	2,374,346.96	2,498,803.33
Fixed Assets	34,631.44	34,740.26	145,717.78	145,675.77
CURRENT ASSETS:				
Cash And Bank Balances	218,272.86	360,783.18	631,526.28	678,995.28
Advances And Other Assets	1,501,465.14	1,493,661.00	1,941,964.94	1,832,788.44
Sub-Total (A)-Current Assets	**1,719,738.00**	**1,854,444.18**	**2,573,491.22**	**2,511,783.72**
CURRENT LIABILITIES	531,146.73	681,714.55	650,317.13	402,823.05
Provisions	149,476.14	149,482.83	206,277.92	206,323.07
Sub-Total (B)-Current Liabilities	**680,622.87**	**831,197.38**	**856,595.05**	**609,146.12**
Net Current Assets (C) = (A - B)	**1,039,115.13**	**1,023,246.80**	**1,716,896.17**	**1,902,637.60**
Miscellaneous Expenditure (To The Extent Not Written Off Or Adjusted)	0.00	0.00	0.00	0.00
Debit Balance In Profit & Loss Account (Shareholders' Account)	0.00	0.00	0.00	0.00
Total	**40,907,867.78**	**37,464,044.68**	**34,141,745.74**	**33,663,346.17**

SUMMARY RESTATED CONSOLIDATED STATEMENT OF REVENUE ACCOUNT
Policyholders' Account (Technical Account)

(*₹ in million*)

Particulars	For the nine months ended December 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Premiums earned - net:				
(a) Premium	2,857,299.55	4,058,508.02	3,828,114.50	3,402,946.15
(b) Reinsurance ceded	(3,880.29)	(4,523.04)	(3,359.32)	(3,229.81)
(c) Reinsurance accepted	0.00	0.00	0.00	0.00
Sub-Total	**2,853,419.26**	**4,053,984.98**	**3,824,755.18**	**3,399,716.34**
Income from Investments:				
(a) Interest, Dividends & Rent - Gross	1,890,850.23	2,395,650.18	2,220,501.02	2,000,210.33
(b) Profit on sale/redemption of investments	428,623.74	461,867.51	313,616.70	302,412.19
(c) (Loss on sale/redemption of investments)	(63,995.95)	(63,771.20)	(119,741.88)	(63,440.11)
(d) Transfer/Gain on revaluation/change in fair value*	7,059.40	61,457.69	13,987.30	11,252.99
Other Income:				
(i) Amounts written back	1.70	2,854.87	8,189.73	2,682.96
(ii) Interest Earned	0.00	102,000.36	150,660.97	38,477.51
(iii) Commission, exchange and brokerage	0.00	12,950.96	20,105.65	6,129.35
(iv) Sundry Receipts	6,833.67	10,051.50	23,918.90	10,632.04
(v) Contribution from Shareholders' Account towards others	0.00	47.60	61.15	22.10
TOTAL (A)	**5,122,792.05**	**7,037,094.45**	**6,456,054.72**	**5,708,095.70**
Commission	155,381.10	223,581.61	215,482.58	204,826.09
Operating Expenses related to Insurance Business	272,673.41	351,622.15	344,258.84	283,316.03
Other Expenses:				
- Exchange (Gain)/Loss	2.54	(49.74)	(24.31)	13.49
- Interest Expended	0.00	88,674.42	132,874.87	34,314.94
- Payments to and provisions for employees	0.00	24,549.18	33,637.13	6,501.28
- Outsourcing expenses	0.00	4,001.18	6,183.52	1,522.02
- Rent, taxes and lighting	0.00	3,569.76	4,559.18	1,085.17
- Depreciation	0.00	3,020.73	3,991.56	921.79
- Others	0.00	10,796.11	16,095.51	3,965.08
GST on Fund Management charges & other charges	556.81	932.22	982.75	1,097.81
Provisions for Doubtful debts	(2,135.21)	101,819.10	108,881.65	114,520.09
Provision for taxation	80,021.02	91,705.25	108,255.58	55,567.74
Provisions (other than taxation):				
(a) For diminution in the value of investments (net)	(15,199.86)	56,620.36	23,905.16	10,092.62
(b) Provision for Required Solvency Margin	0.00	0.00	0.00	0.00
(c) Others	(65,420.93)	(85,316.54)	111,715.98	31,398.61
TOTAL (B)	**425,878.88**	**875,525.79**	**1,110,800.00**	**749,142.76**
Benefits paid (net)	2,346,198.67	2,884,890.51	2,554,794.89	2,523,808.34
Interim Bonuses Paid	24,700.07	22,290.73	16,733.70	16,513.70
Change in valuation of liability in respect of life policies:				
(a) Gross**	2,393,574.22	3,211,340.48	2,966,283.81	2,535,854.60
(b) Amount ceded in Reinsurance	0.00	0.00	0.00	0.00
(c) Amount accepted in Reinsurance	0.00	0.00	0.00	0.00
Transfer to/ (from) Provision for Linked Liabilities	(95,278.60)	4,343.10	(91,103.40)	(93,122.82)
Transfer to Funds for Future appropriation	11,036.61	31.26	0.41	0.95
Transfer to Funds for Discontinued Policies	254.08	54.41	34.63	59.13
TOTAL (C)	**4,680,485.05**	**6,122,950.49**	**5,446,744.04**	**4,983,113.90**
SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)	**16,428.12**	**38,618.17**	**(101,489.32)**	**(24,160.96)**
Add: Share of Profit in Associates	22,281.16	11,633.54	5,744.42	6,683.97
(Less)/Add: Minority Interest	(29.96)	(4,465.25)	63,726.72	25,162.06
TOTAL SURPLUS/(DEFICIT) (E)	**38,679.32**	**45,786.46**	**(32,018.18)**	**7,685.07**
APPROPRIATIONS				
Transfer to Shareholders' Account	16,377.61	29,625.82	26,955.13	25,994.77
Transfer to Other Reserve	22,301.71	16,160.64	(59,109.78)	(18,323.36)
Proposed Dividend paid	0.00	0.00	136.47	13.66
TOTAL (E)	**38,679.32**	**45,786.46**	**(32,018.18)**	**7,685.07**

Particulars	For the nine months ended December 31, 2021	For the year ended March 31, 2021	March 31, 2020	March 31, 2019
** Represents the deemed realised gain as per norms specified by the Authority.* *** Represents the Mathematical Reserves after allocation of bonus.*				
The Breakup of Total Surplus during the year:				
(a) Interim Bonus	24,700.07	22,290.73	16,733.70	16,513.70
(b) Allocation of Bonus to policyholders#	0.00	548,911.92	512,571.16	505,513.14
(c) Surplus shown in Revenue account	38,679.32	45,786.46	(32,018.18)	7,685.07
Total Surplus [a+b+c]	**63,379.39**	**616,989.11**	**497,286.68**	**529,711.91**

#The details of allocation of bonus to policyholders as at March 31, 2021, March 31, 2020 and March 31, 2019 pertains only to our Corporation and does not include the details of the foreign subsidiary insurance companies as they are not required to provide such details as per their local laws or regulations. Allocation of Bonus to policyholders is done at year end.

SUMMARY RESTATED CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT
Shareholders' Account (Non-technical Account)

(*₹ in million*)

Particulars	For the nine months ended December 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Amounts transferred from/to the Policyholders account (Technical Account)	16,377.61	29,625.82	26,955.13	25,994.77
Income from Investments:				
(a) Interest, Dividends & Rent – Gross	974.73	177.77	352.01	373.75
(b) Profit on sale/redemption of investments	226.74	61.22	21.21	126.00
(c) (Loss on sale/redemption of investments)	(5.59)	(9.10)	(18.79)	(44.56)
(d) Other Income	0.00	0.00	0.00	0.00
TOTAL (A)	**17,573.49**	**29,855.71**	**27,309.56**	**26,449.96**
Expenses other than those directly related to the Insurance business	3.82	4.64	4.50	4.21
Contribution to Policyholders' Account towards others	0.00	47.60	61.15	22.10
Provisions (Other than taxation):				
(a) For diminution in the value of investments (net)	0.00	0.00	58.75	0.00
(b) Provision for doubtful debts	0.00	0.00	0.00	0.00
(c) Others	0.00	0.00	0.00	0.00
TOTAL (B)	**3.82**	**52.24**	**124.40**	**26.31**
Profit/(Loss) before tax	**17,569.67**	**29,803.47**	**27,185.16**	**26,423.65**
Provision for Taxation	416.55	62.08	80.38	149.87
Profit/Loss after tax	**17,153.12**	**29,741.39**	**27,104.78**	**26,273.78**
APPROPRIATIONS				
(a) Balance at the beginning of the year	1,128.55	632.57	685.89	2,073.57
(b) Interim Dividends paid during the year	0.00	0.00	0.00	0.00
(5% Valuation surplus paid to Central Government)				
(c) Proposed final dividend	0.00	151.44	26,997.35	27,254.37
(d) Dividend distribution on tax	0.00	6.61	0.00	32.70
(e) Transfer to General Reserve	287.88	29,005.67	149.65	279.01
(f) Transfer to Other Reserve	5.90	81.69	11.10	95.38
Profit carried forward to the Balance Sheet	**17,987.89**	**1,128.55**	**632.57**	**685.89**
Earnings per Share- Basics (₹)	2.71	4.70	4.29	4.15
Earnings per Share- Diluted (₹)	2.71	4.70	4.29	4.15
Nominal Value of Share (₹)	10.00	10.00	10.00	10.00

SUMMARY RESTATED CONSOLIDATED STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNT

(₹ in million)

Particulars	For the nine months ended December 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Cash Flows from the operating activities:				
Premium received from policyholders, including advance receipts	2,867,807.80	4,067,745.98	3,799,289.45	3,416,145.27
Other receipts	6,835.38	25,904.60	52,214.28	19,444.34
Payments to the re-insurers, net of commissions and claims/ benefits	1,990.32	(837.93)	(370.21)	(2,295.24)
Payments of claims/benefits	(2,387,231.07)	(2,918,212.14)	(2,509,916.73)	(2,543,844.14)
Payments of commission and brokerage	(155,797.78)	(220,333.54)	(218,778.17)	(203,000.59)
Payments of other operating expenses	(354,312.03)	(421,234.37)	(420,753.70)	(325,344.09)
Deposits, advances and staff loans	(10,390.00)	185,360.61	(34,587.19)	(32,133.59)
Income taxes paid (net)	(46,849.98)	111,755.09	(87,258.56)	(163,192.91)
Service tax/ GST paid	(19,695.32)	(24,127.92)	(36,169.96)	(33,040.91)
Cash flows before extraordinary items	(97,642.68)	806,020.38	543,669.21	132,738.14
Cash flow from extraordinary operations	0.00	0.00	0.00	0.00
Net cash flow from operating activities	**(97,642.68)**	**806,020.38**	**543,669.21**	**132,738.14**
Cash flows from investing activities:				
Purchases of fixed assets	(4,046.81)	(10,760.66)	(11,202.60)	(25,458.04)
Proceeds from sale of fixed assets	3,813.53	72,389.93	1,999.25	5,534.39
Purchases of investments	(3,479,116.19)	(4,995,554.48)	(4,261,926.25)	(3,166,292.62)
Loans disbursed (net of repayments)	(21,639.61)	1,184,891.24	15,574.71	(55,818.62)
Sales of investments	1,573,789.99	2,748,073.22	1,525,158.09	1,338,236.45
Rents/Interests/ Dividends received	1,880,321.26	2,488,883.86	2,312,305.88	1,991,443.44
Net cash flow from investing activities	**(46,877. 83)**	**1,487,923.11**	**(418,090.92)**	**87,645.00**
Cash flows from financing activities:				
Repayments of borrowing	0.00	(2,534,099.33)	(159,869.96)	(142,628.76)
Interest/dividends paid	0.00	(27,155.34)	(26,767.48)	5,632.97
Net cash flow from financing activities	0.00	**(2,561,254.67)**	**(186,637.44)**	**(136,995.79)**
Effect of foreign exchange rates on cash and cash equivalents, net	1,687.25	(3,455.40)	13,942.97	8,717.66
Net increase /(decrease) in cash and cash equivalents:	(142,833.26)	(270,766.58)	(47,116.18)	92,105.01
Cash and cash equivalents at the beginning of the year	361,176.78	631,943.36	679,059.54	586,954.53
Cash and cash equivalents at the end of the year	**218,343.52**	**361,176.78**	**631,943.36**	**679,059.54**
Note: Components of Cash and Cash Equivalent at the end of the year				
Cash and cheques in hand	12,483.51	33,724.98	27,263.21	62,075.24
Bank Balances	85,320.15	179,779.80	293,041.46	266,850.28
Fixed Deposits	76,185.27	74,609.16	85,956.56	62,221.27
Money Market Instruments	44,354.59	69,401.07	221,323.16	285,456.69
Remittance in Transit and others	0.00	3,661.77	4,358.97	2,456.06
Total Cash and Cash Equivalents	**218,343.52**	**361,176.78**	**631,943.36**	**679,059.54**

GENERAL INFORMATION

Central Office of our Corporation

Life Insurance Corporation of India
Yogakshema, Jeevan Bima Marg
Nariman Point, Mumbai 400 021
Maharashtra, India
IRDAI Registration Number: 512

Address of the Registrar of Companies

Our Corporation, being established under the Life Insurance Corporation Act, is not registered with the registrar of companies, Ministry of Corporate Affairs. Our Corporation is governed under the provisions of the Life Insurance Corporation Act, the rules issued thereunder, the Insurance Act and the regulations and guidelines issued by the IRDAI, to the extent applicable and not inconsistent with the provisions of the Life Insurance Corporation Act.

Board of Directors

As on the date of this Prospectus, our Board of Directors comprises the following:

Sr. No.	Name	Designation	DIN	Address
1.	Mangalam Ramasubramanian Kumar	Whole-time Chairperson	03628755	A-6, Jeevan Jyot, Setalvad Lane, Napean Sea Road, Cumballa Hill, Mumbai 400 026, Maharashtra, India
2.	Pankaj Jain	Government Nominee Director	00675922	60, Munirka Vihar, New Delhi, 110 067, India
3.	Raj Kumar	Managing Director	06627311	10 Queens Court Maharshi Karve Road, Opposite Oval Maidan, Churchgate, VTC, PO. Marine Lines, Mumbai 400 020, Maharashtra, India
4.	Siddhartha Mohanty	Managing Director	08058830	Flat No. 13, 6th Floor, Oval View, Maharshi Karve Road, Churchgate, Marine Lines, Mumbai 400 020, Maharashtra, India
5.	Ipe Mini	Managing Director	07791184	Flat No. 06, Oval View, Maharshi Karve Road, Opposite Oval Maidan, Churchgate, Mumbai 400 021, Maharashtra, India
6.	Bishnu Charan Patnaik	Managing Director	08384583	Flat No. 4-A203, Omkar 1973, Off Annie Besant Road, Hanuman Nagar, Worli Colony, Mumbai 400 030, Maharashtra, India
7.	Dr. Ranjan Sharma	Independent Director	09573799	430, Pant Nagar, Behind Income Tax Office, Gonda 271 001, Uttar Pradesh, India
8.	Vinod Kumar Verma	Independent Director	09309031	218, Near Kali Chaura, Munshipura, Maunath, Bhanjan, Mau 275 101, Uttar Pradesh, India
9.	Anil Kumar	Independent Director	09477565	D-19, C.C. Colony, Opposite to Rana Prathap Bagh, North Delhi, Delhi 110 007, India
10.	Anjuly Chib Duggal	Independent Director	5264033	P-10, Hauz Khas Enclave, Hauz Khas, South Delhi, Delhi 110 016, India
11.	Gurumoorthy Mahalingam	Independent Director	N.A.*	Flat no. 1/A, New no. Y-14/ Old no. Y-34, 5th Street, Behind Saravana Bhavan, Anna Nagar, Chennai 600 040, Tamil Nadu, India
12.	Raj Kamal	Independent Director	07653591	Marina Residences, 3 905, PO Box 390695, Dubai
13.	Vankipuram Srinivasa Parthasarathy	Independent Director	00125299	3404, Indiabulls Sky, Senapati Bapat Marg, Elphistone West, Elphistone Road, Deliste Road, Mumbai 400 013, Maharashtra, India
14.	Vijay Kumar Muthu Raju Paravasa Raju	Independent Director	05170323	B5E, CEE, Deeyes Regal Palm Gardens, 383, Velachery Main Road, Velachery, Chennai 600 042, Tamil Nadu, India
15.	Sanjeev Nautiyal	Independent Director	8075972	House No. B-136, Sector-C, Mahanagar, Lucknow 226 006, Uttar Pradesh, India

**Section 153 of the Companies Act and the rules thereunder is not applicable to our Corporation and hence, Gurumoorthy Mahalingam, an Independent Director, is not required to hold a DIN as prescribed under the extant provisions of the Companies Act and the rules made thereunder. As on the date of this Prospectus, Gurumoorthy Mahalingam is a director of our Corporation only and does not hold any other directorships.*

For further details of our Directors, see "*Our Management*" beginning on page 282.

Company Secretary and Compliance Officer

Pawan Agrawal
Yogakshema, Jeevan Bima Marg
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: +91 22 2202 2079
E-mail: Investors@licindia.com

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC
Plot No. C-27, "G" Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: lic.ipo@kotak.com
Website: https://investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

Axis Capital Limited
1st Floor, Axis House
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: +91 22 4325 2183/84
E-mail: lic.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance ID: complaints@axiscap.in
Contact Person: Mayuri Arya
SEBI Registration Number: INM000012029

BofA Securities India Limited
Ground Floor, "A" Wing
One BKC, "G" Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6632 8000/ 8411
E-mail: dg.lici_ipo@bofa.com
Website: www.ml-india.com
Investor Grievance ID:
dg.india_merchantbanking@bofa.com
Contact Person: Abhay Agarwal
SEBI Registration Number: INM000011625

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Finance Centre
G-Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: licindia.ipo@citi.com
Investor grievance e-mail: investors.cgmib@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Huzefa Bodabhaiwala
SEBI Registration Number: INM000010718

Goldman Sachs (India) Securities Private Limited
951-A, Rational House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6616 9000
E-mail: licipo@gs.com
Website: www.goldmansachs.com
Investor Grievance ID: india-client-support@gs.com
Contact Person: Chirag Jasani
SEBI Registration Number: INM000011054

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: lic.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance ID: customercare@icicisecurities.com
Contact Person: Sameer Purohit/Sumit Singh
SEBI Registration Number: INM000011179

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030/ 3262
E-mail: lic.ipo@jmfl.com
Website: www.jmfl.com
Investor Grievance ID: grievance.ibd@jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration Number: INM000010361

J.P. Morgan India Private Limited
J.P. Morgan Tower, Off. C.S.T. Road
Kalina, Santacruz (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 6157 3000
E-mail: LIC_IPO@jpmorgan.com
Website: www.jpmipl.com
Investor Grievance ID:
investorsmb.jpmipl@jpmorgan.com
Contact Person: Saarthak K Soni
SEBI Registration Number: INM000002970

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11 Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
Tel: +91 22 4037 4037
E-mail: licipo@nomura.com
Website: www.nomuraholdings.com/company/group/asia/india/index.html
Investor Grievance ID: investorgrievances-in@nomura.com
Contact Person: Vishal Kanjani/ Sandeep Baid
SEBI Registration Number: INM000011419

SBI Capital Markets Limited
202, Maker Tower "E", Cuffe Parade
Mumbai 400 005
Maharashtra, India
Tel: +91 22 2217 8300
E-mail: lic.ipo@sbicaps.com
Website: www.sbicaps.com
Investor Grievance ID: investor.relations@sbicaps.com
Contact Person: Sambit Rath / Mounika T
SEBI Registration Number: INM000003531

Legal Counsel to our Corporation and Selling Shareholder as to Indian law

Cyril Amarchand Mangaldas
Peninsula Chambers
Peninsula Corporate Park, Ganpatrao Kadam Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

International Legal Counsel to our Corporation and Selling Shareholder

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318
Tel.: +65 6311 0030

Legal Counsel to the BRLMs as to Indian law

Shardul Amarchand Mangaldas & Co
Amarchand Towers
216, Okhla Industrial Estate, Phase III
New Delhi 110 020, India
Tel.: +91 11 4159 0700

International Legal Counsel to BofA Securities, Citigroup, Goldman Sachs, J. P. Morgan and Nomura

Linklaters Singapore Pte. Ltd.
One George Street
#17-01
Singapore 049145
Tel: +65 6692 5891

Registrar to the Offer

KFin Technologies Limited
Selenium Tower B, Plot No. 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: lic.ipo@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murli Krishna
SEBI Registration Number: INR000000221
Toll-free number: 1800 3094 001

Statutory Auditor to the Offer
M/s. Batliboi & Purohit, Chartered Accountants*
204, National Insurance Building

D.N. Road Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 22 2207 7941
Email: INFO@BATLIBOIPUROHIT.COM
Registration Number: 101048W
Peer Review Number: 014098

**M/s. Batliboi & Purohit, Chartered Accountants, have been appointed as the Statutory Auditors to the Offer for the purposes of consolidating the Restated Financial Statements.*

Bankers to the Offer

Escrow Collection Banks, Refund Banks, Public Offer Banks and Sponsor Banks

Axis Bank Limited
Churchgate Branch
Ground Floor, Vaswani Mansions
120, Dinshaw Vaccha Road, Block No. 3
Opposite KC College, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 91670 06951/ 52, +91 022 6817 6300
E-mail: churchgate.branchhead@axisbank.com, churchgate.operationshead@axisbank.com
Contact Person: Rajarshee S Maitra
Website: www.axisbank.com

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (E)
Mumbai 400 097
Maharashtra, India
Tel: +91 022 6605 6588/ 6713 2416 /66056611
E-mail: cmsipo@kotak.com
Contact Person: Kushal Patankar /Janmejoy Panda
Website: www.kotak.com

HDFC Bank Limited
HDFC Bank Limited, FIG – OPS Department
Lodha, I Think Techno Campus, O-3 Level
Next to Kanjurmarg Railway Station, Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Tel: +91 022 3075 2927/ 28/ 2914
E-mail: Siddharth.Jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com, neerav.desai@hdfcbank.com
Contact Person: Siddharth Jadhav, Prasanna Uchil, Neerav Desai
Website: www.hdfcbank.com

Bankers to our Corporation

Axis Bank Limited
8th Floor, Axis House
C-2 Wadia International Centre
Pandurang Baudhkar Marg
Worli, Mumbai 400 025
Maharashtra, India
Tel: +91 98201 30202
E-mail: essakki.sundaram@axisbank.com
Contact Person: Essakki Sundaram
Website: www.axisbank.com

Bank of Baroda
Backbay Reclamation Branch
Apeejay House
Dinshaw Vachha Road
Mumbai 400 020
Maharashtra, India
Tel: +91 022 2282 1970/ 2287 1687
E-mail: backba@bankofbaroda.co.in
Contact Person: Mukesh Kain
Website: www.bankofbaroda.in

Bank of India, Nariman Point Brach
Ground floor, Air India Building, Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: +91 022 2202 4048/ 2288 2307
E-mail: narimanpoint.mumbaisouth@bankofindia.co.in
Contact Person: Kailash Joshi
Website: www.bankofindia.co.in

Bank of Maharashtra
Demat Cell, 3rd Floor
Baji Raod Road
Pune 411 001
Maharashtra, India
Tel: +91 020 2450 4004
E-mail: demat_mum@mahabank.co.in
Contact Person: Meenal Mahatra
Website: https://ww.bankofmaharashtra.in

Central Bank of India
Chandra Mukhi, Nariman Point
Ground Floor, Mumbai 400 021
Maharashtra, India
Tel: +91 02 6636 1914
E-mail: agmmums1067@centralbank.co.in
Contact Person: Suresh Chandra
Website: www.centralbankofindia.co.in

City Union Bank Limited
"Narayana" Administrative Office
No.24-B Gandhi Nagar
Kumbakonam 612 001
Tamil Nadu, India
Tel: +91 0435 2402 322
E-mail: vramesh@cityunionbank.com
Contact Person: V. Ramesh, SGM and CS & CFO
Website: www.cityunionbank.com

The Federal Bank Limited
C wing, 5th Floor Laxmi Tower

HDFC Bank Limited
HDFC Bank Ltd, Peninsula Business

ICICI Bank Limited
ICICI Bank Towers

Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 022 6174 8742
E-mail: contact@federalbank.co.in, ccscfort@federalbank.co.in
Contact Person: Romesh Jha
Website: www.federalbank.co.in

Park
B-Wing, 4th Floor
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 022 3395 8188
E-mail: mahalakshmi.pradeep@hdfcbank.com
Contact Person: Mahalakshmi Pradee (Relationship Manager)
Website: www.hdfcbank.com

Bandra-Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: +91 022 4008 8965/ 7294
E-mail: lic@icicibank.com
Contact Person: Suhail Gupta/ Satendra Singh
Website: www.icicibank.com

IDBI Bank Limited
IDBI Bank Ltd, Mittal Tower
C Wing, Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 022 4002 2056/ 2060/ 2061/ 2066
E-mail: krishna.jha@idbi.co.in
Contact Person: Krishna Kumar Jha
Website: www.idbi.com

Indian Bank
Mumbai Fort Branch
United India Building
Sir P M Road, Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 022 2266 1484
E-mail: mumbaifort@indianbank.co.in
Contact Person: Nishant Gulhane
Website: www.indianbank.co.in

Indian Overseas Bank
229, Bakhtawar, Ground Floor
Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 022 2204 0019/ 2202 8772/ 8929
E-mail: iob0625@iob.in/ nitinparikhn@iobnet.co.in
Contact Person: Nitin N Parikh
Website: www.iob.com

IndusInd Bank Limited
IndusInd Bank Ltd, 8th Floor
Tower 1, One India Bulls Centre
841 SB Marg, Prabhadevi
Mumbai 400 013
Maharashtra, India
Tel: +91 022 4368 0300
E-mail: saket.bihari@indusind.com
Contact Person: Saket Bihari
Website: www.indusind.com

Jammu & Kashmir Bank Limited
79-A Mehta House, Mumbai Fort
Samachar Marg, Mumbai 400 001
Maharashtra, India
Tel: +91 022 6659 5971/ 74
E-mail: bombay@jkbmail.com, asba.bombay@jkbmail.com, arbeela.nisa@jkbmail.com
Contact Person: Arbeela Nisa
Website: www.jkbank.com

Karur Vysya Bank Limited
Central Office, Erode Road,
Karur 639 002
Tamil Nadu, India
Tel: +91 4324 269676
E-mail: vijayakumarpv@kvbmail.com, kvbpbg@kvbmail.com
Contact Person: Vijaya Kumar PV (Deputy General Manager)
Website: www.kvb.co.in

Kotak Mahindra Bank Limited
27 BKC, 3rd Floor, C27
G Block, Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: +91 022 6166 0331
E-mail: shailesh.prabhu@kotak.com
Contact Person: Shailesh Prabhu
Website: www.kotak.com

Punjab National Bank
PNB House branch
Sir PM road, Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 022 2267 3204/ +91 8547874091
E-mail: bo0062@pnb.co.in
Contact Person: Jaishal Job
Website: www.pnbindia.in

State Bank of India
Mumbai Main Branch,
Mumbai Samachar Marg
Post Box No.13, Fort
Mumbai 400 001
Maharashtra, India
Tel: +91 022 2266 1467
Email: mmbinst@sbi.co.in
Contact Person: Sainath Tankkar
Website: www.sbi.co.in

Union Bank of India
Nariman Point branch
239, Ground Floor
Union Bank Bhawan
Opposite Vidhan Bhawan, Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 022 2281 472
E-mail: cb0221@unionbankofindia.com
Contact Person: Ravi Ranjan
Website: www.unionbankofindia.com

YES Bank Limited
YES Bank House
Off Western Express Highway
Santacruz East
Mumbai 400 055
Maharashtra, India
Tel: +91 022 5091 9566
E-mail: Sajjan.goyal@yesbank.in
Contact Person: Sajjan Goyal
Website: www.yesbank.in

Syndicate Members

Investec Capital Services (India) Private Limited
1103 & 1104, 11th floor

B Wing, Parinee Crescenzo
Bandra Kurla Complex, Mumbai – 400 051
Maharashtra, India
Tel: +91 22 6849 7400
E-mail: kunal.naik@investec.co.in
Contact Person: Kunal Naik
SEBI Registration Number: INZ000007138
Website: https://www.investec.com/india.html

JM Financial Services Limited
Ground Floor, 2,3&4, Kamanwala Chambers, Sir P.M. Road
Fort, Mumbai – 400 001
Maharashtra, India
Tel: +91 22 6136 3400
E-mail: tn.kumar@jmfl.com / sona.verghese@jmfl.com
Contact Person: T N Kumar/ Sona Verghese
SEBI Registration Number: INZ000195834
Website: www.jmflfinancialservices.in

Kotak Securities Limited
4th Floor, 12 BKC, G Block
Bandra Kurla Complex Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6218 5470
E-mail: umesh.gupta@kotak.com
Contact person: Umesh Gupta
SEBI Registration No.: INZ000200137
Website: www.kotak.com

SBICAP Securities Limited
Marathon Futurex, 12th Floor, B–Wing
N. M. Joshi Marg Lower Parel, Mumbai – 400 013
Maharashtra, India
Tel: +91 22 4227 3300 /69316100
E-mail: archana.dedhia@sbicapsec.com
Contact Person: Archana Dedhia
SEBI Registration Number: INZ000200032
Website: www.sbisecurities.com

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring Agency

Since the Offer is an offer for sale and our Corporation will not receive any proceeds from the Offer, our Corporation is not required to appoint a monitoring agency for the Offer.

Appraising Entity

As the Offer is an offer for sale of Equity Shares, our Corporation will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Credit Rating

As this is an Offer of Equity Shares, the requirement of credit rating is not applicable.

Trustees

As this is an Offer of Equity Shares, the appointment of trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Changes to joint statutory central auditors to our Corporation

Except as disclosed below, there have been no changes to the joint statutory central auditors of our Corporation in the last three years:

Particulars	Date of change*	Reason for change
M/s. V Singhi & Associates Four Mangoe Lane, Ground Floor, Surendra Mohan Ghosh Sarani, Kolkata 700 001 West Bengal **Email**: kolkata@vsinghi.com **Peer Review Number:** 009545 **Firm Registration Number**: 311017E	June 15, 2019	Completion of tenure as joint statutory central auditors of our Corporation
M/s. ASA & Associates LLP 81/1, Third Floor, Adchini, Aurobindo Marg, New Delhi 110 017 **Email**: parveen.kumar@asa.in **Peer Review Number:** 012066 **Firm Registration Number**: 009571N/N500006	June 15, 2019	Completion of tenure as joint statutory central auditors of our Corporation
M/s. B Gupta & Co. 4th Floor, Sukirti, S. P. Verma Road, Patna 800 001, Bihar **Email**: bguptaco@gmail.com **Peer Review Number:** 011534 **Firm Registration Number**: 000933C	June 15, 2019	Completion of tenure as joint statutory central auditors of our Corporation
M/s. Chaturvedi & Shah LLP 714-715, Tulsiani Chambers, 212, Nariman Point, Mumbai 400 021, Maharashtra **Email**: cas@cas.ind.in **Peer Review Number:** 009065 **Firm Registration Number**: 101720W/ W100355	July 3, 2019	Resignation as joint statutory central auditors of our Corporation
M/s Batliboi & Purohit 204, National Insurance Building, D.N. Road Fort Mumbai 400 001, Maharashtra **Email**: info@batliboipurohit.com **Peer Review Number:** 014098 **Firm Registration Number**: 101048W	February 3, 2020[1]	Appointed as joint statutory central auditors of our Corporation
M/s. DK Chhajer & Co. Nilhat House, 11, R.N. Mukherjee Road, Ground Floor, Kolkata 700 001, West Bengal **Email**: dkchhajer@gmail.com **Peer Review Number:** 011918 **Firm Registration Number**: 304138E	February 3, 2020	Appointed as joint statutory central auditors of our Corporation
M/s. A.R. & Co. Chartered Accountants A 403, Gayatri Apartments, Plot No. 27, Sector 10, Airlines Group Housing Society, New Delhi 110 075 **Email**: ar_co1981@yahoo.co.in, pawankgoel1@gmail.com **Peer Review Number:** 011988 **Firm Registration Number**: 002744C	February 3, 2020	Appointed as joint statutory central auditors of our Corporation
M/s. Todi Tulsyan & Co. Chartered Accountants 602, Luv Kush Tower, Exhibition Road, Patna 800 001, Bihar **Email**: ttcopatna@gmail.com **Peer Review Number:** 013412 **Firm Registration Number**: 002180C	February 3, 2020	Appointed as joint statutory central auditors of our Corporation
M/s. Umamaheshwara Rao & Co. Flat No.5-H, D Block, 8-3-324, Yellareddyguda Lane, Ameerpet X Roads, Hyderabad 500 073, Telangana **Email**: Krishnasai@umrcas.com **Peer Review Number:** 011995 **Firm Registration Number**: 004453S	July 23, 2020	Completion of tenure as joint statutory central auditors of our Corporation
M/s. DK Chhajer & Co. Nilhat House, 11, R.N. Mukherjee Road, Ground Floor, Kolkata 700 001, West Bengal **Email**: dkchhajer@gmail.com **Peer Review Number:** 011918 **Firm Registration Number**: 304138E	October 14, 2020	Ineligible to be reappointed as joint statutory central auditors of our Corporation

Particulars	Date of change*	Reason for change
M/s. Ray & Ray Chartered Accountants Webel Bhavan, Ground Floor, Block-EP & GP, Sector V, Salt Lake, Kolkata 700 091, West Bengal **Email**: raynray@airtelmail.in, raynray@raynray.net **Peer Review Number:** 013432 **Firm Registration Number**: 301072E	December 16, 2020	Appointed as joint statutory central auditors of our Corporation
M/s. Ramamoorthy (N) & Co. Chartered Accountants 4-1-1229, Gulshan Manzil, Bogulkunta, Hyderabad 500 001, Telangana **Email**: ramamoorthynco@rediffmail.com **Peer Review Number:** 012405 **Firm Registration Number**: 002899S	December 16, 2020	Appointed as joint statutory central auditors of our Corporation
M/s. S K Kapoor & Co Chartered Accountants 16/98, LIC Building, The Mall, Kanpur 208 001, Uttar Pradesh **Email**: caskk1949@gmail.com **Peer Review Number:** 012159 **Firm Registration Number**: 000745C	June 30, 2021	Completion of tenure as joint statutory central auditors of our Corporation
M/s. S L Chhajed & Co. LLP Chartered Accountants R-12, Maharana Pratap Nagar Zone-I, Bhopal 462 011, Madhya Pradesh **Email**: ca.vijit@rediffmail.com **Peer Review Number:** 012298 **Firm Registration Number**: 000709C/C400277	June 30, 2021	Completion of tenure as joint statutory central auditors of our Corporation
M/s. Khandelwal Jain & Co Chartered Accountants 6-B&C, PIL Court, 6th Floor, 111, Maharshi Karve Road, Churchgate, Mumbai 400 020, Maharashtra **Email**: pankaj@kjco.net **Peer Review Number:** 011811 **Firm Registration Number**: 105049W	June 30, 2021	Completion of tenure as joint statutory central auditors of our Corporation
M/s. B C Jain & Co Chartered Accountants 16/77a, Civil Lines, Kanpur 208 001, Uttar Pradesh **Email**: topooja1982@gmail.com **Peer Review Number:** 012469 **Firm Registration Number**: 001099C	October 25, 2021	Appointed as joint statutory central auditors of our Corporation
M/s. Rama K Gupta & Co Chartered Accountants Shop No.11, Third Floor, Metro Plaza, Bittan Market, Bhopal 462 038, Madhya Pradesh **Email**: ramakantgupta@yahoo.com **Peer Review Number:** 012844 **Firm Registration Number**: 005005C	October 25, 2021	Appointed as joint statutory central auditors of our Corporation
M/s. Chokshi & Chokshi LLP Chartered Accountants 15/17, Raghavji "B" Building, Ground Floor, Raghavji Road, Gowalia Tank, Opp. Central Bank of India, Mumbai 400 036, Maharashtra **Email**: hardik@chokshiandchokshi.in **Peer Review Number:** 014075 **Firm Registration Number**: 101872W/W100045	October 26, 2021	Appointed as joint statutory central auditors of our Corporation

**The joint statutory central auditors of our Corporation are appointed by our Corporation every year, subsequent to approvals received from the Department of Financial Services, Ministry of Finance, GoI. The date of letter for appointment issued by our Corporation to the joint statutory central auditors has been considered as the date of appointment. Further, the day next to date of signing of auditors' report of the respective financial year has been considered as date of completion of tenure of previous joint statutory central auditor.*

[1]Our Corporation vide its letter dated October 29, 2021 has appointed M/s. Batliboi & Purohit, Chartered Accountants, as the Statutory Auditor to the Offer for the purposes of consolidating the Restated Financial Statements.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than UPI Bidders using the UPI Mechanism, where made available), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, or any such websites of the Stock Exchanges, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and www.nseindia.com, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and on the website of NSE at www.nseindia.com, as updated from time to time.

Inter-se allocation of responsibilities among the BRLMs

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs in this Offer:

Sr. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Offer, etc.	BRLMs	SBICAP
2.	Due diligence of our Corporation's operations/ management/ business plans/ legal, etc. Drafting and design of offer documents. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalization of this Prospectus.	BRLMs	Kotak
3.	Drafting and approval of statutory advertisements	BRLMs	BofA Securities
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	BRLMs	Nomura
5.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Syndicate, Sponsor Banks, Bankers to the Offer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	SBICAP

Sr. No.	Activity	Responsibility	Co-ordinator
6.	Preparation of road show marketing presentation, positioning strategy and frequently asked questions	BRLMs	J.P. Morgan
7.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	BRLMs	Goldman Sachs
8.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	BRLMs	Kotak
9.	Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; and • Deciding on the quantum of the offer material and follow-up on distribution of publicity and offer material	BRLMs	I-Sec
10.	Policyholders and Employees marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media and marketing strategy; • Finalizing collection centres; and • Deciding on the quantum of the offer material and follow-up on distribution of publicity and offer material	BRLMs	SBICAP
11.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; and • Deciding on the quantum of the offer material and follow-up on distribution of publicity and offer material	BRLMs	JM Financial
12.	Managing the book and finalization of pricing in consultation with our Corporation and the Selling Shareholder	BRLMs	Citigroup
13.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit and release of the security deposit post closure of the issue, anchor co-ordination and intimation of anchor allocation.	BRLMs	BofA Securities
14.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising our Corporation about the closure of the Issue, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholder and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Submission of all post Offer reports including the final post Offer report to SEBI	BRLMs	Axis

Filing

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has also been submitted to SEBI by way of an e-mail at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of the Red Herring Prospectus has been filed electronically on the SEBI's online portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has also been submitted to SEBI by way of an e-mail at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD". Further, a copy of this Prospectus will be filed with SEBI.

Experts

Except as disclosed below, our Corporation has not obtained any expert opinions:

Our Corporation has received written consent dated April 23, 2022 from our Statutory Auditor to the Offer to include their name in this Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor to the Offer, and in respect of their (i) examination report, dated February 25, 2022 on our Restated Financial Statements; and (ii) their report dated February 10, 2022 on the statement of tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Corporation has received written consent dated March 11, 2022 from the Milliman Advisors LLP to include Independent Actuary's name in this Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as independent actuary and in respect of the Embedded Value Reports, and such consent has not been withdrawn as on the date of this Prospectus.

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, the minimum Bid Lot were decided by our Corporation and the Selling Shareholder (the President of India acting through the Ministry of Finance, Government of India) in consultation with the BRLMs, and were advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional edition of Navshakti, a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Central Office is located, each with wide circulation and were made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price was determined by our Corporation and the Selling Shareholder, in consultation with the BRLMs after the Bid/ Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 569.

All Bidders, except Anchor Investors, were mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount was blocked by SCSBs. In addition to this, the RIBs, Eligible Employee(s) and Eligible Policyholder(s) were required to participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs; or (b) through the UPI Mechanism, where made available. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders were not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs bidding in Net Offer, Eligible Employee(s) Bidding in the Employee Reservation Portion and Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion could revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until the Bid/ Offer Closing Date. Further, Anchor Investors were not allowed to withdraw their Bids after the Anchor Investor Bid/ Offer Period. Allocation to the Anchor Investors was made on a discretionary basis.

For further details on the method and procedure for Bidding and book building process, see "*Offer Structure*" and "*Offer Procedure*" beginning on pages 565 and 569, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Corporation shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

Illustration of Book Building Process and Price Discovery Process

For an explanation of the Book Building Process and the price discovery process, see *"Offer Procedure"* beginning on page 569.

Underwriting Agreement

Our Corporation and the Selling Shareholder have entered into an Underwriting Agreement with the Underwriters for the Equity Shares offered in the Offer. The Underwriting Agreement is dated May 12, 2022. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, Address, Telephone number and E-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC Plot No. C-27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** lic.ipo@kotak.com	22,137,392	20,557.14
Axis Capital Limited 1st Floor, Axis House C-2 Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183/84 **E-mail:** lic.ipo@axiscap.in	22,137,492	20,557.23
BofA Securities India Limited Ground Floor, "A" Wing One BKC, "G" Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 6632 8000/ 8411 **E-mail:** dg.lici_ipo@bofa.com	22,137,492	20,557.23
Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Finance Centre G-Block, Bandra Kurla Complex Bandra (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: licindia.ipo@citi.com	22,137,492	20,557.23
Goldman Sachs (India) Securities Private Limited 951-A, Rational House Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6616 9000 **E-mail:** licipo@gs.com	22,137,492	20,557.23
ICICI Securities Limited ICICI Venture House Appasaheb Marathe Marg, Prabhadevi Mumbai 400025 Maharashtra, India Tel: +91 22 6807 7100 E-mail: lic.ipo@icicisecurities.com	22,137,492	20,557.23
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030/ 3262 **E-mail:** lic.ipo@jmfl.com	22,137,392	20,557.14
J.P. Morgan India Private Limited J.P. Morgan Tower, Off. C.S.T. Road Kalina, Santacruz (East) Mumbai 400 098 Maharashtra, India **Tel:** +91 22 6157 3000 **E-mail:** LIC_IPO@jpmorgan.com	22,137,492	20,557.23

Name, Address, Telephone number and E-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India **Tel:** +91 22 4037 4037 **E-mail:** licipo@nomura.com	22,137,492	20,557.23
SBI Capital Markets Limited 202, Maker Tower "E", Cuffe Parade Mumbai 400 005 Maharashtra, India **Tel:** +91 22 2217 8300 **E-mail:** lic.ipo@sbicaps.com	22,137,392	20,557.14
Investec Capital Services (India) Private Limited 1103 & 1104, 11th floor B Wing, Parinee Crescenzo Bandra Kurla Complex, Mumbai – 400 051 Maharashtra, India **Tel**: +91 22 6849 7400 **E-mail**: kunal.naik@investec.co.in	50	0.05
JM Financial Services Limited Ground Floor, 2,3&4, Kamanwala Chambers, Sir P.M. Road Fort, Mumbai – 400 001 Maharashtra, India **Tel:** +91 22 6136 3400 **E-mail:** tn.kumar@jmfl.com / sona.verghese@jmfl.com	100	0.09
Kotak Securities Limited 4th Floor, 12 BKC, G Block Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel**: +91 22 6218 5470 **E-mail**: umesh.gupta@kotak.com	100	0.09
SBICAP Securities Limited Marathon Futurex, 12th Floor, B–Wing N. M. Joshi Marg Lower Parel, Mumbai – 400 013 Maharashtra, India **Tel**: +91 22 4227 3300 /69316100 **E-mail**: archana.dedhia@sbicapsec.com	50	0.05
Total	**221,374,920**	**205,572.31**

The above-mentioned underwriting commitments are indicative and will be finalised after finalisation of the Basis of Allotment and subject to the provisions of Regulation 40(2) the SEBI ICDR Regulations.

In the opinion of our Board and the Selling Shareholder, the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. IPO Committee, at its meeting held on May 12, 2022, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Corporation.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The equity share capital of our Corporation, as on the date of this Prospectus, is set forth below:

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORISED SHARE CAPITAL**		
	25,000,000,000 shares of ₹10 each	250,000,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	6,324,997,701 Equity Shares of ₹10 each	63,249,977,010	-
C.	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS**		
	Offer for Sale of 221,374,920 Equity Shares by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) (1)	2,213,749,200*	205,572,308,520
	which includes		
	Employee Reservation Portion of 1,581,249* Equity Shares(2)	15,812,490	1,429,449,096
	Policyholder Reservation Portion of 22,137,492 Equity Shares(3)	221,374,920	19,68,02,30,388
	Net Offer of 197,656,179 Equity Shares	1,976,561,790	184,462,629,036
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	6,324,997,701* Equity Shares of face value of ₹10 each	63,249,977,010	6,002,422,818,249
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer (₹ in million)	Nil	
	After the Offer (₹ in million)		

**Subject to finalization of Basis of Allotment. The Offer Price is ₹949 per Equity Share.*

(1) *The Offer has been authorised by resolution of our Board dated February 11, 2022, read with resolution of our Board dated April 23, 2022, respectively. The Selling Shareholder, through its letter dated April 26, 2022 conveyed its approval for the Offer for Sale of up to 221,374,920 Equity Shares. Further, the Equity Shares offered by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) in the Offer were made eligible for being offered for sale in the Offer in accordance with Section 5(9)(c) of the Life Insurance Corporation Act.*

(2) *The Employee Reservation Portion does not exceed 5.00% of our post-Offer Equity Share capital. For further details, see "Offer Structure" beginning on page 565. Our Corporation and Selling Shareholder, in consultation with the BRLMs, offered a discount of 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) to Eligible Employee(s).*

(3) *The Policyholder Reservation Portion does not exceed 10.00% of the Offer size. For further details, see "Offer Structure" beginning on page 565. Our Corporation and Selling Shareholder, in consultation with the BRLMs, offered a discount of 6.32% on the Offer Price (equivalent of ₹60 per Equity Share) to Eligible Policyholder(s).*

Notes to the Capital Structure

1. ***Capital of our Corporation***

The original capital of our Corporation was ₹50 million at the time of the enactment of Life Insurance Corporation Act which was held by the GoI. Pursuant to Life Insurance Corporation (Amendment) Act, 2011, the GoI increased its capital in our Corporation to ₹1,000 million. Subsequently, pursuant to amendment to the Life Insurance Corporation Act by the Finance Act, 2021, our Corporation was required, with the previous approval of the GoI, to issue Equity Shares to the GoI in consideration for the paid-up capital provided by the GoI as it stood before the coming into force of Section 131 of the Finance Act, 2021. Consequently, our Corporation on September 8, 2021, issued and allotted 100,000,000 Equity Shares to GoI against the paid-up capital of our Corporation aggregating to ₹1,000 million held by the GoI.

2. ***Equity Share Capital History of our Corporation***

The history of the Equity Share capital of our Corporation is set forth in the table below:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
September 8, 2021	100,000,000	10	10	Cash	Subscription(1) by the President of India acting through the Ministry of Finance under section 5(2) of the Life Insurance Corporation Act	100,000,000	1,000,000,000
September 8, 2021	622,747,922	10	N.A.	N.A.	Bonus issue(2) to the President of India acting through the Ministry of Finance under section 5(4) of the Life Insurance Corporation Act	722,747,992	7,227,479,920
September 8, 2021	5,602,249,779	10	N.A.	N.A.	Bonus issue(3) to the President of India acting through the Ministry of Finance under section 5(4) of the Life Insurance Corporation Act	6,324,997,701	63,249,977,010

*(1)The paid-up equity capital of our Corporation was ₹1,000 million (provided held by the GoI) prior to amendment to the Life Insurance Corporation Act by the Finance Act, 2021 (“**Amendment**”). Pursuant to the Amendment, our Corporation was required, with the previous approval of the GoI, to issue Equity Shares to the GoI in consideration for the paid-up equity capital provided by the GoI as it stood before the coming into force of Section 131 of the Finance Act, 2021.*
(2)The Equity Shares were allotted against the free reserves outstanding as on March 31, 2020.
(3)The Equity Shares were allotted against retained Government of India’s share of surplus for the Fiscals 2020 and 2021.

3. **Issue of Equity Shares for consideration other than cash or bonus or out of revaluation reserves**

Except as disclosed below, our Corporation has not issued equity shares through bonus issue or for consideration other than cash.

Date of allotment	Name of allottees	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Corporation
September 8, 2021	The President of India acting through the Ministry of Finance, Government of India	622,747,922	10	N.A.	Bonus issue(1)	-
September 8, 2021	The President of India acting through the Ministry of Finance, Government of India	5,602,249,779	10	N.A.	Bonus issue(2)	-

(1). The Equity Shares were allotted against the free reserves outstanding as on March 31, 2020.
(2). The Equity Shares were allotted against retained Government of India’s share of surplus for the Fiscals 2020 and 2021.

Further, our Corporation has not issued any Equity Shares out of revaluation reserves since incorporation.

4. **Issue of Equity Shares under Sections 230 to 234 of the Companies Act, 2013 or Sections 391 to 394 of the Companies Act, 1956.**

Our Corporation has been constituted under the Life Insurance Corporation Act and the Companies Act, 2013 and Companies Act, 1956 are not applicable to our Corporation (other than as specifically prescribed under the Life Insurance Corporation Act). Accordingly, our Corporation has not allotted any equity shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.

5. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Except as set out in "- *Equity Share Capital History of our Corporation*" on page 92, our Corporation has not issued any equity shares at a price which is lower than the Offer Price during a period of one year preceding the date of this Prospectus.

6. ***Shareholding Pattern of our Corporation***

The table below presents the shareholding pattern of our Corporation as on the date of this Prospectus:

Category (I)	**Category of Shareholder (II)**	**Number of Shareholders (III)**	**Number of fully paid-up Equity Shares held (IV)**	**Number of partly paid-up Equity Shares held (V)**	**Number of Equity Shares underlying Depository Receipts (VI)**	**Total number of Equity Shares held (VII) =(IV)+(V)+ (VI)**	**Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)**	**Number of voting rights held in each class of securities (IX)**				**Number of Equity Shares underlying outstanding convertible securities (including warrants) (X)**	**Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted equity share capital) (XI)= (VII)+(X) As a % of (A+B+C2)**	**Number of locked in Equity Shares (XII)**		**Number of Equity Shares pledged or otherwise encumbered (XIII)**		**Number of Equity Shares held in dematerialized form (XIV)**
								Number of Voting Rights			**Total as a % of (A+B+ C)**			**Number (a)**	**As a % of total Equity Shares held (b)**	**Number (a)**	**As a % of total Equity Shares held (b)**	
								Class e.g.: Equity Shares	**Class e.g.: others**	**Total**								
(A)	**Promoter[1] and Promoter Group**	1	6,324,997,701	-	-	6,324,997,701	100.00	6,324,997,701	100.00	-	100.00	-	100.00	-	-	-	-	6,324,997,701
(B)	**Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	**Non-Promoter – Non Public**	-	-	-	-	-	-	-										
(C1)	Equity Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Equity Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**1**	**6,324,997,701**	**-**	**-**	**6,324,997,701**	**100.00**	**6,324,997,701**	**100.00**	**-**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**6,324,997,701**

[1]. *The President of India holds 100% of the Equity Share capital of our Corporation.*

7. ***Other details of shareholding of our Corporation***

(a) *Set forth below is a list of Shareholders holding 1% or more of the paid-up equity share capital of our Corporation on a fully diluted basis, as on the date and as of ten days prior to the date of this Prospectus:*

Sr. No.	Name of the Shareholder	As on the date of this Prospectus (Pre-Offer)		As of ten days prior to the date of this Prospectus (Pre-Offer)	
		Number of Equity Shares	Percentage of the fully diluted Equity Share capital (%)	Number of Equity Shares	Percentage of the fully diluted Equity Share capital (%)
1.	The President of India, acting through the Ministry of Finance, Government of India	6,324,997,701	100.00	6,324,997,701	100.00
	Total	**6,324,997,701**	**100.00**	**6,324,997,701**	**100.00**

(b) *List of Shareholders holding 1% or more of the paid-up equity share capital of our Corporation, on a fully diluted basis, as of one year and two years prior to the date of this Prospectus*:

As on March 31, 2021, the share capital of our Corporation was nil. The first allotment of Equity Shares was made by our Corporation on September 8, 2021. Accordingly, no equity share capital existed for our Corporation as of one year and two years prior to the date of this Prospectus.

The paid-up equity capital of our Corporation was ₹1,000 million (held by the GoI) prior to amendment to the Life Insurance Corporation Act by the Finance Act, 2021 ("**Amendment**"). Pursuant to the Amendment, our Corporation was required, with the previous approval of the GoI, to issue Equity Shares to the GoI in consideration for the paid-up equity capital provided by the GoI as it stood before the coming into force of section 131 of the Finance Act, 2021. For details, see "- *Equity Share Capital History of our Corporation*" on page 92.

8. Our Corporation does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

9. As on the date of this Prospectus, our Corporation has one Shareholder.

10. Our Directors and their relatives have not purchased or sold any Equity Shares during a period of six months preceding the date of the Draft Red Herring Prospectus and the Red Herring Prospectus and this Prospectus.

11. ***Details of shareholding of our Promoter in our Corporation***

(a) Build-up of our Promoter's shareholding in our Corporation

The following table sets forth details of the build-up of the shareholding of our Promoter since incorporation of our Corporation:

Date of allotment	Nature of consideration	Nature of transaction	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue / acquisition price (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
September 8, 2021	Cash	Subscription[(1)] by the President of India acting through the Ministry of Finance under section 5(2) of the Life Insurance Corporation Act	100,000,000	10	10	1.58	1.58
September 8, 2021	N.A.	Bonus issue[(2)] to the President of India	622,747,922	10	N.A.	9.85	9..85

Date of allotment	Nature of consideration	Nature of transaction	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue / acquisition price (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
		acting through the Ministry of Finance under section 5(4) of the Life Insurance Corporation Act					
September 8, 2021	N.A.	Bonus issue[3] to the President of India acting through the Ministry of Finance under section 5(4) of the Life Insurance Corporation Act	5,602,249,779	10	N.A.	88.57	88.57
Total			**6,324,997,701**	**-**	**-**	**100.00**	100.00

[(1)] *The paid-up equity capital of our Corporation was ₹1,000 million (held by the GoI) prior to amendment to the Life Insurance Corporation Act by the Finance Act, 2021 ("**Amendment**"). Pursuant to the Amendment, our Corporation was required, with the previous approval of the GoI, to issue Equity Shares to the GoI in consideration for the paid-up equity capital provided by the GoI as it stood before the coming into force of section 131 of the Finance Act, 2021.*
[(2)] *The Equity Shares were allotted against the free reserves outstanding as on March 31, 2020.*
[(3)] *The Equity Shares were allotted against retained Government of India's share of surplus for the Fiscals 2020 and 2021.*

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares. As of the date of this Prospectus, none of the Equity Shares held by our Promoter are pledged.

(b) *Shareholding of our Promoter*

As on date of this Prospectus, our Promoter holds 6,324,997,701 Equity Shares, constituting 100% of the total Equity Share capital of our Corporation.

12. ***Details of Promoter's contribution and lock-in***

(a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Corporation held by our Promoter shall be locked in for a period of 18 months as minimum promoter's contribution ("**Promoter's Contribution**"), and our Promoter's shareholding in excess of 20% of the fully diluted post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment.

(b) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoter's Contribution are set forth in the table below.

Number of Equity Shares locked-in[(4)]	Date on which Equity Shares were Allotted/ Acquired	Nature of transaction	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up equity share capital	Percentage of post-Offer paid-up equity share capital*
100,000,000	September 8, 2021	Subscription[(2)] by the President of India acting through the Ministry of Finance under section 5(2) of the Life Insurance Corporation Act	10	10	1.58	1.58
622,747,922	September 8, 2021	Bonus issue[(3)] to the President of India acting through the Ministry of Finance under section 5(4) of the Life Insurance Corporation Act	10	N.A.	9.85	9.85
542,251,619	September 8, 2021	Bonus issue[(4)] to the President of India acting through the Ministry of Finance under section 5(4) of the Life Insurance Corporation Act	10	N.A.	8.57	8.57

**Subject to finalisation of Basis of Allotment*
[(1)] *All Equity Shares were fully paid-up at the time of allotment.*
[(2)] *The paid-up equity capital of our Corporation was ₹1,000 million (held by the GoI) prior to amendment to the Life Insurance Corporation Act by the Finance Act, 2021 ("**Amendment**"). Pursuant to the Amendment, our Corporation was required, with the previous approval*

of the GoI, to issue Equity Shares to the GoI in consideration for the paid-up equity capital provided by the GoI as it stood before the coming into force of section 131 of the Finance Act, 2021.
(3) *The Equity Shares were allotted against the free reserves outstanding as on March 31, 2020.*
(4) *The Equity Shares were allotted against retained Government of India's share of surplus for the Fiscals 2020 and 2021.*

Our Promoter, pursuant to its letter dated April 26, 2022, have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the post-Offer equity share capital of our Corporation as Promoter's Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of filing the Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(c) Our Corporation undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution in terms of Section 5(9)(b) of the Life Insurance Corporation Act. Further, all Equity Shares of our Corporation held by the central government, including the Equity Shares acquired during the period of three years preceding the opening of the Offer, resulting from a bonus issue or otherwise, shall be eligible for the computation of the Promoter's Contribution.

All Equity Shares held by our Promoter are held in dematerialized as on date of this Prospectus.

Further, our Corporation has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company.

13. ***Other details in relation to lock-in***

In addition to the 20% of the post-Offer shareholding of our Corporation held by our Promoter and locked in for 18 months as specified above, in terms of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Corporation will be locked-in for a period of six months from the date of Allotment ("**Mandatory Lock-in Period**") except for the Equity Shares sold pursuant to the Offer for Sale.

Additionally, our Promoter has voluntarily agreed that such pre-Offer Equity Share capital of our Corporation will be locked-in for an additional period of six months from the end of the Mandatory Lock-in Period.

As required under Regulation 20 of the SEBI ICDR Regulations, our Corporation shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, which are locked-in may be transferred to any new promoter of our Corporation, subject to continuation of the lock-in in the hands of the transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations, as applicable.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

14. ***Lock-in of the Equity Shares to be allotted, if any, to the Anchor Investors***

Any Equity Shares Allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment.

15. Neither our Corporation, nor our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares from any person.

16. None of our Directors or Key Managerial Personnel hold any Equity Shares of our Corporation.

17. Our Corporation has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus.

18. All Equity Shares offered and Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.

19. As on the date of this Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Corporation.

20. There have been no financing arrangements whereby our Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Corporation during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

21. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Corporation, Directors and Promoter, shall offer any incentive, whether direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

22. Our Corporation shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

23. There were no transactions in Equity Shares by our Promoter during the period between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer and accordingly, no transactions were required to be reported to the Stock Exchanges within 24 hours of such transaction.

24. **Employee Stock Option Scheme**

    As on the date of this Prospectus, our Corporation has no stock option scheme.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of 221,374,920 Equity Shares by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India). Further, our Corporation expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India. The Selling Shareholder will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Corporation will not receive any proceeds from the Offer.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹1,195.61 million. The expenses of the Offer include, among others, fee payable to the BRLMs, fee payable to the Statutory Auditor to the Offer, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, SCSBs' fee, Registrar's fee, printing and distribution expenses, processing fee to the SCSBs for processing application forms, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees and all other expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses shall be borne by our Corporation or the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) through the DIPAM. However, expenses in relation to:

(i) the filing fees to SEBI;

(ii) NSE/BSE charges for use of software for the book building; and

(iii) payments required to be made to Stock Exchanges for initial processing, filing and listing of the Equity Shares.

shall be payable by the Book Running Lead Managers but on a reimbursable basis from our Corporation/DIPAM; and printing and stationery expenses, shall be borne by the Book Running Lead Managers.

Payments, if any, made by our Corporation in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Corporation.

The estimated Offer Expenses are as under:

Sr. No.	Activity	Estimated amount (₹ in million) (1)	As a % of the total estimated Offer expenses (1)	As a % of Offer Size (1)
1.	Payment to Book Running Lead Managers	118.00	9.87%	0.06%
2.	Commission and processing fees for SCSBs, Sponsor Banks, brokerage, bidding charges and selling commission for Syndicate Members, Registered Brokers, RTAs and CDPs (2) (3)(4)	403.34	33.74%	0.20%
3.	Fees payable to the Registrar to the Offer	0.00	Negligible	Negligible
4.	Others:			
	i. Other regulatory expenses	329.19	27.53%	0.16%
	ii. Advertising and marketing for the Offer	169.76	14.20%	0.08%
	iii. Fees payable to Legal Counsels	42.60	3.56%	0.02%
	iv. Miscellaneous	132.72	11.10%	0.06%
	Total estimated Offer expenses	**1,195.61**	**100.00%**	**0.58%**

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders, Eligible Employee(s) and Eligible Policyholder(s) which are directly procured and uploaded by the SCSBs, would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.15% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employee(s)	*0.25% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Policyholder(s)	*0.25% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) *No processing fees shall be payable by our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) to the SCSBs on the applications directly procured by them.*
Processing fees payable to the SCSBs on the portion for RIB, Non-Institutional Bidder, Eligible Employee(s) and Eligible Policyholder(s) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIB, Non-Institutional Bidders, Eligible Employee(s) and Eligible Policyholder(s)	*₹10 per valid application (plus applicable taxes)*

SCSBs will be entitled to a processing fee of ₹10 (plus applicable taxes), per valid ASBA Form, subject to total ASBA processing fees being maximum of ₹3.0 million (plus applicable taxes), for processing ASBA Forms procured by Members of the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs from Non Institutional Bidders, Employee Reservation Portion and Eligible Policyholder(s) submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds ₹3.0 million, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹3.0 million.

(4) *Selling commission on the portion for UPI Bidders using the UPI Mechanism, Non-Institutional Bidders, Eligible Employee(s) and Eligible Policyholder(s) which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.15% of the Amount Allotted* (plus applicable taxes)*
Portion for Employee Reservation Portion	*0.25% of the Amount Allotted* (plus applicable taxes)*
Portion for Policyholder Reservation Portion	*0.25% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for UPI Bidders procured through UPI Mechanism, Non-Institutional Bidders, Eligible Employee(s) and Eligible Policyholder(s) which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹10 per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹10 per valid application (plus applicable taxes)*
*Portion for Employee Reservation Portion**	*₹10 per valid application (plus applicable taxes)*
*Portion for Policyholder Reservation Portion**	*₹10 per valid application (plus applicable taxes)*

** Based on valid applications*

The total bidding charges payable to Registered Brokers will be subject to a maximum cap of ₹1.0 million (plus applicable taxes). In case the total selling commission payable to Registered Brokers exceeds ₹1.0 million, then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total selling commission payable does not exceed ₹1.0 million

Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs (uploading charges)	*Nil*
Sponsor Banks (Processing fee)	*₹6.50 per valid application (plus applicable taxes)* *The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Banks Agreement.

The processing fees for applications made by UPI Bidders using the UPI Mechanism, where made available, may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No:

SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Corporation will not receive any proceeds from the Offer, our Corporation was not required to appoint a monitoring agency for the Offer.

Other Confirmations

No part of the proceeds of the Offer will be paid by our Corporation to our Directors, or Key Managerial Personnel, except in the normal course of business and in compliance with applicable laws.

BASIS FOR OFFER PRICE

The Offer Price has been determined by our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is 94.9 times the face value of the Equity Shares. Investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" "*Financial Statements*" and "*Summary of Financial Information*" beginning on pages 183, 24, 452, 308 and 71 respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are:

- Fifth largest life insurer globally by GWP and the largest player in the fast growing and underpenetrated Indian life insurance sector;
- Trusted brand and a customer-centric business model;
- Cross-cyclical product mix that caters to diverse consumer needs and an individual product portfolio that is dominated by participating life insurance policies;
- Presence across India through an omni-channel distribution network with an unparalleled agency force;
- Harnessing technology capabilities to support customer connect and drive operating efficiencies;
- Largest asset manager in India with an established track record of financial performance and profitable growth;
- Highest RoNW amongst other listed players in India in the same industry. For further details, see "– *Comparison with Listed Industry Peers*" on page 105;
- Robust risk management framework; and
- Highly experienced and qualified management team, distinguished Board and strong corporate governance framework.

For details, see "*Our Business – Our Competitive Strengths*" on page 185.

Quantitative Factors

Some of the information presented below relating to our Corporation is derived from the Restated Financial Statements. For details, see "*Financial Statements*" beginning on page 308.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

Financial Year/ Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2021^	4.70	4.70	3
Fiscal 2020^	4.29	4.29	2
Fiscal 2019^	4.15	4.15	1
Weighted Average*	**4.47**	**4.47**	
Nine months period ended December 31, 2021#	2.71	2.71	

^ The earnings per share for the years ended March 31, 2019, March 31, 2020 and March 31, 2021, respectively has been computed on the basis of Equity Shares issued on September 8, 2021. For details, please see "Capital Structure - Equity Share Capital History of our Corporation" beginning on page 92.
#Not annualized.

EPS has been calculated in accordance with the Accounting Standard 20 (earnings per share) issued by the ICAI.

NOTES:

i) *The face value of each Equity Share is ₹10*

ii) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights*

iii) *Basic earnings per share and Diluted earnings per share:*

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$$

B. Price/Earning ("P/E") ratio in relation to Offer Price of ₹949 per Equity Share:

Particulars	P/E at the Offer Price (no. of times)
Based on basic EPS for Fiscal 2021	201.91
Based on diluted EPS for Fiscal 2021	201.91

Industry Peer Group P/E Ratio

Particulars	P/E Ratio
Highest	82.33
Lowest	78.16
Average	79.77

Note: The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison with Listed Industry Peers" on page 105.

C. Return on Net worth ("RoNW")

Financial Year / Period ended	RoNW (%)	Weight
Fiscal 2021	45.65	3
Fiscal 2020	317.14	2
Fiscal 2019	322.25	1
Weighted Average	**182.25**	
Nine months period ended December 31, 2021#	20.84	

#Not Annualised

The figures disclosed above are based on the Restated Financial Statements of our Corporation.

NOTES*:*

i) *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

ii) *Return on Net Worth (%) = Net Profit after tax attributable to owners of our Corporation, as restated / Restated net worth at the end of the year/period.*

iii) *'Net worth': Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2019, March 31, 2020 and March 31, 2021 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

D. Net Asset Value ("NAV") per share

Financial Year/ Period ended	NAV (₹)
As on March 31, 2021	10.30
As on December 31, 2021*	13.01
After the completion of Offer at Offer Price	13.01

^ Net Asset Value for the year ended March 31, 2021 has been computed on the basis of Equity Shares issued on September 8, 2021. For details, please see "Capital Structure - Equity Share Capital History of our Corporation" beginning on page 92.

**Not Annualised*

NOTES*:*

i) *NAV per Equity Share = Net worth as per the Restated Consolidated Financial Statements / Number of equity shares outstanding.*

ii) *Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the Restated Consolidated Financial Statements, but does not include* *reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

E. Comparison with Listed Industry Peers

Name of the entity	Face value per equity share (₹)	P/ E	Total Premium (₹ in billion)	Net Profit (₹ in million)	EPS (Basic) (₹)	EPS (Diluted) (₹)	Net worth (₹ in million)	RoNW (%)	NAV/ Equity Share (₹)	Closing Price per share as on April 22, 2022	Indian Embedded Value (₹ in billion)	Market capitalization@ to Indian Embedded Value (x)
Life Insurance Corporation of India	10	At the Floor Price: 191.82 At the Cap Price: 201.91	4,058.5	29,741.39	4.70*	4.70*	65,146.44	45.65	10.30*	N.A.	5,396.86^	1.11x
Other listed players in India in the same industry												
SBI Life Insurance Company Limited	10	78.16	502.5#	14,558.49	14.56	14.55	104,004.36	14.00	103.99	1,137.25	302.0^#	3.77
HDFC Life Insurance Company Limited	10	82.33	385.8#	13,608.72	6.74	6.73	86,377.22	15.75	42.75	554.05	295.4$#	3.96
ICICI Prudential Life Insurance Company Limited	10	78.81	357.3#	9,561.55	6.66	6.65	91,194.20	10.48	63.51	524.10	302.0^#	2.49

#Source: CRISIL Research; ^As at September 30, 2021; $As at December 31, 2021.

@Market capitalization is calculated as closing price per share (as per NSE), as on April 22, 2022 multiplied by the issued and paid up number of shares as on March 31, 2022.

** The Basic earnings per share, Diluted earnings per share and Net Asset Value for the year ended March 31, 2021 has been computed on the basis of Equity Shares issued on September 8, 2021. For details, please see "Capital Structure - Equity Share Capital History of our Corporation" beginning on page 92.*

Source: Except as stated, financial information for peers is sourced from the financial statements for the fiscal year ended March 31, 2021 submitted to stock exchanges

Notes:

(1) Closing Share price as per NSE, closing prices as of April 22, 2022.

(2) Financial Statement values for or as on the end of fiscal year 2021 and on a consolidated basis wherever applicable

(3) Net Worth calculated as sum of 'Equity Capital', 'Other Equity', 'Share application money-pending allotment' and 'Fair value change account' and Number of shares (for NAV) as per NSE on March 31, 2021

(4) Basic EPS and Diluted EPS refer to the Basic EPS and Diluted EPS after extraordinary items sourced from the financial statements for the year ended March 31,2021

(5) RONW calculated based on Net Profit divided by Net Worth as on March 31, 2021

(6) P/E is calculated based on share price and diluted earnings per share after extraordinary items

F. The Offer Price is 94.9 times of the face value of the Equity Shares

The Offer Price of ₹949 has been determined by our Corporation and Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) in consultation with the Book Running Lead Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" beginning on pages 24, 183, 452 and 308, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" beginning on page 24 and you may lose all or part of your investment.

STATEMENT OF SPECIAL TAX BENEFITS

Date: February 10, 2022

To,

The Board of Directors
Life Insurance Corporation of India
'Yogakshema'
Jeevan Bima Marg
Nariman Point
Mumbai, 400021
Maharashtra, India

Ladies and Gentlemen,

Re: Proposed initial public offer of Life Insurance Corporation of India (the "Corporation", and such offering, the "Offer")

1. We, M/s Batliboi & Purohit, Chartered Accountants, the Statutory Auditor to the Offer, and one of the Joint Statutory Central Auditors of the Corporation for its Standalone Financial Statements, hereby confirm that the 'Statement of Special Tax Benefits', enclosed herewith as Annexure A, prepared by the Corporation and initialled by us and the Corporation (the "**Statement**"), provides the special tax benefits (under direct and indirect tax laws) available to the Corporation and to its shareholders pursuant to (i) the Income-tax Act, 1961, as amended and read with the rules, circulars and notifications issued in relation thereto; and (ii) applicable indirect taxation laws, as amended and read with the rules, circulars and notifications issued in connection thereto. Several of such possible special tax benefits forming part of the Statement are dependent on the Corporation and/or its shareholders fulfilling applicable conditions prescribed within the relevant statutory provisions and accordingly, the ability of the Corporation and/or its shareholders to derive such possible special tax benefits is entirely dependent upon the lawful fulfilment of such conditions by the Corporation and/or its shareholders, as applicable.

2. The special tax benefits discussed within the Statement are not exhaustive and are intended to provide an illustrative understanding to prospective investors with respect to the special tax benefits available to the Corporation and/or its shareholders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each prospective investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. We do not express any opinion or provide any assurance as to whether the:

   (i) Corporation and/or its shareholders will continue to obtain such special tax benefits in the future; or

   (ii) Conditions prescribed for availing such special tax benefits where applicable, have been/would be complied with.

4. The contents of the Statement are based on information, explanations and representations obtained from the Corporation and on the basis of our understanding of the business activities and operations of the Corporation.

5. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of the tax laws and its interpretation, which are subject to change from time to time.

6. Our examination of the Statement has been carried out in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) as issued by the Institute of Chartered Accountants of India ("**ICAI**") and accordingly, we confirm that we have complied with ethical requirements stipulated within the Code of Ethics issued by the ICAI.

7. The enclosed statement is intended solely for your information and for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus and any other material in connection with the Offer and is not used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For Batliboi & Purohit,
Chartered Accountants
ICAI Firm Registration No: 30615

Raman Hangekar
Partner
Membership No. 30615
Peer certificate no. 011595
Date: February 10, 2022
Place: Mumbai

UDIN: 22030615ABFKAT9015

ANNEXURE A

Under the Income Tax Act, 1961 and rules thereof ("THE ACT")

a) Taxability of Insurance companies

Income from Life Insurance Business is computed under the special provisions of Section 44 read with Rule 2 of First Schedule of the Income tax Act. The normal provisions of computation of income under the head "Interest on securities", "Income from House property", "Capital gains" or "Income from other sources", or Sections 28 to 43B of "Profits or Gains from Business and Profession" are not applicable.

Income from Life insurance business is taxed at the rate of 12.5% under Section 115B. plus Surcharge and cess are applicable as per the prevailing rate.

The Central Government notified the income computation and disclosure standards for the purposes of computation of income chargeable to income-tax under the head "Profits and gains of business or profession" or "Income from other sources" for the assessment year 2016-17 and subsequent assessment years. The Central Board of Direct Taxes issued a circular dated March 23, 2017, clarifying that, "the general provisions of Income Computation Disclosure Standard shall apply to all persons unless there are sector specific provisions contained in the ICDS or the Act. For example Income Computation Disclosure Standard VIII contains specific provisions for banks and certain financial institutions and Schedule I of the Act contains specific provisions for the Insurance business". Therefore, it is concluded that Income Computation Disclosure Standard is not applicable to the Corporation.

b) Minimum Alternative Tax

The provisions of Minimum Alternate Tax (MAT) under Section 115JB are not applicable to any income accruing or arising to a corporation from life insurance business.

c) Income from pension business

Income from individual pension business is exempt under Section 10(23AAB) of the Income tax Act, subject to the conditions mentioned therein. Therefore, the Corporation is eligible for claiming specific exemption under Section 10(23AAB) subject to fulfillment of conditions mentioned therein.

BENEFITS TO THE SHAREHOLDERS OF THE CORPORATION UNDER THE ACT

General tax benefit available to the shareholders

a. Capital gains

I. Classification of capital gains

Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares listed on a recognised stock exchange in India held by an assessee for more than 12 months, immediately preceding the date of transfer, are considered to be long-term capital assets. Capital gains arising from the transfer of such long term capital assets are termed as Long-Term Capital Gains (LTCG).

Short Term Capital Gains (STCG) means capital gains arising from the transfer of equity shares listed on a recognised stock exchange in India held for 12 months or less, immediately preceding the date of transfer.

II. Computation of Capital Gain

As per Section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

- Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government depending upon the nature of capital assets.
- Expenditure incurred wholly and exclusively in connection with the transfer of shares.

III. Exemption of Capital Gain

Exemptions may be claimed from taxation of LTCG or STCG if investments in certain specified securities/assets is made subject to fulfilment of certain conditions. The following exemptions may be available to the shareholders:

Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains up to Rs. 50 Lakhs are invested in "long term specified assets" (i.e., units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

Section 54F of the Act exempts long-term capital gains on transfer of shares, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines. The term "net consideration", in relation to the transfer of a capital asset, means the full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

IV. Carry forward and set off of capital gain losses

As per section 74 of the Act, short-term capital losses incurred during the year are allowed to be set-off against short-term or long-term capital gains of the said year. Balance short-term capital losses, if any may be carried forward for eight years for claiming set-off against subsequent years' short-term or long-term capital gains. Long-term capital losses incurred during the year are allowed to be set-off only against long-term capital gains. Balance loss, if any, may be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

b. Capital gains – Resident Shareholders

Section 111A – Tax on Short Term Capital Gain (STCG):

Capital gains arising from the transfer of a short-term capital asset, being an equity share in a company, which are chargeable to Securities Transaction Tax (STT) is taxable at the rate of 15 percent (plus surcharge and cess if applicable).

In the case of resident individuals/HUF, if the basic exemption limit is not fully exhausted by other income, then short-term capital gain will be reduced by unexhausted basic exemption limit and the balance would be taxed at 15 percent.

Where the gross total income of an assessee includes any short-term capital gains as referred to in sub-section (1) of Section 111A, the deduction under Chapter VI-A shall be allowed from the gross total income as reduced by such capital gains.

Tax on Long Term Capital Gain (LTCG):

Section 112 – Tax on Long Term Capital Gain

Long-term capital gains arising from transfer of listed securities, shall be taxable at lower of the following

- 20 percent after taking benefit of indexation or
- 10% without taking benefit of indexation.

Section 112A – Tax on Long Term Capital Gain on certain cases

Long-term capital gains arising from transfer of listed equity share as referred to in Section 112A shall be chargeable to tax at the rate of 10% in excess of Rs. 1 Lakh.

No withholding tax/tax deduction at source is applicable on income arising by way of capital gains to a resident shareholder on transfer of shares of an Indian company.

c. Foreign Institutional Investor (FII)

As per section 2(14) of the Act, securities held by a FPI registered in accordance with the SEBI Regulations for FPIs would be in the nature of "capital asset". Consequently, the income arising to a FPI from transactions in securities are treated as capital gains.

As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities would be taxable as follows:

Nature	Tax rate (%)
LTCG on sale of equity shares referred to in Section 112A (Refer Note below)	10
LTCG on sale of equity shares (other than LTCG referred above)	10
STCG on sale of equity shares referred to in Section 111A	15
STCG on sale of equity shares (other than STCG referred above)	30

Note: *LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, notified as not requiring to fulfil the pre-condition of chargeability to STT.*

As per section 196D of the Act, no deduction of tax shall be made from any income, by way of capital gains arising from the transfer of securities referred to in section 115AD, payable to foreign institutional investor.

d. Special provisions for NRIs:

A special scheme of taxation applies in case of Non-Resident Indian ('NRI') in respect of income/LTCG from investment in "specified foreign exchange assets" as defined under Chapter XIIA (Special provisions relating to certain incomes of non-resident) of the Act. Key provisions of the scheme are as under:

NRI is defined to mean an individual being a citizen of India or a person of Indian origin who is not a resident as per the Act. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

Key tax implications are:

Section	Provision
115E	LTCG in respect of a specified asset (which inter alia includes shares of an Indian company) is taxable at 10 percent.
115F	LTCG arising on transfer of a foreign exchange asset is tax exempt if the net consideration from such transfer is reinvested in specified assets or in savings certificates referred to in section 10(4B) of the Act subject to the conditions prescribed therein.

In terms of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long-term capital gains or both, provided adequate tax has been deducted at source from such income as per Chapter XVII-B of the Act.

Section 115-I of the Act allows NRIs to elect not to be governed by the scheme (Chapter XIIA - Special provisions relating to certain incomes of non-resident) for any assessment year by furnishing their return of income for that year under section 139 of the Act and declaring the choice made in such return and accordingly they would be taxed in that assessment year in accordance with the regular tax provisions.

e. Special provisions for Non-resident shareholder:

In case of a non-resident shareholder, the first proviso to section 48 of the Act allows the capital gains arising from the transfer of listed equity shares of an Indian company to be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed should be reconverted into Indian currency. However, the benefit of indexation (as provided in second proviso to Section 48) is not available to non-resident shareholders.

f. Additional tax benefits/consequences for non-resident shareholders

Treaty Benefit

Section 90(2) of the Act allows non-resident shareholders to opt to be taxed in India as per the provisions of the

Act or the double taxation avoidance agreement ('DTAA') or tax treaty entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial subject to fulfilment of conditions.

Further, any income by way of capital gains payable to non-residents other than capital gains payable to an FII may be subject to withholding tax in accordance with the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident unless such non-resident has obtained a lower withholding tax certificate from the tax authorities.

INDIRECT TAX

UNDER THE GOODS AND SERVICE TAX ACT, 2017 (GST)

A. BENEFITS TO THE CORPORATION UNDER GST:

There are no special tax benefits available to the Corporation under the provision of GST.

B. BENEFITS TO THE SHAREHOLDERS OF THE CORPORATION UNDER GST:

There are no special tax benefits available for the shareholders of the Corporation under the provisions of GST.

Note:

(i) This Annexure sets out the tax benefits available to the Corporation and the shareholders under the Income-tax Act, 1961 i.e., the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

(ii) The above statement covers certain tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India.

(iii) This statement does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company, by the person residing in the country outside India.

(iv) The possible tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

(v) This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO.

(vi) The above Statement of Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

(vii) The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint holders.

(viii) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

(ix) No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time, up to the date of report. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this statement.

SECTION IV: ABOUT OUR CORPORATION

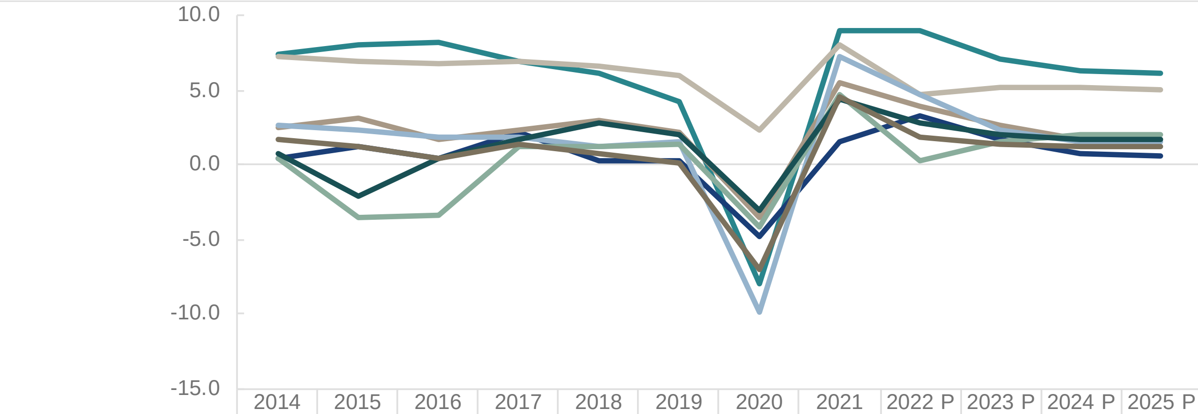
INDUSTRY OVERVIEW

All information in this section is sourced from the CRISIL Report, which was commissioned by our Corporation in connection with the Offer for an agreed fee. CRISIL was appointed on September 24, 2021 and is not related in any manner to our Corporation or any of our Directors or our Promoter. The CRISIL Report is subject to the disclaimer set out in "Certain Conventions, Currency of Presentation, Use of Financial Information – Industry and Market Data" on page 22. Except as noted otherwise, all forward-looking statements, estimates and projections in this section are CRISIL's forward-looking statements, estimates and projections.

The use of the letter "E" after a number means it is an estimated number and the use of the letter "P" after a number means it is a projected number. Unless indicated otherwise or the context otherwise requires, the financial information pertaining to our Corporation included herein is on a standalone basis.

INDIAN ECONOMY

India is One of the Fastest-Growing Major Economies (GDP Growth, % year-on-year)



	2014	2015	2016	2017	2018	2019	2020	2021	2022 P	2023 P	2024 P	2025 P
India	7.4	8.0	8.3	7.0	6.1	4.2	-8.0	9.0	9.0	7.1	6.3	6.2
China	7.3	6.9	6.8	6.9	6.7	6.0	2.3	8.1	4.8	5.2	5.2	5.1
Japan	0.4	1.2	0.5	2.2	0.3	0.3	-4.8	1.6	3.3	1.8	0.8	0.6
United states	2.5	3.1	1.7	2.3	3.0	2.2	-3.5	5.6	4.0	2.6	1.7	1.7
United kingdom	2.6	2.4	1.9	1.9	1.3	1.5	-9.9	7.2	4.7	2.3	1.6	1.5
Brazil	0.5	-3.5	-3.3	1.3	1.3	1.4	-4.1	4.7	0.3	1.6	2.1	2.1
Russia	0.7	-2.0	0.5	1.8	2.8	2.0	-3.1	4.5	2.8	2.1	1.8	1.7
South Africa	1.8	1.2	0.4	1.4	0.8	0.2	-7.0	4.6	1.9	1.4	1.3	1.3

Note: GDP growth is based on constant prices, Data represented is for calendar years, P: Projected
Source: IMF (World Economic Outlook – January 2022 update)

Along with being one of the fastest growing economies in the world, India ranks fifth in the world in terms of nominal GDP in calendar year 2020. In terms of purchasing power parity (PPP), India is the third largest economy in the world, only after China and the United States.

GDP Ranking of key economies across the world (2020)

Country	GDP Rank	% share (World GDP)	GDP PPP (international $trillion)	PPP Rank	% share (World GDP,PPP)
United States	1	24.7%	21.4	2	15.8%
China	2	17.4%	23.5	1	18.3%
Germany	3	4.5%	4.6	4	3.4%
United Kingdom	4	3.2%	3.2	9	2.3%
India	5	3.1%	9.6	3	6.7%
France	6	3.1%	3.3	8	2.3%
Italy	7	2.2%	2.7	10	1.9%

Country	GDP Rank	% share (World GDP)	GDP PPP (international $trillion)	PPP Rank	% share (World GDP,PPP)
Canada	8	1.9%	1.9	14	1.4%
Korea	9	1.9%	2.2	13	1.7%
Russia	10	1.8%	4.3	5	3.1%

Note: Japan is not considered in the key economies as data for 2020 is not available; PPP data is for 2019
Source: World Bank, CRISIL Research

Key Growth Drivers

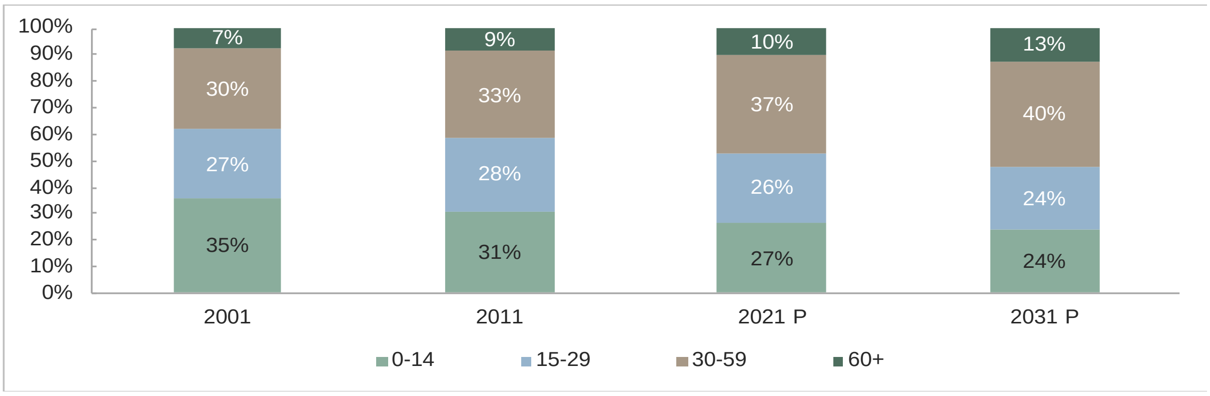
India Has World's Second Largest Population

As per Census 2011, India's population was approximately 1.2 billion and comprised nearly 245 million households. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is expected to increase at 1.1% CAGR between 2011 and 2021, to 1.4 billion. The population is expected to reach 1.5 billion and number of households is expected to reach approximately 376 million by 2031.

Favourable Demographics

As of CY 2020, India had one of the largest young populations in the world, with a median age of 28 years. About 90% of Indians will still be below the age of 60 by CY 2021. CRISIL Research forecasts that 63% of them will be between 15 and 59 years. In comparison, in CY 2020, 77%, 83% and 86% of the population in the United States, China and Brazil, respectively, was below the age of 60.

India's Demographic Dividend



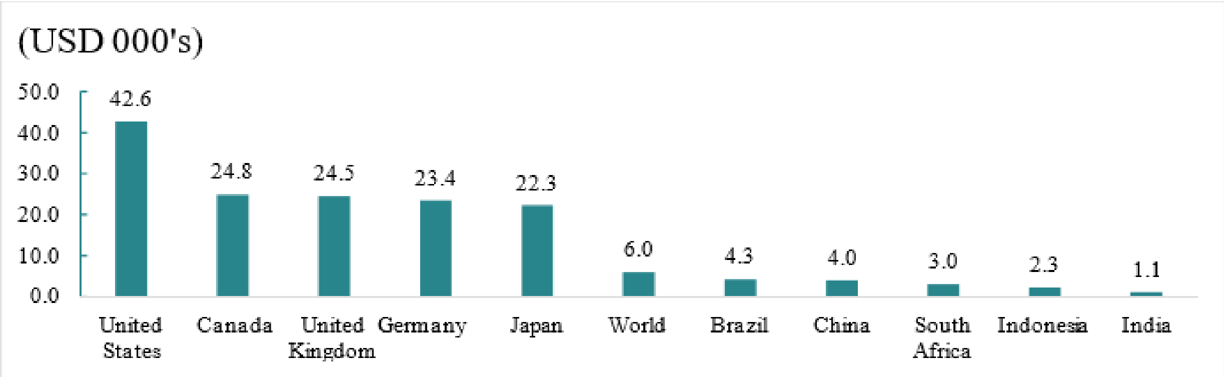
Source: United Nations Department of Economic and Social Affairs, CRISIL Research

Urbanisation

Urbanisation is one of India's most important economic growth drivers as it will drive substantial investments in infrastructure development, which, in turn, is expected to lead to job creation, development of modern consumer services and increased ability to mobilise savings. The country's urban population has been rising consistently over the decades. In 1950, it was 17% of total population. As per the 2018 revision of World Urbanization prospects, it was estimated at 34% for India. This is expected to reach 37% by 2025.

In terms of household consumption, India stands at the lowest position compared to major developed and developing economies. With increasing urbanisation, household incomes are expected to increase, which will lead to higher consumption expenditure going forward.

Household Final Consumption Expenditure Per Capita

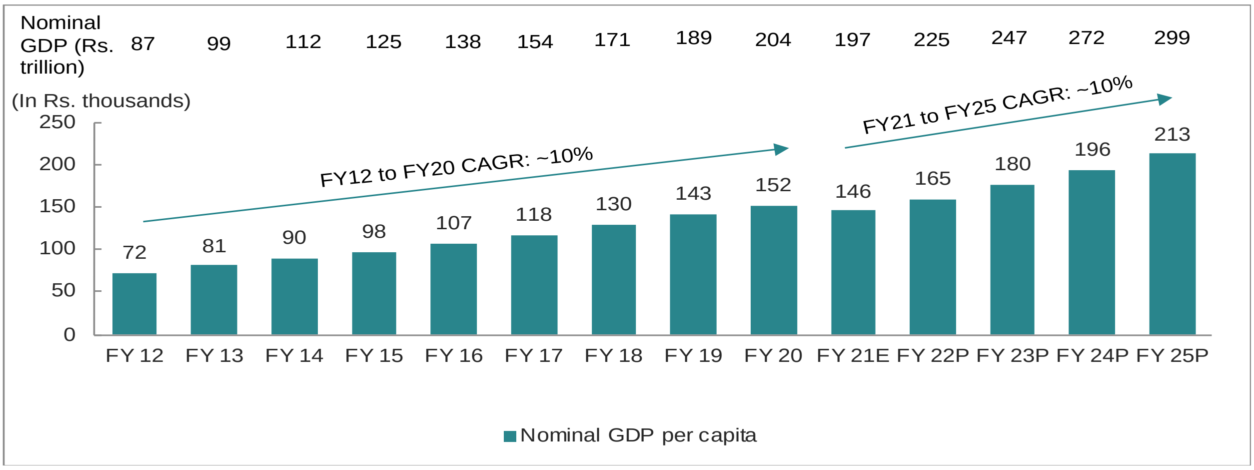


Source: World Bank, CRISIL Research

Increasing per capita GDP

Per capita income is estimated to have contracted by 8% in Fiscal 2021 compared to a growth of 2.9% in the preceding Fiscal. CRISIL forecasts that the per capita income will gradually improve with a pick-up in GDP growth and sustained low inflation. This will be an enabler for domestic consumption. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 6.2% compound annual growth rate (CAGR) from Fiscals 2021-25.

Trend in Nominal GDP per capita (at current prices)



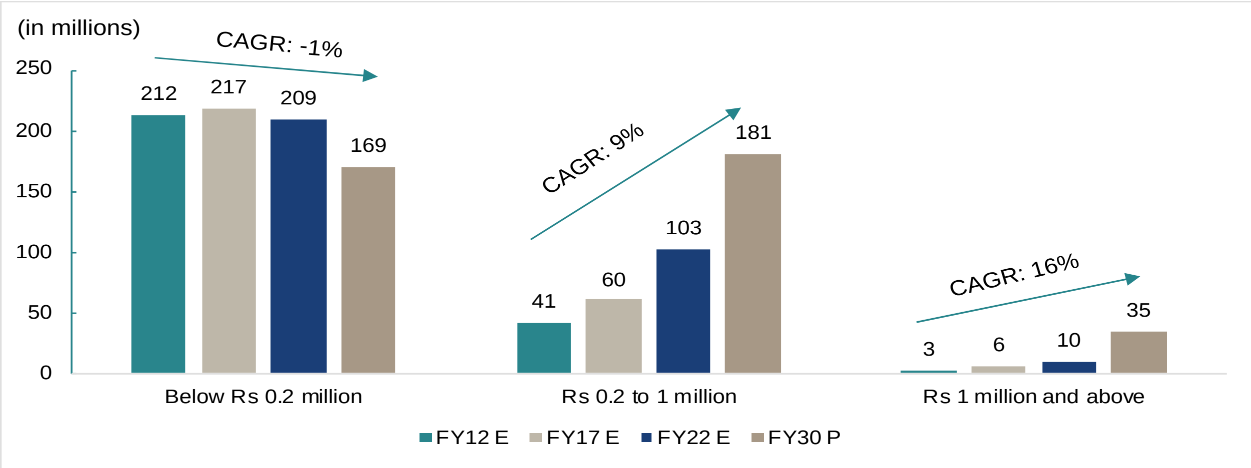
Note: P- Projected
Source: MOSPI, World Bank, CRISIL Research

Rising Middle India Population to Propel Economic Growth

An estimated 83% of households in India had an annual income of less than Rs. 0.2 million in Fiscal 2012. This proportion decreased to 76% in Fiscal 2017 and is estimated to reach 65% in Fiscal 2022, with the continuous increase in GDP and household incomes. The proportion of Middle India (defined as households with annual incomes between Rs. 0.2 to Rs. 1 million) has been on the rise over the last decade and is expected to grow further with the rise in disposable incomes. Affluent households (defined as households with annual incomes of Rs. 1 million and above) have also been on the rise and are expected to grow by 16% CAGR from 3 million in Fiscal 2012 to 35 million in Fiscal 2030.

To illustrate, CRISIL Research estimates that there were 41 million Middle India households in India for Fiscal 2012 and will increase by 9% CAGR to 181 million by Fiscal 2030. A large number of these households are likely to be from semi-urban and rural areas. Consistent improvement in literacy levels, increasing access to information and awareness, increasing availability of basic necessities such as electricity, cooking gas, toilets and improvement in road infrastructure have led to an increase in the aspirations of Middle India households, which is likely to translate into increased opportunities for, among others, financial service providers.

Middle India Households to Witness High Growth From Fiscal 2012 to Fiscal 2030



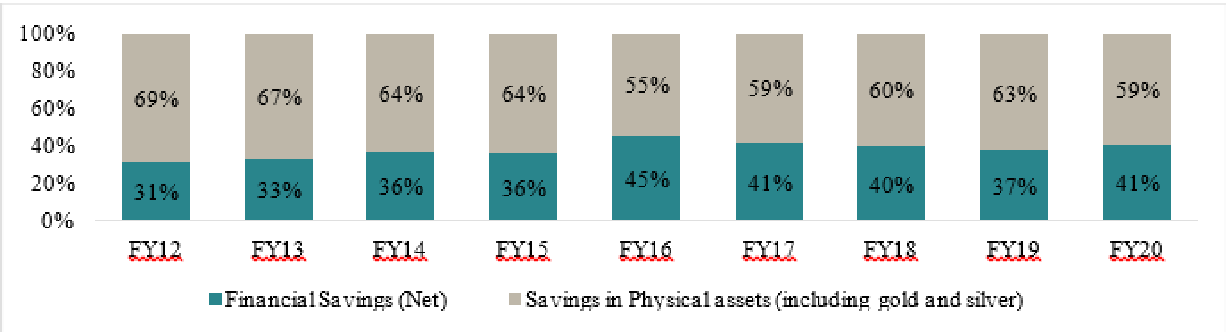
Note: E: Estimated, P: Projected
Source: CRISIL Research

Financial Penetration to Rise with Increase in Awareness of Financial Products

Overall literacy in India is at 77.7% as per the results of recent NSSO survey conducted in 2018, which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey (NCFE- FLIS) 2019, only 27% of Indian population is financially literate, indicating a huge gap and potential for the financial services industry. The survey defines financial literacy as the combination of awareness, knowledge, skill, attitude, and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.

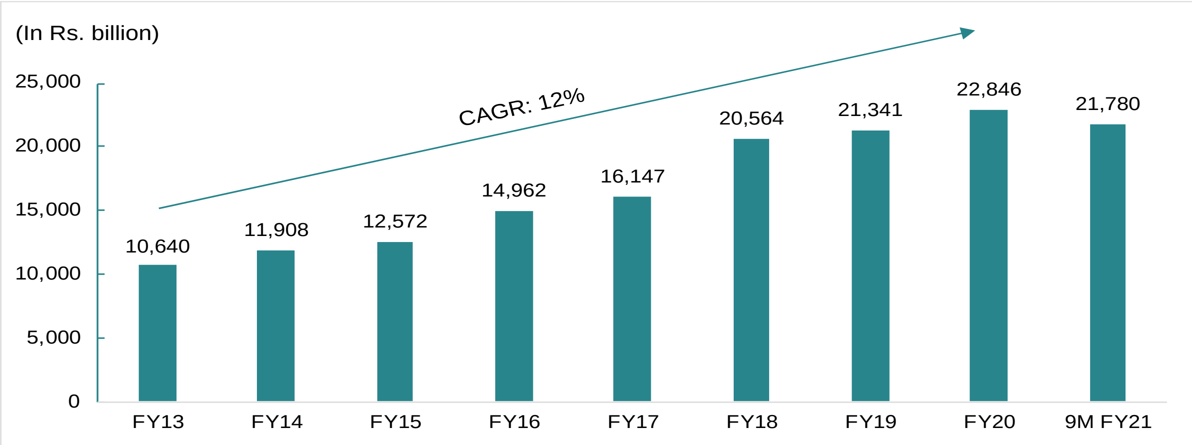
Share of Financial Assets in Overall Savings to Increase

Households' savings in financial assets has witnessed an upwards trend from 31% in Fiscal 2012 to 41% in Fiscal 2020. With volatility in the financial markets post-COVID and the prevalent lower rates of return in fixed income products on account of the accommodative stance of the central bank, some proportion of savings is expected to continue to remain in physical assets. In the long-term, with an increase in financial literacy, CRISIL expects the share of financial assets as the proportion of net household savings to increase from Fiscal 2020 to Fiscal 2025, thereby boosting investments in assets such as insurance and mutual funds.



Note: The data is for financial year ending March 31.
Source: Handbook of Statistics on Indian Economy 2018-19, RBI, MOSPI, CRISIL Research

Trend in Gross Financial Savings Over the Years



Source: RBI, CRISIL Research

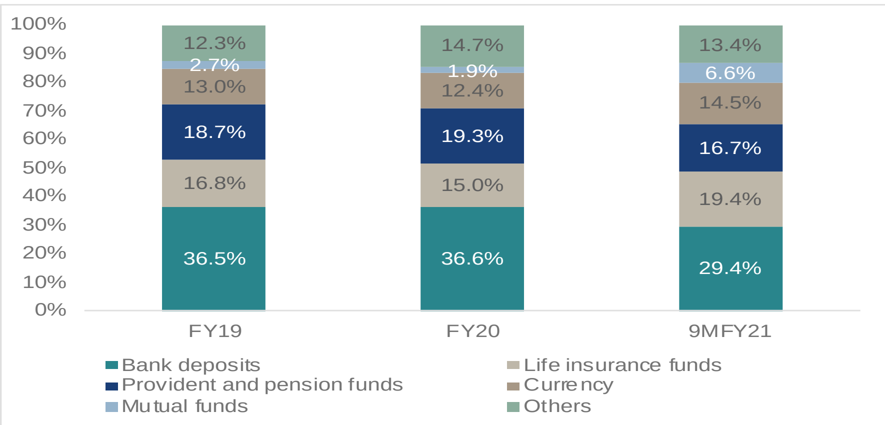
As of December 2020, household gross financial assets amounted to Rs. 188 trillion and comprised mainly of commercial banks deposits making up more than half of the assets, followed by life insurance funds with 24% share.

Gross domestic savings trend

Parameters (Rs. billion)	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
GDS	33,692	36,082	40,200	42,823	48,251	54,807	60,003	59,959	55,924
GDP (At current prices)	99,440	112,335	124,680	137,719	153,917	170,900	188,997	200,749	198,009
Percentage of GDP	33.9%	32.1%	32.2%	31.1%	31.3%	32.1%	31.7%	29.9%	28.2%
Household sector savings (net financial savings, savings in physical assets and in the form of gold and silver ornaments)	22,353	22,853	24,391	24,749	27,871	32,966	38,446	39,291	43,906
Percentage of GDP	22.5%	20.3%	19.6%	18.0%	18.1%	19.3%	20.3%	19.6%	22.2%
Gross financial savings	10,640	11,908	12,572	14,962	16,147	20,564	22,636	23,991	31,089
Financial liabilities	3,304	3,587	3,768	3,854	4,686	7,507	7,712	7,866	8,052
Savings in physical assets	14,650	14,164	15,131	13,176	15,946	19,442	23,094	22,735	20,484
Savings in the form of gold and silver ornaments	367	368	456	465	465	467	427	431	384

Note: The data is for financial year ending March 31; Physical assets are those held in physical form, such as real estate, etc.
Source: MOSPI, National Accounts National Accounts Statistics, CRISIL Research

Share of life insurance in incremental household financial savings



Source: Ministry of Statistics and Programme Implementation (MOSPI), RBI, CRISIL Research

Key Structural Reforms: Long-term Positives for the Indian Economy

Financial Inclusion

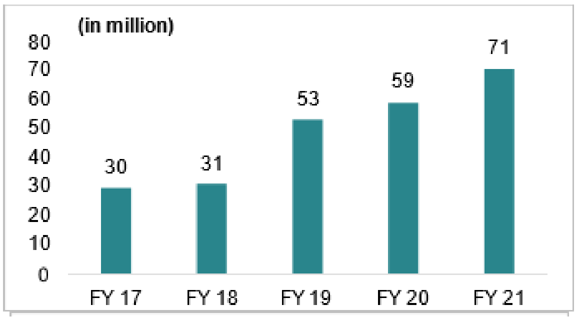
According to the World Bank's Global Findex Database 2017, the global average of adult population with a financial services account (either with a bank, financial institution, or mobile money providers) was approximately 69% in 2017. India's financial inclusion has improved significantly between 2014 and 2017, with the adult population with bank accounts rising from 53% (as per Global Findex Database 2014) to 80% in 2017 with concentrated efforts by the government to promote financial inclusion and the proliferation of supporting institutions. That said the rise in the number of bank accounts has not translated into a corresponding increase in the number of transactions and fruitful usage of those accounts. As per the World Bank's Global Findex Database 2017, 40% of the accounts did not make any deposit or withdrawal in the past year (2016).

The three key initiatives launched by the government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana (PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY).

Pradhan Mantri Jan Dhan Yojana (PMJDY) – This scheme, launched in August 2014, is aimed at ensuring that every household in India has a bank account which can be accessed from anywhere and be used to avail all financial services such as savings and deposit accounts, remittances, credit and insurance affordably. PMJDY focuses on household coverage compared with the earlier schemes that focused on coverage of villages. It aims to extend banking facilities to all within a reasonable distance in each sub- service area (consisting of 1,000-1,500 households) across India. As on March 31, 2021, 422 million PMJDY accounts had been opened, of which, 66% were in rural and semi-urban areas, with total deposits of Rs. 1,455 billion.

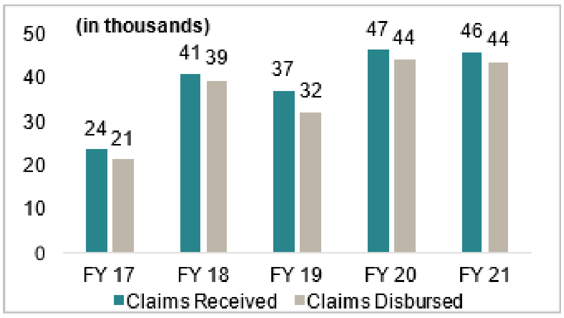
PMJJBY (Pradhan Mantri Jeevan Jyoti Bima Yojana) – This scheme, launched in May 2015, is aimed at creating a universal social security system, targeted especially at the poor and under-privileged. PMJJBY is a one-year life insurance scheme, renewable from year to year that offers a life cover of Rs. 0.2 million for death due to any reason and is available to people in the age group of 18 to 50 years (life cover up to 55 years) at a premium of Rs. 330 per annum per member. This scheme is offered/administered through LIC and other Indian private life insurance companies.

Cumulative Enrolments in PMJJBY



Source: PMJJBY; CRISIL Research

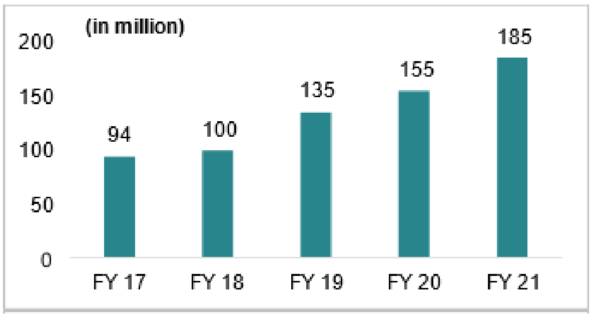
Number of Claims Received and Disbursed



Source: PMJJBY; CRISIL Research

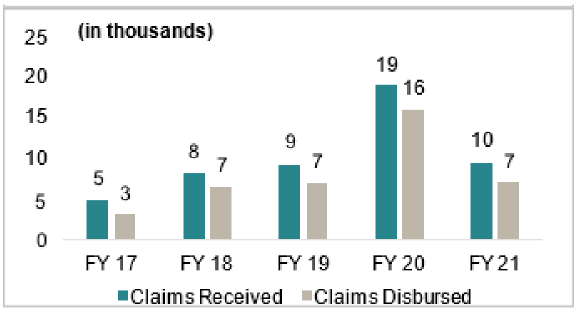
PMSBY (Pradhan Mantri Suraksha Bima Yojana) - This scheme, launched along with PMJJBY in May 2015, is aimed at creating a universal social security system, targeted especially at the poor and under- privileged. PMSBY is a one-year accidental death and disability insurance cover, renewable from year to year that offers an accidental death and full disability cover of Rs. 0.2 million (Rs. 0.1 Million for partial disability). This cover is available to people in the age group of 18 to 70 years at a premium of Rs. 12 per annum per member. The scheme is being offered by public sector general insurance companies or any other general insurance company that is willing to offer the product on similar terms with necessary approvals.

Cumulative Enrolments in PMSBY



Source: PMSBY; CRISIL Research

Number of Claims Received and Disbursed



Source: PMSBY; CRISIL Research

GST Implementation

Introduced on July 1, 2017, the GST is an indirect tax regime that subsumed multiple cascading taxes levied by the central and state governments. Its implementation has spawned structural changes in the supply chain and logistics network in the country. The crux of the GST mechanism is input tax credit, which ensures that more players in the supply chain come under the tax ambit. As supply from only registered taxpayers will get input tax credit, businesses and stakeholders will insist on registration of their suppliers and traders, leading to an increase in the share of organised participants. The GST regime has been stabilising fast and is expected to bring more transparency and increase in formalisation, eventually leading to higher economic growth.

Digitisation: Catalyst for the Next Growth Cycle

Direct channel has been the fastest growing segment in individual business for all players in the set except Max Life

The rising smartphone and internet penetration has opened new digital distribution opportunities for the players. All players in the set have developed their in-house portals to enable customers to buy policies online. Further, players have also collaborated with web aggregator & online platforms for sale of their policies.

Channel Mix (Individual)- 5-Year CAGR ending FY21	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business
LIC	10.8%	19.6%	7.8%	27.9%
SBI Life	13.0%	22.0%	72.8%	62.0%
HDFC Life	20.3%	13.1%	31.0%	49.7%
ICICI Prudential Life	7.9%	3.7%	12.0%	17.4%
Max Life	17.6%	21.3%	2.4%	13.3%
Bajaj Allianz Life	5.6%	125.5%	44.0%	50.4%

Source: Company public disclosures, CRISIL Research

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping surmount the challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and can conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speeds, consumers are now encouraging digitisation as they find it more convenient. Digitisation will help improve efficiency and optimise costs. Players with better mobile and digital platforms will draw more customers and emerge as winners in the long term.

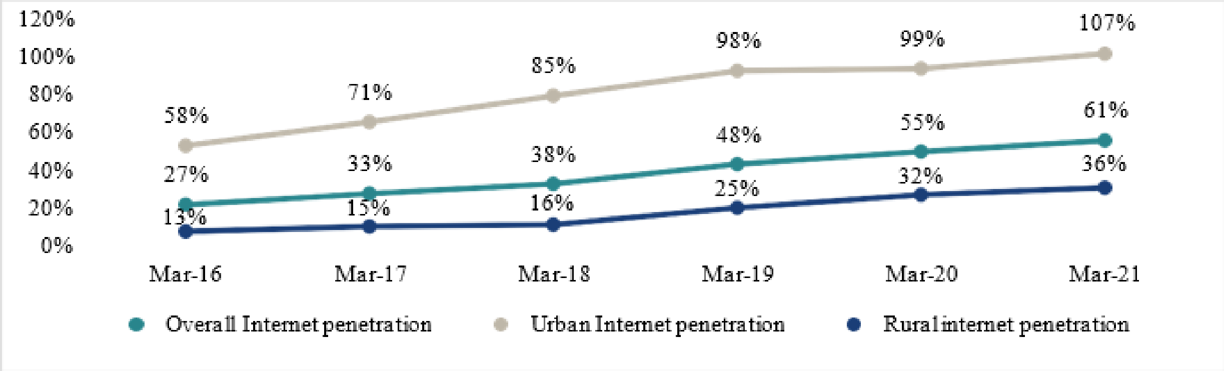
Mobile penetration: Higher mobile penetration, improved connectivity and faster and cheaper data speed, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one.

Internet penetration: India has witnessed a dramatic surge in internet users over the past few years with 60% internet penetration as a percentage of total population in Fiscal 2021 compared to less than 30% in Fiscal 2016. This growth has largely been fueled by the availability of smartphones and 4G connectivity at cheaper price points.

CRISIL Research expects the total number of internet subscribers in the country to reach 1,000 million by Fiscal 2025 from 795 million as of December 2020, resulting in approximately 75% internet penetration. By 2025, complete transition of 2G and 3G data services to 4G is expected.

While internet penetration in urban areas has crossed 100%, the penetration is still below 40% in rural areas. Nonetheless, the number of data subscribers in rural areas has almost tripled to 308 million subscribers as of December 2020 compared to 111 million subscribers as of March 2016. (*Source: TRAI*).

Internet Penetration Continues to Increase



Source: TRAI, CRISIL Research

UPI Usage Data Statistics

As of month end	No. of banks live on UPI	Volume of transactions (million)	Amount of transactions (Rs. billion)	YoY growth (on value basis) in transactions (%)
March 2018	91	178	242	764%
March 2019	142	800	1,335	452%
March 2020	148	1,247	2,065	55%
March 2021	216	2,731	5,048	210%
September 2021	259	3,654	6,543	98%

Source: National Payments Corporation of India (NPCI)

Rise in 4G Penetration and Smartphone Usage

The digital revolution has paved the way for digital payments. India had 1,181 million wireless subscribers as of March 31, 2021, and the number is growing at a steady pace every year. The reach of mobile network, internet and electricity is also expanding the digital payments footprint to remote areas. This is likely to increase the number of digital payment transactions. However, in semi urban and rural areas, internet, 4G and smartphone penetration is still low compared to urban areas.

All-India Mobile and Data Subscriber Base

	FY16	FY17	FY18	FY19	FY20	FY21P	FY22P	FY23P	FY24P	FY25P
Wireless subscribers (million)	1,034	1,170	1,183	1,162	1,157	1,181	1,178	1,191	1,195	1,203
Data subscribers (million)	322	401	473	615	720	756	860	925	1,042	1,077
Data subscribers as a proportion of wireless subscribers	31%	34%	40%	53%	62%	64%	74%	78%	87%	90%
4G data subscribers (million)	8	131	287	478	645	719	842	901	1,022	1,070
4G data subscribers proportion	2%	33%	61%	78%	90%	95%	98%	97%	98%	99%

Source: TRAI, CRISIL Research

Mobile data consumption in India has grown approximately 25 times in the past five fiscals at a CAGR of approximately 90%. The proportion of data subscribers is expected to rise to approximately 90% in Fiscal 2025 from approximately 62% in Fiscal 2020. India's 4G data rates are among the lowest in the world. A combination of affordable handsets, growing consumer preference for data on the go and affordable data tariffs are set to accelerate the adoption of wireless internet in India, leading to a 4G data subscriber proportion at approximately 100%.

Digital payments and per capita transactions in India are among the lowest compared with similar countries. The government has taken multiple initiatives to give a boost to digitalisation in the country. This includes biometric identification of all Indian citizens through the Aadhaar programme, financial inclusion through the 'Jan Dhan Yojana', launch of Aadhaar-enabled payment systems, and the push to online tax filings. UPI, which is based on the immediate payment service or IMPS platform, allows a user to transfer money from one bank account to another bank account instantly, and is seen as the next big leap in digital payments.

According to data from the Bank of International Settlements, share of digital transactions (includes credit transfer, direct debits, cards and e-money payments and excludes cash and cheque based transactions) for various economies has increased between calendar year 2015 and calendar year 2019. In India as well, the share of digital transactions has increased over the years but is still lower than those of many developed economies.

Change in Share of Digital Transactions in Terms of Volume and Value Across Countries

	Share of digital transactions in terms of volume		**Share of digital transactions in terms of value**	
Year	**2015**	**2019**	**2015**	**2019**
Australia	89%	94%	91%	94%
Brazil	85%	91%	91%	95%
Canada	52%	55%	52%	59%
China	71%	97%	89%	95%
Germany	91%	91%	98%	98%
India	39%	75%	47%	73%
Indonesia	67%	67%	89%	91%
Japan	95%	97%	91%	94%
Korea	98%	99%	76%	84%
Russia	71%	86%	96%	97%
South Africa	72%	78%	95%	95%
UK	90%	95%	99%	99%
USA	83%	90%	66%	74%

Note: Total transactions include credit transfer, direct debits, cards and e-money payments, cash withdrawals and deposits and cheque based transactions. Digital transactions include credit transfer, direct debits, cards and e-money payments and excludes cash and cheque based transactions.
Source: Bank of International Settlements, CRISIL Research

OVERVIEW OF THE INDIAN INSURANCE INDUSTRY

Evolution of life insurance industry

The Indian Life Assurance Companies Act, 1912 was the first statutory measure to regulate the life insurance business. In 1928, the Indian Insurance Companies Act was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers, including provident insurance societies. In 1938, with a view to protecting the interest of policyholders, the earlier legislations were consolidated and amended by the Insurance Act, 1938 with comprehensive provisions to regulate insurers.

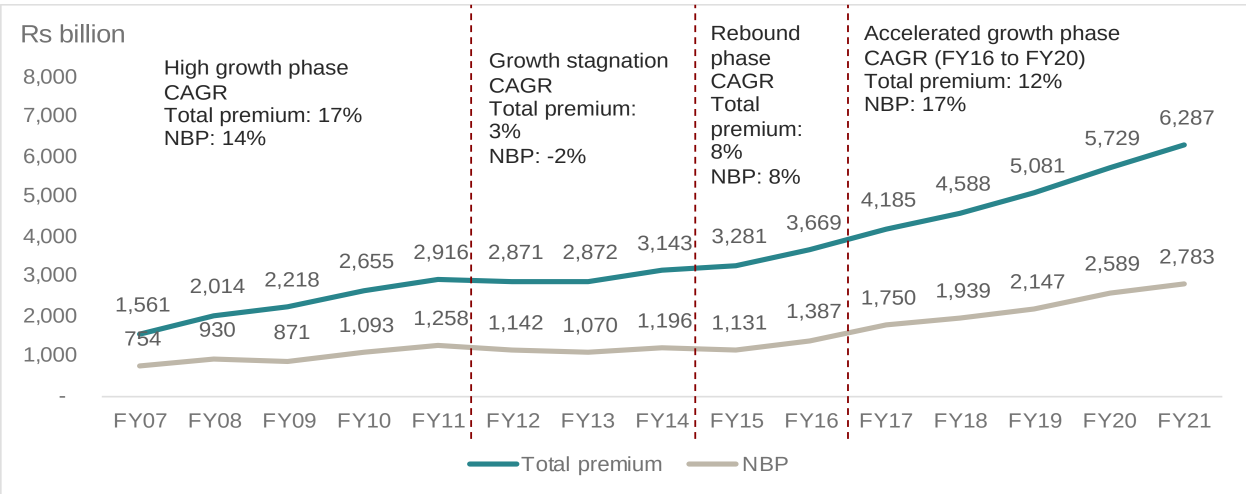
The Insurance Act, 1938 was the first legislation governing not only life insurance but also non-life insurance to regulate the insurance industry. The demand for the nationalization of the life insurance industry gathered momentum when a bill to amend the Life Insurance Act, 1938 was introduced in the Legislative Assembly in 1944. However, life insurance in India was nationalized much later on January 19, 1956. The Parliament of India passed the Life Insurance Corporation Act on June 19, 1956, and the Life Insurance Corporation of India (LIC) was created on September 1, 1956, with the objective of spreading life insurance, in particular to rural areas and to socially and economically disadvantaged classes with a view to reach all insurable persons in the country, providing them with adequate financial coverage against death at a reasonable cost.

LIC had five zonal offices, 33 divisional offices, 212 branch offices and a corporate office in the year 1956. Subsequent to its nationalisation, re-organization of LIC took place and large numbers of new branch offices were opened in order to expand the operations and place a branch office at each district headquarter. From about Rs. 2 billion of NBP in 1957, the corporation crossed Rs. 10 billion in NBP in the Fiscal Year 1969-70, and in another 10 years it crossed the Rs. 20 billion NBP mark.

Today, LIC continues to be the largest life insurer even in the liberalized scenario of Indian insurance being opened up to private players. LIC is the largest life insurer in India in terms of GWP, NBP, number of individual policies issued, and number of group policies issued for Fiscal 2021. LIC had 286 million in force policies under Individual Business (within India) as at March 31, 2021, which is greater than the 4th largest country population-wise as of CY 2020. As at December 31, 2021, LIC had a market share of 61.4% in NBP (individual and group) as compared to next largest competitor who had a market share of 9.16% basis NBP (individual and group). NBP for LIC in Fiscal 2021 was over Rs. 1.8 trillion, representing 66% of the aggregate industry NBP.

The Indian life insurance industry had only one player – LIC – during CY 1956 to CY 2000. However, post- privatisation in CY 2000, private players started entering the industry and by 2000-01, four private players had setup operations. HDFC Standard Life was the first private company to enter the industry in 2000-01, followed by ICICI Prudential Life, Max Life Insurance and Aditya Birla Sunlife Insurance in the same year. Only four new private players entered between 2002 to 2005, post which there was a surge again, with eight players setting up businesses till CY 2009. Edelweiss Tokio Life Insurance was the last entrant in the industry in 2011. Out of the 23 private players registered with IRDAI as on March 31, 2021, 20 players have joint ventures (JVs) with foreign partners. Also, in September 2021, HDFC Life announced that it will acquire Exide Life Insurance.

Trend in Total Premium for Overall Industry



Source: IRDAI Annual Report, company report, CRISIL Research

Robust Growth of Life Insurance Industry During Fiscals 2007 to 2011

Total premium and NBP witnessed strong CAGR of 17% and 14%, respectively, between Fiscals 2007 and 2011, owing to the aggressive foray by private players. Growth for private players was driven by ULIP sales amid a buoyant capital market. Share of private players in total premium increased from 18% in Fiscal 2007 to 30% in Fiscal 2011. To note, market share and growth rates are as on end fiscal date unless specified, e.g., market share in Fiscal 2007 denotes market share as on March 31, 2007. Further, 17% CAGR growth for total premium between Fiscals 2007 and 2011 denotes growth between March 31, 2007 and March 31, 2011.

Industry Underwent a Transition During Fiscals 2011 to 2014

After the sharp growth during Fiscals 2007 to 2011, the industry saw a sudden slowdown over the subsequent three years. Regulatory changes by the IRDAI with respect to linked products, decline in financial savings rate and weak performance of the equity markets led to the deceleration.

The IRDAI's guidelines in June 2010, streamlining the expenses charged on linked products, resulted in a decline in upfront commission of linked products, thereby making sales of these products less lucrative for intermediaries. The move affected the growth of private players because of their high exposure to linked products; linked products constituted 71% share of private players' portfolio mix in fiscal 2011. Between Fiscals 2011 and 2014, the total premium of private players declined at 4% CAGR as compared to 5% CAGR for LIC. The IRDAI guidelines issued in June 2010 referred to in the CRISIL Report are IRDAI Circular: IRDA/ACT/CIR/ULIP/102/06/2010 dated June 28, 2010.

The drop in total premium of linked products was sharper at 30% CAGR between Fiscals 2011 to 2014, leading to private players losing market share. While LIC's total premium from linked products also dropped, its share of linked products in portfolio was only 19% for Fiscal 2011. Approximately 13% CAGR growth of the non-linked products segment during the period helped LIC substantially offset the sharp drop in premium from linked products.

Rebound Phase Between Fiscals 2014 to 2016

After the slowdown between Fiscals 2011 and 2014, the total premium of the industry grew at 8% CAGR in the subsequent two Fiscals. This was on account of subdued growth of the overall industry even in Fiscal 2015, with total premium growing by 4% year-on-year, before recording a strong 12% growth in Fiscal 2016.

For private players, growth was driven by linked as well as non-linked products, with both products recording double-digit growth in both Fiscals. Growth was driven by expectations of improvement in economic growth, cooling inflation, increase in financial savings, and healthy returns provided by equity and debt markets during this period.

Accelerated Growth Post-Fiscal 2016

Post-Fiscal 2016, the industry witnessed a paradigm shift with the awareness of insurance growing at an accelerated phase. Total life insurance premium grew at a robust 12% CAGR during Fiscals 2016 to 2020, which was much faster than the 6% annual growth witnessed in India's nominal GDP during this period. The double-digit growth was attributable to factors such as rising income levels, increasing awareness/education about products, tax benefits, product innovation and customisation by the players and emergence of new distribution channels, such as online sales making the purchase process much easier for customers.

Subdued Growth Post-COVID-19

Growth in new business premium in the first quarter of Fiscal 2021 declined year-on-year as lockdowns disrupted operations. The life insurance industry, which mainly depends on in-person interaction, has adopted more digital ways of selling products and services in the past one year amid the pandemic. In Fiscal 2021, amid the COVID-19 pandemic, NBP grew by approximately 7.5% to Rs. 2.78 trillion compared to Rs. 2.58 trillion in Fiscal 2020.

Industry Regulations

IRDAI − Statutory Regulator for Life Insurance Business Since CY 2000

The life insurance industry is regulated by the Insurance Regulatory and Development Authority of India (IRDAI). In 1993, the government set up a committee led by the former RBI governor, RN Malhotra, to propose recommendations for reforms in the insurance sector. Based on the recommendations of the Malhotra committee report in 1999, IRDAI was formed as an autonomous body to regulate the insurance industry in India. IRDAI received statutory status in April 2000.

Before 1999, the life insurance business was directly controlled by the government under the Insurance Act, 1938, with only one player operating in the sector – Life Insurance Corporation of India (LIC). LIC had absorbed all the 245 Indian and foreign insurers operating in India in 1956, as the government passed an ordinance to nationalise the sector.

Regulatory Changes with the Inception of the IRDAI

The key objectives of the IRDAI are to regulate and promote competition through the opening up of the insurance market, protect the interest of policyholders, and ensure the orderly growth of the insurance industry. The government opened the industry to private participation in August 2000, allowing 26% foreign ownership in insurance companies. The regulation immediately led to the launch of four private life insurance companies in Fiscal 2001, and 24 private life insurance companies were eventually set up by Fiscal 2012, including LIC.

Key Regulations in the Sector

1999-2005	*2006-2011*	2012-2016	2017-2021
2000: IRDAI set up as a statutory body to regulate the insurance industry 2000: Insurance industry privatised; 26% equity from foreign owners permitted 2002: Corporate agents allowed to sell insurance products 2002: Broker channel introduced 2005: IRDA passes micro-insurance regulations	2007: Amendment to Insurance Broker Regulation 2010: Major changes in regulations for linked products Product charges capped Cap on surrender charges Increase in lock-in period 2011: Licensing of Bancassurance Agents	2013: Corporate agents allowed to tie up with more than one insurer 2013: Linked and non-linked product regulations 2013: Reinsurance Regulations; Prescription on level of reinsurance 2015: Insurance Amendment Law, 2015 • Foreign Ownership increased from 26% to 49% • Agents Can be Appointed by Insurers 2016: Permission to set up insurance marketing firm	2017: Investment by Private Equity funds in Indian Insurance Companies 2017: Insurance Web Aggregators Regulations 2019: New and innovative campaign "Sabse Peheley Insurance" 2019: Linked and non-linked products regulations 2020: Issuance of Electronic Policies 2021: Foreign Ownership increased from 49% to 74% 2021: Saral Jeevan Bima & Saral Pension; Standard life insurance products
IMPACT	IMPACT	IMPACT	IMPACT
The number of companies increased to 15 by fiscal 2005 Insurance density improved from 9.1 in fiscal 2002 to 15.7 in fiscal 2005	Due to leniency in regulation, the amount of commission paid logged a CAGR of 21% during fiscal 2006 to fiscal 2010 Total premium clocked a CAGR of 26% during the period	Linked insurance premium saw a slowdown due to change in the commission structure Players with strong banking channels leverage their network to gain market share	Customer awareness and insurance penetration has increased due to innovative campaigns and digital initiatives Increased investment in life insurance companies through private equity/ FDI

Source: IRDAI, CRISIL Research

Key Recent Initiatives Taken by Regulators

In 2020, the regulator undertook number of steps to make sure that the coverage of life insurance increases by offering simple and standardised policy options to customers in the wake of COVID-19. Below are some of the key changes:

COVID-19 Global Pandemic Related Instructions to Life Insurers

This circular had reference to various measures that were being taken by Central and State Governments including lockdown of certain states impacting the normal functioning of offices and the possible difficulties to policyholder in accessing various services including timely payment of premium, settlement of claim.

In this regard, IRDAI on March 23, 2020, issued directions pertaining to following activities: (i) functioning of offices; (ii) grace period for payment of premiums; (iii) claim payments with regards to COVID-19; and (iv) periodic reports.

Comprehensive COVID-19 related instructions to all insurers

In order to meet the challenges on account of the developing situation owing to COVID-19, the IRDAI issued the following instructions on March 30, 2020:

Safety measures: Insurers shall operate offices with absolutely necessary staff so as to maintain essential insurance services including claims settlement, authorisation for hospitalisation, renewal of insurance policies and such other activities. In all the operating offices, extreme care needs to be taken by all concerned to maintain prescribed hygiene, social distancing etc.; and, to the extent possible, work from home may be adopted by facilitating the same for the staff of insurers, intermediaries and agents.

Communication to key stakeholders: Insurers shall prominently display on their website a dedicated help line number for policyholders and another help line number for other stakeholders including agents and intermediaries**;** shall also display the contact number of the officer who can be approached, if the concerns of any of the policyholders and other stakeholders are not resolved through the dedicated help line numbers; and may also display FAQs for COVID-19 claims on their websites.

Monitoring of the situation: Insurers shall put in place a Business Continuity Plan (BCP) which inter alia deals with processes, transactions, reporting and customer services to be handled in a seamless manner**,** and shall set up a Crisis Management Committee, comprising of key personnel to monitor the current situation on real time basis and to take appropriate timely decisions.

Products: Insurers were strongly encouraged to devise appropriate insurance products that would provide protection from risks arising out of COVID-19.

Policy Servicing and Claims: Insurers shall make special efforts to enable the policyholders to pay premium using digital methods; **c**laims arising on account of COVID-19 should be processed expeditiously; and, due to the prevailing lockdown situation, an additional 21 days was allowed in respect of all complaints which were received on or after March 15, 2020 and up to April 30, 2020.

Additional Grace Period and Settlement Options for Maturity Payout of Unit Linked Policies

Due to various operational constraints and difficulties faced by policyholders due to nationwide three-week lockdown and social distancing norms, the IRDAI in April 2020 provided an additional 30-day grace period for life insurance policies with premiums falling due in March and April 2020. As the lockdown was extended to mid-May 2020, the IRDAI further extended the grace period up to May 31, 2020, for all policies with premiums due in March 2020.

Also, where unit linked policies mature and fund value is to be paid in lump sum, life insurers were allowed to offer a one-time option regardless of whether such option exists in the specific product. The life insurers however had to exercise all due care and diligence to explain the possible downside risk of continued fluctuation of fund value based on daily NAV, and clear consent was to be obtained from the policyholder. This was allowed for unit linked policies maturing up to May 31, 2020.

Group Credit Life Schemes – Modifications to Align Coverage with the Moratorium Announced by the RBI

IRDAI made certain modifications in group credit life master policies issued by life insurers to align the coverage available under such schemes with the revised loan repayment schedule in respect of members who availed the moratorium announced by the RBI in the wake of COVID-19.

Life insurers offering group credit life insurance schemes, under which members have availed moratorium on payment of EMIs are allowed to suitably modify the term and sum assured under such schemes, against collection of additional premium as may be required, in respect of such members, so that they may continue to be covered as per the revised loan repayment schedule.

Issuance of Electronic Policies

In the wake of emerging COVID-19 situation and in view of adopting digital means of doing business in the interests of policyholders and other stakeholders, IRDAI allowed an exemption under a proviso to Regulation 4 (iii) of the IRDAI (Issuance of e-insurance policies) Regulations, 2016 from the requirement to issue the policy document and copy of proposal form in physical form. The exemption was subject to:

a) the life insurer confirming the date of receipt of electronic policy document by the policyholder and preserving the proof so that the free look period may be calculated from that date.
b) thirty (30) days free look period being allowed for all such electronic policy documents.
c) return of electronic policy document by mail by policyholder with clear intention of cancellation of policy shall be valid for free look cancellation.

d) express consent of the policyholder to receive electronic policy bond is required. If a policyholder insists on hardcopy, the same has to be issued without any charges.
e) policy document shall be sent to the email address submitted by the proposer.

These exemptions were valid for all policies issued during Fiscal 2021 and was extended until September 30, 2021.

Standard Life Insurance

Today, there are a number of term insurance products available in the market with different terms and conditions. This makes it difficult for customers to make an informed choice and make the right selection of the product. To address this problem, IRDAI mandated that all life insurers offer a standard individual term life insurance plan from January 1, 2021, called 'Saral Jeevan Bima'. Further, the IRDAI also mandated all life insurers to offer a standard individual immediate annuity product. "Saral Pension" from April 1, 2021, onwards. Such a product will help the customers to make an informed decision and will also help reduce mis-selling and potential disputes during claim settlement.

Sabse Pehle Life Insurance

In order to create awareness, Life Insurance Council of India, in October 2019, came up with a new and innovative campaign at mass level to spread awareness about the importance of life insurance. The goal of this campaign is to make customers more aware of the benefits of having a life insurance coverage. To support this initiative, all the 24 life insurance companies have joined in hands to raise awareness about the significance of life insurance.

Key Regulatory Changes

Insurance Law (Amendment) Act, 2015

The government made certain key changes in the insurance industry through the passage of the Insurance Law (Amendment) Act, 2015 ("**Act**"), in March 2015. The Act aims to open up the sector further for foreign investments while ensuring that control of management still remains in the hands of Indian partners. The Act also tried to bring clarity to certain regulatory aspects of the insurance sector. Some of the key features of the Act are: (i) definition of 'insurance intermediary' under section 2 of the Insurance Regulatory and Development Authority Act, 1999 to include 'corporate agents'; (ii) constitution of Life Insurance Council, a representative body of the insurer, to carry on the life insurance business in India; (iii) no person shall act as an insurance agent for more than one life insurer, one general insurer, one health insurer and one of each of the other mono-line insurers; and (iv) insertion of Section 27E to prohibit investment of the funds of the policyholders outside India directly or indirectly.

Stricter Action if Norms and Regulations are Violated

The Act imposed stricter penalties on life insurance companies for failing to meet the required rules as mandated by the IRDAI. Some of the violations, which attracted stricter penalties were: (i) failure to maintain required solvency margin; (ii) non-disclosure of mandatory data with IRDAI; (iii) payment of commission to unlicensed insurance agents; (iv) any false statement in documents furnished by the company; and (v) failure to comply with the provisions of the Insurance Act or rules and regulations prescribed that if any insurer fails to comply with the provisions shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less (as compared to prior to the amendment penalty not exceeding five lakh rupees for each such failure and punishable with fine).

Omission of Redundant Clauses and Amendment of Some Others

The Act also amended and omitted certain clauses such as a clause which required Indian promoters to reduce their stake to 26% within 10 years of inception. The amendment also allowed the facility to provide loans to the company's full-time employees.

Limitation of Tie-ups for Individual Agents

An individual agent cannot do business with more than one life insurer, one general insurer, one health insurer, and one of each of the other mono-line insurers.

Repudiation on Insurance Policy only for a Period of Three Years

No policy can be repudiated on any ground, including misstatements of facts after three years, post the commencement of the policy by the company.

Guidelines for Corporate Governance

To facilitate prudent corporate governance among insurance companies, IRDAI put in place some guidelines in May 2016. The guidelines encompass structure and composition of the boards of insurance companies, committees of the board, their responsibilities and meetings, appointment of MD/CEO, directors and key management personnel, appointment of auditors, reporting and disclosure requirements. Some of the key features of the guidelines are:

- A minimum lock-in period of five years for transfer of shares from the date of commencement of business for the promoters.
- Mandatory committees for audit, investment, risk management, policyholder protection, nomination and remuneration and CSR for all insurance players. However, CSR is not included as a mandatory activity per the Life Insurance Corporation Act and hence is not applicable to LIC. Further, the functions of Asset Liability Management are being looked after by the Risk Management Committee.
- Setting up of a liability asset management committee for life insurance companies.
    - The Board should have a minimum of three independent directors; this requirement though is relaxed to two independent directors for the initial five years from the grant of certificate of registration to insurers. Insurance companies that had less than three independent directors as on the date of notification of the guidelines were required to ensure that they complied with this requirement within one year.
    - The asset liability management committee is not a mandatory committee as per the Corporate Governance guidelines. The Risk Management Committee looks after the functions of asset liability management.
- Mandatory 'with profits' committee for life insurance companies comprising an independent director from the Board, the Chief Executive Officer, the appointed actuary of the company and an independent actuary. The with-profits committee will carry out functions to determine the following:
    - Asset share of participating policies at the policy level;
    - Investment income attributable to the participating fund of policyholders; and
    - Expenses allocated to participating business.
- The Board of Directors is required to formulate a policy to control conflicts of interest.

Life Insurance Corporation of India is governed and regulated as per the Life Insurance Corporation Act, 1956. Therefore, certain provisions of IRDAI's corporate governance guidelines may not be applicable to LIC if the same is inconsistent with the provisions of the Life Insurance Corporation Act, 1956.

More Power to the IRDAI

The Act empowers the IRDAI to frame regulations to govern key aspects of the operations of an insurance company such as investments, solvency, commissions and expenses.

Investment by Private Equity Firms in Unlisted Life Insurance Companies

In order to streamline regulations pertaining to private equity investments, the IRDAI introduced the IRDAI

(Investment by Private Equity funds in Indian Insurance Companies) Guidelines in December 2017. The regulation laid down the following rules for private equity investment:

1. Private equity fund can directly invest in an unlisted life insurance company (only in the capacity of investor and not promoter) if the holding does not exceed 10% of the paid-up equity share capital of life insurance company.

2. Private equity fund can also invest in an unlisted life insurance company in capacity of a promoter through a Special Purpose Vehicle (SPV), given that:

    - Issuance of fresh equity beyond 25% in the SPV will require prior approval of the IRDAI.

- The investment through SPV will be subjected to lock-in period of five years. The lock in period shall be applicable on SPV and also on the shareholders of the SPV. Provided that the above said lock in period shall not be applicable on the shareholders of SPV holding less than 10% capital of SPV.

FDI Cap increased from 49% to 74%

The Parliament, in March 2021, passed the Insurance Amendment Bill 2021 to increase the foreign direct investment (FDI) limit in the insurance sector to 74% from 49% of paid-up equity capital previously. This measure was first announced by the Finance Minister, Nirmala Sitharaman, in the Union Budget February 2021. The move followed the raise in FDI limits to 100% in insurance intermediaries, which was announced in July 2019 and effected in September 2019. Further, in March 2022, department for promotion of industry and internal trade (DPIIT) notified government of India's decision to allow up to 20% FDI in Life Insurance Corporation (LIC) as the current FDI policy does not apply to LIC since it is administered by LIC Act. This move will attract higher amounts of foreign capital, which will aid in increasing insurance penetration in India. Higher FDI limits will also enable more global insurance firms and their best practices entering India thus increasing higher competition and better pricing of insurance products. There are several other benefits on increasing the cap, which includes: (i) because of better availability of more capital than earlier, the insurance companies can increase impetus on business growth and diversification of their portfolio; and (ii) more options available to consumers with an increase in competition, which also leads to better offers for them.

Guidelines on Insurance e-commerce

The IRDAI as part of its developmental mandate, issued insurance e-commerce guidelines to promote e-commerce in insurance space which is expected to lower the cost of transacting insurance business and bring higher efficiencies and greater reach. For the purposes of these guidelines an insurance agent is not permitted to set up a separate insurance self-network platform and instead can use respective insurer's self-network platform, if available. However, the insurer shall be responsible for compliance of these guidelines on behalf of the insurance agents.

Stewardship Code for Insurers in India

The code is in the form of a set of principles which the insurance companies need to adopt and were made applicable from Fiscal 2018. As per the code, insurer should have a board approved stewardship policy which should identify and define the stewardship responsibilities that the insurer wishes to undertake and how the policy intends to fulfil the responsibilities to enhance the wealth of its policyholders who are ultimate beneficiaries. However, a revised guidance on stewardship code was prepared and placed herewith as Revised Guidelines on Stewardship Code for Insurers in India in February 2020.

Insurers should formulate a policy for Stewardship based on the principles indicated in these guidelines and get the approval of their Boards for implementation of the same. The principles and the guidance for the implementation are given below:

- Insurers should formulate a policy on the discharge of their stewardship responsibilities and publicly disclose it
- Insurers should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it
- Insurers should monitor their investee companies
- Insurers should have a clear policy on intervention in their investee companies
- Insurers should have a clear policy for collaboration with other institutional investors, where required, to preserve the interests of the policyholders (ultimate investors) which should be disclosed
- Insures should have a clear policy on voting and disclosure of voting activity
- Insures should report periodically on their stewardship activity

Public Disclosures by Insurers

The IRDAI had issued circular "Public Disclosure by Insurers" on May 26, 2011 and guidelines on "Periodic Disclosures" were also issued on April 9, 2010. However, the revised instructions on Public Disclosure by Insurers which will supersede the provisions of the earlier circular were issued in September 2021.

The revised instructions shall come into effect from the financial year 2021- 2022 and the uploading of disclosures on website shall be on quarterly basis from the period ending September 30, 2021 whereas publishing in Newspapers will be on half yearly basis from the period ending September 30, 2021.

Key Regulatory Changes Pertaining to Customers

Unit Linked Insurance Products Regulations, 2019

The regulations stated that unit Linked insurance products shall be offered only under non-par individual products and non-par group products. Some of the key changes were:

1. Enhanced period for revival of ULIP policies
2. Enhanced proportion available for commutation of pension products
3. Option to buy an annuity from any other insurance company for pension plans
4. The difference between the maximum and minimum charges collected by Insurers during the first five years of a unit linked policy can now vary up to three times, double from the erstwhile 1.5 times limit.
5. Change in minimum death benefit definition
6. Discontinuance terms changed

Non-Linked Insurance Products Regulations, 2019

These Regulations are applicable to all the products offered by the life insurers under the non-linked platform. The product structure was classified as participating products and non-participating products. The product filing documents required to clearly mention the following classification: a) Par/Non-par b) Life/Pension/General Annuity/Health. c) Individual/Group d) Savings/Pure risk premium product. Some of the key changes in the regulations were:

1. A non-linked policy will now acquire a surrender value on receipt of at least two consecutive policy years' premium, and such surrender value is subject to the premium paying term of the policy
2. Policyholders have a period of five years to revive a non-linked policy
3. Change in minimum death benefit definition
4. Minimum policy term of one month allowed under individual pure risk premium product, group term, group credit and Micro Insurance product as against earlier minimum term of five years
5. Option to buy annuity from any other insurance company for pension plans
6. Enhanced proportion available for commutation of pension products
7. Fund based group products allowed as traditional savings insurance products in lieu of VIP platform

Issuance of Policies in Electronic Form on Meeting Requisite Criteria

IRDAI issued a regulation in June 2016 on issuance of electronic insurance policies, wherein it made it mandatory for the players to issue policies in the electronic form if the sum assured or annual premium exceeded a pre-set amount. IRDAI also permitted players to offer discounts in premium rates to policyholders for electronic insurance policies in accordance with the rates filed under the product-approval guidelines.

Tighter Rules on Expense Management

In May 2016, the IRDAI issued regulations to control the expenses incurred by the life insurance company to acquire customers. For insurance companies in operation for more than 10 years, the regulator capped the expense at 80% of first-year premium and 15% of renewal premium for players in respect of policies with premium payment term of 10 years and above. For players with less than 10 years of operations, the IRDAI provided a higher cap on expense due to high costs involved in the first few years of operations. The expense was capped at 90% of first-year premium and 20% of renewal premium the IRDAI provided a higher cap on expense due to high costs involved in the first few years of operations. The expense was capped at 90% of first-year premium and 20% of renewal premium for players in respect of policies with premium payment term of 10 years and above. The respective caps are higher for pure protection products.

Expenses Cap for Products Other than Pure-risk Products

Premium payment term	% of first-year premium	% of renewal premium
5 -7 years	70	18
8-9 years	80	19
10 and above	90	20
5 -7 years	60	15
8-9 years	70	15
10 and above	80	15

Source: IRDAI

Anti-Money Laundering and Counter' Financing of Terrorism (AML/CFT)

In order to discharge the statutory responsibility to detect possible attempts of money laundering or financing of terrorism, IRDAI issued guidelines on Anti Money Laundering and Counter' Financing of Terrorism (AML/CFT) on September 28, 2015. As per the guidelines, every life insurer is required to have an AML/CFT program which should, at a minimum, include: (i) internal policies, procedures, and controls; (ii) appointment of a principal compliance officer and a designated director; (iii) recruitment and training of employees/agents; (iv) internal controls and audit.

Key Regulatory Changes Pertaining to Distribution

Registration of Insurance Marketing Firm Regulations, 2015

These regulations cover; (i) Registration of Insurance Marketing Firm (IMF) by engaging Insurance Sales Person (ISP) for the purpose of soliciting and procuring Insurance Products of two life, two general and two health insurance companies at any point of time, under intimation to the IRDAI; (ii) Insurance Servicing Activities of the IMF; and (iii) Marketing of other financial products through the Financial Service Executive (FSE) engaged by the IMF.

In terms of remuneration payable to the IMF, the insurer shall make all remuneration for soliciting and procuring insurance policies undertaken by an IMF to the concerned IMF only, and not to any other person or entity. In addition, the IMF may receive fees or charges from life insurance companies only in the form of service charges for recruitment, training and mentoring of their ISPs. These fees or charges shall not exceed 50% of first year commission and 10% of renewal commission received by IMF. No such payment shall be made in case of general or health insurance business. The life insurance companies shall have to disclose to the IRDAI upfront at the time of filing their products under file and use guidelines on payment of such fees or charges to the IMF.

Point of Sales Person-Life Insurance

An insurer or an insurance intermediary authorized to solicit and market life insurance business can engage a "Point of Sales Person". A "Point of Sales Person- Life Insurance" engaged by an insurance intermediary can sell the Point of Sales – Life Products of all such insurers whose life insurance products the respective intermediary is authorized to sell. In order to give added fillip in providing easy access to life insurance to people at large and to enhance insurance penetration and density, the IRDAI issued the guidelines in November 2016.

The "Point of Sales Person" can sell life insurance products filed with and approved by the IRDAI which may be: (i) pure term insurance product with or without return of premium; (ii) non-linked (non- Participating) endowment product; (iii) immediate annuity product; and (iv) any other product or product category, if permitted by the IRDAI.

The life insurers and insurance intermediaries are required to make suitable provision in their policy administration system to capture the Aadhaar Card number or the PAN card number details of the "Point of Sales Person – Life Insurance". Further, the "Point of Sales Person- Life Insurance" when engaged by the insurer shall place business with that insurer subject to compliance of rules and procedures of that insurer.

Corporate Agents Allowed to Tie Up With Multiple Insurance Players

The IRDAI notified IRDAI (Registration of Corporate Agents) Regulations, 2015, introducing the requirement for corporate agents to obtain registration from the IRDAI. Previously, Corporate Agents were only required to obtain a license from the IRDAI. A corporate agency registration is valid for a period of three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed. Depending on the type of registration (i.e., General, Life, Health) a corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and/ or three health insurers and is required to adopt a board approved open architecture policy on the same A Corporate Agent (Composite) is allowed to tie up with up to three life, three general and three health insurers.

Introduction of Web Aggregators

In order to monitor the content on the websites of web aggregator insurance companies, the IRDAI introduced the Insurance Web Aggregators Regulations in May 2017. Web aggregators are companies registered under the Companies Act and approved by IRDAI, which maintain or own a website and provide information on insurance products of different insurers. As December 27, 2021, there are 24 web aggregators registered with IRDAI.

INDIAN LIFE INSURANCE INDUSTRY

Overview

India is the Fifth Largest Insurance Market in Asia and Has Exhibited Consistent Growth in Insurance Premiums

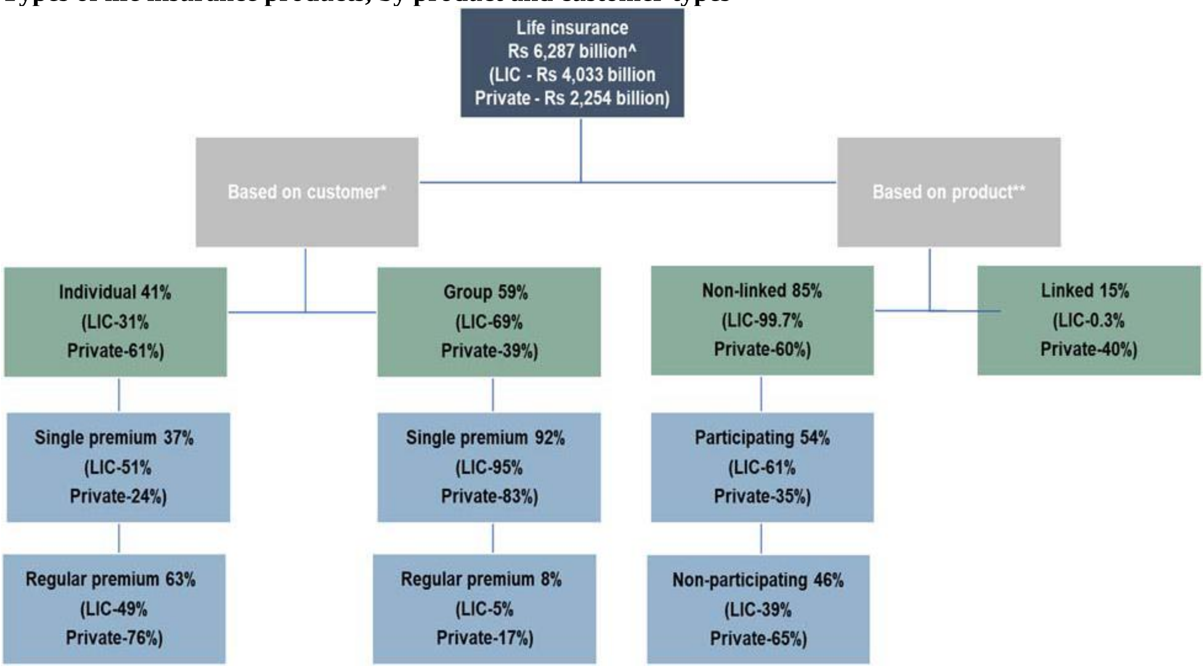
Based on life insurance premium, India is the tenth largest life insurance market in the world and the fifth largest in Asia, as per Swiss Re's sigma No 3/2021 report for July 2021. The size of the Indian life insurance industry was Rs. 6.2 trillion based on total premium in Fiscal 2021, up from Rs. 5.7 trillion in Fiscal 2020. The industry's total premium has grown at 11% CAGR in the last five years ending in Fiscal 2021. New business premiums (NBP) grew at 15% CAGR during Fiscals 2016 to 2021, to approximately Rs. 2.78 trillion. In fact, in Fiscal 2021 – a year impacted by the COVID- 19 pandemic, the NBP of the industry rose by 7.5%. Within the NBP, group business premium grew at approximately 15.4% CAGR from Fiscals 2016 to 2021, whereas individual premium rose approximately 14% CAGR during the same period.

Life insurance products can be classified on the basis of products and customer segments. Historically, life insurance products were savings oriented.

Non-linked products are traditional products with a protection and savings element built in or pure-protection products. Non-linked savings products can be further segregated into participating products and non-participating products. Participating products have variable returns, as these partake in the profits of the participating business of the company. Linked products' returns, on the other hand, are tied to the performance of debt and equity markets and are also savings-cum-protection products. For Fiscal 2021, non-linked products accounted for 86% of the total premiums. The share of non-linked products was lower for private players, constituting 57% of the total premium for Fiscal 2021.

Life insurance companies offer individual and group policies. Premium payments can be made in one go (called single premium) or on a regular basis. Individual business accounted 73% of total premium and 41% of total new business premium for Fiscal 2021.

Types of life insurance products, by product and customer types



^ *Classification based on total premium (premium acquired from old policyholders and premium from new policies issued during the year) in Fiscal 2021*

* *Classification based on new business premium (premium acquired from new policies for a particular year) in Fiscal 2021*

*** Estimated on the basis of player-wise analysis*

Source: Insurance Regulatory and Development Authority of India (IRDAI), CRISIL Research

Classification of Insurance Products

Life insurance products meet a range of insurance needs such as protection, savings, market linked savings, pension and health related benefits for individuals as well as groups. Insurance companies must design products to efficiently fulfil these requirements.

The following are the major categories of insurance products:

Participating products

For participating products, an insurer invests the premiums received in a pooled participating fund to pay for certain fixed benefits as well as to share the surplus in the form of bonus as a discretionary benefit. The distribution of regular bonus can be in the form of a reversionary bonus. The reversionary bonus is changeable from year to year for future years during the tenure of the policy as experience emerges from the life cycle of the policy. However, there are other forms of bonus such as terminal bonus and loyalty additions. Policies under participating products provide a minimum guaranteed return that is payable on death or maturity plus additional discretionary benefit in the form of bonuses. Bonuses, once declared, vest in a policy and become a guarantee.

Non-participating products

Non-participating products provide a fixed amount of benefits on contingent event(s) covered under the product. The policyholders do not participate in profits or losses of the underlying business and therefore the product is also known as without profit product. This category includes pure term products (covering death benefit only), savings product (providing survival benefits in addition to death cover), and immediate or deferred annuity (providing series of payments).

Unit-linked insurance products (ULIP)

ULIP is a long-term investment product. The returns under ULIP are directly linked to changes in the underlying investment, so the investment risk and reward is directly attributable to the policyholder. Therefore, unlike non-linked products holders, a ULIP holder can monitor the performance of the policy through the net asset value (NAV) released by the companies regularly. The policyholders have the flexibility to choose the proportion of equity and debt in their investment portfolio based on their risk profile, and switch between different asset classes available under the product, based on assessment of market conditions and risk appetite. Customers can also choose the level of life cover allowed within a product.

Health insurance products

Life Insurers are allowed to sell defined benefit health insurance products to cover health related risks. Health insurance products may cover a specific disease such as cancer or a combination of diseases and the benefits are payable in case of hospitalization or undergoing surgeries.

Group protection products

On the group platform, the product may be protection or savings under linked and non-linked category. Group term plans provide benefits of life insurance coverage to a group of individuals and the sum assured is paid to the member's nominee upon the death of the member. The policies are offered to a group such as employer-employee, non-employer- employee, banks, professional and microfinance institutions. Typically, group products have a one-year term and need to be renewed upon expiry. However, the product can be under regular premium and may be allowed to be accepted in lump sum. There can also be other variety of products such as coverage against loans, such as car loan, home loans, and education loans. The creditors' protection products are typically long term and aligned to the tenure of the loan, and the death cover is aligned to the outstanding loan cover over the term of the loan.

Other group products

- Group gratuity plans help the employer reduce business cost and take care of employer's long-term gratuity expenses by earning a return on the employer's money.
- Group leave encashment schemes help the employer manage future leave encashment liability in case of an employee's death, retirement or resignation/termination, in addition to providing security.

- Group superannuation products help employees save for retirement and provide them with a corpus at the time of retirement.

Riders

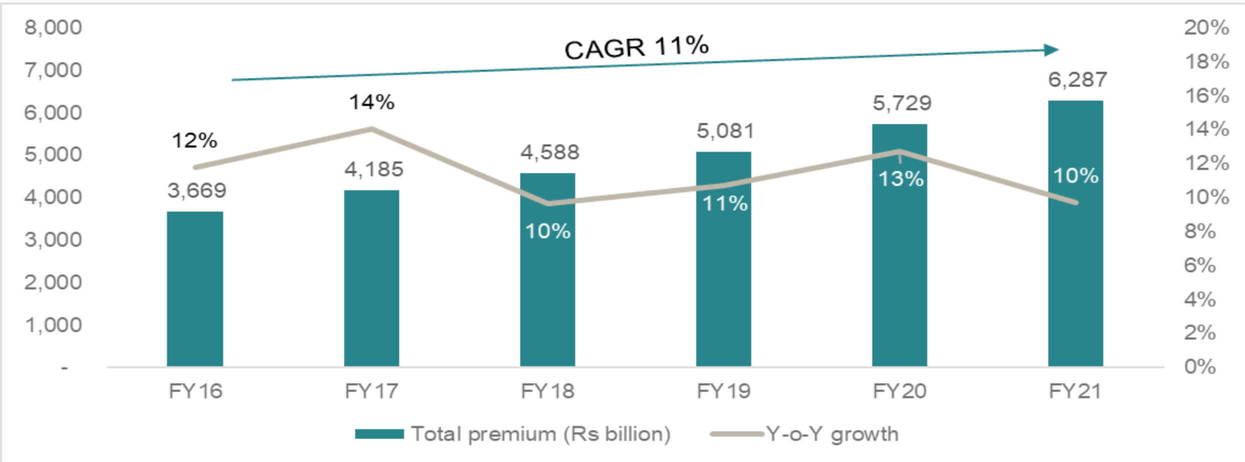
Riders are add-on covers to the base policy at an additional cost to facilitate additional benefits linked to accident, critical illness, premium waiver benefit etc. The rider benefits and eligibility criterion for a customer are subject to certain regulatory terms and conditions.

Total Premium has Grown at an 11% CAGR in the Last Five Years Ending Fiscal Year 2021

Life insurance premium has grown at an 11% CAGR from Fiscals 2016 to 2021. The double-digit growth in premium can be attributed to expansion in the distribution network, introduction of different government schemes and financial inclusion drives. These factors have increased awareness about the need for insurance and propelled industry growth.

LIC holds a 64% share by total life insurance premium and grew at 9% CAGR from Fiscals 2016 to 2021. Private insurers grew at a 18% CAGR growth during the same period.

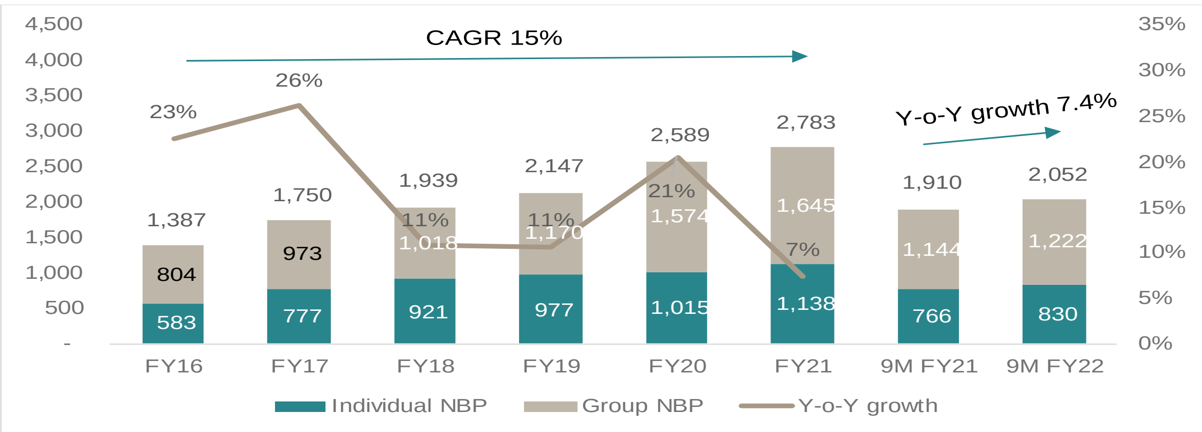
Strong growth in total premium for the life insurance industry



Source: IRDAI Annual report, company reports, CRISIL Research

New business premium has grown at 15% CAGR in the past five years with LIC and private insurers growing at 14% and 18% CAGR, respectively. In Fiscal 2021, amid the COVID-19 pandemic, NBP grew approximately 7% reflecting the impact of the economic slowdown. During the first nine months of Fiscal 2022, NBP growth remained low for the industry with y-o-y growth of 7.4%.

Trends in new business premium growth



Source: LI Council New Business Performance report, CRISIL Research

LIC continues to account for around two-thirds of the industry's premium

LIC accounts for approximately 2/3rd market share in terms of both GWP and NBP in the life insurance industry for Fiscal 2021, driven by its individual agent network especially in rural areas, wide range of products and a sense of trust created by brand LIC among individuals. Private sector players, however, have been gaining market share, supported by their diversified product mix and strong distribution through bancassurance partners. Private players have increased their focus towards individual NBP and increased their market share from 44% in Fiscal 2016 to 50% in Fiscal 2021.

In group NBP, LIC continues to dominate the market, accounting for more than 75% of the market share for Fiscal 2021.

GLOBAL LIFE INSURANCE INDUSTRY

Emerging markets driving global insurance

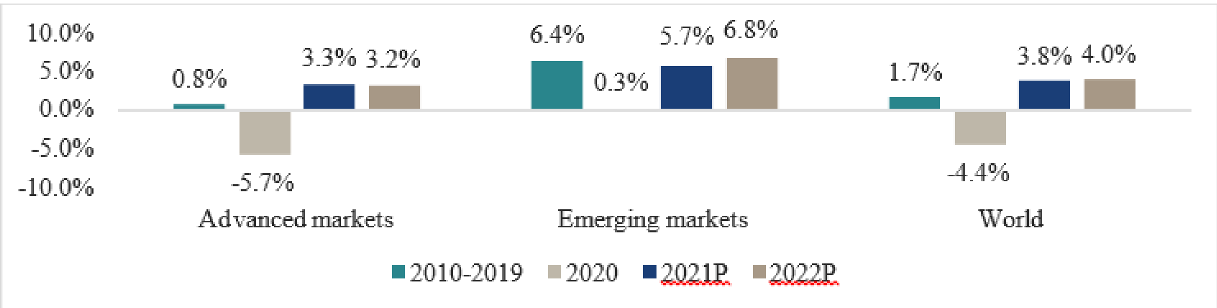
Growth in the global life insurance industry was almost stagnant for a few years after the financial crisis in 2008. During CYs 2003-2007, the total premium of the global life insurance industry grew at 4% CAGR (in nominal dollar terms). However, there was a revival in growth from CY 2014. During CYs 2014-2019, global life insurance premiums grew at a CAGR of 1.7%. Growth in this period was primarily driven by emerging markets which grew at 8% CAGR compared to a CAGR of 0.3% for advanced markets during the same period.

In CY 2020, the global life insurance market contracted by 3.1% to $2.79 trillion from $2.88 trillion in CY 2019 (in nominal terms) due to the impact of COVID-19 and the consequent weakness in the life savings business, which represents 81% of the global life portfolio. Advanced markets were hit harder, contracting 3.9% as compared to approximately 0.3% for emerging markets. The reason for the resilience of emerging markets was China, where premiums rose by 5.5% due to its strong economic recovery, solid demand for risk protection, quicker adoption of digital channels and insurers' active approach to engage with customers.

According to Swiss Re, the global life premium is expected to rebound strongly from the COVID-19 shock, with annual growth of 3.8% in CY 2021 and 4.0% in CY 2022 (in real terms). The recovery is expected to come from rising demand for risk protection owing to COVID-19's effect on consumer risk awareness. Life savings business is also expected to benefit from stronger financial markets and steady recovery in consumer incomes.

Emerging markets are expected to continue to be the key driving force globally with a 5.7% and 6.8% growth rate in CYs 2021 and 2022, respectively, according to Swiss Re. This growth will be driven by improved economic prospects, fast roll outs of vaccines, rising risk awareness, adoption of digital channels and further liberalisation of the life insurance sector.

Life insurance real premium growth (%)



Source: Swiss Re, sigma No 3/2021, CRISIL Research

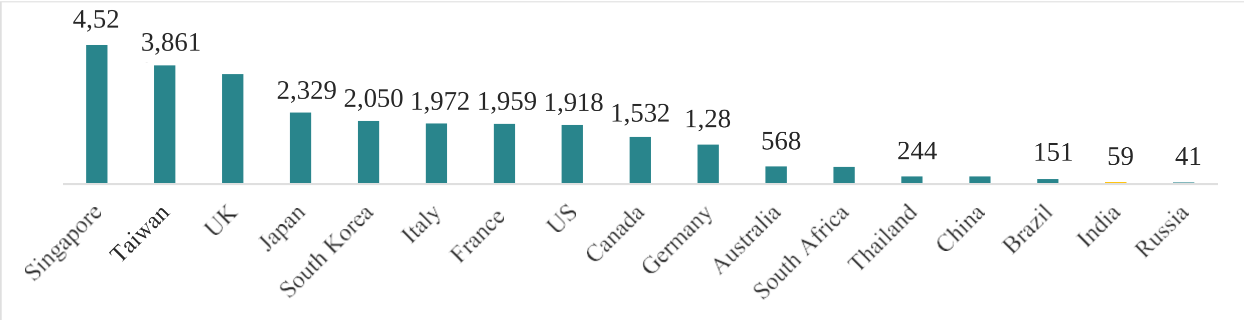
Asia Pacific (Advanced Asia Pacific and Emerging Asia Pacific) is the largest market for life insurance, accounting for 39% of the premium collected followed by the Europe, the Middle East and Africa (EMEA) region.

Indian market is still underinsured compared to major economies

India's life insurance penetration stood at 3.2% in CY 2020 compared to the global average of 3.3%. Among Asian countries, life insurance penetration in Thailand, South Korea and Singapore were at 3.4%, 6.4%, and 7.6%, respectively, in CY 2020. The penetration of the Indian industry is not comparable to developed markets, such as the United States and Australia, where mandatory pension contributions are not included in the insurance pie.

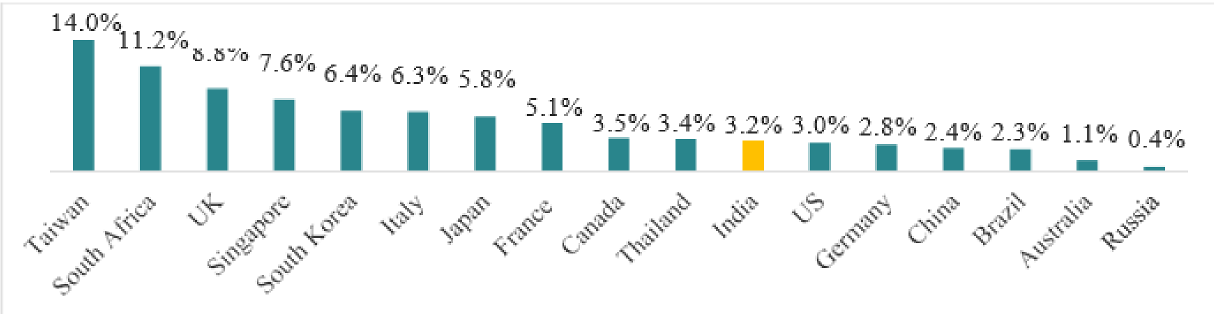
Furthermore, due to the higher share of savings than protection in life insurance premiums, CRISIL Research believes the actual protection provided by insurance in India would be much lower compared with even other developing markets. At $59 in CY 2020, insurance density in India remains very low compared with other developed and emerging market economies.

Life insurance industry density (premium per capita in USD) for different economies (as of CY 2020)



Source: Swiss Re, sigma No 3/2021, CRISIL Research

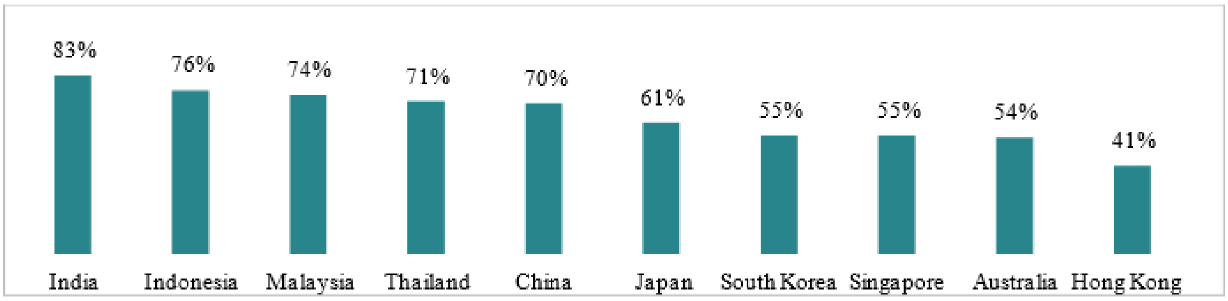
Life insurance industry penetration for different economies (as of CY 2020)



Source: Swiss Re, sigma No 3/2021, CRISIL Research

India's protection gap was $16.5 trillion as of CY 2019, which was much higher compared to its Asian counterparts. The protection gap for India was 83% as of CY 2019, the highest amongst all countries in Asia-Pacific, as per the Swiss Re report "Closing Asia's Mortality Protection Gap – July 2020".

Protection gap for different countries as of CY 2019



Source: Swiss Re - Closing Asia's Mortality Protection Gap – July 2020, CRISIL Research

Global players shift towards hybrid and unit linked products

Insurers are realizing the need to develop more flexible product solutions, and modify existing products to be more customer focused and personalised as consumers continue to seek the right combination of protection and savings relevant to their personal context. In some markets, life insurers have already began transforming their portfolio towards a wide variety of hybrids and unit-linked products that are more capital efficient and perform well in a low rate environment. For example, in the US, annuity products are growing at a faster pace as compared to traditional life insurance products given the aging US population.

In Japan, customer needs are shifting away from death protection and towards life protection products (medical, cancer and income products etc.). Thus, life insurers are seeking to develop and launch newer products with value added services to boost revenues. Nippon Life Insurance, a leading Japanese life insurer, now offers coverage for death, medical and nursing care, savings and retirement, and children-focused plans to supply customers with a comprehensive and well balanced product suite. In January 2020, justInCase, Inc. launched Japan's first peer-to-peer cancer insurance product, Warikan Hoken, an innovative product wherein the monthly premium is determined based on the member count and the number of claims during the prior month. In this case, the monthly premiums could be as low as 0 if there are no claims paid in a particular month. In Hong Kong, the share of linked business has increased from 1% in CY 2016 to 4% in CY 2020 in terms of the number of policies in the individual life new business. The share of annuities and other market linked product in terms of policies in individual life and business also grew to reach 26% in CY 2020 from 14% in 2016. Other shifts in life insurance include tailoring solutions based on consumer's life stages, as well as adding value added services and non-monetary benefits.

In contrast, the share of linked products in India is estimated to have marginally reduced to 11% in Fiscal 2021 from 13% in Fiscal 2016.

Insurers continue to rely on agency channel for generating business

Life insurance companies globally have invested heavily to acquire customers, including for scaling up agency channels, entering into for bancassurance deals and digital partnerships. Over the years, while there have been technological advancements and modernisation efforts, the digital distribution of life insurance products has not yet scaled significantly. Agency and bancassurance distribution models continue to dominate the industry across most markets around the world owing to the need for human interaction to understand customer needs and to explain to customers the features of policies and enable them to select the right policies.

For example, in China, the top two players Ping An Insurance and China Life Insurance Company sourced 83% and 82% of their gross premiums, respectively, through their agency channel in CY 2020. They are able to serve their large client base through a network of 1.02 million and 1.48 million individual agents, respectively. In fact, the cumulative contribution of the agent channel for the top two Chinese life insurers has increased in the last four years to reach 83% in CY 2020, from around 74% in CY 2016. On the back of the strength of their agency channel, Ping An Insurance and China Life Insurance Company have witnessed consistent growth in premiums with Ping An Insurance growing at a 15% CAGR over CY 2016 to CY 2020 and China Life Insurance growing at a 7% CAGR during the same period.

In India, LIC has the largest agent network of 1.33 million individual agents as at December 31, 2021, which accounted for 55% of the total agent network in the country and was 6.8 times the number of agents of the second largest life insurer. Its 65 years of lineage and its extensive and well-entrenched agent network allows LIC to cater to larger sections of the society in urban and rural regions and not just the well-banked population in the country.

For the overall Indian market, the share of new business generated for individual life insurance through bancassurance channels increased from 24% in Fiscal 2016 to 29% in Fiscal 2021. Private players have relatively higher dependence on bancassurance for new business, with their share increasing from 52% in Fiscal 2016 to 55% in Fiscal 2021.

While the agency channel will remain the bedrock of distribution for most life insurers, with accelerated digital adoption and technological advancements, life insurers in the next few years will focus on improving productivity and efficiency by focusing on using an omni-channel strategy and leveraging both digital and physical sales methods.

Digital Transformation in Insurance

Insurance Regulatory Sandbox: In-order to facilitate innovation in the insurance sector by leveraging technology along with protection of policyholder's interest, IRDAI notified the IRDAI (Regulatory Sandbox) Regulations, 2019 dated July 26, 2019. The IRDAI adopted Regulatory Sandbox approach, which provided testing ground for new business models, processes and applications that may not necessarily be covered fully by or are not fully compliant with existing Regulations. On April 7, 2021, IRDAI extended the validity of the regulatory sandbox for a period of two years.

Further, various research and development activities have been carried out by life insurers like Bajaj Allianz, Canara HSBC OBC, ICICI Prudential, SBI Life and TATA AIA, revolving around customer needs, customer relationship management and other digital servicing experience to policyholders to enhance experience. For example, Bajaj Allianz Life Insurance Company has devised solutions like 'Whatsapp BOT' and 'i-Serv' which enables insurer to respond to customer queries on WhatsApp and ICICI Prudential has deployed "Humanoid" which is an AI based conversational tool which reminds policyholders for renewal premium. Also, players like Canara HSBC OBC and SBI Life Insurance implemented robotic process automation enabling faster service delivery and WhatsApp based messaging by maintaining all the required security and safety.

Collaboration with Insurtechs: The global insurance industry, like every other industry, is focused on leveraging the benefits of a digital environment which has led to development and adoption of Insurtech. For example, in November 2018, Allianz Life Ventures and Securian Financial invested in OnRamp Insurance Accelerator by Gener8tor. In June 2019, the accelerator shortlisted five insurtechs which offered solutions for predicting customer churn, underwriting claims and digitizing direct mail. In 2019, Prudential Financial purchased Assurance IQ, a data science and machine learning based insurance provider, which gave the insurer access to customers who needed life coverage and other insurance products. The platform matched consumers with the live agent or sales process that was best suited to their needs, resulting in better customer outcomes that led to higher levels of engagement and conversion.

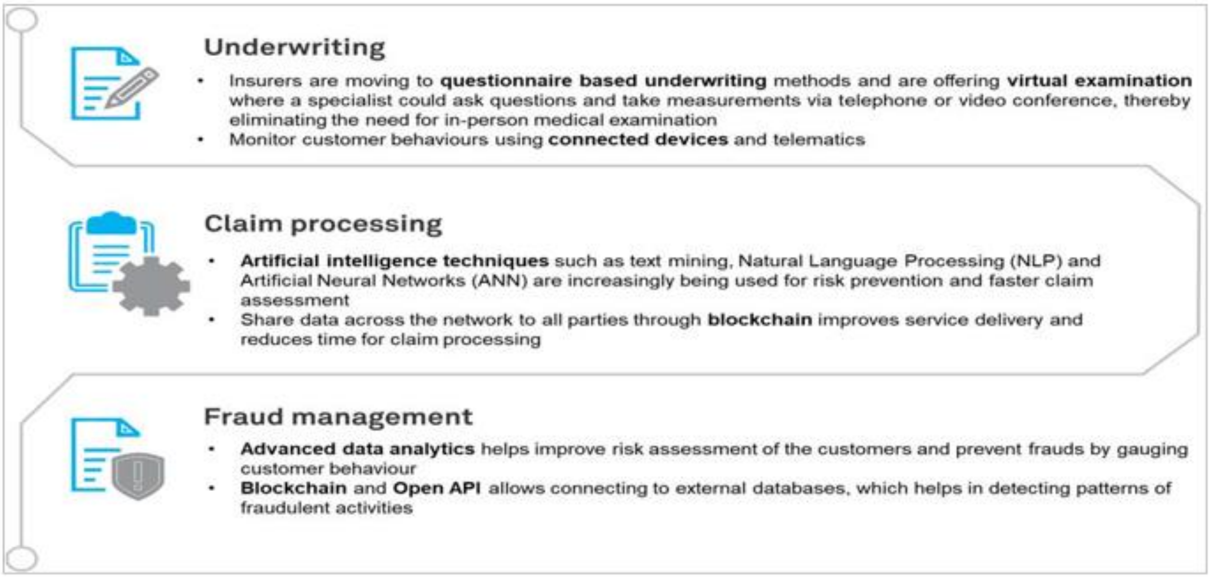
Key Areas of Digital Transformation in Life Insurance

Source: CRISIL Research

Growth of Web Aggregators: The pandemic has presented opportunities for distribution through web aggregators in the insurance space. In addition to the standard price comparison of insurers, the aggregators also offer personal finance advice and education to customers enabling more complex products also to be sold through these channels. Web aggregators have also helped companies reach out to younger customers who tend to prefer digital platforms and the questionnaire style of underwriting.

Digitalisation of Key Processes: COVID-19 has been a catalyst of change in the underwriting environment and the industry has accelerated efforts to move towards more efficient and frictionless practices. Insurers have started offering virtual examination where a specialist could ask questions and take measurements via telephone or video conference, thereby eliminating the need for in-person medical examination. Artificial intelligence techniques such as text mining, natural language processing and artificial neural networks are increasingly being used to make underwriting more streamlined. These techniques help increase the speed and accuracy with which applications can be reviewed and processed. Apart from underwriting, players in the industry have also started to use technology across the value chain for faster claim processing and fraud management.

Key Technologies Impacting the Value Chain of Insurance



Source: CRISIL Research

Digital Initiatives of Some Global Insurers

Digital technology is a new force that is driving massive changes in the insurance sector. For insurers, the changing landscape of insurance (use of mobile and internet) and the way customers interact with them using newer forms of engagement (e.g., social media) has led to a flurry of technological advancements in the industry. Insurers are now harnessing digital technology to scale their business model and provide a hassle-free experience to their customers. The extent of adoption of digitalisation varies from one insurer to another. Some insurers have looked collectively at the process, ecosystem and the technology while others have looked at only addressing specific issues.

Key Success Factors

Track record in servicing customers and honouring claims: Among different success factors, trust in the company, good a track record of servicing customers and proactive claim settlements are key to increasing customer stickiness and renewal premiums for the insurer.

Offering differentiated products and competitive pricing: With the industry becoming highly competitive, creating innovative and customized products has become critical for insurers. Instilling a customer-first culture will enable insurers to engage with customers to better understand the emerging needs of customers in the market. These insights can help insurers create a competitive advantage in developing innovative solutions. Increasing competitiveness in the industry has also led to pricing pressure on insurance players. Offering differentiated products along with competitive premiums is critical to maintaining market share and position in the industry.

Strong distribution network: For life insurance companies, creating and maintaining a well-entrenched distribution network is paramount to marketing their products effectively and generating new business. The pandemic induced shift to remote connectivity has forced insurers to think differently about how technology can provide new avenues to prospect, engage with and service customers. It is essential to re-skill profiles of employees and agents manning the distribution channels in order to ensure that they can fulfil the requirements of the customer.

Efficient underwriting and cost management: The ability to manage a strong distribution network efficiently with the optimum mix of different products and distribution channels as well as prudent underwriting that factors in risks across customer cohorts is critical for life insurers to maintain their profitability.

Taking new approaches to customer engagement: Insurers are increasingly exploring new customer engagement approaches to tap into growth opportunities. For example: with rising demand of health and well-being products, players such as Ping An (in China) and AIA (in Hong Kong) have created health ecosystems that connect customers to partners in order to facilitate access of health information and related services. Additionally, engagement opportunities through reward and well-being programs incentivize customers to interact with insurers and allow them to capture data and learn more about customer preference and insurance needs.

Enterprise Risk Management Illustrates Best Practices for Insurers

Over the years, the life insurance industry has been confronted with changes in demographic profiles, longevity, convergence in financial services industry, changing product requirements and customer preferences, unpredictable volatility in financial markets, emergence of newer products, changes in technology and rise of insurtechs, health related concerns, as well as various structural changes. Accordingly, risk management in the life insurance business is a complex problem and arises from various known and unknown sources like macroeconomic changes, credit spreads and investment market volatility, natural catastrophes, claims and pricing or inadequacy in reserve/ solvency margins. Some of the risks are tabulated below:

Risks	Description
Muted market growth prospect	Lack of potential for premium growth in a market, either because it is mature or due to adverse macroeconomic conditions, with high inflation resulting in near-zero (or negative) real growth
Exposure to natural catastrophes	Markets with material exposure to climate risk, notably, earthquakes, hurricanes, and other natural disasters
Investment Performance Risk	Investment in high-risk assets pose a threat to insurance companies impacting their investment incomes and hence profitability. High-risk assets typically include equities (listed and unlisted), real estate, fixed- income investments or deposits in institutions that are rated 'BB+' or lower, and unrated bonds and loans Financial market risk, interest rate volatility, currency exchange risks and geopolitical risks may also impact the performance of the investments
Government and Regulatory risk	Markets exposed to changes in government or regulatory policies, often resulting in material impacts on insurers' business models and/or profitability
Litigious legal system	A sector where litigation often leads to lengthy court cases, increasing the tail of an insurer's liabilities, and consequently, resulting in unpredictable claims settlements

During recent years, a new concept called enterprise risk management ("**ERM**"), an extension of financial risk management, has been gaining momentum. ERM focuses on non-financial contingencies in addition to financial factors. ERM is a broader concept and takes into account factors like human resources, distribution channels, corporate governance and technology. Some global players use this framework to manage their risks by forming defence strategies at three different levels. The first line of risk is managed at the business unit level, the second line of defence is monitored by various ERM committees and the third line of risk management is managed by internal audit and independent consultant reviews. This risk management framework comprehensively includes risk identification, risk evaluation, risk management, risk monitoring and risk communication.

LIC is Dominant as Compared to Other Insurers in Their Respective Countries

The life insurance industry is capital intensive with a long gestation period, which has resulted in only few players being active in the industry across most markets and the larger players within each market having significant market share.

In China, for example, the life insurance market is dominated by Ping An Insurance and China Life Insurance Company, with market shares of 21% and 20% respectively. In Malaysia, AIA BHD and Great Eastern Life Insurance – the two largest life insurers – cumulatively accounted for approximately 37% of premium garnered by the industry in CY 2020. In Japan, the largest life insurer, Nippon Life Insurance Company, has a market share of 16.2% as of CY 2020.

However, nowhere in the world is the difference in market share between the largest and the second largest life insurer as stark as in India, with the second largest player having only 8.0% market share of GWP compared to LIC's market share of 64.1% by GWP for Fiscal 2021. LIC's market share in India is unparalleled globally, with no other life insurance player in any other country enjoying such a large market share.

The market share distribution in the United States is quite unlike other parts of the world, with the top 15 life insurers accounting approximately 60% of the total market in 2020. NorthWestern Mutual Life Insurance Company is the top life insurer in the US with a market share of 8.4% followed by Metlife Inc. with a 7.6% market share and New York Life Insurance Company with a 7.5% market share as of 2020.

Market share of largest insurers (% of total life insurance premium)

Country	Top Insurers Globally	Market share within country (2016)	Market share within country (2020)
United States	NorthWestern Mutual Life Insurance Company	8.4%*	8.4%
	Metlife Inc.	9.6%*	7.6%
China	Ping An Insurance Company	16.7%	21.3%
	China Life Insurance Company	20.7%	20.0%
Japan	Nippon Life Insurance	15.1%	16.2%
	Japan Post Insurance Co. Ltd.	14.2%	15.4%
India	Life Insurance Corporation of India	71.8%^	64.1%#
	SBI Life Insurance Ltd.	5.0%^	8.0%#
United Kingdom	Aviva PLC	14.7%	23%
	Lloyd Banking Group	19.8%	18.6%
South Korea	Samsung Life Insurance	21.3%	14.8%
	Hanwha Life Insurance	12.6%	12.7%
Malaysia	AIA BHD	20.5%	20.6%
	Great Eastern Life Insurance	18.8%	16.6%

*Note: The market share is calculated on total life insurance gross premiums, * Share in 9M2016, ^Share for fiscal 2017, # Share for fiscal 2021*
Source: Company reports, CRISIL Research

Global Positioning of LIC

Globally, Allianz S.E is the largest life insurer in the world in terms of life insurance premium and is second in terms of total assets. This is largely due to its presence in multiple geographies like Europe, USA and Asia Pacific. Amongst the top global insurers, LIC is the only Indian player. LIC is ranked fifth globally in terms of life insurance premium and tenth in terms of total assets.

S. No.	Company Name	Country	Gross Written Premium in USD Millions (2020)	Total Assets in USD Millions (2020)	Life Insurance Premiums USD Millions (2020)
1	Allianz SE	Germany	99,583	1,272,014	88,853
2	Ping An Insurance	China	115,635	1,380,851	74,134
3	China Life Insurance	China	88,734	616,291	69,651
4	Assicurazioni Generali S.p.A	Italy	84,845	653,652	58,268
5	Life Insurance Corporation of India*	India	56,405	507,333	56,405
6	Nippon Life Insurance	Japan	39,838	705,002	39,838
7	AXA S.A	France	112,698	965,747	37,829
8	Japan Post Insurance	Japan	24,369	633,845	34,223
9	Dai-chi Life Holdings	Japan	41,644	559,853	27,024
10	NorthWestern Mutual	US	19,323	308,767	15,720
11	Metlife Inc.	US	49,486	795,146	14,200
12	People’s Insurance Company of China	China	75,447	182,038	13,665

*Note: Players are arranged in terms of life insurance premiums, *Data as of FY21 Source: Company reports, CRISIL Research*

Peer Benchmarking

Amongst the peer set, LIC’s dominance is unparalleled globally with no other life insurance player in any country enjoying such high market share in its geography.

LIC ranks fifth in terms of net premium earned amongst the peer set analysed

LIC ranks fifth in terms of net premium earned, with premium of USD 56 billion in Fiscal 2021. Over a period of 12 months ending in CY 2020, AXA S.A. (USD 113 billion), Ping An Insurance (USD 110 billion), Allianz SE (USD 909 billion), China Life Insurance Company (USD 88 billion) are the only global peers having a net premium higher than LIC. In terms of growth, Ping An Insurance has grown at a CAGR of 15% over the last four years, followed by China Life Insurance Company (9%) and LIC (6%).

LIC is the 8th largest life insurer in terms of assets amongst the peer set analysed

Ping An Insurance is the largest insurer in terms of total assets followed by Allianz SE. and AXA S.A. Life Insurance Corporation is the eighth largest player with total assets of USD 507 billion at end of Fiscal 2021. It had a CAGR growth of 8% between Fiscal 2017 and 2021. At end of December 2020, Ping An Insurance, China Life Insurance Company and Samsung Life Insurance Company are the only peers that had higher CAGR growth of 14%, 12% and 9% respectively between 2016 and 2020 in terms of total assets.

Group financial performance of key life insurers (2020)

Players	Total Assets (USD Mn)	CAGR Growth (FY16- FY20)	Net Premium Earned (USD Mn)	CAGR Growth (FY16- FY20)	Total PAT (USD Mn)	CAGR Growth (FY16- FY20)
Ping An Insurance	1,380,851	14%	109,797	15%	23,096	22.0%
Allianz SE	1,272,014	5%	90,857	2%	8,560	-0.7%
AXA S.A.	965,507	-3%	112,698	-0.1%	3,997	-14.4%
Metlife Inc.	795,146	-3%	42,034	3%	5,418	67.0%
Nippon Life Insurance	705,002	4%	39,838	-6%	1,609	-17.4%
Aviva PLC	657,338	4%	34,595	4%	3,986	37.5%
China Life Insurance Company	616,291	12%	87,633	9%	7,285	27.5%
Life Insurance Corporation of India	507,333*	8%^	54,865*	6%^	406	5.1%
Samsung Life Insurance	309,270	9%	15,837	4%	1,163	-9.1%
NorthWestern Mutual Life Insurance Company	308,767	5%	19,323	2%	425	-14.9%
AIA BHD Malaysia	14,927	8%	2,463	8%	110	-14.2%

Note:
*1) *Data as of FY 2021, ^ CAGR growth of FY17-F21, Companies are arranged in decreasing order of total assets.*
2) Exchange rates: 1 USD= 6.9 Chines Yuan, 1 USD =4.4 Malaysian Ringgit, 1 USD = 0.77 GBP, 1 USD = 116.9 Japanese Yen, 1 USD = Rs. 73.5047 (Indian Rupee), 1 USD = 1175 South Korean Won, 1 USD = 0.83 Euro.
Source: Company reports, CRISIL Research

LIC has the highest RoE amongst the global peers

In Fiscal 2021, LIC had the highest RoE of 82% amongst its peers, followed by Ping An Insurance (19.5%), Aviva PLC (14.8%) and China Life Insurance (11.9%).

Group Profitability (2020)

Players	Return on Total Assets		Return on Equity	
	2016	2020	2016	2020
Ping An Insurance	1.3%	1.7%	17.4%	19.5%
Allianz SE	0.8%	0.7%	10.7%	8.8%
AXA S.A.	0.7%	0.4%	8.3%	4.4%
MetLife Inc.	0.2%	0.9%	1.0%	7.7%
Nippon Life Insurance	0.7%	0.3%	0.8%	3.9%
Aviva PLC	0.3%	0.9%	4.4%	14.8%
China Life Insurance Company	0.7%	0.6%	6.2%	11.9%
Life Insurance Corporation of India*	0.1%^	0.2%*	375%^	82.0%*
Samsung Life Insurance	0.5%	0.7%	2.4%	3.4%
NorthWestern Mutual Life Insurance Company	0.4%	0.3%	3.4%	1.4%
AIA BHD Malaysia	1.9%	0.7%	19%	9.0%

*Note: * Data for Fiscal 2021, ^ Data for Fiscal 2017; ROE for a fiscal (n) calculated as profit after tax for the fiscal (n) divided by [average equity of fiscal (n)] and the [previous fiscal (n-1)]*
Source: Company reports, CRISIL Research

DEEP DIVE INTO THE INDIAN LIFE INSURANCE INDUSTRY

Business model of players in the life insurance industry

There are two broad business models followed by Indian life insurers. These are life insurers that are dependent on the bank-based corporate agent network and those that follow an individual agent-led distribution network. Within this, there are players that are either bank promoted that reap the benefits of wide distribution network of the promoter entity, and others that do not have a bank-based promoter but have a bancassurance partner that acts as a corporate agent for the bank.

Within players dependent on the individual agent network, there are business models focused on group or individual businesses, or an equal mix of both. Basis this, the Indian life insurers can be categorized into the following business models:

1. Bank promoted entities
2. Non-bank promoted entities having banking partners
3. Group focused players with individual agent network
4. Individual focused players with individual agent network
5. Players focused on both group as well as individual business

Focus on a specific distribution channel does not mean that players do not use other channels. It merely indicates higher focus on a specific channel as it helps in optimising costs, especially fixed costs and customer acquisition costs. LIC, for example, mainly relies on its agent network for individual business (94% of NBP in Fiscal 2021), thereby keeping its costs in this respect variable, and relies on direct sales through its team for group business.

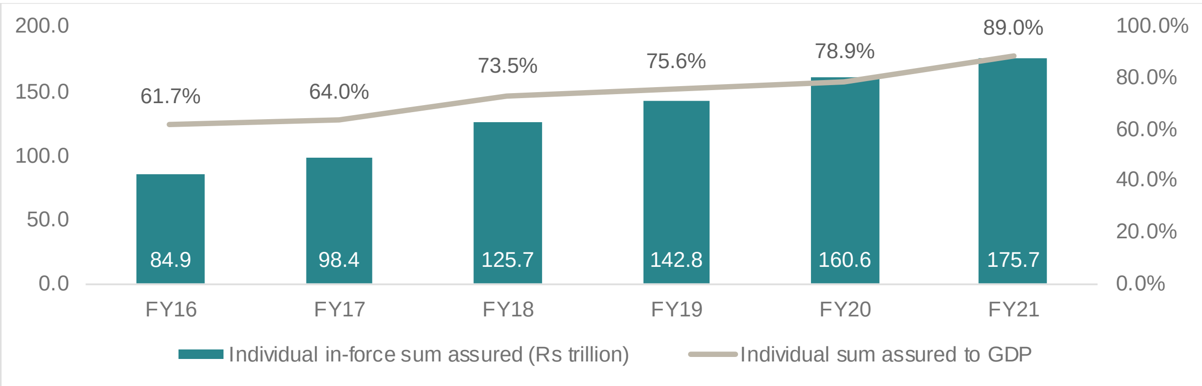
Private players who are focused on individual business and are reliant on individual agents for distribution have been suffering from low productivity and higher fixed costs and are looking for ways to adjust the cost structure in form of higher variable costs to improve their profitability.

Movement in Key Industry Parameters

Life insurance coverage has increased appreciably

The total sum assured under the individual life insurance business was Rs. 170.56 trillion for Fiscal 2021 in India, which is approximately 89% of India's GDP. The sum assured for individual insurance has increased at 15.7% CAGR from Fiscal 2016 to 2021. The total number of individual policies in force was 332 million for Fiscal 2021 of which number of individual new policies issued was approximately 28 million in Fiscal 2021.

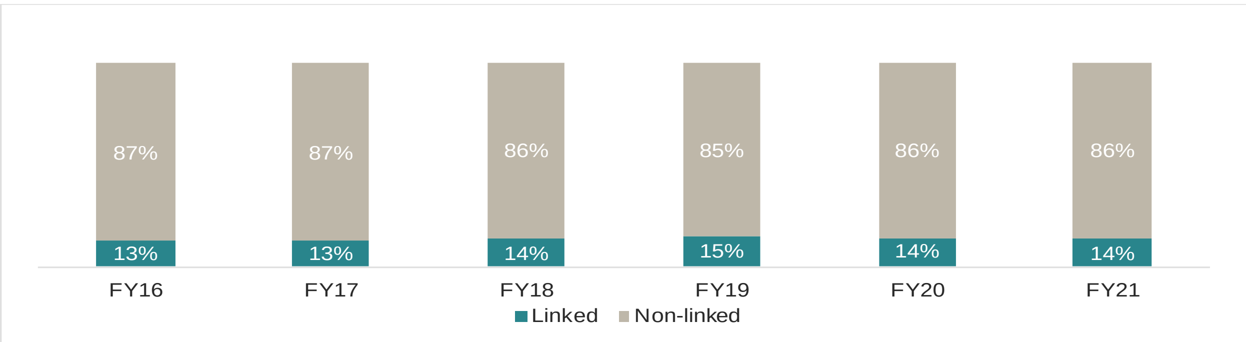
Trend in individual in-force sum assured



Source: IRDAI – Handbook of statistics, Life Insurance Council, CRISIL Research Estimates

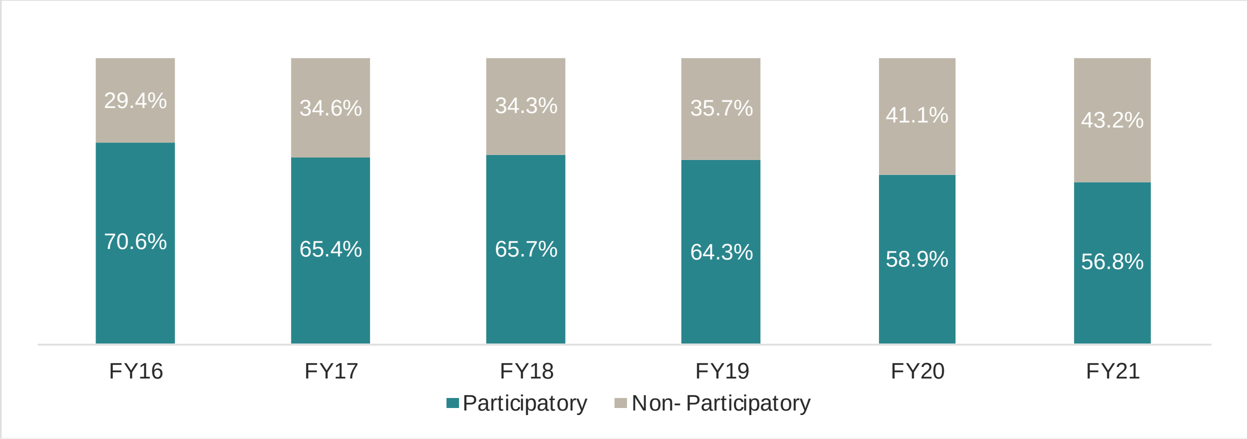
The following charts demonstrate evolution of product mix in the Indian life insurance industry since Fiscal 16:

Overall industry's product mix based on total premium



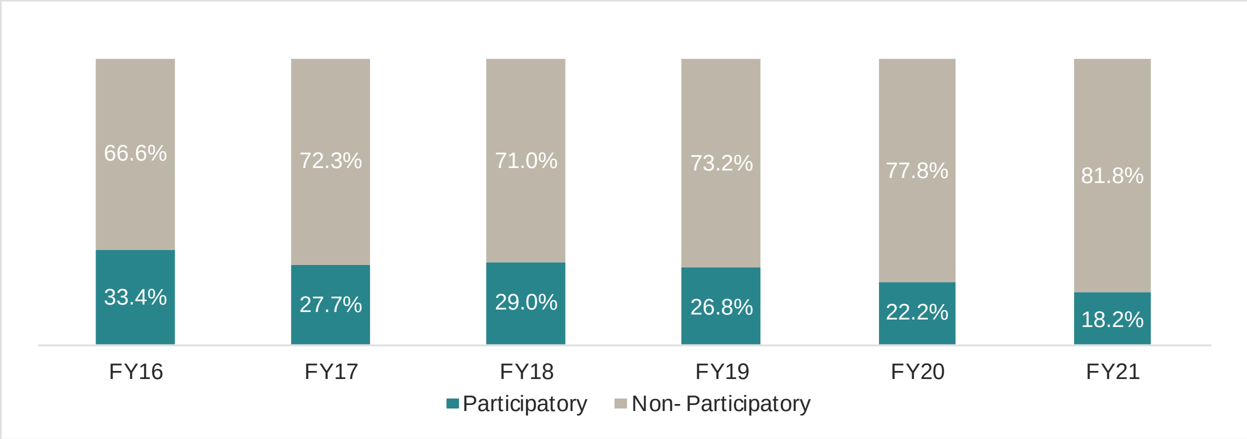
Note: Data for FY21 is estimated based on player-wise analysis (data for Aviva, Bharti Axa, and Exide Life Insurance is unavailable)
Source: IRDAI – handbook of statistics, company reports, CRISIL Research

Non-linked product mix based on total premium



Note: Calculated on the basis of LIC and top five private players (Bajaj Allianz, HDFC Life, ICICI Prudential, Max Life and SBI Life) which account for 89% of industry total premium in Fiscal 2021
Source: Company reports, CRISIL Research

Non-linked product mix based on new business premium



Note: Calculated on the basis of LIC and top five private players (Bajaj Allianz, HDFC Life, ICICI Prudential, Max Life and SBI Life,) which account for 89% of industry total premium in Fiscal 2021 Source: Company reports, CRISIL Research

The life insurance players have significantly leveraged banking channels to market their products from Fiscal 2018 onwards. This gradually led to an increase in share of bancassurance channel and a decline in the share of individual agents in distribution of individual life insurance products. Share of bancassurance channel rose from 23.8% of NBP in Fiscal 2016 to 29.0% of NBP in Fiscal 2021, in the individual business, driven majorly by private players which either have major holdings from the banks or have empanelled banks as their corporate agents.

Recently, due to impetus on technology by the industry and the push provided by COVID-19, share of direct selling and others including web aggregators, etc., has increased. The direct channel accounted for approximately 9% of individual life insurance premium in Fiscal 2021.

Individual agents, however, continue to account for as much as 58% of the individual life insurance premium for Fiscal 2021 due to the personal connect they can establish with customers. They can provide hand holding to these customers, make them understand the various advantages of the policies and differences amongst various products as well as provide advice on suitability of the product basis the customer's needs, premium reminders and help with cheque collection etc. Due to product variations with respect to coverage, policy inclusions/ exclusions and various other features, it becomes important for insurers to have trained individual agents to assist customers while selecting any policy.

While the importance of the online channel is expected to increase in the post-COVID scenario, CRISIL Research believes that agents will continue to remain the pre-dominant mode of garnering life insurance business in individual category, given the need for customers to be assisted in choosing the right product.

New business premium by distribution channels for the industry (individual life insurance product)

	FY16	FY17	FY18	FY19	FY20	FY21
Individual agents	68.3%	68.8%	65.9%	62.3%	60.8%	58.2%
Corporate agents – Banks	23.8%	23.5%	25.2%	27.0%	26.7%	29.0%
Corporate agents – Others	1.4%	1.3%	1.3%	1.4%	1.6%	1.7%
Brokers	1.6%	1.3%	1.3%	1.4%	1.7%	1.4%
Direct selling	4.8%	5.1%	6.2%	7.6%	8.8%	8.9%
Web Aggregators	0.0%	0.0%	0.0%	0.1%	0.3%	0.3%
Others	0.0%	0.0%	0.1%	0.1%	0.2%	0.5%

* *Direct selling also includes business through referral and online channel Others include POS, IMF, IMFS, Others and Micro Agents*
Source: IRDAI – handbook of statistics, company reports, CRISIL Research

Group business is sourced directly by the insurers

As against individual business, group business across the industry is dependent on insurers' direct selling teams and they dominate a significant share of business sourced through various channels. Although some insurers have lately depended more on corporate channels and brokers for their group life insurance business, the majority is still sourced through their own teams, with direct selling accounting for approximately 91% of group NBP in Fiscal 2021.

New business premium by distribution channels for the industry (group life insurance product)

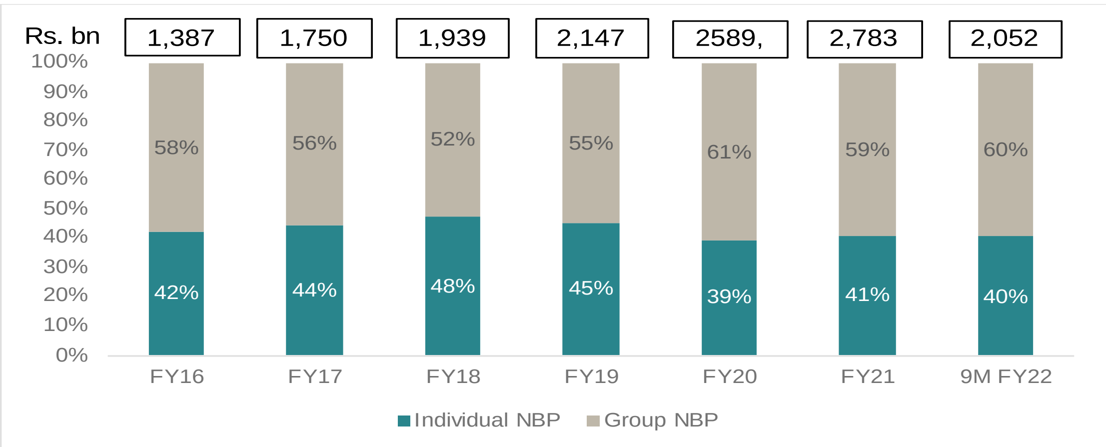
	FY16	FY17	FY18	FY19	FY20	FY21
Individual agents	1.7%	1.6%	1.0%	1.9%	1.5%	2.1%
Corporate agents – Banks	1.7%	1.8%	2.4%	4.2%	4.4%	4.9%
Corporate agents – Others	1.0%	0.3%	1.3%	2.0%	1.5%	1.2%
Brokers	0.6%	0.7%	1.0%	1.0%	0.8%	1.0%
Direct selling	95.0%	95.6%	94.4%	90.8%	91.7%	90.8%
Web Aggregators	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Others	0.0%	0.0%	0.0%	0.1%	0.2%	0.1%

* *Direct selling also includes business through referral and online channel Others include IMFS and Micro Agents*
Source: IRDAI – handbook of statistics, company reports, CRISIL Research

LIC dominant in group insurance with approximately 80% market share

In terms of segments, the share of group NBP in total NBP has increased from 58% in Fiscal 2016 to 60% in December 31, 2021. LIC continues to dominate the group NBP segment with 78% market share for Fiscal 2021. On the other hand, private players have increased their market share in individual NBP from 44% in Fiscal 2016 to 50% in Fiscal 2021 and further to 57% in December 31, 2021.

Group NBP accounts for approximately 60% share for Fiscal 2021

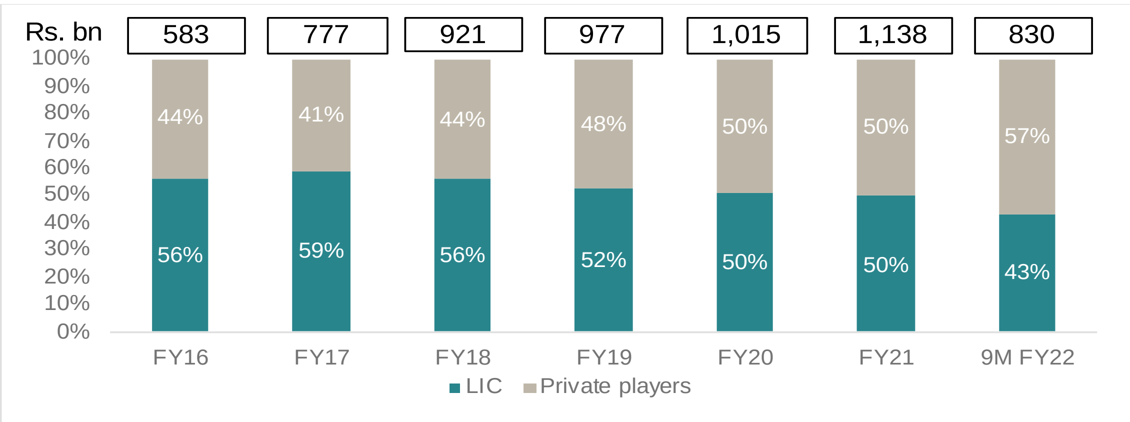


Source: LI Council New Business Performance report, CRISIL Research

Market share of private players and LIC (Group - NBP)

Source: LI Council New business premium report, CRISIL Research

Market share of private players and LIC (Individual - NBP)

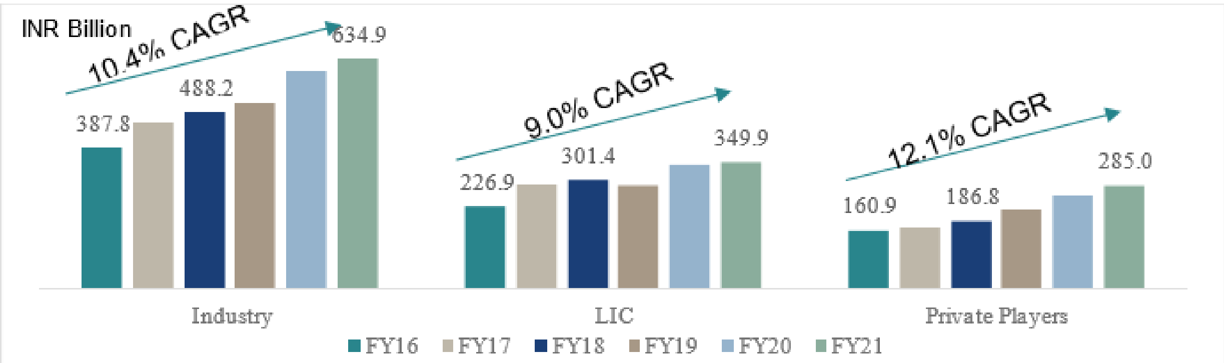


Source: LI Council New business premium report, CRISIL Research

LIC has a favourable operating expense ratio in comparison to the industry

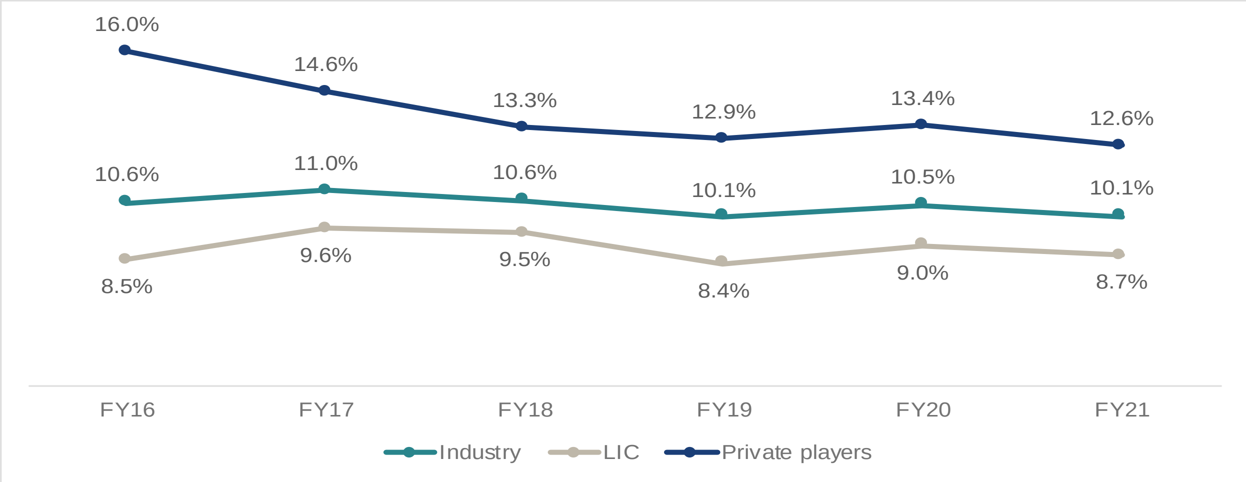
LIC's expense ratio is considerably lower than that of private players on account of it being a mature business. For private players in the industry as well, the operating costs are coming down on account of higher dependence on technology and fintech tie-ups for multiple operations.

Trend in operating expense for industry, LIC and private players



Source: IRDAI – handbook of statistics, company reports, CRISIL Research

Operating expense ratio (as % of total premium)

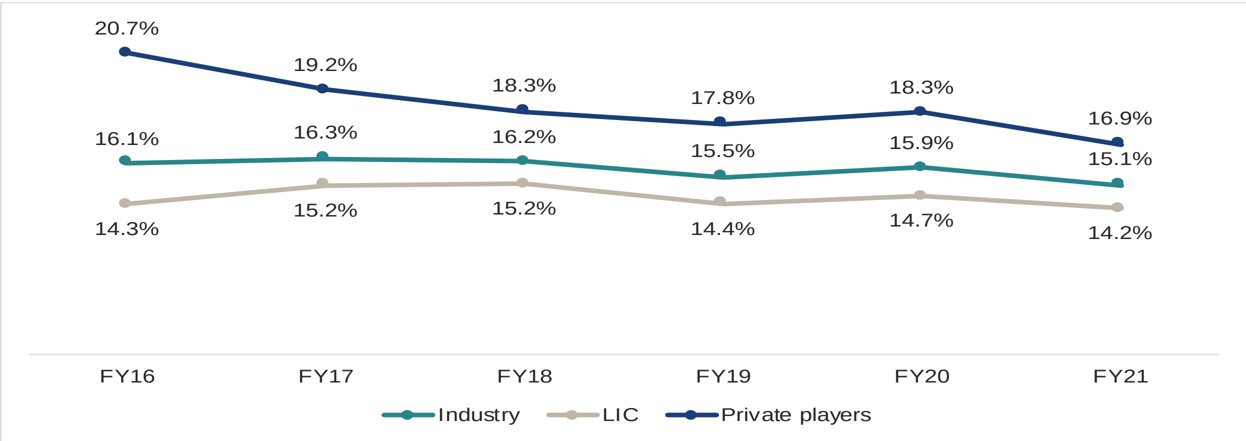


Source: IRDAI – handbook of statistics, company reports, CRISIL Research

Sharp decline in Total Cost Ratio as a percentage to new business premium

Due to high expense and commission cost in relation to business, Total Cost Ratio of private players has remained high compared to LIC. However, on account of consolidation, with respect to branch expansion and other cost rationalisation, the overall cost is gradually decreasing across the industry. LIC's overall cost remains substantially lower than that of private players.

Total Cost Ratio (as % of total premium)



Source: IRDAI, CRISIL Research
Note: Total Cost = Commission + Operating Expense

Host of new products and riders approved by IRDAI in the last few years

Improving the existing products as well as introducing newer offerings is a consistent practice in the life insurance industry.

Total number of products offered by major players

Life Insurance Company	Total number of products			
	Mar-18	Mar-19*	Mar-20	Mar-21
LIC	42	45	42	45
SBI Life	40	42	35	39

Life Insurance Company	Total number of products			
	Mar-18	Mar-19*	Mar-20	Mar-21
HDFC Life	45	49	48	48
ICICI Prudential Life	30	37	36	39
Max Life	24	25	24	27
Bajaj Allianz	37	42	35	40

Note: (*) Number is as at April; Data for all insurance companies are not covered here; These companies account for 89% of total life insurance premium for Fiscal 2021
Source: LI Council Industry Information - Product of Life Insurers, CRISIL Research

Digitization to be at the core of industry transformation

Advanced technology has already become an integral part of the insurance industry. Customers can now compare different life insurance quotes across various players just by clicking a button. Managing coverage or checking the policy status can also be easily done via mobile app or the insurer's website. Evolving digital trends coupled with changing customer and other stakeholder expectations is driving transformation of existing business models. Insurers are increasing their focus towards technology to engage with consumers, and to provide real-time and convenient access to information. Digital transformation offers insurers opportunities to enhance customer satisfaction as well as reduce costs. While insurance has traditionally been sold on the basis of trust and relationships, technology allows bringing progress, speed, flexibility and innovation into the process.

Players looking to tap digital platform to push sales as well as improve operational efficiency

With increasing internet penetration, the use of digital mediums to conduct financial transactions has substantially increased over the years. The first major digital adoption for the life insurance industry was the issuance of insurance policy in electronic form. Players have tied up with platforms such as National Securities Depository Limited and Central Depository Services (India) Limited, to enable policyholders to hold insurance policies in electronic form. Further, some players have also entered into contracts with digital players, to enable customers to make payments through their preferred channels.

Increasing use of online platforms has also led to voluntary sharing of a lot of financial-related information by consumers. Insurers are able to leverage the use of such data and target the right set of prospective customers by analysing customer data, insurers are also able to offer the right set of products to customers. Additionally, predictive analysis allows insurers to identify the probability of a customer renewing the policy and accordingly take steps to increase renewals and retention.

Though customers use digital mediums to study and compare various life insurance products, the final sale of policies is still being largely conducted through traditional insurance intermediaries. On the other hand, the process of underwriting and data verification is undergoing a digital transition, with customers not being required to share physical documents with their agents. This helps in substantially reducing the turnaround time and also enhances channel productivity. Digital channel is aiding customers to make informed decisions, which will help in increasing the persistency ratio for players in the long run and also reduce mis-selling of policies. Over the long run, as end-to- end sale and servicing of insurance policies increase, operational efficiency of players will substantially improve, due to lower operating costs.

Key areas in the insurance processes where digitalisation is finding application

- Smarter ways to on-board customers such as paperless login with digital consent, electronic payments and application tracker
- Leverage analytics for providing pre-approved offerings to customers for whom no medical tests are required

- AI-driven chatbots to solve customer queries, fill out applications forms and walk customers through some predefined process
- Lead management system (LMS) with data analytical models enabling sales team to tap in to existing opportunities
- Customers can get most of their queries and requests addressed instantly at their fingertips through visual IVR or speech IVR

- Tele or video based medical assessment
- Implementation of AI to evaluate various customer data thus enabling more efficient policy underwritting

- Companies use multiple digital enablers like WhatsApp, mobile app or websites where customer could register, download and upload documents without needing any physical assistance
- Insurers are employing robotic process to automatically validate death certificates and reduce the turnaround time

Source: CRISIL Research

Regulatory focus on digitalisation in insurance sector

In light of the COVID-19 pandemic, IRDAI has introduced various steps to facilitate alternate modes of digital contact, particularly with respect to policy servicing and claims, in order to ensure continuity of business operations:

Paperless KYC – IRDAI has allowed insurance companies to avail Aadhaar Authentication services of the Unique Identification Authority of India. As a result, KYC is done digitally which requires the user to provide an OTP sent to their Aadhaar registered mobile number.

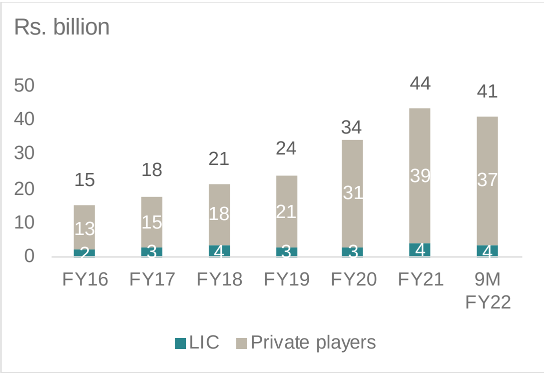
E-consent of proposal – Due to COVID-19, the traditional approach of filling physical proposal forms, obtaining wet signatures and the subsequent movement of physical papers was curtailed. IRDAI has allowed insurers to obtain customers' consent through an OTP using the registered e-mail ID or mobile number of the customer without having to rely on a physical signature.

Issuance of e-policies – In 2016, IRDAI mandated that if policies are solicited through an electronic mode, insurers were required to send the policy electronically and also dispatch a hardcopy. Exemption for a physical copy was provided only where the policy was issued using an e-insurance account (eIA). Since insurers were unable to send the policy contracts on time due to the pandemic, IRDAI allowed insurers to send all life and health insurance policies electronically to the policyholder's e-mail ID. The free look period can be started only after the receipt of policy contracts but insurers must confirm the date of receipt of the e-policy through a call or other means and preserve the proof so that the free-look period can be calculated from that date.

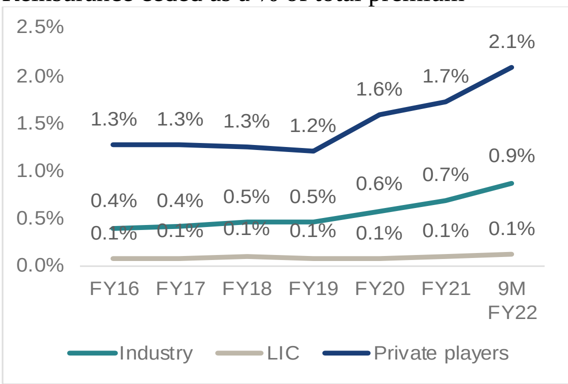
Reinsurance in the Life Insurance Space

During Fiscal 2021, LIC ceded Rs. 4.4 billion in reinsurance premium as compared to Rs. 39.1 billion ceded in reinsurance premium by private insurers. Total life reinsurance premiums in India year-on-year grew by 28% in Fiscal 2021, largely driven by the 35% growth in LIC's life reinsurance premiums. Re-insurance ceded share is, however, higher for private players on an aggregate basis as compared to LIC. Over the years, the share of private players in total life reinsurance ceded has increased from 85% in Fiscal 2016 to 90% for Fiscal 2021. Re-insurance rates increased in Fiscal 2021 and are further expected to rise in Fiscal 2022 on account of the surge in COVID-19 claims especially after the second wave in March and April 2021.

Premiums ceded to reinsurers

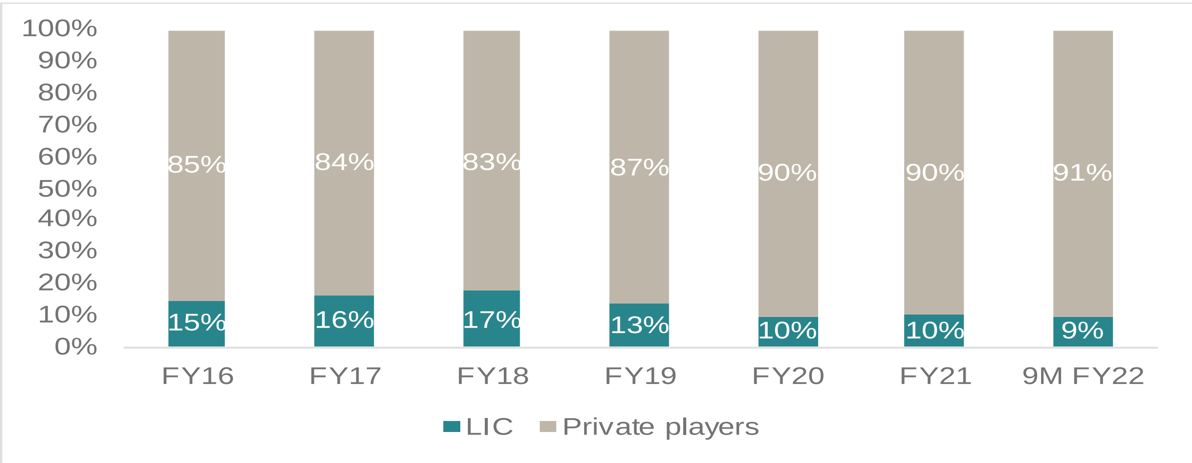


Reinsurance ceded as a % of total premium



Source: IRDAI Annual Report, company reports, CRISIL Research

Re-insurance ceded higher for private companies on an aggregate basis as compared to LIC



Source: IRDAI Annual report, Company reports, CRISIL Research

Micro Insurance

IRDAI has created a special category of insurance policies called micro-insurance policies to promote insurance coverage among economically vulnerable sections of society. Post the notification of the Insurance Regulatory and Development Authority of India (Micro-insurance) Regulations 2005, there has been a steady growth in the number of micro-insurance products.

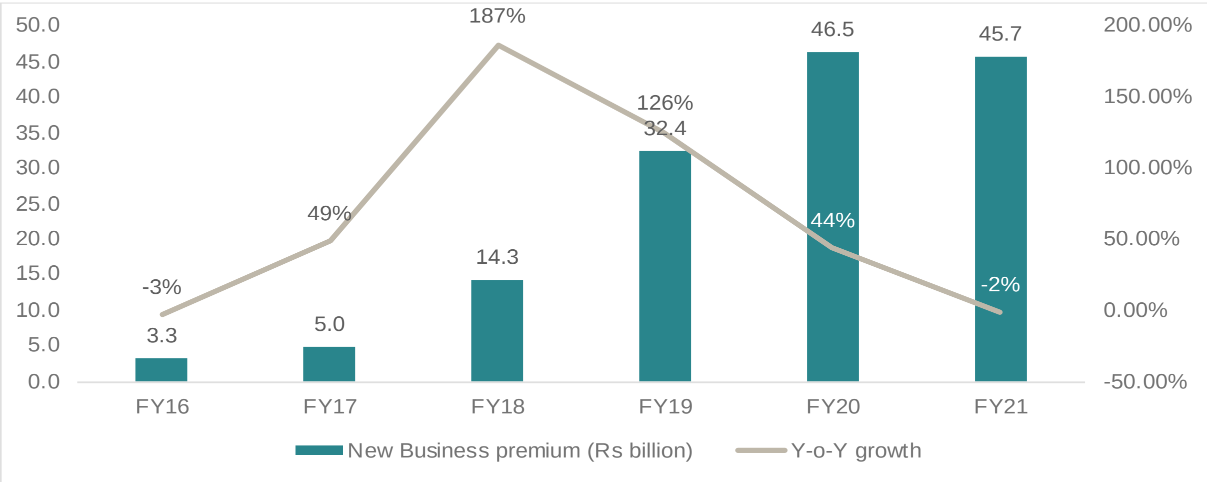
Some of the main features of micro insurance policies available in India are as follows:

- The sum insured under micro insurance plans is restricted to up to Rs. 200,000 to ensure that premiums are low and affordable for the targeted population segment.
- IRDAI has made it mandatory for life and general insurance companies to sell a specific portion of micro insurance policies every year to promote the penetration of micro insurance in the rural sector which would create social welfare.
- Specialised micro insurance agents are appointed to sell micro insurance plans.
- The premiums are very low under micro insurance policies and can also be collected weekly in some cases.

In Fiscal 2021, the new business premium from micro insurance business for the industry was Rs. 45.7 billion and has grown at a whopping CAGR of 69% from Fiscal 2016 to Fiscal 2021. Over the years, private sector insurers have increased their share in the micro insurance pie, largely driven by group business, and they together accounted for 90% of new business premium for Fiscal 2021.

Despite the strong growth, the penetration of micro insurance plans is still low due to lack of awareness and the need for critical mass for the products to be commercially viable for the insurer. Going forward, these products are expected to witness increased uptake with rising awareness, expansion of distribution channels and higher focus from both public and private sector companies.

Trend in new business premium trend in micro-insurance portfolio



Source: IRDAI Handbook on Indian Insurance Statistics 2019-20 (Table 36: New business under Micro-Insurance portfolio), IRDAI Annual report, CRISIL Research

Trend in number of lives covered under micro insurance new business premium

Source: IRDAI Handbook on Indian Insurance Statistics 2019-20 (Table 36: New business under Micro-Insurance portfolio), IRDAI Annual report, CRISIL Research

Next growth drivers of the life insurance industry - protection, non-par savings and annuities products

Basis the evolving market need, insurers have increased their focus on non-participating saving, protection and annuity products. Over the years, customers and insurers have shifted their focus towards protection products from savings led products.

Additionally, with effect from April 2021, income earned on contribution beyond Rs. 0.25 million per annum in ULIPs was made become taxable reducing the incentive for ULIPs and driving a shift towards protection and other savings/ annuities products.

Currently, the penetration of products like protection, non-par savings and annuities as a proportion of total addressable population is modest, but the awareness of these products has increased manifold since the onset of the COVID-19 pandemic. Going forward, due to increasing push by insurance companies, growth of online platforms and increasing awareness, CRISIL Research expects demand for these products to gain further traction.

Share of annuity products in new business premium for LIC and some large private players

Share of annuity products	FY18	FY19	FY20	FY21
LIC	19.8%	20.3%	21.2%	21.1%
HDFC Life	9.0%	17.3%	15.6%	19.5%
ICICI Prudential*	0.4%	0.9%	1.4%	3.5%
Max Life	3.0%	2.3%	3.7%	7.8%
SBI Life#	0.8%	0.8%	2.8%	6.0%

Note: (*) Based on new business annualised premium equivalent (APE) (#) Based on total premium Source: Company annual reports; CRISIL Research

Strengths and potential opportunities due to strong asset management capability, agency force, and large book of existing investors

Total investment book of life insurers grew at a CAGR of 13% from approximately Rs. 25 trillion to approximately Rs. 46 trillion between Fiscal 2016 to Fiscal 2021. The top six insurers together accounted for approximately 93% of the total investment book of the industry as at March 2021, with LIC alone accounting for approximately 76%.

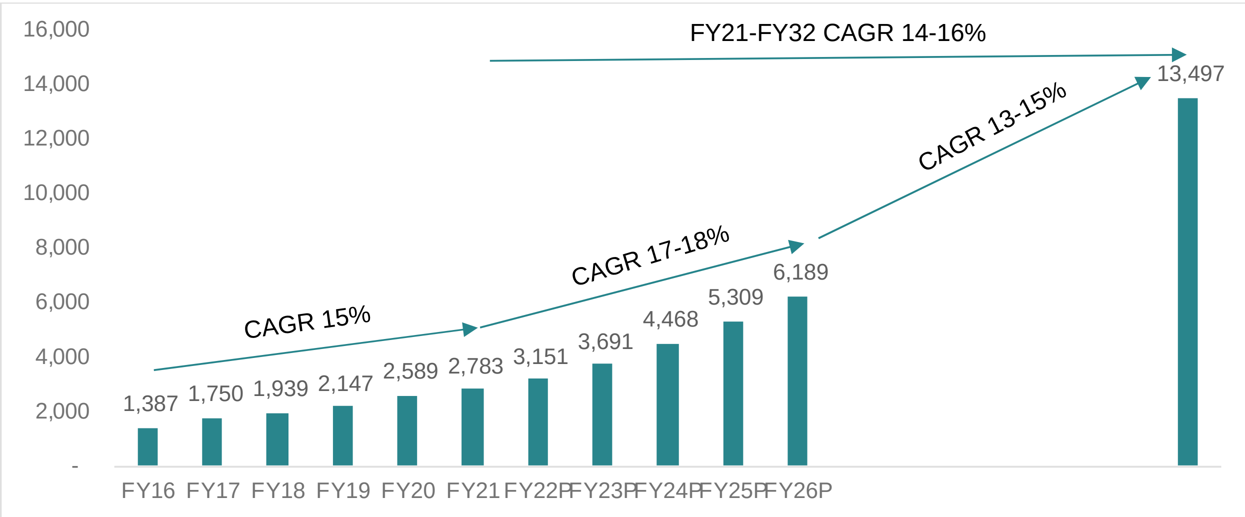
Large book of existing investors along with strong, proven asset management capability over a period of time gives an insurance company the flexibility to deal with the volatility of economic cycles and attract more clients.

Further, due to variations of products with respect to coverage, policy inclusions/ exclusions, riders and various other specific customer-related factors that influence choice of policy, it becomes more important for insurers to have strong agency force to aid customers in selecting the appropriate product as per their needs, which in turn will support investment book growth. The agency force also maintains relationship with existing customers.

Total premium to cross Rs. 12 trillion by Fiscal 2026

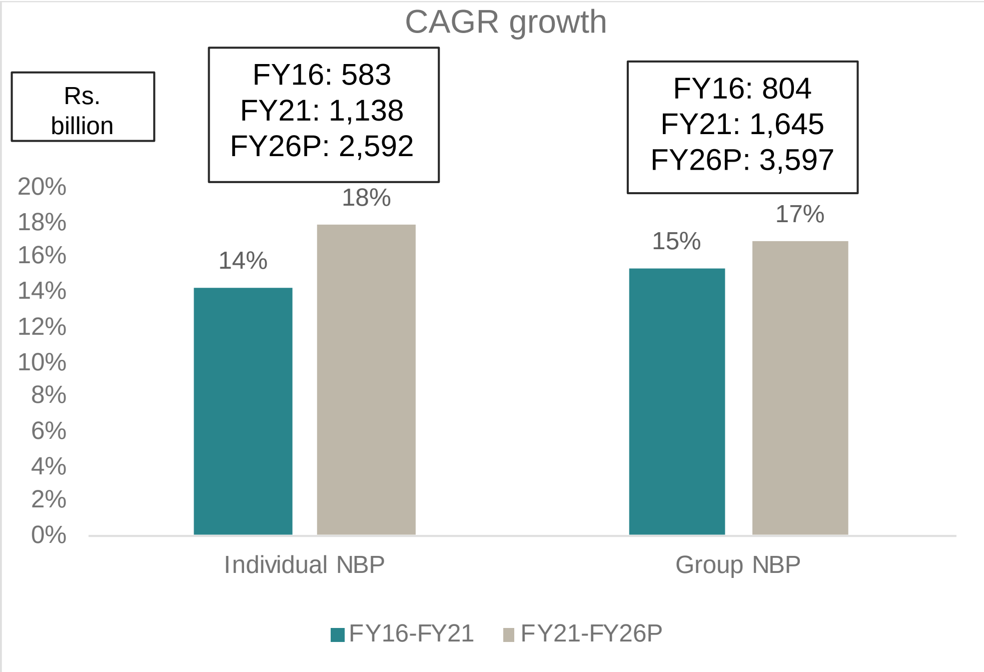
CRISIL Research forecasts the total premium for life insurers to grow at 14-15% CAGR over the next five years. At this level of premium, life insurance as a proportion of GDP is projected to reach 3.8% by Fiscal 2026, up from 3.2% in Fiscal 2021. NBP is expected to grow at a CAGR of 17-18% during the same period ending Fiscal 2026. Further in the long term, life insurance NBP is expected to grow at robust growth of 14-16% CAGR between Fiscal 2021 to Fiscal 2032.

Projected growth in new business premium (Rs. billion)



Note: P = Projected
Source: IRDAI monthly business reports, CRISIL Research

Growth in individual and group new business premium



Note: P = Projected
Source: FY16-FY21: IRDAI monthly business reports, FY21 – FY26P: CRISIL Research estimates

Emergence of digital distribution channels

Given the increase in internet and mobile penetration, digital distribution of life insurance products will also play a key role going ahead. For Fiscal 2021, around 9.2% of individual NBP came through the direct, web-aggregators and online modes, and CRISIL Research expects this share to increase significantly in the coming years.

Increasing digitalisation will help in increasing the penetration of insurance players as:

- Processes, such as purchase of insurance products and filing claims, can be done remotely.
- Applications can be developed or modified to facilitate financial literacy, which could be especially effective in small towns and rural areas.
- By digitalisation the insurance process, clients in remote areas will not worry about maintaining physical documentation. Further, online premium payments can also be done effortlessly through digital modes.

While new digital distribution channels are emerging, individual agents and banks as distributors also play an active role and the one-stop-shop model of providing multiple services through the optimum utilisation of technology is clearly sustainable. Digital distribution would help complement the physical distribution channel and make the process more efficient.

Customer needs and attitude towards financial security

The pandemic has created unforeseen challenges for businesses across the world. The life insurance industry is no exception, having sustained a significant decline in business in the first six months of CY 2020. Nevertheless, insurance companies are now demonstrating a strong rebound, thanks to innovative steps to meet the changing needs and behavior of customers.

The pandemic has spurred more people to consider insurance as a necessity to cover for morbidity risk, loss in earnings capacity and/or tackle unforeseen emergencies. So, while life insurance may be quite some way away from becoming a pull product, it is definitely moving towards becoming a nudge product. Such changes in consumer mind-set have led players to adapt and introduce pandemic-specific covers, customise policies as per customer expectations and requirements, enhance focus on selling protection plans that are generally more profitable, enable digital access to services, and enhance claim settlement mechanisms.

Key vectors of customer centric growth and customer stickiness for different insurance products

While trust and product pricing are key factors that customers continue to look at to compare insurers, customers are also increasingly evaluating the ease with which a policy can be purchased and claims are settled. With the advent of newer technologies, the need to visit an agent with several documents in hand has reduced. Insurers are also using more digital tools to not only secure new customers but also to retain their existing customer base. Steps towards making the renewal process easier and increasing efficiency in claims processing is helping increase customer retention and stickiness.

Insurers are moving towards adopting a digital services model, enabling customers to complete the entire insurance processes online (from discovery of information to advice and purchase) either on their own or with the help of a service provider/agent (also known as assisted digital model). With this shift towards digital channels, players globally are also investing in cybersecurity. Given the increased incidence of malicious and fraudulent activities online, an investment in top-of-the line cybersecurity offerings is essential.

In life insurance industry, customer stickiness also varies from one product to another. For example, it is observed that unit linked products (ULIPs) tend to have higher stickiness when the equity markets are performing well but stickiness tends to decline during periods of market volatility. Term insurance products, on the other hand, have relatively higher stickiness, given that benefit accrues to the insured only if they remain with the policy. However, even in the case of term insurance, changes in the personal situation of the insured, lack of engagement with the insured and change in the trust and perception of the insurer can impact stickiness.

Rising need for pension funds

A CRISIL Research study* indicates that the elderly population (aged 60 and above) in India will increase from 116.8 million in 2015 to 316.8 million by CY 2050, almost doubling from 9% in CY 2015 to 17% of the total population. According to the report, the overall cost to the government to meet its pension and retirement benefits requirement is expected to remain constant at 1% of GDP until CY 2050 and subsequently it will decline gradually.

**Securing life's second innings opportune time to create a sustainable pension system (March 2019).*

Pension penetration in India is estimated to be very low at under 30% of the population being above retirement age, compared to over 70% for other Asian peers like Japan, China and Korea. A key reason for India's low pension penetration has been the large share of the unorganised sector – about 82.7% (as per NSSO survey 2011-12) of the country's employed population. In view of this, the government has initiated measures to bring the large unorganised chunk into the pension fold.

In recent years, the government has focused on formalisation of the economy through implementation of GST and stricter implementation of tax measures. As for pension coverage, the government launched the Atal Pension Yojana (APY) in 2015, which is targeted at low-income individuals in the unorganised sector. The plan aims to provide subscribers with a fixed pension ranging from Rs. 1,000 to Rs. 5,000 per month. The benefit is fixed in this case, whereas the contribution varies depending on the age and the amount of pension one opts for.

Contributions in Atal Pension Yojana (in Rs.)					
Age (in years)	**1,000**	**2,000**	**3,000**	**4,000**	**5,000**
18	42	84	126	168	210
20	50	100	150	198	248
25	76	151	226	301	376

Contributions in Atal Pension Yojana (in Rs.)					
Age (in years)	**1,000**	**2,000**	**3,000**	**4,000**	**5,000**
30	116	231	347	462	577
35	181	362	543	722	902
40	291	582	873	1,164	1,454

Source: National Securities Depository Limited, CRISIL Research

Competition from other avenues of investment and low persistency key challenges for the industry

Life insurers face risks ranging from operational risks (related to persistency, mortality, expense management, and fraud) to economic risks (related to linkage to equity markets, interest rates, credit risks), regulation, and competition risks.

Insurers also battle with geopolitical risks, environment and climate related risks, and social risks such as changes in attitude towards family.

Competition from other financial saving instruments

Insurance faces competition from other modes of financial savings, such as mutual funds, bank deposits, and small-savings instruments, besides physical savings. Similar to the trend in the life insurance industry, the AUM of the mutual fund industry grew at 35% CAGR from Fiscals 2006 to 2010, and then saw a sudden slowdown at 10% CAGR from Fiscals 2010 to 2016. However, growth revived in between Fiscals 2016 and 2021, as the AUM increased at 21% CAGR to reach over Rs. 31 trillion as at March 2021.

Life insurance products provide dual benefits by providing protection to customers, and also by acting as a long-term savings instrument, which is not provided by any other financial instrument. Insurance companies will have to focus on increasing customer awareness, improving the value proposition, increasing transparency, and keeping costs competitive to make their products a vital part of the customers' financial plans.

Despite the regular growth in AUM of the mutual fund industry, the net inflows into the industry are influenced by prevailing market conditions. For example, the net inflows started dropping following the implementation of GST and the IL&FS liquidity crisis and were at their lowest after the onset of the pandemic. However, the inflows revived after market conditions improved and the market rallied with a large proportion of individual investors flocking to invest in mutual funds. On the other hand, the new business premium flowing into the life insurance industry has been stable and not dependent on market conditions and has grown every year since Fiscal 2016. Life insurance industry has shown to be more resilient to turbulence as compared to mutual funds.

Comparison of flows in mutual fund and life insurance industries

	In Rs. billion	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**
Mutual fund industry	AUM	12,328	17,546	21,360	23,796	22,262	31,428
	Net flows	1,342	3,430	2,718	1,097	873	2,147
	Retail Investors (AUM)	2,758	3,965	5,295	6,299	4,223	7,050
Life insurance industry	AUM	25,021	28,542	31,891	35,331	38,903	44,800
	New Business Premium	1,387	1,750	1,939	2,147	2,589	2,783
	Individual NBP	583	777	921	977	1,015	1,138
	Group NBP	804	973	1,018	1,170	1,574	1,645
	Total Premium	3,669	4,185	4,588	5,081	5,729	6,287

Source: IRDAI monthly business figures (New Business Premium, Individual NBP & Group NBP); IRDAI – handbook of statistics and Annual Report;(Total Premium and Life Insurance AUM); AMFI

The table below compares the features of unit-linked insurance plans (ULIPs) offered by life insurers and equity- linked savings schemes (ELSS) offered by mutual funds. The key differentiator between the two is the flexibility ULIPs offer to decide equity exposure based on risk appetite and change exposure based on market conditions. However, unlike ELSS, which is a pure investment product, ULIP is a protection-cum-investment product.

ULIP vs ELSS

ULIP (Unit-linked insurance plan)	**ELSS (Equity-linked saving scheme)**
Protection-cum-investment product sold by insurance companies	Pure investment insurance product with no offered
Investments in equity, debt or hybrid fund based on risk-taking appetite of policyholder	100% exposure to equity markets
Investments exempted from taxation under section 80C of income tax	Investments exempted from taxation under section 80C of income tax
Lock-in period of five years	Lock-in period of three years
Investors have the option to switch their invested funds based on market conditions – as many switches as per wish during policy year	Investors do not have the option to switch funds and must remain invested for minimum of three years

Persistency ratios

Since the cost of new customer acquisition is high, maintaining persistency ratio is imperative, and major players have shown improvement in persistency ratio in the past few years. With increasing competition, rapid product engineering and development, maintaining a similar improvement in the persistency will remain a challenge and a key monitorable for the life insurance industry.

Claims fraud

With the rapid modernisation of the insurance industry, key challenge for insurers with respect to fraud management will be to manage consumer data and protect it from cyber-attacks. Additionally, inadequate data access from external sources to appraise customers, difficulty ascertaining the quality of data collected through various mediums, integration of data exchange with other insurers for fraud detection, keeping up with modus operandi of the latest digital fraudsters, outdated fraud detection systems and the investment to control claims from these frauds will be the key challenges for the industry.

Downturn in equity markets will adversely impact profitability for life insurance players

The performance of life insurance players is strongly linked to the performance of equity markets. Poor performance of equity markets will adversely impact returns and fund management charges. Pessimism due to the economic downturn will influence the demand for ULIPs, thereby impacting premium growth.

Change in regulatory norms might disrupt business environment

The cap on commission structure on the sale of linked as well as non-linked products is set by IRDAI. Any change in the commission structure may have an impact on various factors including pricing of the product and profitability for players. In 2010, the IRDAI introduced a cap on the commission to be paid on sale of linked products, which had a material impact on the product proposition of life insurance players. Further in 2016, the IRDAI mandated insurers to have a board approved policy for payment of commission or remuneration or reward, to insurance agents and insurance intermediaries.

Events impacting profitability & solvency of life insurers

The life insurance industry faces several risks due to rapidly evolving customer behaviour, changing demographic profile, increasing competition and dynamic macroeconomic conditions. The financial conditions and future prospects of insurers may be significantly affected by factors such as market fluctuations and changes in tax rates or in interest rates. Even as the ongoing COVID-19 pandemic continues to pose several challenges for life insurers, there are new risks related to environmental, social and governance (ESG) issues. One of the most prominent ESG risks is that of climate change and its potentially far-reaching consequences. Apart from climate change, there are emerging risks associated with public health trends such as increase in obesity related disorders and demographic changes such as population urbanisation and ageing. These structural changes impact the industry in terms of growth, mortality, persistency and solvency. Life insurers also need to bring in significant amount of capital, especially in the initial few years until the business reaches stability stage. Insurers must thus assess each of these factors impacting their profitability and solvency, evaluate the potential impacts of these factors on their business and implement requisite measures to mitigate these risks.

Key imperatives for Indian insurers to become future ready

The large untapped global insurance market, changing customer preferences, growing population of tech-savvy customer and emerging technological initiatives have disrupted the insurance industry globally. Customers increasingly expect insurers to provide personalized offerings through variety of digital channels. Therefore, it has become imperative for insurers to be prepared to respond to these changes.

Leverage technology to provide new solutions: With growth in technological developments, it is important for insurers to leverage artificial intelligence, machine learning, telematics, connected devices and big data analytics to enhance the value proposition to customers as well as enhancing efficiency in claims processing, underwriting, loss prevention and fraud management.

Direct purchase of individual policies will gain traction: Given the increasing usage of the internet in India and the ubiquitous availability of mobile broadband, direct purchase of insurance policies online is expected to gain traction. Although, due to limited awareness, policies would, still need to be sold through assisted service, i.e., sold digitally but with the assistance of a physical representative. Insurers would thereby need to be flexible in their approach and target customers using both digital as well as in-person assisted models. For example, in China, the top two players Ping An

Insurance and China Life Insurance Company source more than 80% of their gross premiums through their agency channels. Despite the rapid progress of technology and ubiquitous broadband availability, they serve their large client base through more than one million agents each.

Partnerships: With rapid changes in technology and continuous innovation, it is imperative for insurers to be flexible and collaborate with technology partners, wherever required, to counter legacy data systems and complex internal processes. They may also tap into a much broader set of customers and participants and thus improve their offerings. For example, insurers in India are collaborating with fintech, digital wallets and other e-commerce platforms to increase reach and grow their market share with innovative products. For example, insurers like LIC, SBI Life, ICICI Prudential and Max Life Insurance have tied up with insurtech, GramCover, providing last-mile access in on-boarding rural customers. SBI Life Insurance also has a tie up with Vymo, an AI-enabled personal assistant for sales, to aid it in lead conversion. These partnerships are aiding incumbent insurers in improving their existing products and processes, expanding the market and deepening penetration.

COVID-19 AND ITS IMPACT

According to the provisional estimates released by the National Statistical Office, India's real GDP growth in Fiscal 2021 stood at -7.3% versus the earlier estimate of -8.0%. After sluggish growth in first half of Fiscal 2021 owing to rising COVID-19 cases, gross domestic product (GDP) growth moved into positive territory in the second half of the year reflecting a pickup in economic activity.

The COVID-19 pandemic sharply slowed the Indian economy in the first quarter of Fiscal 2021 leading to a degrowth of 24% year-on-year for the same period, but the huge economic costs that it extracted, forced the economy to open and recover in the second quarter of Fiscal 2021. A sharp cutback in operating costs for corporates due to job and salary cuts, employees exercising work from home options, low input costs due to benign interest rates, crude and commodity prices also helped the recovery.

The fierce second wave of COVID-19 pandemic took the healthcare ecosystem to the brink and beyond in the first quarter of Fiscal 2022, but it did not hit economic activity as hard as the first wave did. The main reason for this was decentralised and less-stringent lockdowns, which reflect the 'learning to live with the virus attitude' that authorities adopted. Many states also permitted construction and manufacturing activities to continue during the lockdown.

The pandemic came at an inopportune time since India was showing signs of recovery following a slew of fiscal/monetary measures as nominal GDP grew by 8.8% on year in the fourth quarter of fiscal 2021 as compared to 4.7% in the fourth quarter of Fiscal 2020. CRISIL Research foresees GDP growth to rebound in Fiscal 2022, on the back of a very weak GDP base in Fiscal 2021, government expenditure and initiatives towards pushing investments and some benefit from recovery across the world. The gradual increase in vaccinations against COVID-19 is also expected to boost confidence and support stronger recovery. Even after the strong rebound, Fiscal 2022 real GDP is expected to be only slightly higher than that in Fiscal 2020.

Impact of COVID-19 pandemic on life insurance Industry

Growth in new business premium declined 19% year-on-year in the first quarter of Fiscal 2021 as lockdowns disrupted operations. The life insurance industry has adopted more digital ways of selling products and services in the past one year amid the pandemic. NBP witnessed year on year growth of 7% in Fiscal 2021 as compared to 21% in the previous fiscal year. Individual NBP grew at 12% in Fiscal 2021 as compared to 4% growth in group NBP.

The quarterly NBP data also indicates a perceptible shift in the attitude and awareness towards life insurance. Individual NBP in the fourth quarter of Fiscal 2021, at Rs. 372 billion, was even higher than in the pre-pandemic times; group insurance NBP also reflects a similar trend. The trend has continued in Fiscal 2022 as well, with individual NBP and group NBP for the industry reaching Rs. 318 billion and Rs. 474 billion, respectively, translating into a growth of 13% and 28%, respectively, as compared to the same quarter in Fiscal 2020 (when the pandemic was not prevalent).

India's GDP to recover sharply

India was one of the fastest growing economies in the world pre-COVID, with annual growth of around 6.7% in between calendar year 2014 to 2019. Over the few years prior to the onset of the pandemic, India's macroeconomic situation had gradually improved with the twin deficits (current account and fiscal) narrowing and the growth-inflation mix improving. The Government adopted an inflation-targeting framework that provides an institutional mechanism for inflation control, while modernizing central banking.

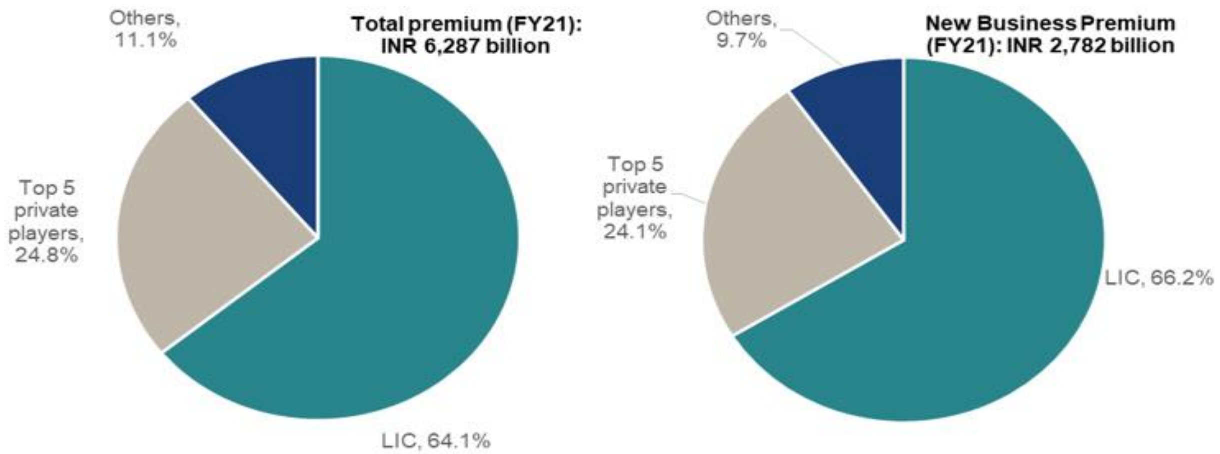
While economic growth in calendar year 2020 has been dented due to COVID-19, CRISIL expects the economy to rebound and India to regain its status as one of the fastest growing economies globally in the medium-term. Going forward, rapid urbanisation, rising consumer aspiration and increasing digitisation coupled with government support in the form of reforms and policies is expected to support growth. For example, the government has recently announced production-linked incentives across identified sectors with an aim to propel the growth of India as a manufacturing destination. At a macro level, digitalization has led to various benefits like linkage to Aadhaar identity cards and direct benefit transfers.

The IMF forecasts India's GDP to grow by 9.0% in calendar year 2021 due to the lower base of calendar year 2020 and approved vaccines and policy measures. At this pace of growth, India is forecasted to be the fastest growing economy in the world in 2021. Going forward as well, IMF forecasts India's GDP to grow at a faster pace than other economies.

CRISIL Research forecasts India's GDP to grow at 6.0-7.0% per annum between Fiscals 2023 and 2025. This growth will be supported by: (i) the focus on investments rather than consumption push enhancing the productive capacity of the economy; (ii) the production linked incentive (PLI) scheme which aims to incentivise local manufacturing by giving volume-linked incentives to manufacturers in specified sectors; (iii) the raft of reform measures by the government along with a more expansionary stance of monetary policy leading to a steady pick-up in consumption demand; and (iv) policies aimed towards greater formalisation of the economy are bound to lead to an acceleration in per capita income growth.

BENCHMARKING AGAINST TOP INDIAN PRIVATE LIFE INSURERS

Market share of LIC, top five private players and other players[(1)] in the industry (as of Fiscal 2021)



Source: Company public disclosures, CRISIL Research
Note: [(1)]Other players include 18 private players operating in the industry as of Fiscal 2021

Total Premium – FY21	Total Premium (INR billion)	Customer Mix (Basis total premium)	
		Individual	Group
LIC	4,032.9	66.5%	33.5%
SBI Life	502.5	81.7%	18.3%
HDFC Life	385.8	73.7%	26.3%
ICICI Prudential Life	357.3	85.2%	14.8%
Max Life	190.2	96.8%	3.2%
Bajaj Allianz Life	120.2	68.3%	31.7%
Others	698.3	86.3%	13.7%
Private players total	2,254.3	83.9%	16.1%
Total	6,287.3	72.6%	27.4%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research Note: The customer mix data is calculated basis data disclosed by the players in L-36 schedule on premium paying policies

New Business Premium – FY21	NBP (INR billion)	Customer Mix (Basis NBP)	
		Individual	Group
LIC	1,841.7	30.6%	69.4%
SBI Life	206.3	60.6%	39.4%
HDFC Life	202.4	50.0%	50.0%

ICICI Prudential Life	130.3	60.2%	39.8%
Max Life	68.3	91.2%	8.8%
Bajaj Allianz Life	63.1	40.1%	59.9%
Others	270.6	67.2%	32.8%
Private players total	**941.0**	**61.0%**	**39.0%**
Total	**2,787.0**	**40.9%**	**59.1%**

Source: Life Insurance Council (New Business Performance), CRISIL Research

Renewal Premium – FY21	Renewal Premium (INR billion)	Customer Mix (Basis Renewal Premium)	
		Individual	Group
LIC	2,188.57	96.6%	3.4%
SBI Life	296.30	96.4%	3.6%
HDFC Life	184.80	99.5%	0.5%
ICICI Prudential Life	225.07	100.0%	0.0%
Max Life	121.92	100.0%	0.0%
Bajaj Allianz Life	57.20	99.5%	0.5%
Others	426.42	97.4%	2.6%
Private players total	1,311.74	98.3%	1.7%
Total	3,500.3	97.3%	2.7%

Premium Paying Policies[1]	Total Policies		NBP policies		Renewal policies	
	Individual	Group	Individual	Group	Individual	Group
LIC	211,982,912	120,090	20,975,439	31,795	191,007,473	88,295
SBI Life	7,229,466	1,943	1,656,377	514	5,573,089	1,429
HDFC Life	4,786,345	631	982,007	256	3,804,338	375
ICICI Prudential Life	3,629,696	4,303	661,511	2,885	2,968,185	n.a
Max Life	3,395,952	409	644,627	409	2,751,325	n.a
Bajaj Allianz Life	3,282,526	498	427,003	238	2,855,523	260
Others	14,020,000	6,785	2,781,345	3,107	11,238,655	3,678
Private players total	36,343,985	13,151	7,152,870	7,409	29,191,115	5,742
Total	248,326,897	133,241	28,128,309	39204	220,198,588	94,037

Note: Total policies calculated as summation of NBP policies and Renewal policies; [1]Only includes new business and renewal policies which are currently paying premium. Does not include all in-force policies

Policies Issued – FY21	Total Policies		NBP policies		Renewal policies	
	Individual	Group	Individual	Group	Individual	Group
LIC	211,982,912	120,090	20,975,439	31,795	191,007,473	88,295
SBI Life	7,229,466	1,943	1,656,377	514	5,573,089	1,429
HDFC Life	4,786,345	631	982,007	256	3,804,338	375
ICICI Prudential Life	3,629,696	4,303	661,511	2,885	2,968,185	n.a
Max Life	3,395,952	409	644,627	409	2,751,325	n.a
Bajaj Allianz Life	3,282,526	498	427,003	238	2,855,523	260
Others	14,020,000	6,785	2,781,345	3,107	11,238,655	3,678
Private players total	36,343,985	13,151	**7,152,870**	**7,409**	**29,191,115**	**5,742**
Total	248,326,897	133,241	**28,128,309**	**39204**	**220,198,588**	**94,037**

Note: Total policies calculated as summation of NBP policies and Renewal policies;
Source: (*) Company public disclosures (L-36), (#) Life Insurance Council, CRISIL Research.

Premium – FY 21	Single Premium (INR billion)	Market share (Single Premium)	Non-Single(1) (INR billion)	APE (INR billion)
LIC	1,503.9	77.4%	337.8	n.a
SBI Life	102.9	5.3%	103.4	114.5
HDFC Life	133.3	6.9%	69.1	83.7
ICICI Prudential Life	49.7	2.6%	80.6	64.6
Max Life	19.9	1.0%	48.3	49.6
Bajaj Allianz Life	36.6	1.9%	26.5	n.a

Note: (1) Also includes Yearly Renewable Group Premium. n.a. means not available; (*) Also includes Yearly Renewable Group Premium

APE (INR billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	9M FY22
LIC	n.a	n.a	n.a	n.a
SBI Life	97.0	107.4	114.5	101.7
HDFC Life	n.a	74.1	83.7	67.1
ICICI Prudential Life	78.0	73.8	64.6	51.3
Max Life	n.a	n.a	49.6	37.5
Bajaj Allianz Life	n.a	n.a	n.a	n.a

Note: n.a: not available
Source: Company public disclosures, Annual Reports, Life Insurance Council (New Business Performance), CRISIL Research

Premium CAGR (FY19- FY21)	Total premium	NBP	Renewal premium
LIC	9.3%	13.8%	6.0%
SBI Life	23.4%	22.3%	24.2%
HDFC Life	15.0%	16.3%	13.6%
ICICI Prudential Life	7.5%	12.1%	5.1%
Max Life	14.2%	15.0%	13.8%
Bajaj Allianz Life	16.5%	13.2%	20.5%

Source: Company public disclosures, IRDAI Handbook, Life Insurance Council (New Business Performance), CRISIL Research

Premium CAGR (FY11-FY21)	Total premium	NBP	Renewal premium
LIC	7.1%	7.8%	6.5%
SBI Life	14.5%	10.5%	18.7%
HDFC Life	15.7%	17.4%	14.0%
ICICI Prudential Life	7.2%	5.2%	8.5%
Max Life	12.6%	12.7%	12.5%
Bajaj Allianz Life	2.3%	6.2%	-0.7%

Source: Company public disclosures, IRDAI Handbook, Life Insurance Council (New Business Performance), CRISIL Research

Total Premium – 9M FY22	Total Premium (INR billion)	Customer Mix (basis total premium)	
		Individual	Group
LIC	2,840.5	66.6%	33.4%
SBI Life	412.5	80.1%	19.9%
HDFC Life	315.4	71.0%	29.0%
ICICI Prudential Life	257.5	82.0%	18.0%
Max Life	144.1	94.5%	5.5%
Bajaj Allianz Life	104.1	67.2%	32.8%
Others	537.2	83.1%	16.9%
Private players total	1,770.8	80.1%	19.9%
Total	4,611.3	71.8%	28.2%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research
Note: The customer mix is calculated basis data disclosed by the players in L-36 schedule on premium paying policies

New Business Premium – 9M FY22	NBP (INR billion)	Customer Mix (Basis NBP)	
		Individual	Group
LIC	1,260.2	28.4%	71.6%
SBI Life	187.9	61.8%	38.2%
HDFC Life	171.9	47.2%	52.8%
ICICI Prudential Life	102.5	62.3%	37.7%
Max Life	52.9	89.3%	10.7%
Bajaj Allianz Life	59.0	42.5%	57.5%
Others	218.0	63.4%	36.6%
Private players total	792.2	59.5%	40.5%
Total	2,052.3	40.4%	59.6%

Source: Life Insurance Council (New Business Performance), CRISIL Research

Renewal Premium – – 9M FY22 (1)	Renewal Premium (INR billion)	Customer Mix (Basis Renewal Premium)(2)	
		Individual	Group
LIC	1,580.4	97.2%	2.8%
SBI Life	224.6	95.5%	4.5%
HDFC Life	143.5	99.6%	0.4%
ICICI Prudential Life	155.0	97.3%	2.7%
Max Life	91.3	97.8%	2.2%

Bajaj Allianz Life	45.1	99.6%	0.4%
Others(2)	319.1	95.7%	4.3%
Private players total(2)	978.6	96.8%	3.2%
Total(2)	2,559.0	97.1%	2.9%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Note: (1) Renewal premium calculated as difference between total premium and New Business Premium; (2) The customer mix data is calculated basis data disclosed by the players in L-36 schedule.

Premium Paying Policies[1] – In – 9M FY22	**Total Policies**		**NBP policies**		**Renewal policies**	
	Individual	**Group**	**Individual**	**Group**	**Individual**	**Group**
LIC	168,014,437	75,971	12,648,184	25,170	155,366,253	50,801
SBI Life	6,862,180	1088	1,310,792	203	5,551,388	885
HDFC Life	3,566,852	138	639,298	138	2,927,554	0
ICICI Prudential Life	2,676,707	978	451,327	978	2,225,380	0
Max Life	2,531,205	50	411,630	50	2,119,575	0
Bajaj Allianz Life	2,063,410	151	308,065	151	1,755,345	0
Others	10,147,836	3,673	1,835,799	1,647	8,312,037	2,026
Private players total	27,448,190	6,078	4,556,911	3,167	22,891,279	2,911
Total	195,862,627	82,049	17,605,095	28,337	178,257,532	53,712

Note: Total policies calculated as summation of NBP policies and Renewal policies.[1]Only includes new business and renewal policies which are currently paying premium. Does not include all in-force policies

Source: ( ) Company public disclosures (L-36), (#) Life Insurance Council, CRISIL Research*

Risk Retention Ratio	**FY19**	**FY20**	**FY21**
LIC	99.91%	99.91%	99.89%
SBI Life	99.70%	99.24%	99.03%
HDFC Life	99.10%	98.52%	98.80%
ICICI Prudential Life	98.90%	98.30%	97.90%
Max Life	98.92%	98.73%	98.53%
Bajaj Allianz Life	99.40%	99.20%	99.20%

Note: Risk retention ratio = (Premium earned – Reinsurance ceded) / Premium earned

Source: Company public disclosures, CRISIL Research

Reinsurance ceded as % of total premium	**FY19**	**FY20**	**FY21**	**9M FY22**
LIC	0.09%	0.09%	0.11%	0.13%
SBI Life	0.30%	0.76%	0.97%	0.61%
HDFC Life	0.90%	1.48%	1.20%	1.38%
ICICI Prudential Life	1.14%	1.65%	2.13%	3.05%
Max Life	1.08%	1.27%	1.47%	2.06%
Bajaj Allianz Life	0.60%	0.76%	0.82%	1.09%

Source: Company public disclosures, CRISIL Research

Market Share – FY21	**Total Premium**	**New Business Premium**	**Renewal Premium**	**No. of Policies - Individual**	**No. of Policies - Group**
LIC	64.1%	66.2%	62.5%	74.6%	81.1%
SBI Life	8.0%	7.4%	8.5%	5.9%	1.3%
HDFC Life	6.1%	7.2%	5.2%	3.5%	0.7%
ICICI Prudential Life	5.7%	4.7%	6.5%	2.4%	7.4%
Max Life	3.0%	2.4%	3.5%	2.3%	1.0%
Bajaj Allianz Life	1.9%	2.3%	1.6%	1.5%	0.6%
Others	11.2%	9.8%	12.2%	9.8%	7.9%
Private players total	35.9%	33.8%	37.5%	25.4%	18.9%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Market Share – 9M FY22	Total Premium	New Business Premium	Renewal Premium	No. of Policies - Individual	No. of Policies - Group
LIC	61.6%	61.4%	61.8%	71.8%	88.8%
SBI Life	8.9%	9.2%	8.8%	7.4%	0.7%
HDFC Life	6.8%	8.4%	5.6%	3.6%	0.5%
ICICI Prudential Life	5.6%	5.0%	6.1%	2.6%	3.5%
Max Life	3.1%	2.6%	3.6%	2.3%	0.2%
Bajaj Allianz Life	2.3%	2.9%	1.8%	1.7%	0.5%
Others	11.6%	10.6%	12.5%	10.4%	5.8%
Private players total	38.4%	38.6%	38.2%	25.9%	11.2%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Growth (1-Year growth) - Year ending FY21	Total Premium	New Business Premium	No. of Policies growth- Individual	No. of Policies - Group
LIC	6.3%	3.5%	-4.2%	10.1%
SBI Life	23.7%	24.3%	6.8%	-25.1%
HDFC Life	18.0%	16.4%	9.6%	-80.9%
ICICI Prudential Life	6.9%	5.5%	-13.6%	61.7%
Max Life	17.5%	22.3%	8.1%	-59.4%
Bajaj Allianz Life	23.3%	21.9%	37.1%	167.4%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Growth (3-Year growth) - Year ending FY21	Total Premium	New Business Premium	No. of Policies growth- Individual	No. of Policies - Group
LIC	8.2%	11.0%	-0.5%	5.0%
SBI Life	25.6%	23.4%	5.1%	-28.8%
HDFC Life	17.9%	21.3%	-2.2%	-23.5%
ICICI Prudential Life	9.7%	12.6%	-7.5%	76.2%
Max Life	15.0%	16.2%	4.7%	-7.0%
Bajaj Allianz Life	16.6%	13.7%	11.5%	22.6%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Growth (5-Year growth) - Year ending FY21	Total Premium	New Business Premium	No. of Policies growth- Individual	No. of Policies - Group
LIC	8.6%	13.5%	0.4%	1.0%
SBI Life	26.0%	23.8%	5.4%	0.4%
HDFC Life	18.8%	25.6%	-3.1%	-16.6%
ICICI Prudential Life	13.3%	14.0%	2.7%	49.3%
Max Life	15.6%	18.8%	7.0%	-0.9%
Bajaj Allianz Life	15.3%	17.0%	10.4%	1.7%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Parameters - As of March 31, 2021	Number of lives covered - Individual	Number of lives covered - Group
LIC	194,192,519	52,496,938
SBI Life	7,229,466	24,278,047
HDFC Life	4,826,832	39,940,140
ICICI Prudential Life	3,537,413	25,065,566
Max Life	3,205,506	-
Bajaj Allianz Life	2,954,682	23,189,308

Source: Company public disclosures, CRISIL Research
Note: The lives covered data is calculated basis data disclosed by the players in L-36 schedule on premium paying policies.

Conservation Ratio	As of March 31, 2021	As of March 31, 2020
LIC	84.5%	88.8%
SBI Life	87.5%	85.1%
HDFC Life	85.9%	80.3%
ICICI Prudential Life	82.0%	76.0%
Max Life	83.0%	79.8%
Bajaj Allianz	88.0%	80.6%
Median for the top five private players	85.9%	80.3%

Note: Conservation ratio represents the total renewal premium collected in the current year divided by first year premium and renewal premium collected in the previous year (Conservation Ratio)
Source: Company public disclosures, CRISIL Research

Conservation Ratio – As of March 31, 2020	Participating	Non-participating	Health	Non-linked	Linked	Total Premium
LIC	90.5%	62.0%	70.6%	88.8%	82.5%	88.8%
SBI Life	87.4%	84.7%	77.4%	86.6%	84.3%	85.1%
HDFC Life	84.0%	70.6%	62.7%	79.4%	81.0%	80.3%
ICICI Prudential Life	89.8%	61.7%	75.9%	79.0%	75.3%	76.0%
Max Life	82.4%	83.7%	65.3%	82.6%	74.3%	79.8%
Bajaj Allianz	85.7%	74.0%	80.4%	83.8%	77.7%	80.6%
Median for the top five private players	85.7%	74.0%	75.9%	82.6%	77.7%	80.3%

Note: Conservation ratio represents the total renewal premium collected in the current year divided by first year premium and renewal premium collected in the previous year (Conservation Ratio)
Source: Company public disclosures, CRISIL Research

LIC's product portfolio more immunized to capital market cycles compared to peers

Non-linked products constituted 99.8% of LIC's portfolio in Fiscal 2020. No other players amongst the peer set compared reported more than 70% of its premium through non-linked products. The ULIP portfolio of all life players witnesses some downturn in demand when the capital market cycle is not favourable. For example, in Fiscal 2020 when the capital market witnessed some downturn (Nifty 50 saw approximately a 26% drop during March 2019 to March 2020 and excluding the drop in March 2020, a mere 1.5% rise during March 2019 to February 2020) all private players witnessed substantial downturn in premium from linked products. LIC has a strong focus on traditional non-linked products where demand is not linked to market cycles. Further, the demand for non-linked products has been on the rise with its share in NBP increasing from 87% in Fiscal 2016 to approximately 89% in Fiscal 2021.

While having a pre-dominantly non-linked product portfolio makes LIC's premium income less susceptible to volatility in equity markets, on the investment side, insurers with higher non-linked portfolio bear higher risks compared to insurers with higher linked portfolio.

Product Mix - Based on Total Premium – FY21	Linked	Non-Linked	Participating (Within Non- Linked)	Non-Participating (Within Non- Linked)
LIC	0.8%	99.2%	62.8%	37.2%
SBI Life	55.2%	44.8%	28.3%	71.7%
HDFC Life	25.5%	74.5%	25.2%	74.8%
ICICI Prudential Life	55.6%	44.4%	29.2%	70.8%
Max Life	29.0%	71.0%	51.9%	48.1%
Bajaj Allianz Life	31.0%	69.0%	29.4%	70.6%
Median of the top five private players	31.0%	69.0%	29.2%	70.8%

Source: Company public disclosures, CRISIL Research

Product Mix - Based on Total Premium – FY21	Linked	Non-Linked	Participating (Within Non- Linked)	Non-Participating (Within Non- Linked)
LIC	0.3%	99.7%	60.9%	39.1%
SBI Life	56.6%	43.4%	34.9%	65.1%
HDFC Life	29.1%	70.9%	28.0%	72.0%
ICICI Prudential Life	63.4%	36.6%	35.2%	64.8%
Max Life	30.9%	69.1%	59.8%	40.2%
Bajaj Allianz Life	36.4%	63.6%	36.6%	63.4%
Median of the top five private players	36.4%	63.6%	35.2%	64.8%

Source: Company public disclosures, CRISIL Research

Product Mix - Based on Total Premium – FY20	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	0.2%	99.8%	60.3%	39.7%
SBI Life	57.9%	42.1%	43.5%	56.5%
HDFC Life	34.2%	65.8%	28.1%	71.9%
ICICI Prudential Life	69.8%	30.2%	39.9%	60.1%
Max Life	31.2%	68.8%	71.2%	28.8%
Bajaj Allianz Life	39.3%	60.7%	42.4%	57.6%
Median of the top five private players	39.3%	60.7%	42.4%	57.6%

Source: Company public disclosures, CRISIL Research

Product Mix - Based on Total Premium – FY19	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	0.2%	99.8%	67.0%	33.0%
SBI Life	57.4%	42.6%	51.2%	48.8%
HDFC Life	38.8%	61.2%	32.7%	67.3%
ICICI Prudential Life	73.5%	26.5%	42.5%	57.5%
Max Life	31.5%	68.5%	78.0%	22.0%
Bajaj Allianz Life	38.0%	62.0%	41.8%	58.2%
Median of the top five private players	38.8%	61.2%	42.5%	57.5%

Source: Company public disclosures, CRISIL Research

Product Mix - Based on New Business Premium – FY 21	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	0.4%	99.6%	19.2%	80.8%
SBI Life	41.6%	58.4%	8.0%	92.0%
HDFC Life	13.5%	86.5%	13.6%	86.4%
ICICI Prudential Life	43.1%	56.9%	11.9%	88.1%
Max Life	28.4%	71.6%	39.7%	60.3%
Bajaj Allianz Life	23.5%	76.5%	11.6%	88.4%
Median of the top five private players	28.4%	71.6%	11.9%	88.1%

Source: Company public disclosures, CRISIL Research

Product Mix - Based on New Business Premium – FY 20	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	0.1%	99.9%	20.2%	79.8%
SBI Life	48.7%	51.3%	13.6%	86.4%
HDFC Life	16.1%	83.9%	7.9%	92.1%
ICICI Prudential Life	55.2%	44.8%	15.9%	84.1%
Max Life	29.7%	70.3%	57.5%	42.5%
Bajaj Allianz Life	30.1%	69.9%	15.1%	84.9%
Median of the top five private players	30.1%	69.9%	15.1%	84.9%

Source: Company public disclosures, CRISIL Research

Product Mix - Based on New Business Premium – FY 19	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	0.0%	100.0%	27.7%	72.3%
SBI Life	53.0%	47.0%	27.2%	72.8%
HDFC Life	24.7%	75.3%	7.7%	92.3%
ICICI Prudential Life	65.4%	34.6%	18.3%	81.7%
Max Life	33.3%	66.7%	71.7%	28.3%
Bajaj Allianz Life	30.1%	69.9%	15.1%	84.9%
Median of the top five private players	33.3%	66.7%	18.3%	81.7%

Source: Company public disclosures, CRISIL Research

Market Share Based on Total Premium (FY21)	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	1.6%	75.3%	84.3%	64.5%
SBI Life	31.3%	4.1%	2.6%	5.8%
HDFC Life	12.4%	5.1%	2.6%	8.1%
ICICI Prudential Life	24.9%	2.4%	1.6%	3.5%
Max Life	6.5%	2.5%	2.7%	2.2%
Bajaj Allianz Life	4.8%	1.4%	1.0%	2.0%

Source: Company public disclosures, IRDAI, CRISIL Research

Market Share Based on Total Premium (FY20)	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	0.9%	77.9%	84.9%	68.8%
SBI Life	28.5%	3.5%	2.7%	4.6%
HDFC Life	13.6%	4.4%	2.2%	7.3%
ICICI Prudential Life	28.3%	2.1%	1.5%	2.9%
Max Life	6.1%	2.3%	2.9%	1.5%
Bajaj Allianz Life	4.6%	1.2%	0.9%	1.6%

Source: Company public disclosures, IRDAI, CRISIL Research

Market Share Based on Total Premium (FY19)	Linked	Non-Linked	Participating (Within Non-Linked)	Non- Participating (Within Non-Linked)
LIC	1.1%	79.0%	85.3%	68.7%
SBI Life	25.2%	3.3%	2.7%	4.2%
HDFC Life	15.1%	4.2%	2.2%	7.4%
ICICI Prudential Life	30.2%	1.9%	1.3%	2.9%
Max Life	6.1%	2.3%	2.9%	1.4%
Bajaj Allianz Life	4.5%	1.3%	0.9%	2.0%

Source: Company public disclosures, IRDAI, CRISIL Research

LIC accounts for approximately 77% in annuity segment as of Fiscal 2021; SBI Life and ICICI Prudential Life account for majority share in linked segment

In the health insurance segment, our Corporation had a market share of 63.1% on NBP basis in Fiscal 2021. Within the annuity segment, LIC continues to account for the majority share at approximately 77% as at Fiscal 2021 followed by HDFC Life at 7.6% and SBI Life at 5.9% during the same period.

Health Premium – FY21	Total Premium (INR million)	New Business Premium (INR million)	Market Share – Total Premium	Market share - NBP
LIC	3,382.3	1,021.0	53.6%	63.1%
SBI Life	94.4	26.4	1.5%	1.6%
HDFC Life	728.2	126.0	11.5%	7.8%
ICICI Prudential Life	416.1	124.3	6.6%	7.7%
Max Life	447.5	128.7	7.1%	7.9%
Bajaj Allianz Life	112.0	13.4	1.8%	0.8%
Others	1,128.8	179.6	17.9%	11.1%
Private players total*	2,926.9	598.3	46.4%	36.9%
Total	6,309.2	1,619.3	100.0%	100.0%

Note: (*) Excluding Aviva and Exide Life as data for FY21 is not available
Source: Company public disclosures, CRISIL Research

Health Premium – FY20	Total Premium (INR million)	New Business Premium (INR million)	Market Share – Total Premium	Market share - NBP
LIC	4,140.7	1,047.4	46.9%	43.4%
SBI Life	80.1	31.0	0.9%	1.3%
HDFC Life	1,268.7	631.1	14.4%	26.2%
ICICI Prudential Life	1,196.4	95.8	13.5%	4.0%
Max Life	492.0	251.4	5.6%	10.4%
Bajaj Allianz Life	120.1	25.8	1.4%	1.1%
Others	1,538.0	328.5	17.4%	13.6%
Private players total	4,695.3	1,363.6	53.1%	56.6%

Total	8,836.00	2,411.00	100.0%	100.0%

Source: IRDAI Handbook on statistics, CRISIL Research

Annuity Premium	FY20		FY21		9M FY22	
	Total Premium (INR billion)	Market share	Total Premium (INR billion)	Market share	Total Premium (INR billion)	Market share
LIC	385.3	84.7%	395.9	76.9%	237.4	68.7%
SBI Life	11.3	2.5%	30.2	5.9%	26.4	7.7%
HDFC Life	27.0	5.9%	39.3	7.6%	36.4	10.5%
ICICI Prudential Life	10.4	2.3%	23.0	4.5%	21.2	6.1%
Max Life	4.0	0.9%	6.8	1.3%	6.1	1.8%
Bajaj Allianz Life	0.9	0.02%	0.7	0.1%	4.2	1.2%
Others	16.7	3.7%	19.0	3.7%	13.7	4.0%
Private players total	69.4	15.3%	119.0	23.1%	108.0	31.3%
Total	454.7	100%	514.7	100%	345.5	100.0%

Source: Company public disclosures under L-1, L-4, and L-36, CRISIL Research

Linked Premium – FY21	Total Premium (INR billion)	New Business Premium (INR billion)	Market share – Total Premium	Market share – NBP
LIC	14.1	7.6	1.6%	2.7%
SBI Life	284.6	85.9	31.3%	30.5%
HDFC Life	112.4	27.1	12.4%	9.6%
ICICI Prudential Life	226.7	57.0	24.9%	20.2%
Max Life	58.8	19.4	6.5%	6.9%
Bajaj Allianz Life	43.8	14.8	4.8%	5.3%
Others	164.4	66.7	18.5%	24.8%
Private players total	890.7	270.9	98.4%	97.3%

Source: IRDAI Handbook on statistics, CRISIL Research
Note: Data for Aviva, Bharti Axa, and Exide Life Insurance is not available for FY21 and hence not considered while computing market share

Linked Premium – FY20	Total Premium (INR billion)	New Business Premium (INR billion)	Market share – Total Premium	Market share – NBP
LIC	7.6	0.9	0.9%	0.3%
SBI Life	235.3	80.8	28.5%	29.6%
HDFC Life	111.9	27.8	13.6%	10.2%
ICICI Prudential Life	233.5	69.0	28.3%	25.3%
Max Life	50.5	16.6	6.1%	6.1%
Bajaj Allianz Life	38.4	15.6	4.6%	5.7%
Others	153.3	62.2	18.5%	22.8%
Private players total	822.9	271.9	99.1%	99.7%
Total	**830.5**	**272.8**	**100%**	**100%**

Source: IRDAI Handbook on statistics, CRISIL Research

SBI Life recorded the most efficient operational metrics; LIC the third best among peers in Fiscal 2021

Expense ratios (as % of total premium)-FY 21	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	5.5%	8.7%	14.2%
SBI Life	3.5%	4.8%	8.3%
HDFC Life	4.4%	11.9%	16.3%
ICICI Prudential Life	4.2%	7.5%	11.7%
Max Life	6.5%	14.2%	20.7%
Bajaj Allianz Life	4.8%	16.0%	20.8%
Median of top five private players	4.4%	11.9%	16.3%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of total premium)- 9M FY 22	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	5.4%	9.6%	15.0%
SBI Life	3.5%	5.1%	8.6%
HDFC Life	4.2%	12.1%	16.2%
ICICI Prudential Life	4.3%	9.2%	13.6%

Max Life	6.3%	15.1%	21.4%
Bajaj Allianz Life	4.9%	18.3%	23.2%
Median of top five private players	4.3%	12.1%	16.2%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of total premium)-FY 20	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	5.6%	9.0%	14.7%
SBI Life	4.0%	5.9%	9.9%
HDFC Life	4.6%	13.0%	17.6%
ICICI Prudential Life	4.7%	8.5%	13.3%
Max Life	6.3%	14.5%	20.8%
Bajaj Allianz Life	4.3%	18.1%	22.4%
Median of top five private players	4.6%	13.0%	17.6%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of total premium)-FY 19	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	5.9%	8.4%	14.4%
SBI Life	4.1%	6.4%	10.5%
HDFC Life	3.9%	13.0%	16.9%
ICICI Prudential Life	5.2%	8.3%	13.4%
Max Life	6.8%	13.2%	20.0%
Bajaj Allianz Life	3.7%	17.3%	21.0%
Median of top five private players	4.1%	13.0%	16.9%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of NBP)- FY 21)	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	12.0%	19.0%	31.0%
SBI Life	8.6%	11.7%	20.3%
HDFC Life	8.5%	22.8%	31.3%
ICICI Prudential Life	11.3%	20.3%	31.7%
Max Life	18.0%	39.6%	57.5%
Bajaj Allianz Life	9.2%	30.5%	39.7%
Median of top five private players	9.2%	22.8%	31.7%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of NBP) - 9M FY22	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	12.2%	21.5%	33.8%
SBI Life	7.7%	11.2%	18.9%
HDFC Life	7.7%	22.1%	29.8%
ICICI Prudential Life	10.9%	23.2%	34.1%
Max Life	17.2%	41.3%	58.4%
Bajaj Allianz Life	8.7%	32.2%	40.9%
Median of top five private players	8.7%	23.2%	34.1%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of NBP) - FY 20	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	12.0%	10.7%	22.6%
SBI Life	9.8%	7.8%	17.6%
HDFC Life	8.7%	16.0%	24.7%
ICICI Prudential Life	12.7%	10.6%	23.3%
Max Life	18.3%	19.4%	37.7%
Bajaj Allianz Life	8.1%	22.5%	30.6%
Median of top five private players	9.8%	16.0%	24.7%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

Expense ratios (as % of NBP) - FY 19	Commission ratio	Operating expense ratio	Total Cost Ratio
LIC	14.0%	9.3%	23.4%
SBI Life	9.8%	8.9%	18.6%
HDFC Life	7.6%	15.8%	23.3%
ICICI Prudential Life	15.5%	10.7%	26.1%
Max Life	19.2%	18.0%	37.2%
Bajaj Allianz Life	6.7%	21.5%	28.2%
Median of top five private players	9.8%	15.8%	26.1%

Source: Company public disclosures, CRISIL Research
Note: Total Cost Ratio calculated as summation of commission ratio and operating expense ratio

LIC generates a major proportion of its premium through individual agents' channel

LIC's individual agents' network contributed approximately 94% of its NBP in Fiscal 2021. LIC is also generating growth through other channels. The individual NBP generated through LIC's banca channel in Fiscal 2021 was higher than the individual banca NBP of 16 other private life insurance players and the individual NBP of 14 private life insurance players. As at December 31, 2021, LIC's individual NBP through banca channel was higher than individual banca NBP of 12 other private life insurers and individual NBP of 11 private life insurance players.Further, the total NBP (individual and group) generated by 11 private life insurance players was lower than the NBP (individual) generated by LIC through its banca network.

Channel Mix (Individual NBP)- INR billion (FY21)	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Web Aggregators	Others
LIC	529.1	17.6	0.7	12.4	n.a	4.3
SBI Life	34.6	81.7	3.5	5.1	n.a	0.0
HDFC Life	12.4	46.1	3.8	33.1	0.5	5.3
ICICI Prudential Life	19.4	36.8	4.0	13.4	0.6	5.0
Max Life	16.3	39.6	1.1	5.2	n.a	0.1
Bajaj Allianz Life	10.5	8.2	0.6	3.2	1.6	2.9
Others	**39.5**	**100.6**	**6.1**	**26.9**	**1.1**	**7.5**
Private Sector	**132.7**	**312.9**	**19.2**	**86.9**	**3.8**	**18.1**
Total	**661.8**	**330.5**	**19.8**	**99.3**	**3.8**	**22.4**

Note: n.a denotes that the player does not report the business acquisition data for the mentioned channel. Source: Company public disclosures, CRISIL Research.

Channel Mix (Individual NBP)- % (FY21)	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Web Aggregators	Others
LIC	93.8%	3.1%	0.1%	2.2%	Nil	0.8%
SBI Life	27.7%	65.4%	2.8%	4.1%	n.a	0.0%
HDFC Life	12.3%	45.8%	3.8%	32.9%	0.5%	4.7%
ICICI Prudential Life	24.7%	46.8%	5.0%	17.1%	0.7%	5.6%
Max Life	26.2%	63.5%	1.8%	8.3%	n.a	0.2%
Bajaj Allianz Life	41.6%	32.2%	2.4%	12.4%	6.2%	5.1%

Note: n.a denotes that the player does not report the business acquisition data for the mentioned channel Source: Company public disclosures, CRISIL Research.

Channel Mix (Individual)- Number of new policies (FY21)	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Web Aggregators	Others
LIC	19,647,857	212,182	24,865	88,472	Nil	1,002,063*
SBI Life	582,399	984,719	72,076	17,020	n.a	163
HDFC Life	145,494	475,266	52,566	257,683	6,151	50,998
ICICI Prudential Life	161,403	317,272	35,337	74,258	13,198	73,241
Max Life	133,763	365,917	6,381	134,549	n.a	4,017
Bajaj Allianz Life	135,111	174,911	24,869	32,599	35,734	59,513

Note: n.a denotes that the player does not report the business acquisition data for the mentioned channel; (*) includes micro agents.
****Source: Company public disclosures, CRISIL Research*

Channel Mix (Individual NBP)- INR billion 9M FY22	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Web Aggregators	Others
LIC	345.7	8.4	0.3	1.5	Nil	2.3
SBI Life	30.7	76.7	3.0	5.7	0.02	0.01
HDFC Life	10.1	35.8	3.3	27.5	0.2	3.7
ICICI Prudential Life	17.9	29.0	2.6	11.6	0.2	2.6
Max Life	11.6	29.9	0.7	0.0	0.5	4.6
Bajaj Allianz Life	9.9	9.1	0.5	3.6	0.7	1.3
Others	28.6	78.0	4.9	18.3	1.0	7.4
Private Sector	108.7	258.5	14.9	66.6	2.6	19.6
Total	454.5	266.9	15.3	68.1	2.6	21.9

Note: n.a denotes that the player does not report the business acquisition data for the mentioned channel. Source: Company public disclosures. CRISIL Research

Channel Mix (Individual)- % 9M FY22	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Web Aggregators	Others
LIC	96.5%	2.3%	0.1%	0.4%	Nil	0.7%
SBI Life	26.4%	66.0%	2.6%	4.9%	0.02%	0.01%
HDFC Life	12.6%	44.5%	4.1%	34.1%	0.2%	4.6%
ICICI Prudential Life	28.1%	45.4%	4.0%	18.1%	0.4%	4.1%
Max Life	24.5%	63.2%	1.5%	0.0%	1.1%	9.7%
Bajaj Allianz Life	39.3%	36.5%	2.0%	14.3%	2.6%	5.2%

Note: n.a denotes that the player does not report the business acquisition data for the mentioned channel Source: Company public disclosures. CRISIL Research

Channel Mix (Group NBP)- INR billion (FY21)	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Others
LIC	31.0	0.3	0.2	1,245.7	0.5
SBI Life	0.9	33.1	0.0	46.6	0.7
HDFC Life	1.3	14.2	10.8	72.9	2.0
ICICI Prudential Life	0.1	7.1	2.5	41.4	0.8
Max Life	0.0	4.3	0.4	1.2	0.1
Bajaj Allianz Life	0.1	9.0	0.4	26.7	1.6

Source: Company public disclosures, CRISIL Research

Channel Mix (Group NBP)- % (FY21)	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Others
LIC	2.4%	0.0%	0.0%	97.5%	0.0%
SBI Life	1.1%	40.7%	0.0%	57.4%	0.8%
HDFC Life	1.3%	14.0%	10.7%	72.1%	2.0%
ICICI Prudential Life	0.2%	13.7%	4.8%	79.8%	1.4%
Max Life	0.0%	71.8%	6.7%	20.0%	1.4%
Bajaj Allianz Life	2.4%	0.0%	0.0%	97.5%	0.0%

Source: Company public disclosures, CRISIL Research

Channel Mix (Group)- Number of lives covered (FY21)	Individual agents	Corporate agents - Banks	Corporate agents - Others	Direct Business	Others
LIC	759,720	115,284	8,322	30,580,116	101,506
SBI Life	292,258	1,055,579	10,090	8,847,044	451,731
HDFC Life	915	18,880,855	2,523,856	14,390,054	2,989,410
ICICI Prudential Life	58,603	1,708,394	1,518,765	19,825,489	2,577,734
Max Life	10,090	2,085,667	11,319	1,735,318	394,130
Bajaj Allianz Life	3,375	8,681,658	100,937	11,741,686	2,632,963

Source: Company public disclosures, CRISIL Research

LIC has the largest and most productive agent network in India

LIC’s agent network is wider than entire private life insurance player’s agent network in India. As of March 31, 2021, LIC had 1.35 million individuals in its agent network compared to 1.10 million individuals for the entire private life insurance industry. The number of individual agents for LIC in India increased at a CAGR of 7% between March, 2019 and March, 2021 compared to the next best player's agency force CAGR of 5% during the same period and the average of the private players agency force CAGR of 4% during the same period.

Further, LIC also had the highest agent productivity both by premiums (approximately INR 413,000 and INR 260,000 per agent in Fiscal 2021 and December 31, 2021, respectively) and number of policies (15.3 and 9.0 policies on average in Fiscal 2021 and December 31, 2021, respectively). In Fiscal 2021, LIC also recorded the highest NBP per employee and direct NBP generated per employee.

LIC had 721 MDRT members in calendar year 2021, which was the most among all Indian corporates operating in the financial services industry and ranked 32nd globally. LIC had 19,393 agents (including 721 MDRT members) who met the criteria for MDRT agent status in calendar year 2021.

Parameters- FY21	Number of Individual Agents in India (as of March 31, 2021)	Number of Individual Agents in India (as of December 31, 2021)	Agent Productivity for FY 2021 by NBP(1) (in INR)	Agent Productivity for FY 2021 by policies sold(2)	Agent Productivity for 9MFY22 by NBP(1) (in INR)	Agent Productivity for 9MFY22 by policies sold(2)	MDRT(3) Members (CY2021)
LIC	1,353,808	1,329,448	412,934	15.3	260,069	9.0	721(5)
SBI Life	170,096	135,902	230,140	3.9	225,740	3.1	n.a.(4)
HDFC Life	112,012	112,749	112,714	1.3	90,033	0.9	306
ICICI Prudential Life	187,560	196,785	102,356	0.9	90,952	0.6	n.a.(4)
Max Life	55,217	58,224	322,442	2.6	203,962	1.3	153
Bajaj Allianz Life	88,102	93,003	124,892	1.6	108,888	1.1	n.a.(4)
Median of top five private players	112,012	112,749	124,892	1.6	108,888	1.1	-

Source: Company public disclosures, Million Dollar Round Table, Life Insurance Council (Individual Agents Data), CRISIL Research Notes:

(1) Calculated as NBP for individual policies through individual agents on a standalone basis divided by the average number of individual agents in India.

(2) Calculated as individual policies issued through individual agents on a standalone basis divided by the average number of individual agents in India

(3) Million Dollar Round Table (MDRT) is a global association of financial services professionals. The association has professionals from more than 500 companies across 70 countries as per its website. The membership eligibility is decided by the association every year basis commission, premium or revenue cut-off. The members have access to MDRT's client network, meetings and resources.

(4) n,a: only data for the top 100 global MDRT members is published by the association; as the player was not part of the top 100 members' list, data is not available.

(5) LIC had 19,393 qualifying agents for MDRT; 721 agents availed the membership.

Parameters- FY21	Number of employees	NBP per employee (INR)	Revenue per employee (INR)
LIC	114,498	16,085,396	254,327
SBI Life	17,464	12,053,572	1,386,494
HDFC Life	20,636	9,900,198	801,340
ICICI Prudential Life	14,413	8,974,362	1,898,509
Max Life	14,000	4,876,343	453,414
Bajaj Allianz Life	n.a	n.a	n.a
Median of top five private players*	-	9,437,280	1,093,917

Source: Annual Reports, Company public disclosures, CRISIL Research

Note: Employee data as reported in annual report or company websites; n.a means employee data not available For LIC, employee data for Fiscal 2020 as published in annual report considered to calculate the ratios

****(*) Median is excluding Bajaj Allianz Life*

LIC's NBP book has more geographical spread compared to peers

For Fiscal 2021, LIC had (a) approximately 51% market share in individual NBP and approximately 76% market share of new individual policies in urban India and (b) approximately 40% market share in individual NBP and approximately 71% market share of new individual policies in rural India. Its strong agent network enables LIC to cater to larger section of society in urban as well as rural region and not only the well-banked population. However, the same also results in lower ticket size as compared to peers. Therefore, the average NBP per individual policy for LIC was INR 26,892, which is significantly lower as compared to its peers.

Customer Mix -FY21	Customer Mix in terms of NBP		Average NBP (INR)	
	Individual	Group	Individual	Group
LIC	30.6%	69.4%	26,892	40,184,954
SBI Life	60.6%	39.4%	75,466	158,081,907
HDFC Life	50.0%	50.0%	103,106	395,208,203
ICICI Prudential Life	60.2%	39.8%	118,623	17,972,548
Max Life	91.2%	8.8%	96,619	14,635,208
Bajaj Allianz Life	40.1%	59.9%	59,258	158,933,613

Source: Life Insurance Council (New Business Premium) CRISIL Research

Customer Mix -9M FY22	Customer Mix		Average NBP (INR)	
	Individual	Group	Individual	Group
LIC	28.4%	71.6%	28,325	35,832,008
SBI Life	61.8%	38.2%	88,585	353,712,376
HDFC Life	47.2%	52.8%	126,990	657,239,771
ICICI Prudential Life	62.3%	37.7%	141,374	39,539,373
Max Life	89.3%	10.7%	114,667	113,087,472
Bajaj Allianz Life	42.5%	57.5%	81,335	224,797,109

Source: Life Insurance Council (New Business Premium) CRISIL Research

Book mix – By geographic distribution (FY21)	By Individual NBP		By Individual Policy	
	Urban	Rural[(1)]	Urban	Rural
LIC	89.2%	10.8%	78.5%	21.5%
SBI Life	81.4%	18.6%	73.4%	26.6%
HDFC Life	88.4%	11.6%	78.3%	21.7%
ICICI Prudential Life	89.2%	10.8%	79.3%	20.7%
Max Life	81.0%	19.0%	76.2%	23.8%
Bajaj Allianz Life	79.2%	20.8%	71.1%	28.9%

Source: Company public disclosures, CRISIL Research

(1) Urban and rural geographies are classified by the insurance players basis latest available decennial population census (Census of India)

Book Mix – By geographic distribution (9M FY22)	By Individual NBP		By Individual Policy	
	Urban	Rural	Urban	Rural
LIC	86.9%	13.1%	79.2%	20.8%
SBI Life	80.4%	19.6%	72.2%	27.8%
HDFC Life	88.3%	11.7%	78.9%	21.1%
ICICI Prudential Life	87.6%	12.4%	78.0%	22.0%
Max Life	82.7%	17.3%	78.3%	21.7%
Bajaj Allianz Life	80.5%	19.5%	71.6%	28.4%

Source: Company public disclosures, CRISIL Research

Market Share -(FY21)	By Individual NBP		By Individual Policy	
	Urban	Rural	Urban	Rural
LIC	51.3%	40.4%	76.1%	71.0%
SBI Life	10.4%	15.3%	5.6%	7.0%
HDFC Life	9.1%	7.7%	3.5%	3.4%
ICICI Prudential Life	7.1%	5.6%	2.4%	2.2%
Max Life	5.1%	7.8%	2.3%	2.4%
Bajaj Allianz Life	2.0%	3.5%	1.4%	1.9%
Median of top five private players	7.1%	7.7%	2.4%	2.4%

Source: Company public disclosures, CRISIL Research

Market Share -(9M FY22)	By Individual NBP		By Individual Policy	
	Urban	Rural	Urban	Rural
LIC	44.3%	37.6%	73.3%	66.8%
SBI Life	13.3%	18.3%	6.9%	9.3%
HDFC Life	10.1%	7.6%	3.7%	3.4%
ICICI Prudential Life	8.0%	6.3%	2.6%	2.5%
Max Life	5.6%	6.6%	2.4%	2.3%
Bajaj Allianz Life	2.9%	3.9%	1.6%	2.2%

Market Share -(9M FY22)	By Individual NBP		By Individual Policy	
	Urban	Rural	Urban	Rural
Median of top five private players	8.0%	6.6%	2.6%	2.5%

Source: Company public disclosures, CRISIL Research

LIC and SBI Life have strong banca network in rural region

All the private life insurance players have significantly leveraged their banking channels to sell life insurance products. The share of corporate agents – banks for the industry increased from 23.8% in Fiscal 2016 to 29.0% in Fiscal 2021. Though LIC's business is primarily agent driven, the % share of individual new business from banca channel also increased from 2.2% in Fiscal 2016 to 3.1% in Fiscal 2021. As of September 2021, LIC had the strongest banca network with 51,633 branches, followed by SBI Life with 38,026. Further, LIC also had the highest number of rural branches at 15,362 followed by SBI Life at 11,930.

Bank Partners' Branch	Rural	Semi-urban	Urban	Metropolitan	Total
LIC	15,362	13,571	11,133	11,567	51,633
SBI Life	11,930	10,753	7,969	7,374	38,026
HDFC Life	4,202	6,249	3,931	4,267	18,649
ICICI Prudential Life	1,999	3,398	2,870	3,750	12,017
Max Life	917	1,726	1,365	1,922	5,930
Bajaj Allianz Life	3,411	5,084	3,504	3,479	15,478

Note: Data includes data for Scheduled Commercial Banks (SCBs) only
Source: IRDAI, RBI, CRISIL Research

Bank Partners' Branch	Rural	Semi-urban	Urban	Metropolitan
LIC	29.8%	26.3%	21.6%	22.4%
SBI Life	31.4%	28.3%	21.0%	19.4%
HDFC Life	22.5%	33.5%	21.1%	22.9%
ICICI Prudential Life	16.6%	28.3%	23.9%	31.2%
Max Life	15.5%	29.1%	23.0%	32.4%
Bajaj Allianz Life	22.0%	32.8%	22.6%	22.5%

Note: Data includes data for Scheduled Commercial Banks (SCBs) only
Source: IRDAI, RBI, CRISIL Research

SBI Life, Max Life and LIC have relatively lower geographic concentration in NBP

Geographic Concentration (%) Basis Individual NBP - FY21	Top 5 states	Top 10 states	Top 15 states
LIC	49.2%	72.1%	88.5%
SBI Life	38.4%	64.4%	82.5%
HDFC Life	56.4%	80.6%	91.8%
ICICI Prudential Life	54.8%	79.8%	92.2%
Max Life	47.6%	74.5%	88.9%
Bajaj Allianz Life	51.2%	72.4%	87.7%
Median of top five private players	47.6%	74.5%	88.9%

Source: Company public disclosures, CRISIL Research

Geographic Concentration (%) Basis Individual NBP - 9M FY22	Top 5 states	Top 10 states	Top 15 states
LIC	47.0%	71.2%	87.8%
SBI Life	38.8%	65.4%	83.7%
HDFC Life	55.9%	79.9%	91.6%
ICICI Prudential Life	52.5%	78.1%	91.9%
Max Life	48.1%	75.6%	89.3%
Bajaj Allianz Life	50.2%	72.2%	86.9%
Median of top five private players	50.2%	75.6%	89.3%

Source: Company public disclosures, CRISIL Research

SBI Life recorded highest 61st month persistency followed by ICICI Prudential Life; LIC third best as of March 2021

Amongst the peers analysed, SBI Life had the highest 61st month persistency at 61.6% as of March 2021, followed by ICICI Prudential Life at 59.8%. As at March 31, 2021 LIC's persistency ratio for individual products (by total premium) in India was 79.0% in the 13th month and 59.0% in the 61st month, compared to the median of the top five private players in India of 87.1% in the 13th month and 54.4% in the 61st month.

Persistency ratio – FY21	13th	25th	37th	49th	61st
LIC#	79.0%	70.0%	67.0%	63.0%	59.0%
SBI Life^	87.9%	79.4%	74.1%	68.1%	61.6%
HDFC Life^^	91.7%	84.2%	74.7%	69.6%	54.4%
ICICI Prudential Life#	87.1%	76.1%	69.2%	65.4%	59.8%
Max Life*	84.0%	68.0%	60.0%	56.0%	53.0%
Bajaj Allianz Life*	79.8%	71.3%	62.8%	54.3%	42.3%
Median of top five private players	87.1%	76.1%	69.2%	65.4%	54.4%

Source: Company public disclosures, CRISIL Research
Note: The ratio is calculated by the players in-line with IRDAI circular ("Report on persistency rate and renewal rate") dated January 2014
(*) Persistency ratios reported basis the data disclosed by the players in L-22 (Analytical Ratios)
(#) Persistency ratio is in regular premium for individual products
(^) Persistency ratio is for individual products including group business where persistency is measurable
(^^) Persistency ratio is for individual products including group business and rural business where persistency is measurable
For the year ending period, SBI Life, HDFC Life, Max Life, Bajaj Allianz Life calculate the persistency ratio for policies issued during March to February cycle of the relevant period; for example, for the 13th month persistency for year ending March 31, 2021 is calculated by considering the policies issued during March 2019 to February 2020; ICICI Prudential life considers the policies issued during April to March cycle.

Persistency ratio 9M FY22	13th	25th	37th	49th	61st
LIC	76.8%	71.7%	67.8%	65.0%	61.9%
SBI Life	83.5%	77.0%	71.5%	68.0%	49.8%
HDFC Life	86.6%	76.9%	66.9%	62.8%	53.2%
ICICI Prudential Life	84.5%	76.1%	66.5%	59.1%	53.3%
Max Life	83.0%	67.0%	60.0%	56.0%	50.0%
Bajaj Allianz Life	80.5%	73.3%	65.0%	59.7%	46.7%
Median of top five private players	83.5%	76.1%	66.5%	59.7%	50.0%

Source: Company public disclosures, CRISIL Research
Note: Persistency Ratio - Premium Basis (Regular Premium/Limited Premium Payment under Individual category); The ratio is calculated by the players in-line with IRDAI circular ("Report on persistency rate and renewal rate") dated January 2014

Persistency ratio – FY 20	13th	25th	37th	49th	61st
LIC#	72.00%	67.00%	63.00%	58.00%	54.00%
SBI Life^	86.14%	78.53%	71.56%	67.30%	59.90%
HDFC Life^^	90.06%	80.22%	73.78%	67.21%	55.05%
ICICI Prudential Life#	86.80%	78.30%	70.10%	67.30%	58.70%
Max Life*	87.00%	73.00%	64.00%	60.00%	53.00%
Bajaj Allianz Life*	79.20%	71.40%	58.40%	50.70%	40.40%
Median of top five private players	86.80%	78.30%	70.10%	67.21%	55.05%

Source: Company public disclosures, CRISIL Research
Note: The ratio is calculated by the players in-line with IRDAI circular ("Report on persistency rate and renewal rate") dated January 2014
(*) Persistency ratios reported basis the data disclosed by the players in L-22 (Analytical Ratios)
(#) Persistency ratio is in regular premium for individual products
(^) Persistency ratio is for individual products including group business where persistency is measurable
(^^) Persistency ratio is for individual products including group business and rural business where persistency is measurable

Persistency ratio– FY 19	13th	25th	37th	49th	61st
LIC#	77.00%	71.00%	65.00%	60.00%	63.00%
SBI Life^	85.07%	76.65%	71.39%	66.43%	57.23%
HDFC Life^^	87.24%	80.47%	72.00%	67.67%	52.25%
ICICI Prudential Life#	86.20%	77.40%	71.00%	65.00%	58.00%
Max Life*	83.00%	71.00%	64.00%	58.00%	53.00%
Bajaj Allianz Life*	80.40%	68.40%	55.00%	47.30%	37.70%
Median of top five private players	85.07%	76.65%	71.00%	65.00%	53.00%

Source: Company public disclosures, CRISIL Research
Note: The ratio is calculated by the players in-line with IRDAI circular ("Report on persistency rate and renewal rate") dated January 2014
(*) Persistency ratios reported basis the data disclosed by the players in L-22 (Analytical Ratios)

(#) Persistency ratio is in regular premium for individual products
(^) Persistency ratio is for individual products including group business where persistency is measurable
(^^) Persistency ratio is for individual products including group business and rural business where persistency is measurable

LIC is the largest asset manager in India

LIC is the largest asset manager in India with managed assets worth INR 36.8 trillion as of March 31, 2021. LIC's AUM as of March 31, 2021 is more than three times higher than total AUM of all private life insurers in India, is approximately 16.6 times more than the AUM of the second-largest player in the Indian life insurance industry in terms of AUM (SBI Life had the second largest AUM of approximately INR 2.2 trillion) and is also 1.2 times the AUM of the entire mutual fund industry in India, which had AUM of approximately INR 31.4 trillion as of March 31, 2021. Further, the AUM of LIC as of March 2021 was approximately 19% of India's GDP for Fiscal 2021. As of March 31, 2021, LIC was the largest domestic institutional investor in the Indian financial sector. LIC's investments in listed equity had carrying/market value of approximately INR 8 trillion, which represented around 4% of the total market capitalisation of NSE as at the same date.

Parameters (FY21)	Net Cash Added (INR billion)	Net Profit/ Profit after tax (INR billion)	AUM (INR billion)	AUM (%)	Embedded value (INR billion)	Value of New business (INR billion)
LIC	1,181.9	29.0	36,761.8	77.0%	n.a	n.a
SBI Life	282.8	14.6	2,208.7	4.7%	333.9	23.3
HDFC Life	163.4	13.6	1,738.4	3.7%	266.2	21.9
ICICI Prudential Life	124.5	9.6	2,142.2	4.5%	291.1	16.2
Max Life	117.4	5.2	904.1	1.9%	118.3	12.5
Bajaj Allianz Life	58.2	5.8	737.7	1.6%	155.3	3.6

Note: n.a – not available
Source: Company public disclosures, Annual reports, CRISIL Research

Value of New business (INR billion)	FY19	FY20	FY21	9M FY22
LIC	n.a	n.a	n.a	n.a
SBI Life	17.2	20.1	23.3	22.3
HDFC Life	15.4	19.2	21.9	17.8
ICICI Prudential Life	13.3	16.1	16.2	13.9
Max Life	8.6	9.0	12.5	9.4
Bajaj Allianz Life	1.5	2.3	3.6	3.1

Note: n.a – not available
Source: Annual reports, CRISIL Research

Embedded value (INR billion)	FY19	FY20	FY21	H1FY22	9MFY22
LIC	n.a	n.a	n.a	n.a	n.a
SBI Life	224.0	262.9	333.9	352.9	n.a
HDFC Life	183.0	206.5	266.2	287.0	295.4
ICICI Prudential Life	216.2	230.3	291.1	302.0	n.a
Max Life	89.4	99.8	118.3	129.9	134.1
Bajaj Allianz Life	129.9	134.4	155.3	166.2	n.a

Note: n.a – not available
Source: Annual reports, CRISIL Research

As of December 2021, LIC's AUM was INR 40.1 trillion. LIC's AUM as of December 31, 2021 is more than 3.2 times higher than the total AUM of all private life insurers in India, it is approximately 15.6 times more than the AUM of the second-largest player in the Indian life insurance industry in terms of AUM (SBI Life had the second largest AUM of approximately INR 2.6 trillion) and is also 1.1 times the AUM of the entire mutual fund industry in India, which had AUM of approximately INR 37.7 trillion as of December 31, 2021. Further, the AUM of LIC as of December 2021 was 17.0% of India's estimated GDP for Fiscal 2022. LIC's investments in listed equity represented around 4% of the total market capitalisation of NSE as at the same date.

Parameters (9M FY22)	Net Cash Added (INR billion)	Net Profit/ Profit after tax (INR billion)	AUM (INR billion)	AUM (%)
LIC	506.3	16.7	40,121.7	76.5%

Parameters (9M FY22)	Net Cash Added (INR billion)	Net Profit/ Profit after tax (INR billion)	AUM (INR billion)	AUM (%)
SBI Life	171.0	8.3	2,569.0	4.9%
HDFC Life	93.3	8.5	1,947.4	3.7%
ICICI Prudential Life	37.5	5.7	2,375.6	4.5%
Max Life	108.4	2.4	1,024.7	2.0%
Bajaj Allianz Life	40.9	2.8	832.0	1.6%

Source: Company public disclosure L-3, company reports, CRISIL Research

Parameters (FY21)	Embedded Value (5-Year growth)	AUM (5-Year growth)	Share of investment in Infrastructure and Social Sector	AUM Mix	
				Equity	Debt
LIC*	n.a	13.4%[1]	8.4%	20.5%	79.5%
SBI Life	21.6%	22.6%	13.0%	27.0%	73.0%
HDFC Life	21.1%	18.5%	12.7%	36.0%	64.0%
ICICI Prudential Life	15.9%	15.6%	14.8%	45.5%	54.5%
Max Life*	16.1%	20.3%	14.6%	20.0%	80.0%
Bajaj Allianz Life*	n.a	10.8%	12.5%	32.7%	67.3%

Note: (*) AUM mix split is based on company fillings in L – 29; [1] FY16 AUM for LIC calculated as addition of Investment – Shareholders, Investment – Policyholders and Assets held to cover linked liabilities
Source: Company public disclosures, CRISIL Research

Parameters	Adjusted Net-worth (INR Billion) – FY21	Value of in-force business (INR billion) – FY21	Operating Return on Embedded Valued (RoEV) – FY21	Operating Return on Embedded Valued (RoEV) – 9MFY22
LIC	n.a	n.a	n.a	n.a
SBI Life	n.a	n.a	19.1%	n.a
HDFC Life	89,840	176,330	18.5%	18.6%
ICICI Prudential Life	95,220	195,840	15.2%	n.a
Max Life	27,680	90,660	18.5%	18.1%
Bajaj Allianz Life	n.a	n.a	9.4%	n.a

Source: Company Annual Reports, CRISIL Research Note: n.a: not available

Net worth (INR billion)	FY19	FY20	FY21	9MFY22
LIC	6.8	7.4	63.6	80.5
SBI Life	75.8	87.4	104.0	112.0
HDFC Life	56.6	68.0	86.4	91.9
ICICI Prudential Life	70.5	72.2	91.2	9.9
Max Life	27.6	25.7	30.1	30.7
Bajaj Allianz Life	96.5	97.3	107.4	109.9

Source: Company Reports, CRISIL Research

In-line with Insurance Regulatory and Development Authority of India (Distribution of Surplus) Regulations, 2002, the top five private players in the set transfer a maximum of one-ninth of the participating policyholder's surplus to the shareholder's account. The surplus includes the bonus allocated to the participating policyholders and the interim bonus paid. Therefore, the private players in the set allocated approximately 10% of the participating policyholder's account surplus (bonuses paid to policyholders + allocation of bonus + transfer to shareholder's account) to its shareholders in Fiscal 2021. However, the amount LIC transferred to shareholder's account was approximately 5%* of the total surplus in Fiscal 2021 as against up to the 10% permitted by the Life Insurance Corporation Act.

**Considering participating as well as non-participating accounts.*

Parameters (FY21)	Interim and terminal bonus (INR Million)	Allocation of bonus to policyholders (INR Million)	Surplus in revenue account (INR Million)	Transfer to shareholders' accounts (INR Million)
LIC	22,290.7	548,911.9	28,890.1	28,890.1
SBI Life	897.7	13,949.2	18,074.2	16,787.6
HDFC Life	7,941.0	7,415.3	10,984.4	9,909.0
ICICI Prudential Life	1,162.3	6,082.4	21,053.7	19,848.6
Max Life	28.8	12,967.5	33,680.7	3,861.7
Bajaj Allianz Life	1,490.5	5,691.3	6,329.8	5,446.2

Source: Company Public Disclosures, CRISIL Research

Parameters (9MFY22)	Interim and terminal bonus (INR Million)	Allocation of bonus to policyholders (INR Million)	Surplus in revenue account (INR Million)	Transfer to shareholders' accounts (INR Million)
LIC	24,700.1	-	15,940.2	15,940.2
SBI Life	671.3	-	6,053.9	2,612.9
HDFC Life	4,541.5	-	6,644.5	7,043.1
ICICI Prudential Life	-	-	10,462.8	10,921.1
Max Life	30.6	13,198.1	4,009.6	1,888.1
Bajaj Allianz Life	1,407.1	-	3,228.8	2,420.1

Note: n.a – not available
Source: Company Public Disclosures, CRISIL Research

Parameters (FY20)	Interim and terminal bonus (INR Million)	Allocation of bonus to policyholders (INR Million)	Surplus in revenue account (INR Million)	Transfer to shareholders' accounts (INR Million)
LIC	16,733.7	512,571.2	26,977.4	26,977.4
SBI Life	755.9	12,963.3	18,947.0	14,626.5
HDFC Life	8,484.4	8,028.6	9,714.1	11,913.9
ICICI Prudential Life	739.6	5,132.6	21,869.6	19,887.1
Max Life	16.5	13,119.2	35,652.4	4,690.1
Bajaj Allianz Life	1,346.8	4,147.6	5,023.1	4,209.1

Source: Company Public Disclosures, CRISIL Research

Parameters (FY19)	Interim and terminal bonus (INR Million)	Allocation of bonus to policyholders (INR Million)	Surplus in revenue account (INR Million)	Transfer to shareholders' accounts
LIC	16,513.7	505,513.1	26,606.0	26,606.0
SBI Life	607.2	11,491.4	10,866.4	9,985.0
HDFC Life	5,742.7	7,768.1	13,507.2	12,069.0
ICICI Prudential Life	706.3	4,667.8	12,332.8	10,770.4
Max Life	13.6	12,221.2	26,899.9	4,402.2
Bajaj Allianz Life	917.8	3,780.0	9,460.9	4,801.0

Source: Company Public Disclosures, CRISIL Research

Parameters (FY21) GNPA (%)	GNPA		NNPA	
	Policyholders' funds	Shareholders' funds	Policyholders' funds	Shareholders' funds
LIC	7.78%[1]	n.a	0.05%[1]	n.a
SBI Life	0.05%[2]	0.00%	0.00%	0.00%
HDFC Life	0.07%[3]	0.00%	0.00%	0.00%
ICICI Prudential Life	0.00%	0.00%	0.00%	0.00%
Max Life	0.20%	0.28%	0.04%	0.00%
Bajaj Allianz Life	0.90%[4]	0.80%	0.00%	0.00%

Source: Company public disclosures, CRISIL Research
Note: 1NPA for LIC is reported for debt portfolio only; 2 SBI Life GNPA (%) in policyholders' funds is for non-participating funds, the company reported NIL GNPA in other categories; 3 HDFC Life GNPA (%) is for linked non-participating funds, the company reported NIL GNPA in other categories; 4Bajaj Allianz Life GNPA (%) for policyholder's fund constitutes its participating category only. The company reported NIL GNPA in other policyholder's funds categories.
n.a: not available

Parameters (FY21) Gross Yields (%)	Life Fund	Pension Annuity & Group fund	Linked Life fund
LIC	8.3%	7.9%	10.6%
SBI Life	8.6%	8.4%	24.8%
HDFC Life	9.5%	7.9%	38.7%
ICICI Prudential Life	9.8%	9.5%	34.6%
Max Life	9.3%	8.8%	31.5%
Bajaj Allianz Life	9.9%	7.9%	34.3%

Source: Company public disclosures, CRISIL Research

Parameters (FY21) Investment Yields Without Unrealised Gains (%)[1]	Non-linked		Linked
	Participating	Non-Participating	Non-participating
LIC	7.42%		
SBI Life	8.7%	8.2%	10.0%

HDFC Life	8.5%	9.5%	8.6%
ICICI Prudential Life	10.8%	9.8%	6.9%
Max Life	10.0%	8.0%	17.0%
Bajaj Allianz Life	11.1%	8.1%	10.7%

Source: Company public disclosures, CRISIL Research
Note: # Investment yield for LIC is on mean policyholders fund and does not include realized and unrealized gains; investment yields for different segments i.e non-linked participatory, non-linked non-participatory and linked non-participatory not available for LIC.
1As reported by players in public disclosures - L22 (this may or may not include realized gains)

Parameters (FY20) Gross Yields (%)	Life Fund	Pension Annuity & Group fund	Linked Life fund
LIC	8.19%	7.86%	-16.82%
SBI Life	8.14%	8.71%	-4.16%
HDFC Life	5.57%	8.39%	-13.05%
ICICI Prudential Life	7.28%	11.82%	-14.29%
Max Life	7.90%	7.80%	-6.44%
Bajaj Allianz Life	7.36%	7.41%	-12.80%

Source: Company public disclosures, CRISIL Research

Parameters (FY20)	Non-linked		Linked
Investment Yields Without Unrealised Gains (%)*	Participating	Non- Participating	Non- participating
LIC	7.54%#		
SBI Life	8.76%	8.92%	6.81%
HDFC Life	6.96%	9.58%	6.30%
ICICI Prudential Life	7.20%	8.50%	4.10%
Max Life	8.00%	8.00%	8.00%
Bajaj Allianz Life	7.70%	8.10%	5.90%

Note: # Investment yield for LIC is on mean policyholders fund and does not include realized and unrealized gains; investment yields for different segments i.e non-linked participatory, non-linked non-participatory and linked non-participatory not available for LIC
1As reported by players in public disclosures - L22 (this may or may not include realized gains
Source: Company public disclosures, CRISIL Research

Parameters (FY19) Gross Yields (%)	Life Fund	Pension Annuity & Group fund	Linked Life fund
LIC	8.25%	8.28%	3.92%
SBI Life	8.15%	8.53%	9.56%
HDFC Life	7.14%	7.92%	8.61%
ICICI Prudential Life	8.44%	8.08%	6.84%
Max Life	8.03%	7.52%	10.54%
Bajaj Allianz Life	7.41%	7.38%	7.92%

Source: Company public disclosures, CRISIL Research

Parameters (FY19)	Non-linked		Linked
Investment Yields Without Unrealised Gains (%)[1]*	Participating	Non-Participating	Non-participating
LIC#		7.59%#	
SBI Life	8.96%	8.70%	6.96%
HDFC Life	7.42%	8.41%	6.61%
ICICI Prudential Life	8.30%	9.10%	5.10%
Max Life	8.00%	8.00%	9.00%
Bajaj Allianz Life	8.60%	8.50%	8.90%

Note: # Investment yield for LIC is on mean policyholders fund and does not include realized and unrealized gains; investment yields for different segments i.e. non-linked participatory, non-linked non-participatory and linked non-participatory not available for LIC.
1As reported by players in public disclosures - L22 (this may or may not include realized gains).
Source: Company public disclosures, CRISIL Research

Breakdown by credit Rating of debt securities (FY21)	Sovereign	AAA rated	AA or better	Rated below AA but above A (A or better)	Rated below A but above B	Any other
LIC	86.9%	8.6%	1.9%	0.7%	0.3%	1.6%
SBI Life	65.9%	20.6%	2.8%	0.7%	0.1%	9.9%
HDFC Life	0.0%	98.0%	1.6%	0.2%	0.1%	0.2%
ICICI Prudential Life	0.0%	96.8%	2.7%	0.4%	0.0%	0.1%
Max Life	0.0%	27.6%	0.5%	0.0%	2.9%	69.1%

Bajaj Allianz Life	0.0%	29.9%	0.4%	0.0%	0.0%	69.7%

Source: Company public disclosures, CRISIL Research
Note: 1 For HDFC Life, ICICI Prudential Life, Max Life and Bajaj Allianz Life AAA rated debt securities includes Central and State Government securities

Breakdown by credit Rating of debt securities (9MFY22)	Sovereign	AAA rated	AA or better	Rated below AA but above A (A or better)	Rated below A but above B	Any other
LIC	87.76%	8.13%	2.14%	0.48%	0.32%	1.17%
SBI Life	0.00%	87.49%	2.59%	0.35%	0.04%	9.53%
HDFC Life	0.00%	98.63%	1.10%	0.14%	0.00%	0.12%
ICICI Prudential Life	0.00%	97.82%	1.95%	0.23%	0.00%	0.00%
Max Life	0.00%	28.73%	0.56%	0.00%	2.61%	68.11%
Bajaj Allianz Life	0.00%	27.00%	0.33%	0.00%	0.10%	72.57%

Note: 1 For SBI Life, HDFC Life, ICICI Prudential Life, Max Life and Bajaj Allianz Life AAA rated debt securities includes Central and State Government securities
Source: Company public disclosures, CRISIL Research

VNB Margin improved for all the players in the set

VNB Margin is calculated by dividing the value of new business (expected profitability of new business written during the fiscal) during the period by Annualised Premium Equivalent (APE: 100% of first-year regular premium + 10% of single premium).

The VNB margin for all the players improved substantially during Fiscal 2016 to 2021. Among the players in the set HDFC Life reported highest VNB margin of 26.1% in Fiscal 2021, followed by Max Life with 25.2%.

Value of New Business Margin (%)#	FY16	FY17	FY18	FY19	FY20	FY21	9MFY22
LIC	n.a	n.a	n.a	n.a	n.a	n.a	n.a
SBI Life	14.2%	15.4%	16.2%	17.7%	18.7%	20.4%	21.9%
HDFC Life	19.9%	22.0%	23.2%	24.6%	25.9%	26.1%	26.5%
ICICI Prudential Life	8.0%	10.1%	16.5%	17.0%	21.7%	25.1%	27.1%
Max Life	18.0%	19.0%	20.0%	22.0%	22.0%	25.2%	25.1%
Bajaj Allianz Life	n.a	n.a	n.a	7.0%	10.0%	12.3%	11.3%

Note: n.a = not available; (*) As reported by companies in Annual Report
Source: Company reports, CRISIL Research
Note: As reported by companies in their respective annual reports.
 # As reported by companies in Annual Report

Value of New Business (Growth)	1 year ended FY21	3 years ended FY21	5 years ended FY21
LIC	n.a	n.a	n.a
SBI Life	16.0%	13.3%	27.2%
HDFC Life	13.9%	14.4%	24.2%
ICICI Prudential Life	1.0%	7.7%	31.5%
Max Life	39.2%	11.0%	26.3%
Bajaj Allianz Life	59.2%	n.a	n.a

Note: n.a = not available
Source: Company annual reports, CRISIL Research

LIC generated highest return on equity and third highest dividend payout ratio among the players in the sample

Parameters (FY21)	ROE (%) (3-year average ended FY21)	Dividend payout (%) (3-year average ended FY21)	Retention ratio (%) (3-year average ended FY21)	Solvency ratio
LIC	289.6%	33.0%	67.0%	1.76
SBI Life	17.2%	11.8%	88.2%	2.15
HDFC Life	21.0%	10.3%	89.7%	2.01
ICICI Prudential Life	14.4%	37.5%	62.5%	2.17
Max Life	19.8%	89.3%	10.7%	2.02
Bajaj Allianz Life	5.2%	27.4%	72.6%	6.66

Source: Company public disclosures, CRISIL Research
Note: ROE for a fiscal (n) calculated as profit after tax for the fiscal (n) divided by [average equity of fiscal (n)] and the [previous fiscal (n-1)] Retention ratio calculated as (1 – [dividend payout ratio]); Solvency ratio is defined as excess assets over its liabilities. Minimum solvency ratio set by regulator is 1.5 times.

Trend in EPS (Earnings per Share) for peer set

EPS	FY19	FY20	FY21
LIC[1]	4.25	4.29	4.59
SBI Life	13.27	14.22	14.56
HDFC Life	6.34	6.42	6.73
ICICI Prudential Life	7.95	7.44	6.69
Max Life	2.90	2.81	2.73
Bajaj Allianz Life	33.30	29.83	38.50

Note: EPS calculated as Net profit for a fiscal (n) divided by average number of shares for fiscal (n) and fiscal (n-1);
(1) EPS for LIC across fiscals (FY19-FY21) calculated basis number of shares for the company as on December 31, 2021
Source: Company public disclosures, CRISIL Research

Solvency ratio	FY19	FY20	FY21	9MFY22
LIC	1.60	1.55	1.76	1.77
SBI Life	2.13	1.95	2.15	2.09
HDFC Life	1.88	1.84	2.01	1.90
ICICI Prudential Life	2.15	1.94	2.17	2.02
Max Life	2.42	2.07	2.02	2.07
Bajaj Allianz	8.04	7.45	6.66	6.04

Note: Solvency ratio is defined as excess assets over its liabilities. Minimum solvency ratio set by regulator is 1.5 times
Source: Company public disclosures, CRISIL Research

	Dividend Payout Ratio			Retention Ratio		
	FY19	FY20	FY21	FY19	FY20	FY21
LIC	99.0%	0.0%	0.0%	1.0%	100.0%	100.0%
SBI Life	18.2%	0.0%	17.2%	81.8%	100.0%	82.8%
HDFC Life	31.0%	0.0%	0.0%	69.0%	100.0%	100.0%
ICICI Prudential Life	74.5%	38.1%	0.0%	25.5%	61.9%	100.0%
Max Life	86.1%	143.7%	38.2%	13.9%	NM	61.8%
Bajaj Allianz Life	25.3%	28.3%	28.6%	74.7%	71.7%	71.4%

Note: NM = Not meaningful
Source: Company public disclosures, CRISIL Research

Policy mis-selling complaints least for LIC, followed by SBI Life

Parameters (FY21)	Claims Settlement Ratio	Claims Repudiation Ratio	Policies mis-selling complaints[(1)] per 10,000 policies	Total number of policy complaints per 10,000 policies	Surrender Ratio*
LIC	98.3%	0.9%	2.1	37.7	19.9%
SBI Life	96.4%	2.3%	5.8	17.2	9.4%
HDFC Life	99.4%	0.3%	17.6	35.0	17.8%
ICICI Prudential Life	98.0%	0.2%	26.4	39.0	45.4%
Max Life	99.3%	0.7%	21.6	31.0	19.4%
Bajaj Allianz Life	99.7%	0.3%	19.5	37.2	23.8%
Median of the top five private players	99.3%	0.3%	19.5	35.0	19.4%

Source: Company public disclosures, CRISIL Research
Note: Only death claims considered for claims settlement and claims repudiation ratio
(*) Surrender Ratio is calculated as Surrenders claims as % of total premium

Parameters (9M FY22)	Claims Settlement Ratio	Claims Repudiation Ratio	Policies mis-selling complaints per 10,000 policies	Total number of policy complaints per 10,000 policies	Surrender Ratio
LIC	96.1%	0.8%	2.0	41.1	23.9%
SBI Life	91.9%	1.1%	7.2	16.4	12.3%
HDFC Life	99.3%	0.3%	17.4	37.0	20.7%
ICICI Prudential Life	94.9%	0.1%	29.8	47.0	57.8%
Max Life	95.1%	0.7%	22.3	40.0	24.2%
Bajaj Allianz Life	98.4%	0.2%	25.0	39.6	30.5%

Parameters (9M FY22)	Claims Settlement Ratio	Claims Repudiation Ratio	Policies mis-selling complaints per 10,000 policies	Total number of policy complaints per 10,000 policies	Surrender Ratio
Median of the top five private players	95.1%	0.3%	22.3	39.6	24.2%

Note: Only death claims considered for claims settlement and claims repudiation ratio
Source: Company public disclosures, CRISIL Research

Claim Settlement Ratio	FY19	FY20	FY21
LIC	98.3%	95.4%	98.3%
SBI Life	98.0%	97.0%	96.4%
HDFC Life	99.3%	99.4%	99.4%
ICICI Prudential Life	95.7%	95.4%	98.0%
Max Life	99.3%	99.3%	99.3%
Bajaj Allianz	99.4%	99.7%	99.7%
Median of the top five private players	99.3%	99.3%	99.3%

Source: Company public disclosures, CRISIL Research

LIC accounted for approximately 87% and approximately 91% market share in total maturity claims and annuity payments respectively in Fiscal 2021

In Fiscal 2021, LIC settled total maturity claims and annuity payments of Rs. 1,656.6 billion and Rs. 145.7 billion, respectively, accounting for a market share of approximately 87% and approximately 91%, respectively.

Total maturity claims	FY20		FY21	
	Total claims paid (INR billion)	Market share	Total claims paid (INR billion)	Market share
LIC	1,511.5	88.3%	1,656.6	87.1%
SBI Life	43.8	2.6%	62.0	3.3%
HDFC Life	43.9	2.6%	66.8	3.5%
ICICI Prudential Life	25.9	1.5%	37.1	1.9%
Max Life	12.4	0.7%	9.0	0.5%
Bajaj Allianz Life	18.0	1.1%	15.0	0.8%
Total industry	1,710.9	100%	1902.1	100%

Source: Company public disclosures, CRISIL Research

Total annuity/ pension payments	FY20		FY21	
	Total claims paid (INR billion)	Market share	Total claims paid (INR billion)	Market share
LIC	130.2	93.2%	145.7	91.2%
SBI Life	2.2	1.6%	3.6	2.2%
HDFC Life	2.9	2.1%	4.4	2.7%
ICICI Prudential Life	2.3	1.7%	3.0	1.9%
Max Life	0.1	0.1%	0.2	0.1%
Bajaj Allianz Life	0.2	0.1%	0.2	0.1%
Total industry	**139.7**	**100%**	**159.8**	**100%**

Source: Company public disclosures, CRISIL Research

Trend in new business sum assured (INR Billion)

NBP Sum assured (INR billion)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	9M FY22
LIC	n.a	n.a	n.a	5,146.4	7,388.4	6,474.7	8,648.1	6,715.0	12,319.7	9,338.6	8,319.8	8,946.1	6,995.2
SBI Life	543.7	648.4	645.1	858.9	1,026.6	1,353.1	2,800.4	2,186.4	2,819.9	3,410.6	3,651.3	5,222.5	37,71.2
HDFC Life	309.0	406.8	632.4	1,181.2	1,421.5	1,815.8	2,714.9	3,887.6	4,734.5	6,058.2	9,110.7	5,762.4	4,917.0
ICICI Prudential Life	n.a	769.9	1,026.0	1,076.8	928.7	1,195.3	1,546.3	2,940.4	4,171.9	5,822.6	7,276.5	8,310.5	5,781.3
Max Life	399.5	646.9	636.7	686.8	806.4	643.0	864.5	1,395.4	1,743.9	2,559.2	3,034.4	3,245.0	1,960.0

NBP Sum assured (INR billion)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	9M FY22
Bajaj Allianz Life	1,829.1	2,759.9	1,501.1	1,345.1	1,073.5	1,447.7	1,800.9	1,982.2	1,983.6	2,480.1	2,779.9	2,930.7	3,379.4

Note: n.a – not available
Source: Company public disclosures (L-25), CRISIL Research

Trend in premium for top six players in industry based on total premium

INR Million	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
LIC	2,034,734	2,028,893	2,088,036	2,369,423	2,396,676	2,664,442	3,004,874	3,182,232	3,375,051	3,793,896
SBI Life	129,453	131,337	104,500	107,386	128,671	158,254	210,151	253,542	329,894	406,347
HDFC Life	90,042	102,024	113,227	120,629	148,299	163,130	194,455	235,644	291,860	327,069
ICICI Prudential Life	178,806	140,216	135,382	124,287	153,066	191,644	223,540	270,688	309,298	334,307
Max Life	58,126	63,905	66,387	72,785	81,716	92,162	107,804	125,009	145,752	161,836
Bajaj Allianz Life	96,099	74,838	68,927	58,431	60,173	58,973	61,833	75,784	88,572	97,525

Source: Company public disclosures, IRDAI Handbook, CRISIL Research

Trend in NBP for top six players in industry

INR Million	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	9MFY22
LIC	**864,447**	**815,145**	**762,456**	**906,446**	**783,026**	**976,743**	**1,243,963**	**1,345,517**	**1,421,917**	**1,779,771**	**1,841,746**	**1,260,150**
Individual	522,036	424,673	417,204	417,776	327,861	327,890	455,907	517,439	510,122	512,278	564,065	358,258
Group	342,411	390,472	345,252	488,670	455,165	648,853	788,056	828,078	911,795	1,267,493	1,277,681	901,892
SBI Life	**75,707**	**65,266**	**51,842**	**50,670**	**55,281**	**71,066**	**101,458**	**109,653**	**137,920**	**165,918**	**206,255**	**187,920**
Individual	47,877	33,385	28,023	32,181	37,562	49,784	64,701	84,059	96,362	112,442	125,001	116,116
Group	27,830	31,880	23,820	18,489	17,719	21,282	36,757	25,594	41,558	53,476	81,254	71,804
HDFC Life	**40,654**	**38,327**	**44,356**	**40,372**	**54,932**	**64,877**	**86,962**	**113,491**	**149,715**	**173,962**	**202,425**	**171,884**
Individual	34,945	29,024	32,938	25,530	33,139	36,578	42,010	59,431	76,450	85,242	101,251	81,185
Group	5,709	9,303	11,418	14,842	21,793	28,298	44,952	54,060	73,265	88,720	101,173	90,699
ICICI Prudential Life	**78,610**	**50,787**	**48,088**	**37,613**	**53,333**	**67,659**	**78,634**	**91,181**	**102,518**	**123,481**	**130,321**	**102,475**
Individual	54,214	30,493	34,209	34,337	48,224	53,569	69,783	84,019	81,400	78,743	78,470	63,806
Group	24,395	20,294	13,880	3,277	5,110	14,090	8,851	7,162	21,118	44,738	51,851	38,670
Max Life	**20,596**	**19,081**	**18,994**	**22,610**	**25,740**	**28,819**	**36,674**	**43,480**	**51,596**	**55,836**	**68,269**	**52,855**
Individual	19,341	17,140	17,164	20,647	23,636	26,135	33,092	39,834	47,458	51,310	62,283	47,201
Group	1,255	1,941	1,831	1,963	2,105	2,685	3,582	3,646	4,137	4,526	5,986	5,654
Bajaj Allianz Life	**34,624**	**27,137**	**29,920**	**25,925**	**27,021**	**28,847**	**32,902**	**42,909**	**49,229**	**51,787**	**63,129**	**59,001**
Individual	25,885	18,023	15,269	11,783	10,569	8,910	10,657	14,558	18,012	19,992	25,303	25,056
Group	8,739	9,114	14,651	14,143	16,451	19,938	22,245	28,351	31,217	31,795	37,826	33,944

Source: Company public disclosures, IRDAI Handbook, CRISIL Research

Trend in renewal premium for top six players in industry

INR Million	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
LIC	1,170,287	1,213,748	1,325,580	1,462,977	1,613,650	1,687,699	1,760,911	1,836,715	1,953,134	2,014,125
SBI Life	53,746	66,072	52,658	56,716	73,390	87,188	108,693	143,889	191,974	240,429
HDFC Life	49,388	63,697	68,871	80,257	93,367	98,253	107,493	122,153	142,145	153,107
ICICI Prudential Life	100,196	89,429	87,294	86,674	99,733	123,985	144,906	179,507	206,780	210,826
Max Life	37,530	44,824	47,393	50,175	55,976	63,343	71,130	81,529	94,157	106,000
Bajaj Allianz Life	61,475	47,701	39,007	32,506	33,153	30,126	28,931	32,875	39,343	45,738

Source: Company public disclosures, IRDAI Handbook, CRISIL Research

Market Share – FY19	Total Premium	New Business Premium	No. of Policies - Individual	No. of Policies - Group
LIC	66.4%	66.2%	74.7%	80.2%
SBI Life	6.5%	6.4%	5.3%	1.9%
HDFC Life	5.7%	7.0%	3.5%	1.6%
ICICI Prudential Life	6.1%	4.8%	3.1%	3.7%
Max Life	2.9%	2.4%	2.3%	2.0%
Bajaj Allianz Life	1.7%	2.3%	1.1%	0.2%
Others	10.6%	10.9%	10.0%	10.4%
Private players total	33.6%	33.8%	25.3%	19.8%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Market Share – FY20	Total Premium	New Business Premium	No. of Policies - Individual	No. of Policies - Group
LIC	66.2%	68.7%	75.9%	78.4%
SBI Life	7.1%	6.4%	5.4%	1.9%
HDFC Life	5.7%	6.7%	3.1%	3.6%
ICICI Prudential Life	5.8%	4.8%	2.7%	4.8%
Max Life	2.8%	2.2%	2.1%	2.7%
Bajaj Allianz Life	1.7%	2.0%	1.1%	0.2%
Others	10.6%	9.2%	9.8%	8.3%
Private players total	33.8%	31.3%	24.1%	21.6%

Source: Company public disclosures, Life Insurance Council (New Business Performance), CRISIL Research

Trend in ROE for peer set

	FY19	FY20	FY21
LIC	404.6%	382.6%	81.7%
SBI Life	18.8%	17.4%	15.2%
HDFC Life	24.5%	20.8%	17.6%
ICICI Prudential Life	16.4%	15.0%	11.7%
Max Life	20.4%	20.2%	18.7%
Bajaj Allianz Life	5.3%	4.6%	5.7%

Source: Company public disclosures, CRISIL Research

Market Share – FY11	Total Premium	New Business Premium
LIC	69.8%	68.8%
SBI Life	4.4%	6.0%
HDFC Life	3.1%	3.2%
ICICI Prudential Life	6.1%	6.2%
Max Life	2.0%	1.6%
Bajaj Allianz Life	3.3%	2.7%
Others	11.3%	11.4%
Private players total	30.2%	31.2%

Source: IRDAI Handbook, CRISIL Research

AUM data as of March 31, 2019 and March 31, 2020

Parameter	AUM –As of March 31, 2019 (INR billion)	AUM – As of March 31, 2020 (INR billion)
LIC	29,879.2	30,743.5
SBI Life	1,410.2	1,603.6
HDFC Life	1,255.5	1,272.3
ICICI Prudential Life	1,600.0	1,530.0
Max Life	628.0	684.7
Bajaj Allianz Life	566.2	560.9

Source: Company public disclosures, company annual reports, CRISIL Research
Note: AUM of LIC is calculated as addition of policyholders' investment, shareholders' investment' and assets held to cover linked liabilities; AUM for other players reported as per their disclosures in Annual Report
Note: AUM of LIC is calculated as addition of policyholders' investment, shareholders' investment' and assets held to cover linked liabilities

Share of Individual NBP in different geographies (Fiscal 2021)

State/Union Territories	LIC	SBI Life	HDFC Life	ICICI Prudential Life	Max Life	Bajaj Allianz Life
Maharashtra	13.3%	8.3%	29.0%	24.7%	14.2%	14.7%
West Bengal	11.3%	6.0%	5.7%	6.4%	10.3%	13.5%
Uttar Pradesh	9.8%	9.4%	6.4%	5.9%	7.9%	10.4%
Gujarat	7.6%	5.3%	7.4%	7.1%	7.9%	6.6%
Tamil Nadu	7.3%	7.8%	6.9%	8.4%	6.3%	3.6%
Karnataka	6.7%	6.8%	6.7%	6.6%	5.7%	4.1%
Kerala	4.5%	5.4%	2.5%	5.1%	3.5%	3.9%
Rajasthan	3.9%	5.1%	2.4%	3.9%	3.2%	2.4%
Andhra Pradesh	3.9%	4.6%	2.2%	1.3%	4.3%	2.2%
Delhi	3.9%	2.7%	6.4%	7.9%	7.4%	6.0%
Odisha	3.6%	4.8%	1.8%	2.9%	2.9%	4.2%
Bihar	3.6%	3.9%	1.4%	2.6%	2.1%	5.3%
Madhya Pradesh	3.3%	4.1%	2.3%	2.2%	2.7%	3.6%
Assam	3.0%	2.7%	1.0%	0.9%	1.7%	3.0%
Telangana	2.9%	5.4%	3.8%	3.6%	1.0%	1.9%
Jharkhand	2.3%	2.4%	1.0%	1.1%	1.7%	2.8%
Haryana	1.8%	2.8%	4.5%	2.7%	6.7%	3.1%
Punjab	1.8%	2.7%	3.8%	2.2%	3.9%	2.7%
Chhattisgarh	1.6%	2.7%	0.8%	0.8%	1.3%	1.6%
Uttarakhand	0.9%	2.1%	1.2%	0.8%	1.3%	1.5%
Himachal Pradesh	0.8%	1.6%	0.6%	0.5%	0.5%	0.6%
Jammu & Kashmir	0.6%	0.7%	0.4%	0.4%	0.5%	0.6%
Goa	0.6%	0.4%	0.5%	0.4%	0.9%	0.4%
Tripura	0.4%	0.3%	0.1%	0.1%	0.2%	0.5%
Chandigarh	0.2%	0.3%	0.3%	0.9%	0.6%	0.2%
Puducherry	0.1%	0.2%	0.1%	0.2%	0.1%	0.0%
Manipur	0.1%	0.2%	0.2%	0.2%	0.3%	0.1%
Meghalaya	0.1%	0.4%	0.1%	0.1%	0.1%	0.0%
Nagaland	0.1%	0.2%	0.0%	0.1%	0.3%	0.0%
Sikkim	0.1%	0.1%	0.1%	0.0%	0.2%	0.2%
Arunachal Pradesh	0.0%	0.3%	0.0%	0.0%	0.1%	0.0%
Andaman & Nicobar Islands	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Mizoram	0.0%	0.1%	0.0%	0.0%	0.1%	0.0%
Daman & Diu	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Dadra & Nagar haveli	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%
Ladakh	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lakshadweep	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company public disclosures, CRISIL Research

Operating Expense (INR Million)	FY19	FY20	FY21	9M FY22
LIC	284,969.5	342,568.3	349,895.2	271,548.0
SBI Life	21,235.0	24,130.8	24,122.5	21,019.5
HDFC Life	38,007.7	42,669.0	45,859.7	38,035.3
ICICI Prudential Life	25,528.0	28,468.7	26,882.6	23,743.2
Max Life	19,261.3	23,441.1	27,006.3	21,804.8
Bajaj Allianz Life	15,283.3	17,632.3	19,267.7	19,015.4

Source: Company public disclosures, CRISIL Research

Commission Expense (INR Million)	FY19	FY20	FY21	9M FY22
LIC	199,962.6	213,383.4	221,699.2	154,289.0
SBI Life	13,463.5	16,249.4	17,787.8	14,530.5
HDFC Life	11,315.3	14,911.8	17,104.0	13,195.4
ICICI Prudential Life	16,038.1	15,860.2	15,002.2	11,164.7
Max Life	9,900.7	10,244.4	12,270.1	9,079.5
Bajaj Allianz Life	3,301.2	4,188.5	5,798.7	5,113.5

Source: Company public disclosures, CRISIL Research

OUR BUSINESS

We have included various operational and financial performance indicators in this Prospectus, some of which may not be derived from our Restated Consolidated Financial Statements or otherwise subjected to an examination, audit, or review by the Statutory Auditor to the Offer or any other expert. The methods we used to calculate and present some of the operational and financial performance indicators, and the assumptions and estimates we used in such calculations, may vary from that used by other insurance companies in India and other jurisdictions. For the purposes of this section of the document, for certain analysis, we have used historical methodology and internal categorisation to enable a consistent representation of our business. Some of these numbers may vary from similar information presented publicly in compliance with applicable regulations in India, which is also reflected in the Restated Consolidated Financial Statements.

Our fiscal year ends on March 31 of each year, and all references to a particular Fiscal Year are to the 12-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, in this section, references to "our Corporation" are to our Corporation on a standalone basis, and references to "we", "us" and "our" are to our Corporation and its Subsidiaries on a consolidated basis.

Certain industry and market data used in this section have been derived from the CRISIL Report, which has been exclusively prepared for the purpose of the Offer. Our Corporation commissioned and paid for the CRISIL Report fee pursuant to an engagement letter dated September 24, 2021, CRISIL Research is not related in any manner to our Corporation or any of our Directors or our Promoter. The CRISIL Report was prepared using publicly available financial information. As we have not publicly disclosed consolidated financial statements prior to the filing of this Prospectus, the CRISIL Report was prepared using our Corporation's standalone financial statements and filings made with the IRDAI. For more details, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 22.

OVERVIEW

Our Corporation has been providing life insurance in India for more than 65 years and is the largest life insurer in India, with a 61.6% market share in terms of premiums (or GWP), a 61.4% market share in terms of New Business Premium (or NBP), a 71.8% market share in terms of number of individual policies issued, a 88.8% market share in terms of number of group policies issued for the nine months ended December 31, 2021, as well as by the number of individual agents, which comprised 55% of all individual agents in India as at December 31, 2021. (*Source: the CRISIL Report*). Our Corporation's market share in the Indian life insurance industry for Fiscal 2021 was 64.1% in terms of GWP, 66.2% in terms of NBP, 74.6% in terms of number of individual policies issued, and 81.1% in terms of number of group policies issued. (*Source the CRISIL Report*). Our Corporation had the highest gap in market share by life insurance GWP relative to the second-largest life insurer in India as compared to the market leaders in the top seven markets globally (in 2020 for the other players and in Fiscal 2021 for our Corporation). (*Source: the CRISIL Report)*. According to CRISIL, this is owing to our enormous agent network, strong track record, immense trust in the brand 'LIC' and our Corporation's 65 years of lineage. (*Source: the CRISIL Report*). Our Corporation is ranked fifth globally by life insurance GWP (comparing our Corporation's life insurance premium for Fiscal 2021 to our global peers' life insurance premium for 2020) and 10^{th} globally in terms of total assets (comparing our Corporation's assets as at March 31, 2021 with other life insurers' assets as at December 31, 2020). (*Source: the CRISIL Report*).

Our Corporation is the largest asset manager in India as at December 31, 2021, with AUM (comprising policyholders' investment, shareholders' investment and assets held to cover linked liabilities) of ₹40.1 trillion on a standalone basis, which was (i) more than 3.2 times the total AUM of all private life insurers in India, (ii) approximately 15.6 times more than the AUM of the second-largest player in the Indian life insurance industry in terms of AUM, (iii) more than 1.1 times the entire Indian mutual fund industry's AUM and (iv) 17.0% of India's estimated GDP for Fiscal 2022. (*Source: the CRISIL Report*). As per the CRISIL Report, as at December 31, 2021, our Corporation's investments in listed equity represented around 4% of the total market capitalisation of NSE as at that date. (*Source: the CRISIL Report*).

Our Corporation was formed by merging and nationalizing 245 private life insurance companies in India on September 1, 1956, with an initial capital of ₹50.00 million. From our Corporation's incorporation until 2000, we were the only life insurer in India. Our Corporation was identified by IRDAI as a Domestic Systemically Important Insurer ("**D-SII**") on the basis of size, market importance and domestic and global inter-connectedness in September 2020.

Our Corporation's brand, LIC, was recognised as the third strongest and 10^{th} most valuable global insurance brand as per the "*Insurance 100 2021 report*" released by Brand Finance. The strength of a brand means the efficacy of a brand's performance on intangible measures relative to its competitors and is determined by looking at the brand's marketing investment, stakeholder equity and impact of those on business performance. The value of a brand is the present value of earnings specifically related to brand reputation. The brand 'LIC' was also recognised by WPP Kantar as the second most valuable brand in India in the report "*BrandZ™ Top 75 Most Valuable Indian Brands*" for 2018, 2019 and 2020. Our Corporation has a broad, diversified product portfolio covering various segments across individual products and group products. Our individual products comprise (i) participating insurance products and (ii) non-participating products, which include (a) savings insurance products; (b) term insurance products; (c) health insurance products; (d) annuity and pension products; and (e) unit linked insurance products. Our individual products include specially designed products for specific segments, such as special products for women and children and Micro Insurance products. In addition, we offer riders that provide additional benefits along with the base product to cover for additional risks, such as accidental disability, death, critical illness and premium waiver on the death of the proposer. Our Corporation's individual product portfolio in India comprises 32 individual products (16 participating products and 16 non-participating products) and seven individual riders. Our group products comprise (i) group term insurance products, (ii) group savings insurance products; (iii) group savings pension products; and (iv) group annuity products. Our Corporation's group product portfolio in India comprises 11 group products.

Our Corporation's omni-channel distribution platform for individual products currently comprises (i) individual agents, (ii) bancassurance partners, (iii) alternate channels (corporate agents, brokers and insurance marketing firms), (iv) digital sales (through a portal on our Corporation's website), (v) Micro Insurance agents and (vi) Point of Sales Persons-Life Insurance scheme. Our Corporation's individual policies are primarily distributed by our individual agents. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our individual agents were responsible for sourcing 96.69%, 95.73%, 94.78% and 96.20% of our Corporation's NBP for our individual products in India, respectively. Our Corporation has the largest individual agent network among life insurance entities in India, comprising approximately 1.33 million individual agents as at December 31, 2021, which was 6.8 times the number of individual agents of the second largest life insurer. (*Source: the CRISIL Report*). Customers can also approach our branch offices and satellite offices and purchase products through our intermediaries. As at December 31, 2021, our Corporation had 2,048 branch offices and 1,559 satellite offices in India, covering 91% of all districts in India. Our Corporation's multichannel distribution platform for group products comprises (i) our employees in the sales team for group products, (ii) individual agents, (iii) bancassurance partners and (iv) alternate channel partners (other corporate agents and brokers).

In addition to our Corporation's life insurance operations in India, our Corporation has one branch in each of Fiji, Mauritius and the United Kingdom and subsidiaries in Bahrain (with operations in Qatar, Kuwait, Oman and the United Arab Emirates), Bangladesh, Nepal, Singapore and Sri Lanka in the life insurance industry. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, on a consolidated basis, our premium from outside India represented 0.93%, 0.99%, 0.73% and 0.69%, respectively, of our total premium.

The tables below set forth certain of our key operating and financial performance parameters for our insurance business on a consolidated basis (except as indicated) as at and for the periods indicated.

Particulars	**As at and for the year ended March 31,**			**As at and for the nine months ended December 31, 2021**
	2019	**2020**	**2021**	
	(₹ in million, except percentages and ratios)			
Premium (consolidated)	3,402,946.15	3,828,114.50	4,058,508.02	2,857,299.55
Of which:				
Premium (in India)	*3,371,300.19*	*3,790,135.63*	*4,028,881.36*	*2,837,532.82*
Of which:				
(i) First year premiums	*316,765.61*	*584,464.99*	*343,409.95*	*222,153.27*
(ii) Single premiums and consideration for annuities granted	*1,123,613.97*	*1,218,277.07*	*1,511,822.20*	*1,045,623.78*
(iii) NBP ((i)+(ii))	*1,440,379.58*	*1,802,742.06*	*1,855,232.15*	*1,267,777.05*
(iv) Renewable premiums	*1,962,566.57*	*2,025,372.44*	*2,203,275.87*	*1,589,522.50*
Total annualised premium equivalent ("**APE**") (in India) (1)	405,655.75	479,723.36	455,879.19	299,233.16
Individual APE (in India) (2)	314,476.64	352,974.11	322,705.91	209,044.00
Operating expenses related to insurance business to premium ratio (as a % of premium) (consolidated) (3)	8.33%	8.99%	8.66%	9.54%
Conservation Ratio (4)	92.19%	88.79%	84.48%	93.72%

Notes:

(1) *APE is the sum of annualised first year premiums on regular premium policies, and 10% of single premiums of both individual and group business written by us, adjusted for new business cancellations, effected during the relevant Fiscal Year or period. For the purposes of calculating APE, our Corporation considered all new premiums received in our Corporation's group business and any top-up premiums as*

single premiums. The premiums received in our Corporation's group business have been classified into new and renewal business for the purpose of calculating APE, based on IRDAI guidelines. The APE set forth in the Embedded Value Reports were not based on all policies and are therefore less than the amounts set forth in the table. For more details, see "Embedded Value Reports" on page 592.

(2) *Individual APE is the sum of annualised first year premiums on regular individual premium policies, and 10% of single individual premiums, adjusted for new business cancellations, effected during the relevant Fiscal Year or period. Our Corporation's individual APE does not include renewal premiums paid after the initial policy term.*

(3) *Operating expenses related to insurance business to premium ratio is ratio of operating expenses related to insurance business to premium ("**Operating Expenses Related to Insurance Business to Premium Ratio**").*

(4) *Conservation ratio represents the total renewal premium for individual products in India for the year or period, expressed as a percentage of total renewal premium income (individual products) in the current year divided by first year income and renewal premium income in the previous year. ("**Conservation Ratio**").*

Particulars	**As at and for the year ended March 31,**			**As at and for the six months ended September 30, 2021**
	2019	**2020**	**2021**	
	(₹ in million, except percentages and ratios)			
Value of New Business ("**VNB**") (consolidated) (1)	N.C.	N.C.	41,670	15,830
VNB margin (consolidated) (2)	N.C.	N.C.	9.9%	9.3%
Indian Embedded Value (consolidated) (3)	N.C.	464,970	956,050	5,396,860
Indian Embedded Value operating earnings (consolidated) ("**IEVOE**")(4)	N.C.	N.C.	171,510	N.C.
Operating return on Indian Embedded Value (consolidated) ("**ORIEV**")(5)	N.C.	N.C.	36.89%	N.C.

Notes:

(1) *VNB represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. The "covered business" is all life insurance and pensions business, accident and health insurance business across both individual and group segments: (a) that has been written by our Corporation in India; and (b) that has been written by our Corporation's entities outside of India, either through its branches, subsidiaries or joint ventures. For more details, see "Embedded Value Reports" on page 592.*

(2) *VNB margin is the ratio of VNB to APE (as set forth in the Embedded Value Reports) for the relevant period and is a measure of the expected profitability of new business in percentage terms.*

(3) *Indian Embedded Value is derived from the Embedded Value Reports. Indian Embedded Value consists of our Adjusted Net Worth ("**ANW**") (consisting of our free surplus and required capital) and the value of in-force business ("**VIF**"). The free surplus is the market value of assets allocated to, but not required to support, the in-force covered business as at the applicable valuation date. The required capital is determined as the amount of assets attributed to the covered business over and above that required to back liabilities for covered business, the distribution of which to shareholders is restricted. The VIF is a measure of the value of the Shareholders' interest in our "covered business". The VIF represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. For more details, see "Embedded Value Reports" on page 592. Indian Embedded Value was not calculated as at March 31, 2019 as there is no requirement for it be calculated.*

(4) *IEVOE is the summation of our (i) VNB added during the year; (ii) expected return on existing business; and (iii) variances in operating experience.*

(5) *ORIEV is the ratio of IEVOE for any given period to the IEV at the beginning of that period.*

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Key Performance Indicators*" on page 463 for additional non-GAAP financial measures and key performance indicators that we use as supplemental measures to review and assess our operating performance.

In addition, our Corporation's other Subsidiaries include LIC Pension Fund Limited, which is one of the three companies appointed as a pension fund sponsor under the Indian Government's New Pension System, and LIC Cards Services Limited, which operates a credit card business.

Our profit after tax (Shareholders' Account) on a consolidated basis for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 was ₹26,273.78 million, ₹27,104.78 million, ₹29,741.39 million and ₹17,153.12 million, respectively.

OUR COMPETITIVE STRENGTHS

Fifth largest life insurer globally by GWP and the largest player in the fast growing and underpenetrated Indian life insurance sector

Our Corporation is ranked fifth globally in terms of life insurance GWP (comparing our Corporation's life insurance premium for Fiscal 2021 to our global peers' life insurance premium for 2020), and 10th globally in terms of total assets (comparing our Corporation's assets as at March 31, 2021 with assets of other life insurers as at December 31, 2020). (*Source: the CRISIL Report*). Our Corporation is the largest life insurer in India in terms of GWP, NBP, number of individual policies issued and number of group policies issued for Fiscal 2021 and the nine months ended December 31,

2021. (*Source: the CRISIL Report*).

For Fiscal 2021, our Corporation issued approximately 21 million individual policies in India, representing approximately 75% market share in new individual policy issuances. (*Source: the CRISIL Report*). The second largest player in the industry issued 1.66 million individual policies and had a 5.9% market share for Fiscal 2021. (*Source: the CRISIL Report*). For Fiscal 2021, our Corporation's market share in the Indian life insurance industry was 66.2% based on NBP, and our NBP was 1.96 times the total private life insurance sector and 8.9 times the NBP for the second-largest player in the Indian life insurance industry. (*Source: the CRISIL Report*). For the nine months ended December 31, 2021, our Corporation's market share in the Indian life insurance industry was 61.4% based on NBP, and our NBP was 1.59 times the total private life insurance sector and 6.7 times the NBP for the second-largest player in the Indian life insurance industry. (*Source: the CRISIL Report*). Nowhere in the top seven markets globally is the difference in market share between the largest and the second largest life insurer as stark as in India (in 2020 for the other players and in Fiscal 2021 for our Corporation), with the second largest player having only 8.0% market share of GWP in India compared to our market share of 64.1% market share in terms of premium (or GWP) in India for Fiscal 2021. (*Source: the CRISIL Report*). For the nine months ended December 31, 2021, our Corporation's market share in the Indian life insurance industry was 61.6% based on premium, with the second largest player having only 8.9% market share of GWP in India. (*Source: the CRISIL Report*).

The Indian life insurance market is the 10th largest life insurance market in the world and the fifth largest in Asia in terms of life insurance premium. (*Source: the CRISIL Report*). Indicators such as insurance penetration, insurance density and protection gap point to the fact that the Indian life insurance market is still underinsured thereby presenting a huge potential for growth. (*Source: the CRISIL Report*). The protection gap for India was 83% in 2019, the highest amongst all countries in Asia-Pacific, as per the Swiss Re report "*Closing Asia's Mortality Protection Gap – July 2020*". This means that for $100 of insurance protection requirement, insurance was only taken for $17 in 2019. This indicates the absence of protection coverage for a large part of the Indian population. India's protection gap was US$16.5 trillion in 2019. (*Source: the CRISIL Report*).

The combination of (i) high GDP growth (expected to grow by 9.2% in Fiscal 2022 and 7.8% for Fiscal 2023); (ii) India being the third largest economy in the world in terms of purchasing power parity; (iii) an estimated increase of households in India in middle income category from 41 million in Fiscal 2012 to 181 million in Fiscal 2030, translating into a CAGR of 9% over this time period; (iv) rapid urbanization, in which the urban population is expected to increase from 34.9% of the total population in 2020 to 37.4% by 2025; and (v) the focus on financial inclusion and increasing preference towards financial savings with increasing financial literacy, are all key factors to propel the growth of Indian life insurance sector. (*Source: the CRISIL Report*).

Trusted brand and a customer-centric business model

Our Corporation was incorporated in 1956 and up to 2000 we were the only life insurance provider in India, which made LIC, as a brand, synonymous with life insurance in India. (*Source: the CRISIL Report*). The brand 'LIC' was recognised as the third strongest and 10th most valuable global insurance brand in 2021, as per the "*Insurance 100 2021*" report released by Brand Finance. As per the report, the brand value of LIC in 2021 was US$8,655 million, with a Brand Strength Index (BSI) score of 84.1 out of 100, corresponding to AAA- brand strength rating.

The brand 'LIC' was also recognised by WPP Kantar as the second most valuable brand in the report "*BrandZ™ Top 75 Most Valuable Indian Brands*" for 2018, 2019 and 2020. The brand 'LIC' has won the Reader's Digest Trusted Brand Award numerous times and the prestigious Outlook Money Award Gold Award in Editor's Choice Category as the "Most Trusted Brand in Insurance" twice. We believe our Corporation's strong brand name and early-mover advantage is the key driver in maintaining our leading position in the Indian life insurance industry.

The trust in the brand 'LIC' is evidenced by the 279.11 million in force policies under individual business being serviced in India as at December 31, 2021. The trust in the brand 'LIC' is further evidenced by the fact that approximately 75% of individual policies sold by our Corporation in India in the nine months ended December 31, 2021 were to sold to customers who had not purchased any life insurance policies from our Corporation prior to April 1, 2021.

Our Corporation's customer-centric focus has won us numerous awards over the years, including:

- FICCI Special Jury Award at the Insurance Industry Awards 2022;
- Marksmen Daily for Epitomising Excellence in the BFSI Industry Award 2021-22;
- National Award for Leadership & Excellence: Claims Service Leader Award 2021-22;
- National Awards for Excellence in Financial Services for Customer Service Excellence Award 2020-21;
- Business Leader of the Year Award Claim Service Leader 2020-21;

- ET Now World BFSI Congress -Claims Service of the Year Award 2019-20; and
- BFSI Congress – Customer Centric Excellence Award 2019-20.

Cross-cyclical product mix that caters to diverse consumer needs and an individual product portfolio that is dominated by participating life insurance policies

Our policies address consumers' needs through the four principal stages of life, namely, beginning of savings, career and marriage, family needs and retirement planning and retirement and asset drawdown.

Our Corporation has a broad, diversified product portfolio covering various segments across individual products and group products. Our Corporation's individual product portfolio in India comprises 32 individual products (16 participating products and 16 non-participating products) and seven individual optional rider benefits. Our Corporation's group product portfolio in India comprises 11 group products. Our Corporation is well placed to serve customers across age brackets with a comprehensive product portfolio, while maintaining a strong connect across age groups. Customers in the age bracket 27 to 40 years old accounted for approximately 42% and 42% of individual policies sold in Fiscal 2021 and the nine months ended December 31, 2021, respectively. For more details see "*-Our Products"* on page 196.

Our cross-cyclical business mix is dominated by participating life insurance policies. Set forth below is a table that shows the percentage of the product mix (linked and non-linked products) based on GWP in India, as well as the percentage of non-linked products that are participating and non-participating products, for our Corporation and the median of the top five private industry players for the years/period indicated.

Products	**Year Ended March 31,**						**Nine Months Ended December 31, 2021**	
	2019		**2020**		**2021**			
	% of our total GWP	**% of median of the top five Indian private player's total GWP**	**% of our total GWP**	**% of median of the top five Indian private player's total GWP**	**% of our total GWP**	**% of median of the top five Indian private player's total GWP**	**% of our total GWP**	**% of median of the top five Indian private player's total GWP**
Non-Linked	99.8	61.2	99.8	60.7	99.7	63.6	99.2	69.0
Of which:								
Participating	*67.0*	*42.5*	*60.3*	*42.4*	*60.9*	*35.2*	*62.8*	*29.2*
Non-participating	*33.0*	*57.5*	*39.7*	*57.6*	*39.1*	*64.8*	*37.2*	*70.8*
Linked	0.2	38.8	0.2	39.3	0.3	36.4	0.8	31.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

(*Source: the CRISIL Report*).

The benefits of having a portfolio dominated by participating products include:

- A balance sheet that has lower interest rate and liquidity risks compared to a balance sheet that is dominated by non-participating products;
- Lower capital requirements compared to a balance sheet that is dominated by non-participating products, allowing for better product diversification;
- Less need to cede premium to reinsurers. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and December 31, 2021, our Corporation ceded 0.1%, 0.1%, 0.1% and 0.1% of our premium to reinsurers, respectively, on a standalone basis compared to 1.2%, 1.6%, 1.7% and 2.1% of the premium ceded to reinsurers, respectively, by the private players in India. (*Source: the CRISIL Report*);
- Lesser burden of guaranteed returns; and
- Sticky customer base due to the stable long-term product offered to mass-market customer.

Although our Corporation's participating products dominate our portfolio, we also have a large market share in health insurance and annuity products. In health insurance provided by life insurance players, our Corporation had a market share in India of 46.9%. 53.6% and 54.4% in terms of GWP for Fiscal 2020, Fiscal 2021 and for the nine months ended December 31, 2021, respectively. (*Source: the CRISIL Report*). In annuity products, our Corporation had a market share in India of 84.7%, 76.9%, and 68.7% in terms of GWP for Fiscal 2020, Fiscal 2021 and December 31, 2021, respectively. (*Source: the CRISIL Report*).

Our Corporation's growth in non-participating protection individual NBP, non-participating savings individual NBP, ULIP and annuity/pension individual NBP in India from Fiscal 2019 to Fiscal 2021 was a CAGR of 15.46%, 30.78%, 369.75% and 10.95%, respectively.

Presence across India through an omni-channel distribution network with an unparalleled agency force

Our Corporation's omni-channel distribution platform for individual products currently comprises (i) individual agents, (ii) bancassurance partners, (iii) alternate channels (corporate agents, brokers and insurance marketing firms), (iv) digital sales (through a portal on our Corporation's website), (v) Micro Insurance agents and (vi) Point of Sales Persons-Life Insurance scheme. As at December 31, 2021, our Corporation had the following distribution network for individual products in India:

- 1.33 million individual agents;
- 70 bancassurance partners;
- 215 alternate channel;
- A portal on our Corporation's website for digital sales;
- 2,128 active Micro Insurance agents; and
- 4,769 Point of Sales Persons-Life Insurance scheme.

Our Corporation's individual policies are primarily distributed by our individual agents. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our individual agents were responsible for sourcing 96.69%, 95.73%, 94.78% and 96.20% of our NBP for our individual products in India, respectively. Key metrics for our agent network in India include:

- Largest agent network among life insurance entities in India. As at December 31, 2021, our Corporation's individual agency force accounted for 55% of the total agent network in India and was 6.8 times the number of individual agents of the second largest life insurer in terms of agent network. (*Source: the CRISIL Report*).
- Industry leading agent network growth in India, with the number of our Corporation's agents in India increasing at a CAGR of 7% between March 31, 2019 and March 31, 2021 compared to the next best player's agency force CAGR of 5% and the average of the private players agency force CAGR of 4% during the same period. (*Source: the CRISIL Report*).
- Most productive agent network in the Indian life insurance sector, as evidenced by the fact that for the nine months ended December 31, 2021 and Fiscal 2021, our Corporation's agents had an average NBP of ₹260,069 and ₹412,934 per agent, respectively, compared to the average NBP of ₹108,888 and ₹124,892 per agent for the median of the top five private players, respectively, and our Corporation's agents sold 9.0 and 15.3 individual policies per agent on average, respectively, which was the most in India, compared with the median of the top five private players' agents selling 1.1 and 1.6 individual policies per agent, respectively. (*Source: the CRISIL Report*).
- Our Corporation has the highest Million Dollar Round Table ("**MDRT**") members among all the Indian corporates operating in financial services industry, with a total of 721 MDRT members for 2021. (*Source: the CRISIL Report*). However, not all eligible agents registered to become MDRT members and our Corporation had 19,393 agents (including the 721 agents who are MDRT members) who met the criteria to become a MDRT member for 2021. (*Source: the CRISIL Report*).
- High longevity of agents - 59.38% of our individual agents in India have acted for our Corporation for more than five years as at December 31, 2021.
- 81% of our Corporation's agents in India recruited in Fiscal 2021 were within the 18 to 40 years old group.

Our agent network helps drive our customer connections, allowing us to remain cognizant of changes in customer needs, and proactively adjust our product portfolio. We believe our large and productive agency force provides us with a critical distribution moat in a largely assisted sale industry.

Our Corporation's large agency network also enables us to cater to larger sections of society in urban and rural regions and not only the well-banked population in India. (*Source: the CRISIL Report*). For Fiscal 2021, our Corporation had approximately 71% market share of new individual policies in rural India. (*Source: the CRISIL Report*).

We have a wide presence across India and distribute our policies in all 36 states and union territories. As at March 31, 2021, we had offices in 91% of districts in India as compared to 81% for the entire private sector combined. (*Source: IRDAI Annual Report 2020-2021*). As at March 31, 2021, we had 2,390 offices located in Tier III and Tier IV centres, while private players only had 583 in aggregate in those centres, and we had 177 offices located in Tier V & VI centres, while private players had 55 in aggregate in those centres. (*Source: IRDAI Annual Report 2020-2021*).

We have a relatively lower geographic concentration in individual NBP from the top 10 states for the nine months ended December 31, 2021 and Fiscal 2021 of 71.2% and 72.1%, respectively, compared to the median of 75.6% and 74.5% for the top five private players, respectively. (*Source: the CRISIL Report*).

Our Corporation's individual NBP generated through bancassurance in Fiscal 2021 was higher than the individual bancassurance NBP of 16 private life insurance players and the individual NBP of 14 private life insurance players. In the nine months ended December 31, 2021, our Corporation's individual NBP generated through bancassurance was higher than individual bancassurance NBP of 12 private life insurers and the individual NBP of 11 private life insurance players. (*Source: the CRISIL Report*).

As at September 30, 2021, our bancassurance partners had a total of 51,633 branches in India as compared to the 38,026 branches of the bancassurance partners of the largest private player. (*Source: the CRISIL Report*).

Harnessing technology capabilities to support customer connect and drive operating efficiencies

We have developed technological capabilities that help us provide a great customer experience and drive operating efficiencies. We have added technological capabilities across the customer journey from purchase to payments to claims processing. As at December 31, 2021, our Corporation's portal had 18.60 million registered users and our Corporation's mobile app for policyholders, available on both Android and iOS platforms, had 5.13 million registered users. We spent ₹1,774.39 million, ₹4,244.04 million, ₹3,614.20 million and ₹1,373.40 million on information technology, on a consolidated basis in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively. Given our focus on and investments in information technology, we believe that we are well-positioned to capitalise on the increasing digitisation of the Indian economy.

We have two apps for intermediaries to use at the pre-purchase stage:

- *Sales App* – this application provides intermediaries lead management, financial need analysis, quotes and illustrations, e-proposal and content management.
- *LIC Quick Quotes App* – this application provides intermediaries with premium quotation and benefit illustration, with a facility to compare quotes and view variations.

We have three online on-boarding digital platforms through which our intermediaries can register new proposals for insurance and issue new policies:

- *e2e*, which is an online customer on-boarding portal, enables Senior Business Associates to register new proposals for insurance and complete the process of underwriting and acceptance of risk for customers instantly, with immediate issuance of first premium receipt;
- *i-proposals*, which facilitates the new proposal data capture by Senior Business Associates, select Development Officers, LIC Associates, Chief Life Insurance Advisors, empowered agents and the online submission of the proposal data to the servicing branch office for underwriting and completion of acceptance process; and
- *AtmaNirbhar Agents New Business Digital App ("**ANANDA**")*, which was implemented in November 2020, is a completely paperless digital platform for procurement of insurance business. This is a digital platform for all our Corporation's sales channels, including agents, Chief Life Insurance Advisors and Development Officers, which facilitates them to complete the entire new business procurement process end to end online in a seamless, paperless manner, anytime and anywhere. The digital solution eliminates the need for physical filling of forms or paper-based KYC fulfilment or physical submission of any documents or physical signatures. ANANDA is available as a mobile app and as a web portal.

Our Performance Review Application Growth and Trend Indicator ("**PRAGATI**") app is a comprehensive mobile application that helps our development officers (who are supervisory officials of individual agents) to monitor the performance of the agents under his or her supervision.

Our Corporation's website provides, among other things, insurance product information, plan brochures, a premium calculator and an office locator. Using the portal on our Corporation's website, customers can purchase policies, make online premium payments, loan repayments, loan interest payments, online loan requests, online address changes, PAN and NEFT registrations, ULIP fund switches, mode alterations, advance premium payments, grievance registrations and online service requests. Our NBP from policies sold on our Corporation's portal has increased from ₹2,748.91 million in Fiscal 2019 to ₹6,116.67 million in Fiscal 2021 in India, representing a CAGR of 49.17%. Our NBP from policies sold on our Corporation's portal was ₹1,454.44 million in the nine months ended December 31, 2021.

Our customers' use of digital channels for payments to our Corporation has been increasing. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, payments made via digital channels represented 25.50%, 31.53%, 42.54% and 46.95% of payments to our Corporation by the number of individual policies with renewal premiums paid in India, respectively, and 17.24%, 22.20%, 32.11% and 36.44% of our Corporation's individual renewal premiums in India, respectively. The year over year growth in individual policyholders' paying renewal premium by digital channels was 94.71% in terms of number of policies and 87.75% in terms of premium in Fiscal 2021.

For further details on our technology and digital initiatives, see "-*Technology and Digital Initiatives*" on page 215.

Largest asset manager in India with an established track record of financial performance and profitable growth

Our Corporation is the largest asset manager in India as at December 31, 2021, with AUM (comprising policyholders' investment, shareholders' investment and assets held to cover linked liabilities) of ₹40.1 trillion on a standalone basis, which was (i) more than 3.2 times the total AUM of all private life insurers in India, (ii) approximately 15.6 times more than the AUM of the second-largest player in the Indian life insurance industry in terms of AUM, (iii) more than 1.1 times the entire Indian mutual fund industry's AUM and (iv) 17.0% of India's estimated GDP for Fiscal 2022. (*Source: the CRISIL Report*). As per the CRISIL Report, as at December 31, 2021, our Corporation's investments in listed equity represented around 4% of the total market capitalisation of NSE as at that date. (*Source: the CRISIL Report*).

Our policyholders' funds have a well-diversified investment portfolio. As at December 31, 2021, on a standalone basis, our policyholders' investment portfolio included 38.09% central government securities, 24.56% equity securities, 24.25% state government securities and 8.35% corporate bonds. As at December 31, 2021, 95.90% of our Corporation's debt AUM on a standalone basis was invested in sovereign and AAA-rated securities. Over 90% of our Corporation's policyholders' equity investments on a standalone basis are held in stocks that are a part of the Nifty 200 and BSE 200 indices as at December 31, 2021.

We have a proven track record of strong financial performance, as demonstrated by the following metrics:

- Our net profit on sale/redemption of policyholders' investments (profit on sale/redemption of investments minus loss on sale/redemption of investments) (Policyholders' Account) was ₹238,972.08 million, ₹193,874.82 million, ₹398,096.31 million and ₹364,627.79 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on a consolidated basis, respectively.
- Our GWP on a consolidated basis increased at a CAGR of 9.21% from Fiscal 2019 to Fiscal 2021.
- Our Corporation has a market share of 62.5% and 61.8% compared to 8.5% and 8.8% market share of the second-best player in the market by renewal premium for Fiscal 2021 and the nine months ended December 31, 2021, respectively. (*Source: the CRISIL Report*).
- Our NBP on a consolidated basis increased at a CAGR of 13.49% from Fiscal 2019 to Fiscal 2021.
- For Fiscal 2021, our Corporation issued approximately 21 million individual policies in India, representing approximately 75% market share in new individual policy issuances. (*Source: the CRISIL Report*). For Fiscal 2021, the second largest player in the industry issued 1.66 million individual policies and had 5.9% market share. (*Source: the CRISIL Report*).
- Our Corporation's expense ratios on a standalone basis are lower than that of the top five private players in India as a whole. As per CRISIL Research, for Fiscal 2019, Fiscal 2020, Fiscal 2021 and December 31, 2021 our Corporation's operating expenses as a percentage of total premium ("**Operating Expense Ratio**") on a standalone basis was 8.4%, 9.0%, 8.7%, and 9.6% respectively, compared to the median of the top five private players' Operating Expense Ratio of 13.0%, 13.0%, 11.9% and 12.1%, respectively, and our Corporation's total cost (commission and operating expenses) as a percentage of total premium ("**Total Cost Ratio**") on a standalone basis was 14.4%, 14.7%, 14.2% and 15.0% respectively, compared to the median of the top five private players' Total Cost Ratio of 16.9%, 17.6%, 16.3% and 16.2%, respectively. (*Source: the CRISIL Report*).
- As per CRISIL Research, our Corporation is the best-in-class of Indian life insurance players in terms of profitability, with ₹28,890.1 million surplus transferred to the shareholders' account in Fiscal 2021 on a standalone basis, relative to the private players, for which the highest surplus transferred to the Shareholders' Account in Fiscal 2021 was ₹19,848.6 million. (*Source: the CRISIL Report*).
- Our profit after tax on a consolidated basis increased from ₹26,273.78 million for Fiscal 2019 to ₹29,741.39 million for Fiscal 2021, representing a CAGR of 6.39%.

We have a proven track record of growth over 65 years. We have grown our NBP and policies sold from ₹137.70 million and 0.79 million policies for Fiscal 1957, respectively, to ₹232.47 million and 1.46 million policies for Fiscal 1961, respectively, to ₹69,564.50 million and 20.01 million policies for Fiscal 2001, respectively, and to ₹1,842,961.23 million and 21.01 million for Fiscal 2021, respectively.

Robust risk management framework

Our Corporation has a risk management framework where risk identification, risk measurement and risk mitigation are undertaken through structured procedures and various Board-approved policies and controls.

Our Corporation has an enterprise risk management ("**ERM**") cell with the Chief Risk Officer heading the cell and a team of officers supporting him at different levels. Our ERM cell provides a framework for evaluating and managing risks inherent in our Corporation through risk and control self-assessment, incident management and top risk-key risk indicator analysis. The ERM cell is working on the implementation of the IT solution package for monitoring various risks our Corporation encounters in its business processes.

Our Corporation's ERM policy, which includes risk management systems and tools, as well as a prudent investment approach with a tab on credit, interest, market and liquidity risk, a prudent valuation basis, a well-defined mechanism to apply collective wisdom, and a defined business continuity plan and disaster recovery plan is being implemented through an ERM application, thereby promoting a sound risk management culture. IRDAI conducted a remote inspection of our Corporation in July 2021 covering Fiscal 2018, Fiscal 2019 and Fiscal 2020. Our Corporation has yet to receive the IRDAI inspection report for July 2021. Our Corporation proactively manages its financial risks through, among other things:

- Diversification of investment portfolio across asset classes, with significant exposure to sovereign and state-owned entities;
- Regular monitoring of interest rates to address market volatility;
- 95.90% of our debt portfolio in India is invested in sovereign and AAA-rated debt as at December 31, 2021;
- Stress and resilience testing of the investment portfolio;
- Matching of assets and liabilities on a quarterly basis at the line of business level where line of business liabilities account for over 5% of total liabilities;
- Conservative management of reserves;
- We price our products using prudent assumptions; and
- We also proactively review the business mix to maintain alignment with customer needs and preferences.

Our large, geographically diversified customer base and a participating product dominated portfolio serve as a natural hedge. In addition, our Corporation's lower policy ticket sizes reduces volatility. As per CRISIL Research, for Fiscal 2021 and the nine months ended December 31, 2021, our Corporation's average NBP per individual policy on a standalone basis was ₹26,892 and ₹28,325, respectively, compared to the NBP per individual policy of the median of the top five private players of ₹96,619 and ₹114,667, respectively. (*Source: the CRISIL Report*).

For further details, see "*-Risk Management"* on page 234.

Highly experienced and qualified management team, distinguished Board and strong corporate governance framework

Our Corporation has an experienced and qualified management team. All of our Key Managerial Personnel have more than 20 years' experience in the insurance industry, with experience in different parts of India, in different capacities (both in administrative and marketing positions), and have headed branches, divisions and zones in India. A few of them have also worked overseas. We believe that the experience of our Key Managerial Personnel is a key competitive advantage and will help us implement our business strategies and adapt to evolving consumer preferences and changes in our business and regulatory environment. For details on our Key Managerial Personnel, see *"Our Management"* on page 282.

Our Board includes highly distinguished representatives of the Government. For details on our Board, see "*Our Management*" on page 282. Our Board reviews our performance based on an objective range of performance indicators such as business performance and financial results, compliance and governance status, risk management, customer service, claims settlement and strategic growth, that we believe encourages us to calibrate our business strategies towards achieving long-term profitable growth.

We have a strong corporate governance framework, with a multi-layered supervisory structure from the Government, the Board and its sub-committees, the Central Management Committee and the Policyholders' Protection Committee. We have also complied with the requirements prescribed under the IRDAI CG Guidelines for Insurers in India dated May 18, 2016 issued by the IRDAI, to the extent the same are applicable and are not inconsistent with the requirements under the Life Insurance Corporation Act and the SEBI Listing Regulations. Our Corporation won the Golden Peacock Award for Excellence in Corporate Governance in Fiscal 2020 and Jamnalal Bajaj Uchit Vyavahar Puraskar for Fair Business Practices by the Council for Fair Business Practices in Fiscal 2021.

OUR STRATEGIES

Capitalize on the growth opportunities in the Indian life insurance sector

The favourable demographic tailwinds supporting India's growth story, combined with the under penetration of life insurance in India, are key factors for the multi-decadal growth in the life insurance industry in India. The GWP for life insurers in India is forecasted to grow at 14-15% CAGR from Fiscal 2021 to Fiscal 2026 to reach ₹12,400 billion. (*Source: the CRISIL Report*). At this level of premium, life insurance as a proportion of GDP is projected to reach 3.8% by Fiscal 2026, up from 3.2% in Fiscal 2021. (*Source: the CRISIL Report*). The NBP of the Indian life insurance industry is expected to grow at a CAGR of approximately 18% from Fiscal 2021 to Fiscal 2026 for individual business as compared to a CAGR of 17% for group business over the same period. (*Source: the CRISIL Report*). Further in the long term, life insurance NBP is expected to grow at CAGR of 14-16% between Fiscal 2021 to Fiscal 2032. (*Source: the CRISIL Report*). With the kind of scale, size, reach and scalability our Corporation has achieved over the years, we are well-positioned to capitalize on the expected growth of the Indian life insurance sector. Our Corporation's plans include:

- Increasing our market share of the bancassurance channel by tying up with more bank partners and improving their productivity by providing them with digital solutions for on-boarding customers for our products.
- Increasing direct sales of our individual products on our Corporation's website by increasing the marketing of our Corporation's website and adding more products that are available for purchase on our Corporation's website. For more details, see "*-Our Strategies-Reinforce our omni-channel distribution network and increase its productivity*" on page 193.
- Improving the share of non-participating products by increasing the focus on sales of ULIP, protection products, pension/annuity products and health insurance. For more details, see "*-Our Strategies-Further diversify our product mix by increasing the contribution of the non-participating portfolio*" on page 192.
- Recruiting more millennial agents in light of the changing demographic dynamics. For more details, see "*-Our Strategies-Reinforce our omni-channel distribution network and increase its productivity*" on page 193.
- Increasing upselling and cross-selling to individual customers and beneficiaries of group products to cover their varied financial needs. For more details, see "*-Our Strategies-Continue leveraging technology to aid growth, drive operating efficiencies and provide digital support*" on page 193.
- Increasing the average ticket size of our products. For more details, see "*-Our Strategies-Reinforce our omni-channel distribution network and increase its productivity*" on page 193.
- Increasing the productivity of our intermediaries by furthering competency-building initiatives. For more details, see "*-Our Strategies-Reinforce our omni-channel distribution network and increase its productivity*" on page 193.
- Increasing our focus on group protection plans.

Further diversify our product mix by increasing the contribution of the non-participating portfolio

While our participating products will continue to be a strong focus, we intend to continue diversifying the product mix by addressing customer needs at every stage of life and increasing sales of our existing non-participating products as well as launching new non-participating products, in particular term insurance, health insurance, pension/annuity products and ULIP products. We also plan to increase the training given to intermediaries on non-participating products and incentivize the sale of non-participating products by offering easier access to higher-level agent club membership for sales of these products. We will also instruct our product managers to focus more on non-participating products. Our product managers are responsible for training, mentoring and monitoring our intermediaries. Further, we plan to increase the marketing of our non-participating products.

We believe the COVID-19 pandemic has created increased awareness of the need to be properly insured, particularly for term insurance and health insurance. CRISIL Research expects the number of lives covered in India to increase in both individual and group business due to increasing awareness, expanding distribution channels and enhanced product offerings. (*Source: the CRISIL Report*). The number of lives covered are projected to increase from 208 million in Fiscal 2021 to approximately 285 million in Fiscal 2026, accounting for approximately 28% of total adult population. (*Source: the CRISIL Report*). Our Corporation's NBP from term insurance in India increased by 14.97% from ₹1,643.70 million for Fiscal 2020 to ₹1,889.80 million for Fiscal 2021. Our Corporation's NBP from term insurance in India was ₹1,496.50 million for the nine months ended December 31, 2021. Our Corporation's NBP from health insurance in India decreased by 2.52% from ₹1,047.37 million for Fiscal 2020 to ₹1,021.00 million for Fiscal 2021. Despite the small decrease in our Corporation's NBP from health insurance in India in Fiscal 2021, our Corporation's market share in India in health insurance in NBP increased from 43.4% for Fiscal 2020 to 63.1% for Fiscal 2021. (*Source: the CRISIL Report*). Our Corporation's NBP from health insurance in India was ₹578.13 million for the nine months ended December 31, 2021.

There is already significant demand for annuity/pension products in India, with 82.7% of the country's employed population working in the unorganised sector. (*Source: the CRISIL Report*). CRISIL Research forecasts that the elderly population (aged 60 and above) in India will increase from 116.8 million in 2015 to 316.8 million by 2050 and the share of the elderly in India's population will almost double from 9% in 2015 to 17% by 2050 (*source: the CRISIL Report*), which will result in an increase in demand for pension/annuity products. Our Corporation's NBP from pension/annuity products in India increased 33.17% from ₹152,368.80 million for Fiscal 2020 to ₹202,913.18 million for Fiscal 2021. Our Corporation's NBP from pension/annuity products in India was ₹88,743.98 million for the nine months ended December 31, 2021.

We have been putting more focus on selling ULIPs, which resulted in a 729.34% increase in our Corporation's NBP from ULIPs in India from ₹911.38 million for Fiscal 2020 to ₹7,558.50 million for Fiscal 2021. Despite this large increase, our Corporation has plenty of scope to increase sales of ULIPs. According to CRISIL, our Corporation's market share of NBP in the linked segment in India was 2.8% for Fiscal 2021. However, LIC witnessed approximately 715% year-on-year increase in linked segment NBP from ₹932.6 million for Fiscal 2020 to ₹7,598.1 million for Fiscal 2021. (*Source: the CRISIL Report*). With effect from April 1, 2021, income earned on contributions beyond ₹0.25 million per annum in ULIPs became taxable. This change in tax laws has led to a shift in demand towards protection and other savings/ annuities products. (*Source: the CRISIL Report*). However, there is still a healthy demand for ULIPs with investments of up to ₹0.25 million per annum. For the nine months ended December 31, 2021, our NBP from ULIPs in India was ₹16,388.05 million.

Reinforce our omni-channel distribution network and increase its productivity

We intend to continue strengthening our omni-channel distribution network for individual products and increase its productivity.

We plan to strategically expand our individual agency network, improve our agents' productivity and maintain our focus on improving the quality of agents we recruit and their longevity. We plan to hire more millennial and post-millennial agents by running social and digital media campaigns as well as other advertising campaigns to increase awareness of career opportunities as an insurance agent in the millennial and post-millennial segments and conducting more online recruitment. We have an agents' pre-recruitment mobile application that facilitates the registration process for candidates aspiring to become one of our agents. We will continue to train our agents to help increase their productivity and the average ticket size of the products they sell. We will continue to create programs to motivate and recognize high and consistent performers amongst the agency force, including using campaigns and awarding membership in one of our seven different agents' clubs. In October 2021, we introduced our PRAGATI mobile app for use by our development officers for monitoring our agents, which will help reduce agents' attrition.

We plan to increase the number of Point of Sales Persons-Life Insurance scheme to better meet the needs of potential customers.

We intend to find additional partners in the bancassurance (bank) channel and alternate channels (brokers, insurance marketing firms and other corporate agents) and improve their productivity by providing all of them with digital solutions for on-boarding customers for our policies.

Increasing the use of ANANDA by our intermediaries for on-boarding customers digitally. ANANDA was launched in November 2020 for online use only. To increase its use, on August 24, 2021, ANANDA was made available as a mobile app. We plan to further increase the use of ANANDA through training more agents on how to use it.

We plan to increase direct sales of our individual products on our Corporation's website by increasing the marketing of our Corporation's website and leveraging social media platforms to reach the millennial segment and adding more products that are available for purchase on our Corporation's website. As at December 31, 2021, our Corporation had 12 individual products available for purchase on our website. Our NBP from sales of our products on our Corporation's website increased from ₹2,748.91 million for Fiscal 2019 to ₹6,116.67 million for Fiscal 2021, representing a CAGR of 49.17%. Our NBP from sales of our products on our Corporation's website was ₹1,454.44 million for the nine months ended December 31, 2021.

Continue leveraging technology to aid growth, drive operating efficiencies and provide digital support

We plan to continue to implement various technological and digital initiatives to increase productivity, train our agents and employees, improve cost efficiencies, provide better customer experience, provide a seamless customer on-boarding process and enhance our digital channels for payments. Our commitment is to harness technological and digital capabilities for customer convenience. We plan to make greater use of analytics to further drive productivity of our agency channel, deliver enhanced service levels, support customer connection with services and drive operating efficiencies. Our current key technology-related initiatives include:

- Implementing a new unique customer identification and deduplication system, which will allow for more efficient cross-selling of products, simplify the customer experience, allow for customisation of services, increase the efficiency of claims management as well as provide for better customer profiling and retention. We have already started work on this initiative.
- Increasing the use of ANANDA.
- Increasing the online recruitment of agents.
- Increasing the use of online training of agents.
- Increasing the use of digital marketing.

We plan to continue to promote the use of digital modes of payment to increase the share of premiums collected through digital modes. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our Corporation collected ₹317,213.30 million, ₹417,413.70 million, ₹691,794.30 million and ₹547,906.20 million of individual renewal premiums in India via digital modes of payment, respectively, which represented 17.24%, 22.20%, 32.11% and 36.44% of individual renewal premiums in India, respectively.

Our Corporation's pension and group schemes vertical is in the process of rolling out a new multi-tiered IT application designed using micro-services architecture with Oracle as the database, with a front end driven by Java. This new multi-tiered IT application provides self-servicing capabilities for customers, increased operational efficiency, improved service delivery, better risk management capabilities, an improved claims management system and a robust management information system. This new IT application is being rolled out in a phased manner, with the first phase beginning in June 2021. Hardware and software at the primary site (at Mumbai), Near Disastrous Recovery (NDR) (at Navi Mumbai) and Far Disastrous Recovery (FDR) (at Bengaluru) are up and running. All the environments viz. system integration testing, quality and analysis, user acceptance testing and production are up and running. The centralized information technology application for pension and group scheme system ("**ePGS**") has been planned to roll out in product-wise phases. Along with these product-wise phases, the rollout of common functions will be concurrent. PMJJBY has been rolled out in ePGS along with the reengineered centralised collection system and the reengineered centralized payment systems with the respective accounting functions. Annuity, Swablamban and Maandhan schemes are next in line for rollout.

Maximize value creation through various commercial and financial levers as well as changes to our Corporation's surplus distribution policy

Commercial levers to increase revenue and profit

Persistency Ratio is the proportion of business that is retained from the business underwritten and is measured in terms of the number of policies and premiums underwritten, further subdivided for individual products based on (i) regular premium and limited premium and (ii) single premium and fully paid-up premium. For details on our Persistency Ratios in India, see "*-Operations-Customer Service and Retention*" on page 221. We plan to increase our Persistency Ratios through the following:

- Increasing the number of policies that are revived by our Corporation through launch of revival campaigns and encouraging convenient modes of payment, such as payment through Electronic National Automated Clearing House.
- We plan to continue to engage with our policyholders, directly and through our intermediaries, to retain the policies that are being served.

Financial levers to optimize yield on investment

We plan to continue to strive for a dynamic and strategic asset allocation amongst the different asset classes allowed within the regulatory framework, depending upon the market cycles and conditions, with a view to improve the yield on investments.

Changes in surplus distribution policy and bifurcation of funds

Prior to September 30, 2021, our Corporation had one fund – a participating fund. An amendment to the Life Insurance Corporation Act in the Finance Act, 2021, which was notified on June 30, 2021, resulted in our Corporation having a participating fund and non-participating fund since September 30, 2021. Section 28 of the Life Insurance Corporation Act, which was amended by Parliament and given effect to by the Government vide its Gazette notification dated March 29, 2012, provides that 90% or more of the valuation surplus, as the Government may approve, shall be allocated to or reserved for the policyholders. The Government, vide letter dated November 13, 2013, allowed our Corporation to continue with the existing surplus distribution pattern of 95:5 between policyholders and the Shareholders, while retaining the flexibility to reduce it to 90:10 between policyholders and the Shareholders in the future. This amendment brought our Corporation to be in line with the private players in India, who were already permitted to allocate the surplus in participating funds between policyholders and Shareholders in the ratio of 90:10. Per CRISIL Research, in line with the Insurance Regulatory and Development Authority of India (Distribution of Surplus) Regulations, 2002, the top five private players transfer a maximum of one-ninth of the participating policyholder's surplus to the Shareholder's Account. The surplus includes the bonus allocated to the participating policyholders and the interim bonus paid. Therefore, each of the top five private players allocated approximately 10% of the participating policyholders' account surplus to its shareholders in Fiscal 2021. (*Source: the CRISIL Report*). In accordance with our Corporation's approved surplus distribution policy, the surplus in respect of the participating fund will be allocated between policyholders and Shareholders in the ratio of 95:5 for Fiscal 2022, 92.5:7.5 for each of Fiscal 2023 and Fiscal 2024 and then 90:10 for Fiscal 2025 onwards. The Shareholders have a 100% allocation in the non-participating fund. The increasing allocation of the surplus of the participating fund to the shareholders and the 100% allocation to Shareholders of the non-participating business (previously at 5%, which was flowing through the declaration of bonuses for the participating business in lieu of a single fund as per Section 24 of the Life Insurance Corporation Act) results in a higher allocation of the surplus to Shareholders.

GROUP STRUCTURE

Set forth below is a chart showing the companies that were consolidated in the Restated Consolidated Financial Statements as at December 31, 2021 and our Corporation's direct shareholding in each such company as at the date of this Prospectus.

Life Insurance Corporation of India

Foreign Branches[(1)]	**Subsidiaries**	**Associates**
Fiji	In India	In India
Mauritius	LIC Pension Fund Limited (100%)	LIC Housing Finance Limited (45.24%)[(3)]
United Kingdom	LIC Cards Services Limited (100%)	LICHFL Asset Management Company Limited (5.38%)[(3)]
	Outside India	IDBI Bank Limited (49.24%)[(4)]
	Life Insurance Corporation (International) B.S.C. (c) (**99.66%**)[(2)]	IDBI Trusteeship Services Limited (29.84%)[(4)]
	Life Insurance Corporation (Singapore) Pte. Ltd. (100%)	LIC Mutual Fund Asset Management Limited (45.00%)
	Life Insurance Corporation (Lanka) Limited (80.00%)[(5)]	LIC Mutual Fund Trustee Private Limited (49.00%)
	Life Insurance Corporation (Nepal) Ltd. (55.00%)	
	Life Insurance Corporation (LIC) of Bangladesh Limited (83.33%)	

Notes:

Shareholdings shown in black were purchased with Shareholders' funds.

Shareholdings shown in blue were purchased with policyholders' funds.

Shareholdings shown in blue in bold were purchased with policyholders' funds and Shareholders' funds.

(1) Foreign branches were set up by our Corporation.

(2) Our Corporation has a 99.66% shareholding in Life Insurance Corporation (International) B.S.C. (c), which was purchased using the following funds: Shareholders' funds 94.40% and policyholders' funds 5.60%.

(3) LIC Housing Finance Limited holds 94.62% of the outstanding shares in LICHFL Asset Management Company Limited.

(4) IDBI Bank holds 54.70% of the outstanding shares in IDBI Trusteeship Services Limited.

(5) In addition, our Corporation also holds 100% of the Class A preference shares in Life Insurance Corporation (Lanka) Limited.

Overseas Branches

Fiji Branch

Our Corporation's operations in Fiji comprise a head office in Suva, a branch office for the Western Region in Lautoka and a marketing office in Labasa. The Fiji branch sells life insurance in Fiji.

Mauritius Branch

Our Corporation's operations in Mauritius comprise a branch office in Port Louis and a satellite office in Quatre Bornes. The Mauritius branch sells life insurance in Mauritius.

United Kingdom Branch

Our Corporation's operations in the United Kingdom comprise a branch office in London. The United Kingdom branch sells life insurance in the United Kingdom, and it has traditionally targeted the niche market segment of NRIs/PIOs in the United Kingdom.

Subsidiaries and Associates

For more details on our Corporation's subsidiaries and associates, see "*History and Certain Corporate Matters-Our Subsidiaries*" and "*History and Certain Corporate Matters-Our Associates*" on pages 274 and 277, respectively.

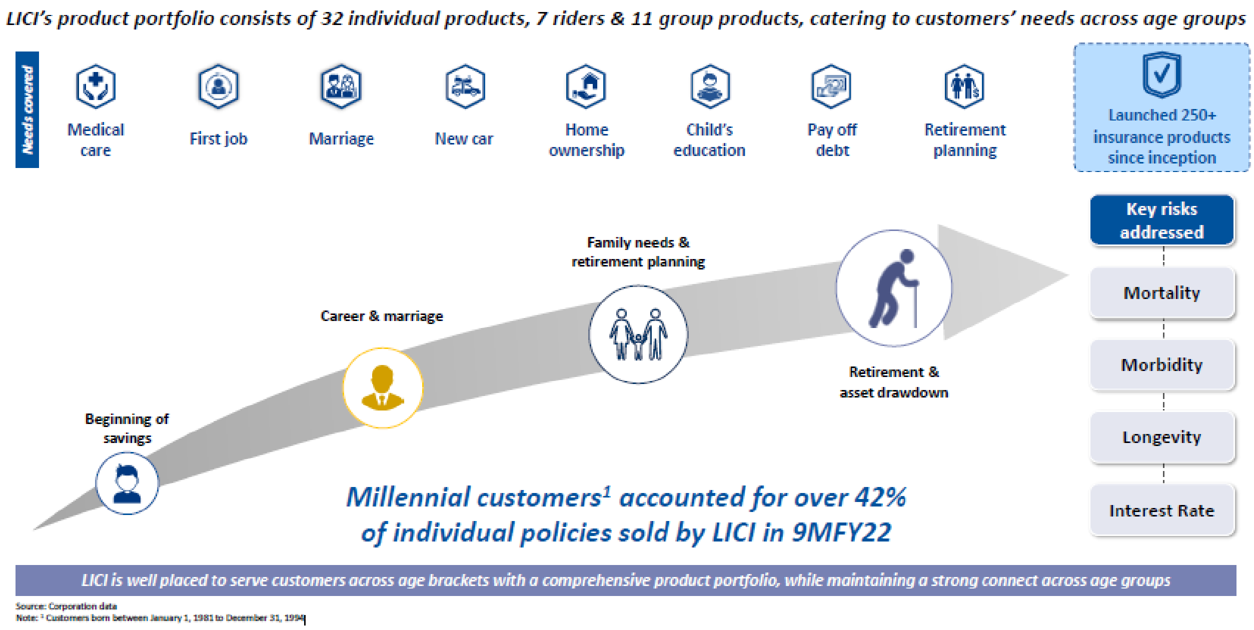
OUR CORPORATION'S BUSINESS

Unless otherwise indicated or the context otherwise requires, references to "our Corporation", "we", "us" and "our", are to our Corporation on a standalone basis.

Our Products

Our Product Portfolio

As shown in the chart below, our Corporation, referred to as LICI in the chart below, has a broad, diversified product portfolio covering various segments across individual products and group products.



Our Corporation's individual products comprise (i) participating insurance products and (ii) non-participating products, which include (a) savings insurance products; (b) term insurance products; (c) health insurance products; (d) annuity and pension products; and (e) unit linked insurance products. Our individual products include specially designed products for specific segments, such as special products for women and children and Micro Insurance products. In addition, we also offer riders that provide additional benefits along with the base product to cover for additional risks, such as accidental disability, death, critical illness and premium waiver on death of the proposer. Our Corporation's individual product portfolio in India comprises 32 individual products (16 participating products and 16 non-participating products) and seven individual riders.

Our Corporation's group products comprise (i) group term insurance products; (ii) group savings insurance products; (iii) group savings pension products; and (iv) group annuity products. All our group products are non-linked and non-participating**.** Our Corporation's group product portfolio in India comprises 11 group products, which include one Micro

Insurance product.

Individual Products

Participating Products

Participating products are contracts of insurance where the policyholders have a contractual right to receive a guaranteed sum insured, and a discretionary benefit in the form of bonuses or loyalty additions. The bonuses consist of reversionary bonuses (being regular annual bonuses declared every year, based on the actuarial valuation of the assets and liabilities in the participating fund) and terminal bonuses (which are declared upon surrender or maturity of the policy or the death of the policyholder, or upon the occurrence of certain specified events, provided such terminal bonus has been declared by our Corporation and such policyholder has held the policy for the minimum specified duration). The participating products can be of (i) endowment or money back types, providing survival benefit(s), along with risk cover; or (ii) whole life types, which provide lifetime risk coverage.

Non-Participating Products

Term Insurance Products

Individual non-participating term insurance products offer a guaranteed lump sum benefit on the occurrence of death of an individual during the period of coverage.

Health Insurance Products

Health insurance products cover a specific or a combination of diseases, such as cancer, and fixed benefits are payable in case of staying in hospital or upon undergoing various surgeries.

Non-Participating Saving Products

Non-participating savings products offer benefits that are guaranteed in absolute terms at the beginning of the policy.

Annuity and Pension Products

Annuity and pension products provide for annuity payments to start from the beginning of the policy or after completion of the chosen accumulation period. The annuity is payable during the lifetime of the annuitant or for a fixed period, and for life thereafter as per the chosen option, in return for a certain lump sum paid up front.

Unit-Linked Insurance Plans

Unit-linked insurance products are products providing insurance coverage for death where investment decisions and the risks and rewards associated with such investments are directly attributable to the policyholders and non-investment risks, such as expenses, mortality and morbidity are borne by our Corporation. Unit-linked investment funds represent the investments allocated to different assets chosen by the policyholder. The policyholders have the flexibility to choose the proportion of equity and debt in their investment portfolio based on their risk profile, and switches can be made between different asset classes available under the product, based on the customer's assessment of market conditions and risk appetite. Charges for such services, which are subject to caps prescribed by IRDAI, are deducted from the unit-linked investment fund assets. The benefits payable to the policyholder will depend on the value of the underlying investments at the time of death of the policyholder or surrender or maturity of the policy. In addition, benefits payable on death may depend on the chosen death sum assured and surrender benefits may be subject to surrender charges on exit during the first five years. Customers can also choose the level of life cover allowed within a product. These products can have a variety of features within this business class.

Set forth below are details of our Corporation's individual products in India:

S. No.	Category (Participating/ Non-Participating)	Type of product	Name of product	Primary customer needs addressed
1.	Participating	Endowment Plan	LIC's New Endowment Plan	Risk cover and savings
2.	Participating	Endowment Plan	LIC's New Jeevan Anand	Risk cover for whole life and savings
3.	Participating	Endowment Plan	LIC's Single Premium Endowment Plan	Risk cover and savings
4.	Participating	Endowment Plan	LIC's Jeevan Lakshya	Risk cover and annual income benefit in case of death, primarily for the

S. No.	Category (Participating/ Non-Participating)	Type of product	Name of product	Primary customer needs addressed
				benefit of a child/dependent family member(s)
5.	Participating	Endowment Plan	LIC's Jeevan Labh	Risk cover and savings
6.	Participating	Endowment Plan	LIC's Aadhaar Stambh	Risk cover and savings exclusively for male lives plan with lower ticket size for lower income groups
7.	Participating	Endowment Plan	LIC's Aadhaar Shila	Risk cover and savings exclusively for female lives plan with lower ticket size for lower income groups
8.	Participating	Whole Life Plan	LIC's Jeevan Umang	Whole life risk cover and periodical survival benefit
9.	Participating	Money Back Plan	LIC's New Bima Bachat	Risk cover with periodic payment at specified durations
10.	Participating	Money Back Plan	LIC's New Money Back Plan - 20 Years	Risk cover with periodic payment at specified durations
11.	Participating	Money Back Plan	LIC's New Money Back Plan - 25 Years	Risk cover with periodic payment at specified durations
12.	Participating	Endowment Plan	LIC's Micro Bachat	Micro Insurance - risk and savings for low-income groups
13.	Participating	Money Back Plan	LIC's New Children's Money Back Plan	Risk cover and for financial benefit of children
14.	Participating	Money Back Plan	LIC's Jeevan Tarun	Risk cover and educational and other needs of children
15.	Participating	Money Back Plan	LIC's Jeevan Shiromani	Risk cover providing both life and health cover and savings for High-Net-Worth customers
16.	Participating	Money Back Plan	LIC's Bima Shree	Risk cover and savings for High-Net-Worth customers
17.	Non-Participating	Endowment Plan	LIC's Bima Jyoti	Risk cover and savings
18.	Non-Participating	Pure Risk Premium Plan	LIC's Tech Term	Pure risk cover for tech savvy customers (online)
19.	Non-Participating	Pure Risk Premium Plan	LIC's Jeevan Amar	Pure risk cover
20.	Non-Participating	Pure Risk Premium Plan	LIC's Saral Jeevan Bima	Simple risk cover for all segments with features as per IRDAI specifications
21.	Non-Participating	Pension Plan	Pradhan Mantri Vaya Vandana Yojana(1)	Government subsidised pension scheme
22.	Non-Participating	Annuity Plan	LIC's Jeevan Akshay - VII	Immediate annuity plan with provision for regular income for life
23.	Non-Participating	Annuity Plan	LIC's New Jeevan Shanti	Deferred annuity plan with provision for regular income for life
24.	Non-Participating	Annuity Plan	LIC's Saral Pension	Simple immediate annuity plan with provision for regular income for life with features as per IRDAI specifications
25.	Non-Participating	Unit Linked Plan	LIC's Nivesh Plus	Insurance and investment
26.	Non-Participating	Unit Linked Plan	LIC's SIIP	Insurance and investment
27.	Non-Participating	Unit Linked Plan	LIC's New Endowment Plus	Insurance and investment
28.	Non-Participating	Health Plan	LIC's Cancer Cover	Protection for health/ cancer cover
29.	Non-Participating	Health Plan	LIC's Arogya Rakshak	Health cover
30.	Non-Participating	Term Plan with Return of Premiums	LIC's New Jeevan Mangal	Micro Insurance – risk cover with return of premiums on maturity
31.	Non-Participating	Term Plan with Return of Premiums	LIC's Bhagya Lakshmi	Micro Insurance – risk cover with return of premiums on maturity
32.	Non-Participating	Money Back Plan	LIC's Dhan Rekha	Risk cover with periodic payment at specified durations

Note: *(1) The Government of India introduced Pradhan Mantri Vaya Vandana Yojana in May 2020, with a modified rate of pension under this plan and extended the period of sale of this plan for a further period of three years from Fiscal 2021 until the end of Fiscal 2023. As per the terms and conditions under this plan, guaranteed rates of pension for policies sold during a year will be reviewed and decided at the beginning of each year by the Ministry of Finance, Government of India. Our Corporation is solely authorised to operate this scheme.*

Our Corporation's top five selling individual products in India in terms of the number of new business policies sold for the nine months ended December 31, 2021 were: (1) LIC's Jeevan Labh (22.15% of the total new business policies sold); (2) LIC's New Endowment Plan (18.36% of the total new business policies sold); (3) LIC's New Jeevan Anand Plan (8.70% of the total new business policies sold); (4) LIC's Aadhaar Stambh (8.70% of the total new business policies sold); and (5) LIC's Aadhaar Shila (6.98% of the total new business policies sold).

Riders for Individual Products

Riders are add-on covers to the base policy at an additional cost to facilitate additional benefits linked to accident, critical illness, death and premium waiver benefit.

Set forth below are details of our Corporation's riders in India:

S. No.	Name of product	Primary customer needs addressed
1.	LIC's Linked Accidental Death Benefit Rider	Cover on death due to accident in linked policies
2.	LIC's Accidental Death and Disability Benefit Rider	Cover on death due to accident and disability due to accident
3.	LIC's Accident Benefit Rider	Cover on death due to accident
4.	LIC's Premium Waiver Benefit Rider	Cover of risk in premium payment in case of death of the proposer
5.	LIC's New Critical Illness Benefit Rider	Critical illness cover during the term of the plan
6.	LIC's New Term Assurance Rider	Additional risk cover (pure risk)
7.	LIC's Premium Waiver Benefit Rider (with auto cover)	Cover of risk in premium payment in case of death of the proposer

Group Products

Our Corporation had an 81.1% and 88.8% market share of group policies issued in India in Fiscal 2021 and the nine months ended December 31, 2021. (*Source: the CRISIL Report*).

Our Corporation's group insurance products provide term cover products to both employer-employee groups and non-employer-employee groups. Our Corporation also offers fund management and pension payment services to employer-employee groups wherein retirement benefits – gratuity, superannuation and leave encashment liabilities – are managed by us under respective funded schemes. Our Corporation provides fund management services for group pension products under employer-employee pension schemes. Post-employment, beneficiaries are provided pensions as per the specific scheme rules of the master policy holder.

Set forth below are details of our Corporation's group products in India. All of our group polices are non-participating and non-linked.

S. No.	Type of product	Name of product	Primary customer needs addressed
1.	Protection	LIC's New One Year Renewable Group Term Assurance Plan – I	Group insurance of employer - employee groups, non-employer-employee groups.
2.	Protection	LIC's New One Year Renewable Group Term Assurance Plan – II	Group insurance of employer - employee groups, non- employer-employee groups, which offers reduction of renewal premium/increase of renewal premium based on a pre-determined formula.
3.	Protection	LIC's Single Premium Group Insurance	Employer-employee groups, non-employer-employee single premium for more than one year's coverage.
4.	Protection	LIC's Group Credit Life Insurance	Lender borrower group. It provides for covering the borrowers to the extent of the outstanding loan. In case of death, the proceeds are to be used for settling the outstanding loan and the balance is paid to the nominee.
5.	Protection	LIC's One Year Renewable Group Micro Term Assurance Plan	Non-employer-employee groups. It aims to provide low-cost coverage up to a maximum of ₹200,000 to the unorganized sectors and underprivileged groups, such as artisans, rickshaw pullers, carpenters, etc.
6.	Protection	Pradhan Mantri Jeevan Jyoti Bima Yojana	Non-employer-employee groups group insurance to bank account holders who have opted through their bank for age group 18-50 at entry.
7.	Savings	LIC's New Group Gratuity Cash Accumulation Plan	Employer-employee groups – managing the gratuity funds of the corporates.
8.	Savings	LIC's New Group Leave Encashment Plan	Employer-employee groups – managing the leave encashment funds of the corporates.
9.	Savings	LIC's New Group Superannuation Cash Accumulation Plan	Employer-employee groups – the superannuation fund management of employer/employee groups during the employment phase and providing pension post retirement/exit of the employee as per the scheme rules.
10.	Savings	Group Immediate Annuity	Employer-employee groups – providing pension post retirement/exit of the

S. No.	Type of product	Name of product	Primary customer needs addressed
			employee.
11.	Savings	LIC's Group Assurance Plan	This plan is designed for Public Sector Undertaking ("**PSUs**"), required to pay compensation to protect affected persons under the right to fair compensation and transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013 or any other similar Act promulgated by the Central or any State Government. It is available for the government sector only. It is a single premium product, which provides regular survival benefits and financial support for the family in case of unfortunate death of the member.

Our Product Breakdown in Numbers

Policies Being Serviced

The following table sets forth the breakdown of our Corporation's policies being serviced in India by customer category as at the dates indicated.

Policies Being Serviced[(1)]	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Individual	290,863,197	99.94	289,188,770	99.94	286,225,406	99.94	279,109,975	99.94
Group (schemes)	163,036	0.06	165,014	0.06	163,973	0.06	170,840	0.06
Total	**291,026,233**	**100.00**	**289,353,784**	**100.00**	**286,389,379**	**100.00**	**279,280,815**	**100.00**

Note: (1) Policies being serviced include lapsed policies that have acquired paid up value.

The following table sets forth the breakdown of our Corporation's individual policies being serviced in India by non-linked/linked policies and product category as at the dates indicated.

Individual Policies Being Serviced*	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	(million)	% of total	(million)	% of total	(million)	% of total	(million)	% of total
By non-linked/linked:								
Non-linked	286.07	98.35	285.85	98.85	284.11	99.26	277.30	99.35
of which:								
Participating	281.58	96.81	281.19	97.24	279.15	97.53	272.40	97.60
Non-participating	4.49	1.54	4.66	1.61	4.96	1.73	4.90	1.76
Linked	4.79	1.65	3.34	1.15	2.12	0.74	1.81	0.65
Total	**290.86**	**100.00**	**289.19**	**100.00**	**286.23**	**100.00**	**279.11**	**100.00**
By product category:								
Participating**	279.73	96.17	279.37	96.60	277.37	96.91	270.65	96.97
Non-participating Savings	1.39	0.48	1.26	0.44	1.24	0.43	1.17	0.42
Non-participating Protection	1.02	0.35	1.03	0.35	1.00	0.35	1.02	0.36
Health insurance	0.57	0.20	0.63	0.22	0.72	0.25	0.66	0.24
Unit-linked insurance products	4.79	1.65	3.34	1.15	2.12	0.74	1.81	0.65
Annuity/Pension	3.36	1.16	3.56	1.23	3.78	1.32	3.80	1.36
Total	**290.86**	**100.00**	**289.19**	**100.00**	**286.23**	**100.00**	**279.11**	**100.00**

Notes:
** Policies being serviced include lapsed policies that have acquired paid up value.*
***This product category is in respect of Non-Linked Life par business and do not include par product category "Annuity/Pension".*

The following table sets forth the breakdown of our Corporation's group policies being serviced in India by non-linked, participating and non-linked, non-participating and product category as at the dates indicated.

Group Policies Being Serviced	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	(million)	% of total	(million)	% of total	(million)	% of total	(million)	% of total
By non-linked:								

Group Policies Being Serviced	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	(million)	% of total	(million)	% of total	(million)	% of total	(million)	% of total
Non-linked, Participating	0.01	6.25	0.01	5.88	-	-	-	-
Non-linked, Non-participating	0.15	93.75	0.16	94.12	0.16	100.00	0.17	100.00
Total	**0.16**	**100.00**	**0.17**	**100.00**	**0.16**	**100.00**	**0.17**	**100.00**
By product category:								
Participating Business	0.01	6.25	0.01	6.25	-	-	-	-
Non-Participating Business Savings	0.10	62.50	0.10	62.50	0.11	68.75	0.11	64.71
Non-Participating Business Protection	0.04	25.00	0.04	25.00	0.03	18.75	0.04	23.53
Annuity/Pension	0.01	6.25	0.01	6.25	0.02	12.50	0.02	11.76
Total	**0.16**	**100.00**	**0.16**	**100.00**	**0.16**	**100.00**	**0.17**	**100.00**

GWP, NBP New Business APE and Average APE

The following table sets forth the breakdown of our business in India in terms of GWP, NBP and APE by customer category for the periods indicated.

In India	Year Ended March 31						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total
GWP								
By customer category:								
Individual	2,389,311.13	70.87	2,453,772.88	64.74	2,677,967.33	66.47	1,891,197.65	66.65
Group	981,989.06	29.13	1,336,362.75	35.26	1,350,914.03	33.53	946,335.17	33.35
Total	**3,371,300.19**	**100.00**	**3,790,135.63**	**100.00**	**4,028,881.36**	**100.00**	**2,837,532.82**	**100.00**
NBP								
By customer category:								
Individual	510,261.10	35.88	514,026.23	28.85	565,266.85	30.67	358,258.50	28.43
Group	911,791.12	64.12	1,267,492.55	71.15	1,277,694.38	69.33	901,891.64	71.57
Total	**1,422,052.22**	**100.00**	**1,781,518.78**	**100.00**	**1,842,961.23**	**100.00**	**1,260,150.14**	**100.00**
APE								
By customer category:								
Individual	314,476.64	77.52	352,974.11	73.58	322,705.91	70.79	209,044.00	69.86
Group	911,79.11	22.48	126,749.25	26.42	133,173.28	29.21	90,189.16	30.14
Total	**405,655.75**	**100.00**	**479,723.36**	**100.00**	**455,879.19**	**100.00**	**299,233.16**	**100.00**

The following table sets forth the breakdown of our business in India in terms of average APE by customer category for the periods indicated.

In India	Year Ended March 31			Nine months ended December 31, 2021
	2019	2020	2021	
	(₹ in million)			
Average APE by customer category:				
Individual[(1)]	0.01	0.02	0.02	0.02
Group[(2)]	0.55	0.77	0.81	0.53

Notes:

*(1) Average individual APE is Individual APE divided by the number of new business policies under individual business ("**Average Individual APE**").*

*(2) Average group APE is Group APE divided by the number of policies under group business ("**Average Group APE**").*

The following table sets forth the breakdown of our individual business in India in terms of NBP and APE by non-linked/linked policies and product category for the periods indicated.

Individual Products – In India	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total
NBP								
By non-linked/linked:								
Non-linked	509,918.57	99.93	513,114.85	99.82	557,708.35	98.66	341,870.45	95.43
of which:								

Individual Products – In India	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total
Participating	*342,140.92*	*67.05*	*357,946.96*	*69.64*	*351,227.57*	*62.13*	*249,695.17*	*69.70*
Non-Participating	*167,777.65*	*32.88*	*155,167.89*	*30.19*	*206,480.78*	*36.53*	*92,175.28*	*25.73*
Linked	342.53	0.07	911.38	0.18	7,558.50	1.34	16,388.05	4.57
Total	**510,261.10**	**100.00**	**514,026.23**	**100.00**	**565,266.85**	**100.00**	**358,258.50**	**100.00**
By product category:								
Participating products	342,140.92	67.05	357,946.96	69.64	351,227.57	62.13	249,695.17	69.70
Non-participating - Savings	384	0.08	108.02	0.02	656.79	0.12	1,356.67	0.38
Non-participating - Protection	1,417.60	0.28	1,643.70	0.32	1,889.80	0.33	1,496.50	0.42
Health insurance	1,126.04	0.22	1,047.37	0.20	1,021.00	0.18	578.13	0.16
Unit-linked insurance products	342.53	0.07	911.38	0.18	7,558.50	1.34	16,388.05	4.57
Annuity/Pension	164,850.02	32.31	152,368.80	29.64	202,913.18	35.90	88,743.98	24.77
Total	**510,261.10**	**100.00**	**514,026.23**	**100.00**	**565,266.85**	**100.00**	**358,258.50**	**100.00**
APE								
By non-linked/linked:								
Non-linked	314,188.72	99.91	352,174.55	99.77	319,895.30	99.13	205,241.22	98.18
of which:								
Participating	294,286.29	93.58	333,797.12	94.57	295,553.89	91.59	192,790.57	92.22
Non-Participating	19,902.43	6.33	18,377.44	5.20	24,341.40	7.54	12,450.65	5.96
Linked	287.93	0.09	799.56	0.23	2,810.62	0.87	3,802.78	1.82
Total	**314,476.64**	**100.00**	**352,974.11**	**100.00**	**322,705.91**	**100.00**	**209,044.00**	**100.00**
By product category:								
Participating products	294,034.28	93.51	333,603.04	94.52	295,553.89	91.59	192,790.57	92.22
Non-participating - Savings	548.82	0.17	436.91	0.12	1,331.73	0.41	1,861.91	0.89
Non-participating - Protection	1,641.82	0.52	1,525.83	0.43	1,621.33	0.50	1,247.93	0.60
Health insurance	1,226.79	0.39	1,177.82	0.33	1,212.90	0.38	656.24	0.31
Unit-linked insurance products	287.93	0.09	799.56	0.23	2,810.62	0.87	3,802.78	1.82
Annuity/Pension	16,737.01	5.32	15,430.96	4.37	20,175.44	6.25	8,684.56	4.15
Total	**314,476.64**	**100.00**	**352,974.11**	**100.00**	**22,705.91**	**100.00**	**209,044.00**	**100.00**

The following table sets forth the breakdown of our Average Individual APE in India by non-linked/linked policies and product category for the periods indicated.

Individual Businesses – In India	Year Ended March 31,			Nine months ended December 31, 2021
	2019	2020	2021	
	(₹ in million)			
Average APE				
By non-linked/Linked:				
Non-linked	0.01	0.02	0.02	0.02
Of which:				
Participating	*0.01*	*0.02*	*0.02*	*0.02*
Non-Participating	*0.01*	*0.02*	*0.02*	*0.02*
Linked	0.04	0.03	0.03	0.03
Total	**0.01**	**0.02**	**0.02**	**0.02**
By product category:				
Participating products	0.01	0.02	0.02	0.02
Non-participating - Savings	–	–	–	–
Non-participating - Protection	0.01	0.01	0.01	0.02
Health insurance	–	–	–	–
Unit-linked insurance products	0.04	0.03	0.03	0.03
Annuity/Pension	0.05	0.06	0.08	0.09
Total	**0.01**	**0.02**	**0.02**	**0.02**

The following table sets forth the breakdown of our Corporation's group business in India in terms of GWP, NBP and APE by non-linked/linked policies and product category for the periods indicated.

Group Businesses – In India	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total
GWP								
By non-linked/linked:								
Non-Linked, Participating	51,276.08	5.22	56,084.03	4.20	–	–	–	–
Non-Linked, Non-Participating	930,616.96	94.77	1,280,205.70	95.80	1,350,886.56	100.00	946,313.13	100.00
Linked	96.02	0.01	73.02	0.01	27.47	–	22.04	-
Total	**981,989.06**	**100.00**	**1,336,362.75**	**100.00**	**1,350,914.03**	**100.00**	**946,335.17**	**100.00**
By product category:								
Participating Business	51,276.08	5.22	56,084.03	4.20	–	–	–	–
Non-Participating Business – Savings	382,636.76	38.97	283,652.57	21.23	355,296.16	26.30	23,865.20	25.22
Non-Participating Business – Protection	40,269.28	4.10	35,522.72	2.66	38,354.67	2.84	21,583.88	2.28
Linked	96.02	0.01	73.02	0.01	27.47	–	22.04	–
Annuity/Pension	507,710.92	51.70	961,030.41	71.91	957,235.73	70.86	686,034.04	72.49
Total	**981,989.06**	**100.00**	**1,336,362.75**	**100.00**	**1,350,914.03**	**100.00**	**946,335.17**	**100.00**
NBP								
By non-linked:								
Non-Linked Participating	51,241.33	5.62	56,065.00	4.42	–	–	–	–
Non-linked, Non-Participating	860,549.79	94.38	1,211,427.55	95.58	1,277,694.38	100.00	901,891.64	100.00
Total	**911,791.12**	**100.00**	**1,267,492.55**	**100.00**	**1,277,694.38**	**100.00**	**901,891.64**	**100.00**
By product category:								
Participating Business	51,241.33	5.62	56,065.00	4.42	–	–	–	–
Non-Participating Business Savings	364,633.33	39.99	262,923.71	20.74	336,714.94	26.35	222,284.22	24.65
Non-Participating Business Protection	14,857.34	1.63	9,909.30	0.78	8,969.42	0.70	8,791.01	0.97
Annuity/ Pension	481,059.12	52.76	938,594.54	74.05	932,010.02	72.94	670,816.41	74.38
Total	**911,791.12**	**100.00**	**1,267,492.55**	**100.00**	**1,277,694.38**	**100.00**	**901,891.64**	**100.00**
APE								
By non-linked/linked:								
Non-Linked Participating	5,124.13	5.62	5,606.50	4.42	–	–	–	–
Non-linked, Non-Participating	86,054.98	94.38	121,142.75	95.58	133,173.28	100	90,189.16	100.00
Linked	–	–	–	–	–	–	–	–
Total	**91,179.11**	**100.00**	**126,749.25**	**100.00**	**133,173.28**	**100.00**	**90,189.16**	**100.00**
By product category:								
Participating Business	5,124.13	5.62	5,606.50	4.42	–	–	–	–
Non-Participating	36,463.33	39.99	26,292.37	20.74	34,050.11	25.57	22,228.42	24.65

Group Businesses – In India	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total
Business Savings								
Non-Participating Business Protection	1,485.73	1.63	990.93	0.78	6,005.80	4.51	879.10	0.97
Linked	–	–	–	–	–	–	–	–
Annuity/ Pension	48,105.91	52.76	93,859.45	74.06	93,117.37	69.92	67,081.65	74.38
Total	**91,179.11**	**100.00**	**126,749.25**	**100.00**	**133,173.28**	**100.00**	**90,189.16**	**100.00**

The following table sets forth the breakdown of our Average APE in India by non-linked/linked policies and product category for the periods indicated.

Group Businesses – In India	Year Ended March 31,			Nine months ended December 31, 2021
	2019	2020	2021	
	(₹ in million)			
Average APE				
By non-linked:				
Non-Linked, Participating	0.55	0.61	–	–
Non-Linked, Non-Participating	0.55	0.78	0.81	0.53
Total	**0.55**	**0.77**	**0.81**	**0.53**
Participating Business	0.56	0.61	–	–
Non-Participating Business - Savings	0.32	0.23	0.29	0.20
Non-Participating Business - Protection	0.04	0.03	0.17	0.02
Annuity/Pension	10.18	19.86	9.04	3.18
Total	**0.55**	**0.77**	**0.81**	**0.53**

For details on our first year premiums, renewal premiums and single premiums & CAG, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations-Our Results of Operations- Nine months ended December 31, 2021-Premium Earned - Net (Revenue Account)*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations-Our Results of Operations- Fiscal 2021 Compared to Fiscal 2020-Premium Earned - Net (Revenue Account)*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations-Our Results of Operations- Fiscal 2020 Compared to Fiscal 2019-Premium Earned - Net (Revenue Account)*" on pages 488, 492 and 498, respectively.

Product Strategy and Development

Our broad, diversified product portfolio is designed to address consumers' life insurance needs through the four principal stages of life, namely, beginning of savings, career and marriage, family needs and retirement planning and retirement and asset drawdown.

Our Corporation has introduced several women-specific products. Currently, LIC's Aadhar Shila is available for sale under this category.

Our Corporation was awarded "ET Now BFSI Award Product Innovation of the Year" in 2018-2019 for our Jeevan Shanti product.

Since April 1, 2018, our Corporation has launched products in various categories, including:

- term assurance – LIC's Tech-Term and LIC's Jeevan Amar;
- non-linked, non-participating savings products – LIC's Bima Jyoti and LIC's Dhan Rekha;
- non-linked, participating savings products – LIC's Bachat Plus (withdrawn April 1, 2022) and LIC's Navjeevan;
- a deferred annuity product – LIC's New Jeevan Shanti;
- an immediate annuity product – LIC's Jeevan Akshay VII;
- standard products mandated by IRDAI – LIC's Saral Jeevan Bima (term) and LIC's Saral Pension (annuity plan);

- ULIP products - LIC's Nivesh Plus and LIC's SIIP;
- a health insurance product – LIC's Aarogya Rakshak;
- a group product – One Year Renewable Group Micro Term Assurance Plan; and
- a group savings product – LIC's Group Assurance Plan.

We intend to continue diversifying the product mix by focusing on addressing customer needs at every stage of life. We plan to launch new products, especially new non-participating products and in particular, term insurance, health insurance, annuity and ULIP products. For details, see "- *Our Strategies –Further diversify our product mix by increasing the contribution of the non-participating portfolio*" on page 192.

We are also well-positioned to benefit from the increasing demand for Micro Insurance products, supported by our strong presence in the retail and rural segments and our comprehensive range of products aimed at providing insurance cover to the underprivileged and low-income segments of the society, as well as our schemes to promote sales of our micro insurance products. Our "Micro Insurance Bima Gram/Community" scheme provides a financial incentive to a village for development activities on completion of a certain minimum number of new policies from that area during any Fiscal Year. For Fiscal 2021, we declared 575 villages as "Micro Insurance Bima Gram" under this scheme. The NBP from Micro Insurance business for the industry increased at a CAGR of 69% from Fiscal 2016 to Fiscal 2021 to ₹45.7 billion for Fiscal 2021. Despite the strong growth, the penetration of Micro Insurance products is still low due to lack of awareness and the need for critical mass for the products to be commercially viable for the insurer. (*Source: the CRISIL Report*). CRISIL expects an increased uptake in Micro Insurance products with rising awareness, expansion of distribution channels and higher focus from both our Corporation and private sector companies. (*Source: the CRISIL Report*). Our Corporation's NBP from Micro Insurance policies (individual) increased from ₹209.14 million for Fiscal 2019 to ₹3,529.32 million for Fiscal 2021, representing a CAGR of 310.79%. Our Corporation's NBP from Micro Insurance policies (individual for the nine months ended December 31, 2021 was ₹1,853.55 million.

Distribution Network

Individual Products

Our Corporation's omni-channel distribution platform for individual products currently comprises (i) individual agents, (ii) bancassurance partners, (iii) alternate channels (corporate agents, brokers and insurance marketing firms), (iv) digital sales (through a portal on our Corporation's website), (v) Micro Insurance agents and (vi) Point of Sales Persons – Life Insurance. As at December 31, 2021, our Corporation had the following distribution network for individual policies in India:

- 1.33 million individual agents;
- 70 bancassurance partners, comprising:
  - eight public sector banks (Central Bank of India, Union Bank of India, Indian Overseas Bank, Punjab National Bank, Bank of Maharashtra, Indian Bank, Punjab & Sind Bank and UCO Bank);
  - five private sector banks (Karnataka Bank, Tamilnad Mercantile Bank Limited, Axis Bank, City Union Bank and IDBI Bank);
  - one foreign bank;
  - 14 regional rural banks; and
  - 42 co-operative banks.
- 215 alternate channel partners (comprising 63 insurance marketing firms, 83 brokers and 69 corporate agents);
- A portal on our Corporation's website for digital sales;
- 2,128 active Micro Insurance agents; and
- 4,769 Point of Sales Persons-Life Insurance scheme.

Customers can also approach our branch offices and satellite offices and purchase products through our intermediaries. As at December 31, 2021, our Corporation had 2,048 branch offices and 1,559 satellite offices in India.

Our Corporation's individual policies are primarily distributed by our individual agents. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, individual agents were responsible for sourcing 96.69%, 95.73%, 94.78% and 96.20% our Corporation's NBP for our individual products in India, respectively. The following table sets forth the contributions of our distribution channels to our Corporation's NBP for our individual products on an India only basis for the periods indicated.

Particulars	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total
Individual agents	493,380.11	96.69	492,100.48	95.73	535,746.48	94.78	344,636.26	96.20
Bancassurance & alternate channels[(1)]	13,456.70	2.64	15,077.84	2.93	19,007.60	3.36	9,169.99	2.56
Digital marketing	2,748.91	0.54	3,921.17	0.76	6,116.67	1.08	1,454.44	0.41
Micro Insurance agents	209.14	0.04	2,220.90	0.43	3,529.32	0.62	1,853.55	0.52
Direct sales	466.24	0.09	705.84	0.14	866.78	0.15	1,112.27	0.31
Point of Sales Persons – Life Insurance	–	–	–	–	–	–	31.99	0.01
Total	**510,261.10**	**100.00**	**514,026.23**	**100.00**	**565,266.85**	**100.00**	**358,258.50**	**100.00**

***Note**: (1) Comprises corporate agents, brokers and insurance marketing firms.*

The following table sets forth the contributions of our Corporation's product mix across each distribution channel to our Corporation's individual NBP in India for the periods indicated.

Particulars	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total
Individual Agents								
Participating products	336,830.39	68.27	350,052.52	71.13	340,967.14	63.64	243,985.76	70.80
Non-participating protection (term) products	1,056.04	0.21	1,304.03	0.26	1,483.69	0.28	1,246.18	0.36
Non-participating protection (health insurance) products	1,102.03	0.22	1,026.14	0.21	997.62	0.19	549.65	0.16
Non-participating annuity/ pension products	14,829.10	3.01	13,540.10	2.75	17,834.65	3.33	7,963.53	2.31
Other non-participating products	139,232.43	28.22	125,366.11	25.48	167,955.97	31.35	76,719.30	22.26
Unit-linked insurance products	330.12	0.07	811.58	0.16	6,507.41	1.21	14,171.84	4.11
Total	**493,380.11**	**100.00**	**492,100.48**	**100.00**	**535,746.48**	**100.00**	**344,636.26**	**100.00**
Bancassurance & Alternate Channels[(1)]								
Participating products	5,151.43	38.29	5,514.20	36.57	6,655.86	35.02	3,636.48	39.66
Non-participating protection (term) products	10.26	0.08	13.35	0.09	17.42	0.09	21.65	0.24
Non-participating protection (health insurance) products	12.20	0.09	12.59	0.08	14.36	0.08	23.71	0.26
Other non-participating products (*includes term product)	8,271.73	61.46	9,493.76	62.97	11,437.63	60.17	3,663.84	39.95
Unit-linked insurance products	11.08	0.08	43.94	0.29	882.33	4.64	1,824.31	19.89
Total	**13,456.70**	**100.00**	**15,077.84**	**100.00**	**19,007.60**	**100.00**	**9,169.99**	**100.00**
Digital Marketing								
Participating products	1.64	0.06	1.36	0.03	0.45	0.01	10.97	0.75
Non-participating protection (term) products	148.94	5.42	172.85	4.41	297.52	4.86	165.02	11.35
Non-participating protection (health insurance) products	4.04	0.15	2.95	0.08	2.98	0.05	1.10	0.08
Other non-participating products	2,594.28	94.37	3,742.47	95.44	5,793.03	94.71	1,266.93	87.11
Unit-linked insurance products	–	–	1.54	0.04	22.69	0.37	10.42	0.72
Total	**2,748.91**	**100.00**	**3,921.17**	**100.00**	**6,116.67**	**100.00**	**1,454.44**	**100.00**
Direct Sales not including Digital Marketing[(2)]								
Participating products	146.30	31.38	308.48	43.70	163.50	18.86	268.77	24.16
Non-participating protection (term) products	1.46	0.31	3.17	0.45	2.49	0.29	2.17	0.20
Non-participating protection (health insurance) products	7.77	1.67	5.69	0.81	6.05	0.70	3.67	0.33
Other non-participating products	309.38	66.36	334.18	47.35	548.69	63.30	456.18	41.01
Unit-linked insurance products	1.33	0.29	54.32	7.70	146.05	16.85	381.48	34.30
Total	**466.24**	**100.00**	**705.84**	**100.00**	**866.78**	**100.00**	**1,112.27**	**100.00**
Micro Insurance Agents								
Participating products	8.24	3.83	2,070.60	93.25	3,440.60	97.48	1,792.07	96.68

Particulars	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total
Non-participating protection (term) products	200.90	96.17	150.30	6.75	88.69	2.52	61.48	3.32
Total	**209.14**	**100.00**	**2,220.90**	**100.00**	**3,529.32**	**100.00**	**1,853.55**	**100.00**
Point of Sales Persons – Life Insurance[3]								
Participating products	–	–	–	–	–	–	1.12	3.50
Non-participating protection (term) products	–	–	–	–	–	–	–	–
Non-participating protection (health insurance) products	–	–	–	–	–	–	–	–
Other non-participating products	–	–	–	–	–	–	30.87	96.50
Unit-linked insurance products	–	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	**31.99**	**100.00**
Total								
Participating products	342,140.92	67.05	357,946.96	69.64	351,227.57	62.13	249,695.17	69.70
Non-participating protection (term) products	1,417.60	0.28	1,643.70	0.32	1,889.80	0.33	1,496.50	0.42
Non-participating protection (health insurance) products	1,126.04	0.22	1,047.37	0.20	1,021.00	0.18	578.13	0.16
Other non-participating products	165,234.02	32.38	152,476.82	29.66	203,569.97	36.02	90,100.65	25.15
Unit-linked insurance products	342.53	0.07	911.38	0.18	7,558.50	1.34	16,388.05	4.57
Total	**510,261.10**	**100.00**	**514,026.23**	**100.00**	**565,266.85**	**100.00**	**358,258.50**	**100.00**

Notes:

(1) Comprises corporate agents, brokers and insurance marketing firms.

(2) Until March 31, 2021, our Corporation had employees making direct sales of individual products. Direct sales other than digital marketing since March 31, 2021 are for sales of products to employees and their family without the involvement of any intermediaries.

(3) Point of Sales Persons – Life Insurance, who are limited to selling certain of our individual products, began selling our products in January 2021. Sales made prior to April 1, 2021 were immaterial and were clubbed with sales by individual agents.

Individual Agents

As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation had 1.18 million, 1.21 million, 1.35 million and 1.33 million individual agents in India, respectively. As at March 31, 2021 and December 31, 2021, our Corporation's individual agency force accounted for 55% and 55% of the total agent network in India and was 7.2 times and 6.8 times the number of individual agents of the second largest life insurer in terms of agent network, respectively. (*Source: the CRISIL Report*). The number of our Corporation's individual agents in India increased at a CAGR of 7% between March 31, 2019 and March 31, 2021, compared to the next best player's agency force CAGR of 5% during the same period. (*Source: the CRISIL Report*).

Our Corporation has the most productive agent network in the Indian life insurance sector by both NBP and policies sold. As per the CRISIL Report, in Fiscal 2021, our Corporation's individual agents had an average NBP of ₹412,934 per agent compared to the average NBP of ₹322,442 per agent for the best performing of the top five private players and ₹124,892 per agent for the median of the top five private players. In Fiscal 2021, our Corporation's individual agents sold 15.3 policies per agent on average compared with the average of 3.9 individual policies sold by the individual agents of the best performing of the top five private players and the average of 1.6 individual policies sold by the individual agents of the median of the top five private players. (*Source: the CRISIL Report*).

Our Corporation has the highest MDRT members among all the Indian corporates operating in financial services industry, with a total of 721 MDRT members for 2021. (*Source: the CRISIL Report*). However, not all eligible individual agents registered to become MDRT members and our Corporation had 19,393 individual agents (including the 721 individual agents who are MDRT members) who meet the criteria to become a MDRT member for 2021. (*Source: the CRISIL Report*). The MDRT is the Million Dollar Round Table global association of life insurance agents who qualify by selling US$1 million or more on a face value basis in a calendar year.

Our Corporation's NBP for individual products in India procured by individual agents increased from ₹493,380.11 million for Fiscal 2019 to ₹535,746.48 million for Fiscal 2021, representing a CAGR of 4.20%. Our Corporation's NBP for individual products in India procured by individual agents was ₹344,636.26 million for the nine months ended December 31, 2021.

As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, the number of our Corporation's active individual agents (being individual agents who sell at least one policy during the previous 12 months) was 1,069,816, 1,080,809, 1,086,000 and 1,046,856, respectively, which represented 90.72%, 89.41%, 80.22% and 78.74%, respectively, of the total number of our individual agents. The number of active agents has decreased due to the COVID-19 pandemic.

As at December 31, 2021, the average age of our Corporation's individual agents was 42.68 years and their average experience was 10.77 years. As at December 31, 2021, the mix of our Corporation's individual agents by age group was as follows: (i) 18-25 years old – 6%; (ii) 26-40 years old –36%; (iii) 41-50 years old – 29%; (iv) 51-60 years old – 19% and (v) above 60 years old – 9%. 81% of our Corporation's individual agents recruited in Fiscal 2021 were within the 18-40 years old group.

As at December 31, 2021, the periods our individual agents had acted for our Corporation in India were as follows: up to two years – 26.25%; more than two years and up to five years – 14.37%; and more than five years – 59.38%.

Corporation's individual agents are not our employees. They enter into agency arrangements with our Corporation to sell our life insurance products. Our Corporation is entitled to impose penalties on our individual agents or terminate the agency contract in the event of a breach of any terms of the contract by the agent. As per IRDAI regulations, individual agents in India must act exclusively for one life insurer. These individual agents are paid commissions and rewards in accordance with our Board-approved policy.

Our Corporation has seven different levels in our individual agents' club memberships to motivate and recognize high and consistent performers amongst the agency force. Depending on the club membership, these benefits include access to housing loans, re-imbursement of office allowance, computer allowance, re-imbursement of telephone/mobile expenses, sales promotional gift items and stationery expenses. Our Corporation also provides group insurance and group Mediclaim to individual agents as per the eligibility requirements for each club membership.

Our Corporation has a scheme for urban career agents and rural career agents to promote the cause of professionalizing the agency force. Our Corporation gives these individual agents stipends at the start of their career to enable them to settle down in the profession. As at December 31, 2021, there were 1,705 urban career agents and 57,138 rural career agents.

Our Corporation's City Career Agents Scheme provides all Development Officers an opportunity to recruit stipendiary agents. As at December 31, 2021, there were 22,949 City Career Agents.

In order to help improve our individual agent's productivity, skills and knowledge, individual agents are trained internally through online training sessions, at our sales training centres, divisional training centres and zonal training centres and through external institutions. As at December 31, 2021, we had 35 sales training centres, 113 divisional training centres and eight zonal training centres.

Our Corporation has empowered select individual agents to collect renewal premiums through "Premium Points". As at December 31, 2021, there were 38,478 "Premium Points" across India.

Development officers are Class-II officers of our Corporation. Their job is primarily to sponsor suitable persons to be appointed as life insurance agents, train them, help the recruited individual agents to sell our Corporation's products and provide after sales services to policyholders. As at December 31, 2021, there were 21,032 development officers supervising 883,360 individual agents.

Senior Business Associates are high performing development officers. They are empowered to collect renewal premium and proposal deposit through "LIFE PLUS" offices run by them. They can also do completions of new proposals through the e2e module and provide basic servicing functions. As at December 31, 2021, there were 4,305 Senior Business Associates supervising 322,510 individual agents.

The LIC Associates Scheme comprises retired Senior Business Associates and select retired development officers. Members of the LIC Associates Scheme are empowered to appoint new individual agents, monitor existing individual agents under their supervision, procure new business, collect renewal premium and proposal deposit through "BIMA CONNECT" offices run by them. As at December 31, 2021, there were 435 members of the LIC Associates Scheme supervising 32,652 individual agents.

Chief Life Insurance Advisors (CLIA) are our high performing club member agents or retired employees. Chief Life Insurance Advisors are empowered to appoint new agents, monitor existing agents under their supervision, procure new business and collect renewal premium. As at December 31, 2021, our Corporation had 31,708 Chief Life Insurance Advisors supervising 233,527 individual agents.

Bancassurance

Our Corporation's bancassurance partners comprises public sector banks, private sector banks, one foreign bank, regional rural banks and co-operative banks. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation had 78, 76, 69 and 70 bancassurance partners in India, respectively. As at December 31, 2021, our bancassurance partners in India comprised eight public sector banks, five private sector banks, one foreign bank, 14 regional rural banks and 42 co-operative banks.

Our Corporation's NBP for individual products in India procured by bancassurance partners increased from ₹12,693.80 million for Fiscal 2019 to ₹17,557.62 million for Fiscal 2021, representing a CAGR of 17.61%. Our Corporation's NBP for individual products procured by bancassurance partners was ₹8,394.12 million for the nine months ended December 31, 2021. Our Corporation's individual NBP generated through bancassurance in Fiscal 2021 was higher than the individual bancassurance NBP of 16 private life insurance players and the individual NBP of 14 private life insurance players. In the nine months ended December 31, 2021, our Corporation's individual NBP generated through bancassurance was higher than individual bancassurance NBP of 12 private life insurers and the individual NBP of 11 private life insurance players. (*Source: the CRISIL Report*).

As at September 30, 2021, our bancassurance partners had a total of 51,633 branches in India as compared to the 38,026 branches of the bancassurance partners of the largest private player. (*Source: the CRISIL Report*).

Our bancassurance partners do not act exclusively for us and they are allowed to act for up to three life insurance companies.

Our bancassurance partners are paid commissions in accordance with the terms of our agreements with them.

Alternate Channels

Our alternate channels comprise other corporate agents, brokers and insurance marketing firms. Our alternate channels do not act exclusively for us. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation had 173, 187, 199 and 215 alternate channel partners in India, respectively. As at December 31, 2021, our alternate channel partners in India comprised 69 other corporate agents, 83 brokers and 63 insurance marketing firms.

Our Corporation's NBP for individual products in India procured by alternate channel partners increased from ₹762.91 million for Fiscal 2019 to ₹1,450.03 million for Fiscal 2021, representing a CAGR of 37.85%. Our Corporation's NBP for individual products in India procured by alternate channel partners was 775.87 million for the nine months ended December 31, 2021.

Our alternate channel partners, such as corporate agents (other than banks), brokers and insurance marketing firms are paid commissions and rewards in accordance with the terms of our agreements with them.

Digital Marketing

Our Corporation sells certain of our products via a portal on our Corporation's website. As at December 31, 2021, the following 12 products were available for purchase online in India:

- LIC's Tech Term (online term assurance plan);
- LIC's Saral Jeevan Bima (term assurance plan);
- LIC's Cancer Cover (health plan - protection against cancer);
- LIC's New Jeevan Shanti (annuity/pension plan);
- LIC's Saral Pension (annuity/pension plan);
- LIC's Jeevan Akshay –VII (annuity/pension plan);
- Prime Minister Vaya Vandana Yojana (annuity/pension plan);
- LIC's Nivesh Plus (unit linked single premium plan);
- LIC's SIIP (unit linked non-single premium plan);
- LIC's Bachat Plus (endowment plan) (withdrawn with effect from April 1, 2022 as the product was as a close ended plan available for sale only up to March 31, 2022.) ;
- LIC's Bima Jyoti (endowment plan); and
- LIC's Dhan Rekha (money-back plan).

Our NBP from sales of our products on our Corporation's website increased from ₹2,748.91 million for Fiscal 2019 to ₹6,116.67 million for Fiscal 2021, representing a CAGR of 49.17%. Our NBP from sales of our products on our Corporation's website was ₹1,454.44 million for the nine months ended December 31, 2021.

Micro Insurance Agents

Our Corporation's Micro Insurance agents include select individual agents, non-government organizations, self-help groups, micro finance institutions, corporate agents, brokers, district cooperative banks, regional rural banks, urban cooperative banks, primary agricultural cooperative societies, other cooperative societies, banking correspondents and farmer producer companies. The current marketing thrust across India is being spearheaded through a dedicated team of:

- individual agents;
- non-government organizations,
- self-help groups;
- micro finance institutions;
- corporate agents;
- brokers;
- district cooperative banks;
- regional rural banks;
- urban cooperative banks;
- primary agricultural cooperative societies;
- other cooperative societies;
- banking correspondents; and
- farmer producer companies.

As at December 31, 2021, we had 20,924 Micro Insurance agents of which 2,128 were active agents (which means they had sold at least one policy in the prior 12 months), comprising 1,689 individual agents and 439 in other categories.

Our Corporation's Micro Insurance products comprise LIC's Bhagya Lakshmi, LIC's New Jeevan Mangal and LIC's Micro Bachat.

Our Corporation's NBP for individual products in India procured by Micro Insurance agents increased from ₹209.14 million for Fiscal 2019 to ₹3,529.32 million for Fiscal 2021, representing a CAGR of 310.80%. Our Corporation's NBP for individual products in India procured by Micro Insurance agents was ₹1,853.55 million for the nine months ended December 31, 2021.

Micro Insurance policyholders can deposit their renewal premium at designated Premium Points and Common Service Centres outlets. As at December 31, 2021, there were 4,409 Premium Points, which cover all our Corporation's branch centres.

Our Micro Insurance agents are paid commissions in accordance with the terms of our agreements with them.

Point of Sales Persons – Life Insurance

Under Point of Sales Persons - Life Insurance, persons who have not passed the IRDAI agent examination but who have a 10^{th} standard qualification can sell certain of our products. We launched our Point of Sales Persons - Life Insurance scheme in January 2021 primarily to increase distribution of products in rural areas. As at December 31, 2021, we had 4,769 Point of Sales Persons - Life Insurance selling the following products: LIC's Jeevan Akshay VII, PMVVY, LIC's Bima Jyoti, LIC's Bhagya Lakshmi, LIC's New Jeevan Mangal, LIC's Micro Bachat, LIC's Saral Pension Plan, and LIC Dhan Rekha

Our Corporation's NBP for individual products in India procured by Point of Sales Persons - Life Insurance was ₹31.99 million for the nine months ended December 31, 2021.

Point of Sales Persons – Life Insurance are not our employees. They enter into exclusive arrangements with our Corporation to sell certain of our life insurance products. Our Corporation is entitled to impose penalties on our point of sales persons or terminate their contracts in the event of a breach of any terms of the contract by them. As per IRDAI regulations, point of sales persons in India must act exclusively for one life insurer. These Point of Sales Persons are paid commissions and rewards in accordance our Board-approved policy.

Group Products

Our Corporation's omni-channel distribution platform for group products comprises (i) our employees in the sales team for group products, (ii) individual agents, (iii) bancassurance partners and (iv) alternate channels (other corporate agents and brokers).

Our Corporation's group products are primarily distributed by our group products sales team, which we call our direct business. The members of the group products sales team are our Corporation's full-time employees. As at December 31, 2021, our Corporation had 231 full-time employees working in our group products sales team working at P&GS units, zones and the central office and in 77 group product sales units throughout India. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our group products sales team were responsible for sourcing 97.76%, 98.33%, 97.49% and 93.61% of our Corporation's NBP for our group products in India, respectively.

The following table sets forth the contributions of our distribution channels to our Corporation's NBP for our group products in India for the periods indicated.

Particulars	Year Ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total	NBP (₹ in million)	% of total
Direct business	891,385.66	97.76	1,246,319.06	98.33	1,245,677.33	97.49	844,244.43	93.61
Individual agents	19,922.14	2.18	20,491.54	1.62	30,987.38	2.43	40,991.21	4.55
Bancassurance	295.17	0.03	91.72	0.01	316.61	0.02	14,896.63	1.65
Alternate channels	188.15	0.02	590.23	0.05	713.06	0.06	1,759.37	0.19
Total	**911,791.12**	**100.00**	**1,267,492.55**	**100.00**	**1,277,694.38**	**100.00**	**901,891.64**	**100.00**

Our Corporation's NBP for group products in India procured by individual agents increased from ₹19,922.14 million for Fiscal 2019 to ₹30,987.38 million for Fiscal 2021, representing a CAGR of 24.72%. Our Corporation's NBP for group products in India procured by individual agents was ₹40,991.21 million for the nine months ended December 31, 2021. The percentage share of our Corporation's NBP in India for group products procured by individual agents increased from 2.43% for Fiscal 2021 to 4.55% for the nine months ended December 31, 2021. The primary reasons for this increase were the rise in the general awareness of life insurance due to the COVID-19 pandemic; in particular, many corporations have extended or introduced group insurance coverage to their employees and agents have been trained to procure group insurance policies.

Our Corporation's NBP for group products in India procured by bancassurance partners increased from ₹295.17 million for Fiscal 2019 to ₹316.61 million for Fiscal 2021, representing a CAGR of 3.57%. Our Corporation's NBP for group products in India procured by bancassurance partners was ₹14,896.63 million for the nine months ended December 31, 2021. The percentage share of our Corporation's NBP for group products in India procured by bancassurance partners increased from 0.02% for Fiscal 2021 to 1.65% for the nine months ended December 31, 2021.

Geographical Presence

Our Corporation has a widespread presence across India and has a presence in Fiji, Mauritius and the United Kingdom through a branch in each of those countries.

India

As at December 31, 2021, our Corporation had 4,983 offices spread across all 36 states and union territories of India, comprising the following:

- One central office, which manages corporate governance, strategy, policy, life fund management and regulatory compliance for our Corporation.
- Eight zonal offices (in Mumbai, New Delhi, Kolkata, Chennai, Hyderabad, Kanpur, Bhopal and Patna), which monitor the effective implementation of our corporate policies and initiatives to provide guidance to divisions, manage human resources for their respective regions and lead regional marketing strategies.
- 113 divisional offices, which guide branches, by monitoring and controlling operations and providing local marketing strategies. Certain of our divisional offices also have pension and group product units in them, which are responsible for marketing and sales of group products and providing services to the group product master policyholders. As at December 31, 2021, we had 77 pension and group schemes units.
- 2,048 Branch Offices, which procure new business and service policies at all stages from the processing of new proposals to settling claims at maturity or death.

- 1,559 satellite offices, which procure new business and are responsible for immediate customer service requests. Satellite offices are responsible for the collection of renewal premiums and proposal deposits, as well as for the underwriting and completion of non-medical cases.
- 1,173 mini offices, which are responsible for handling immediate customer services requests. We open mini offices in towns with populations of 10,000 or more with the objective of increasing insurance awareness and penetration. Mini offices provide easy accessibility to information and personalized services, even to customers in the remotest corners of India, and thereby increase the spread and penetration of insurance awareness, especially in rural areas.

Four Salary Savings Scheme units, which are responsible for servicing the Salary Savings Scheme policies from different paying authorities.

The table below sets forth our Corporation's presence in India in terms of individual agents and offices (except our central office and zonal offices) by state and union territory as at December 31, 2021.

State/Union Territory	**Individual Agents**		**Branch Offices**		**Satellite Offices**		**Mini Offices**		**Divisional Offices**	
	Number	**% of Total**	**Number**	**% of Total**	**Number**	**% of Total**	**Number**	**% of Total**	**Number**	**% of Total**
Andhra Pradesh	61,708	4.64%	105	5.13	65	4.17	19	1.62	5	4.42
Arunachal Pradesh	472	0.04	2	0.10	1	0.06	4	0.34	-	-
Assam	34,139	2.57	49	2.39	27	1.73	16	1.36	4	3.54
Bihar	73,453	5.53	60	2.93	98	6.29	19	1.62	5	4.42
Chhattisgarh	23,133	1.74	30	1.46	36	2.31	19	1.62	2	1.77
Goa	4,520	0.34	11	0.54	3	0.19	3	0.26	1	0.88
Gujarat	66,453	5.00	142	6.93	62	3.98	49	4.18	7	6.19
Haryana	29,056	2.19	40	1.95	35	2.25	22	1.88	2	1.77
Himachal Pradesh	12,229	0.92	23	1.12	14	0.90	1	0.09	1	0.88
Jammu & Kashmir	7,177	0.54	17	0.83	13	0.83	12	1.02	1	0.88
Jharkhand	29,328	2.21	41	2.00	35	2.25	32	2.73	2	1.77
Karnataka	76,710	5.77	138	6.74	97	6.22	47	4.01	8	7.08
Kerala	48,190	3.62	85	4.15	109	6.99	43	3.67	5	4.42
Madhya Pradesh	78,656	5.92	110	5.37	89	5.71	130	11.08	6	5.31
Maharashtra	154,136	11.59	250	12.21	133	8.53	98	8.35	15	13.27
Manipur	923	0.07	4	0.20	3	0.19	8	0.68	-	-
Meghalaya	817	0.06	3	0.15	1	0.06	5	0.43	-	-
Mizoram	154	0.01	1	0.05	-	-	6	0.51	-	-
Nagaland	578	0.04	3	0.15	-	-	5	0.43	-	-
Orissa	51,603	3.88	56	2.73	66	4.23	22	1.88	4	3.54
Punjab	30,161	2.27	63	3.08	45	2.89	37	3.15	3	2.65
Rajasthan	71,853	5.40	110	5.37	88	5.64	60	5.12	6	5.31
Sikkim	590	0.04	1	0.05	1	0.06				
Tamil Nadu	83,468	6.28	173	8.45	164	10.52	143	12.19	8	7.08
Telangana	46,042	3.46	71	3.47	52	3.34	16	1.36	4	3.54
Tripura	4,097	0.31	4	0.20	12	0.77	2	0.17	-	-
Uttar Pradesh	167,802	12.62	215	10.50	152	9.75	285	24.30	10	8.85
Uttarakhand	14,540	1.09	32	1.56	14	0.90	6	0.51	2	1.77
West Bengal	112,660	8.47	138	6.74	114	7.31	63	5.37	8	7.08
Andaman & Nicobar Islands	292	0.02	1	0.05	1	0.06	-	-	-	-
Chandigarh	2,982	0.22	6	0.29	2	0.13	-	-	1	0.88
Dadra & Nagar Haveli, Daman & Diu	-	-	-	-	2	0.13	-	-	-	-
NCT of Delhi	39,946	3.00	61	2.98	19	1.22	-	-	3	2.65

State/Union Territory	Individual Agents		Branch Offices		Satellite Offices		Mini Offices		Divisional Offices	
	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
Ladakh	-	-	-	-	1	0.06	-	-	-	-
Lakshadweep	-	-	-	-			1	0.09	-	-
Puducherry	1,580	0.12	3	0.15	5	0.32	-	-	-	-
Total	**1,329,448**	**100.00**	**2,048**	**100.00**	**1,559**	**100.00**	**1,173**	**100.00**	**113**	**100.00**

Our Corporation's widespread network of agents and offices enables us to reduce our Corporation's dependence on any one state or union territory of India. For Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the nine months ended December 31, 2021, our Corporation's NBP for individual products generated from the top state constituted 13.24%, 13.57%, 13.32% and 12.49% of our total NBP for individual products in India, respectively, and the top five states/union territories constituted 49.77%, 48.99%, 49.21% and 47.27% of our total NBP for individual products in India, respectively. The following table sets forth the geographical distribution of our Corporation's NBP for individual products by state and union territory of India for the years/period indicated:

State/ Union Territory	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	NBP	% of Total	NBP	% of Total	NBP	% of Total	NBP	% of Total
	(₹ in million, except percentages)							
Andhra Pradesh	20,295.30	3.98%	22,559.55	4.39%	21,951.41	3.88%	15,112.44	4.22%
Arunachal Pradesh	233.70	0.05%	246.84	0.05%	231.38	0.04%	193.26	0.05%
Assam	16,608.50	3.25%	16,222.50	3.16%	17,150.34	3.03%	12,170.81	3.40%
Bihar	21,829.60	4.28%	21,243.94	4.13%	20,398.68	3.61%	14,794.59	4.13%
Chhattisgarh	7,612.00	1.49%	8,107.15	1.58%	9,134.66	1.62%	6,182.54	1.73%
Goa	2,419.80	0.47%	2,187.22	0.43%	3,196.25	0.57%	1,618.89	0.45%
Gujarat	34,981.00	6.86%	36,748.44	7.15%	42,775.96	7.57%	24,128.51	6.73%
Haryana	8,873.50	1.74%	9,383.99	1.83%	10,159.47	1.80%	6,666.79	1.86%
Himachal Pradesh	4,062.70	0.80%	3,818.56	0.74%	4,490.17	0.79%	2,754.49	0.77%
Jammu & Kashmir	2,486.00	0.49%	2,470.13	0.48%	3,326.96	0.59%	2,188.11	0.61%
Jharkhand	11,445.80	2.24%	10,946.62	2.13%	12,817.26	2.27%	8,933.93	2.49%
Karnataka	28,853.20	5.65%	31,806.25	6.19%	37,991.92	6.72%	23,040.19	6.43%
Kerala	19,607.40	3.84%	20,462.42	3.98%	25,589.77	4.53%	14,975.84	4.18%
Madhya Pradesh	16,667.10	3.27%	16,996.96	3.31%	18,444.63	3.26%	13,088.05	3.65%
Maharashtra	67,551.20	13.24%	69,745.02	13.57%	75,291.29	13.32%	44,756.84	12.49%
Manipur	481.70	0.09%	479.09	0.09%	493.27	0.09%	356.30	0.10%
Meghalaya	445.80	0.09%	368.71	0.07%	436.92	0.08%	334.09	0.09%
Mizoram	66.10	0.01%	117.40	0.02%	129.41	0.02%	72.43	0.02%
Nagaland	294.40	0.06%	352.55	0.07%	320.82	0.06%	194.67	0.05%
Odisha	18,232.40	3.57%	18,279.84	3.56%	20,442.73	3.62%	13,643.39	3.81%
Punjab	9,722.00	1.91%	9,172.28	1.78%	10,089.98	1.78%	6,964.05	1.94%
Rajasthan	19,850.30	3.89%	20,709.54	4.03%	22,088.39	3.91%	14,844.02	4.14%
Sikkim	250.10	0.05%	275.51	0.05%	291.95	0.05%	152.54	0.04%
Tamil Nadu	34,173.30	6.70%	34,756.42	6.76%	41,196.22	7.29%	22,910.19	6.39%
Telangana	15,869.00	3.11%	16,419.69	3.19%	16,210.03	2.87%	10,627.02	2.97%
Tripura	2,325.20	0.46%	2,151.13	0.42%	2,378.27	0.42%	1,567.33	0.44%
Uttar Pradesh	53,192.70	10.42%	51,539.90	10.03%	55,177.93	9.76%	36,495.33	10.19%
Uttarakhand	4,916.40	0.96%	4,653.16	0.91%	5,287.17	0.94%	3,323.77	0.93%
West Bengal	64,063.90	12.56%	59,028.88	11.48%	63,720.37	11.27%	40,937.97	11.43%
Andaman and Nicobar Islands	114.30	0.02%	118.78	0.02%	145.87	0.03%	118.63	0.03%
Chandigarh	853.6	0.17%	934.19	0.18%	1,008.19	0.18%	656.74	0.18%
Dadra and Nagar Haveli and Daman & Diu	43.80	0.01%	121.08	0.02%	157.91	0.03%	264.32	0.07%
NCT of Delhi	21,141.50	4.14%	20,826.44	4.05%	21,886.17	3.87%	13,554.97	3.78%
Ladakh	-	0.00%	15.00	0.00%	19.64	0.00%	11.23	0.00%
Lakshadweep	0.10	0.00%	1.53	0.00%	1.64	0.00%	2.14	0.00%
Puducherry	697.70	0.14%	759.52	0.15%	833.81	0.15%	622.09	0.17%
Total	**510,261.10**	**100.00%**	**514,026.23**	**100.00%**	**565,266.85**	**100.00%**	**358,258.50**	**100.00%**

In contrast to private sector life insurance companies in India, our Corporation has a strong presence in semi-urban and rural areas. As at March 31, 2021, we had 2,390 offices located in Tier III and Tier IV centres, while private players only had 583 in aggregate in those centres, and we had 177 offices located in Tier V & VI centres, while private players had 55 in aggregate in those centres. (*Source: IRDAI Annual Report 2020-2021*). In particular, our Micro Insurance business is focused on populations located in semi-urban and rural areas. For the nine months ended December 31, 2021, the share of our Corporation's rural individual new business as a per percentage of our Corporation's total individual new business in India was 20.76% in policies, 20.19% in number of lives, 13.06% in NBP and 14.80% in sum assured. The table below sets forth our Corporation's geographical distribution in India by individual new business in metropolitan and urban areas and semi-urban and rural areas by state and union territory, as well as our Corporation's total individual new business in India, for the nine months ended December 31, 2021.

State/ Union Territory	New Business in Metropolitan, Urban and Semi-urban Centres[(1)] (Individual)				New Business in Rural Centres[(2)] (Individual)				Total New Business (Individual)			
	No. of Policies	**No. of Lives**	**NBP (₹ in million)**	**Sum Assured (₹ in million)**	**No. of Policies**	**No. of Lives**	**NBP (₹ in million)**	**Sum Assured (₹ in million)**	**No. of Policies**	**No. of Lives**	**NBP (₹ in million)**	**Sum Assured (₹ in million)**
Andhra Pradesh	423,559	398,287	12,016.53	143,765.14	156,601	143,830	3,095.91	42,753.32	580,160	542,117	15,112.44	186,518.46
Arunachal Pradesh	4,360	4,284	164.36	2,344.67	264	256	28.90	150.49	4,624	4,540	193.26	2,495.15
Assam	358,877	345,702	10,589.37	89,467.89	74,484	70,694	1,581.44	14,707.38	433,361	416,396	12,170.81	104,175.27
Bihar	675,132	663,784	13,798.04	193,064.73	77,222	55,459	996.55	14,755.86	752,354	719,243	14,794.59	207,820.59
Chhattisgarh	225,145	205,791	5,841.06	73,878.94	27,898	26,042	341.47	4,903.60	253,043	231,833	6,182.54	78,782.54
Goa	32,363	24,406	1,512.17	10,066.42	3,399	2,941	106.72	938.08	35,762	27,347	1,618.89	11,004.50
Gujarat	480,934	427,163	21,769.92	210,745.25	92,010	80,986	2,358.59	24,700.70	572,944	508,149	24,128.51	235,445.95
Haryana	238,315	219,239	5,927.11	83,130.64	40,212	24,224	739.68	11,175.65	278,527	243,463	6,666.79	94,306.29
Himachal Pradesh	36,098	35,190	307.40	3,178.97	86,917	68,459	2,447.09	25,068.80	123,015	103,649	2,754.49	28,247.76
Jammu & Kashmir	87,199	73,397	2,186.29	25,036.58	9,002	2,286	1.83	269.07	96,201	75,683	2,188.11	25,305.65
Jharkhand	241,782	229,694	8,013.87	74,009.04	44,720	41,894	920.06	10,822.37	286,502	271,588	8,933.93	84,831.41
Karnataka	489,960	483,801	17,352.10	159,643.05	406,560	388,161	5,688.09	75,852.65	896,520	871,962	23,040.19	235,495.70
Kerala	199,488	190,728	11,631.37	85,564.01	97,564	92,939	3,344.47	29,745.83	297,052	283,667	14,975.84	115,309.84
Madhya Pradesh	501,711	463,521	11,990.21	157,297.14	80,430	73,006	1,097.84	16,644.52	582,141	536,527	13,088.05	173,941.66
Maharashtra	1,047,162	929,107	41,697.02	499,655.32	161,610	145,581	3,059.82	44,019.33	1,208,772	1,074,688	44,756.84	543,674.65
Manipur	8,643	8,127	350.35	2,643.56	111	105	5.95	59.57	8,754	8,232	356.30	2,703.13
Meghalaya	6,582	5,965	334.03	2,437.31	2	2	0.06	0.35	6,584	5,967	334.09	2,437.66
Mizoram	1,772	1,746	70.77	777.02	15	15	1.66	9.08	1,787	1,761	72.43	786.10
Nagaland	4,283	4,045	189.25	1,657.45	2	2	5.41	0.74	4,285	4,047	194.67	1,658.19
Orissa	387,591	379,360	9,947.76	97,698.31	223,653	220,972	3,695.64	43,122.33	611,244	600,332	13,643.39	140,820.64
Punjab	264,054	225,609	6,117.20	77,213.39	61,813	31,405	846.84	11,723.70	325,867	257,014	6,964.05	88,937.09
Rajasthan	620,041	554,429	11,968.03	177,614.46	172,515	162,562	2,875.99	42,464.21	792,556	716,991	14,844.02	220,078.67
Sikkim	4,067	3,903	152.49	1,748.75	1	1	0.05	0.20	4,068	3,904	152.54	1,748.95
Tamil Nadu	464,946	445,201	19,405.60	176,893.01	189,831	165,506	3,504.59	42,097.32	654,777	610,707	22,910.19	218,990.33
Telangana	297,366	283,588	9,403.46	117,534.33	66,806	61,081	1,223.56	18,462.94	364,172	344,669	10,627.02	135,997.27
Tripura	60,929	53,162	1,520.29	12,453.86	2,207	1,961	47.04	397.72	63,136	55,123	1,567.33	12,851.58
Uttarakhand	123,281	109,321	3,020.94	34,364.27	22,850	16,232	302.83	3,612.43	146,131	125,553	3,323.77	37,976.69
Uttar Pradesh	1,417,748	1,339,853	32,750.94	429,883.29	254,541	231,964	3,744.39	54,923.35	1,672,289	1,571,817	36,495.33	484,806.64
West Bengal	954,573	912,133	36,295.01	233,365.51	248,180	235,678	4,642.96	42,646.21	1,202,753	1,147,811	40,937.97	276,011.72
Andaman & Nicobar Islands	2,400	2,137	118.63	938.50	-	-	-	-	2,400	2,137	118.63	938.50
Chandigarh	24,124	19,996	655.16	7,937.95	3,791	836	1.58	79.51	27,915	20,832	656.74	8,017.45
Dadra & Nagar Haveli, Daman & Diu	7,114	6,954	243.54	2,558.82	744	688	20.78	356.83	7,858	7,642	264.32	2,915.64
NCT of Delhi	317,729	254,127	13,549.04	132,209.12	17,460	8,815	5.93	314.00	335,189	262,942	13,554.97	132,523.12
Ladakh	-	-	-	-	562	458	11.23	249.10	562	458	11.23	249.10
Lakshadweep	41	39	2.14	25.63	0	0	0.00	0.00	41	39	2.14	25.63
Puducherry	12,953	12,387	571.14	5,106.09	1,885	1,557	50.95	525.56	14,838	13,944	622.09	5,631.65
Total	**10,022,322**	**9,316,176**	**311,462.58**	**3,325,908.38**	**2,625,862**	**2,356,598**	**46,795.92**	**577,552.80**	**12,648,184**	**11,672,774**	**358,258.50**	**3,903,461.18**

Notes:

(1) A metropolitan centre has a population of one million or more, an urban centre has a population of 100,000 and above but less than one million and a semi-urban centre has a population of 10,000 and above but less than 100,000.

(2) A rural centre has a population of less than 10,000.

The table below sets forth our Corporation's geographical distribution in India by group new business in metropolitan and urban centres and semi-urban and rural centres by state and union territory, as well as our Corporation's total group new business in India, for the nine months ended December 31, 2021.

State/ Union Territory	New Business in Metropolitan, Urban and Semi-urban Centres (Group)				New Business in Rural Centres (Group)				New Business Total (Group)			
	No. of Policies	No. of Lives	NBP (₹ in million)	Sum Assured (₹ in million)	No. of Policies	No. of Lives	NBP (₹ in million)	Sum Assured (₹ in million)	No. of Policies	No. of Lives	NBP (₹ in million)	Sum Assured (₹ in million)
Andhra Pradesh	1,137	294,989	18,030.21	19,663.78	26	53,750	9.06	2,129.48	1,163	348,739	18,039.27	21,793.26
Assam	482	100,274	11,309.80	36,517.12	–	–	–	–	482	100,274	11,309.80	36,517.12
Bihar	305	33,539	5,665.62	2,993.87	–	–	–	–	305	33,539	5,665.62	2,993.87
Chandigarh	334	273,452	3,215.35	9,456.23	–	–	–	–	334	273,452	3,215.35	9,456.23
Chhattisgarh	381	15,379	4,280.08	1,112.05	–	–	–	–	381	15,379	4,280.08	1,112.05
Delhi	1,004	1,724,024	130,187.28	446,401.27	2	100	0.09	14.50	1,006	1,724,124	130,187.37	446,415.77
Goa	58	33,303	2,894.33	14,084.86	–	–	–	–	58	33,303	2,894.33	14,084.86
Gujarat	1,541	478,171	16,866.08	280,266.75	55	4,061	1.62	281.05	1,596	482,232	16,867.69	280,547.80
Haryana	243	74,534	546.94	3,515.92	–	–	–	–	243	74,534	546.95	3,515.92
Himachal Pradesh	274	41,389	1,710.62	12,380.62	–	–	–	–	274	41,389	1,710.62	12,380.62
Jammu & Kashmir	160	31,445	9,869.66	22,509.91	15	2,359	0.02	11.80	175	33,804	9,869.68	22,521.70
Jharkhand	545	56,766	16,158.94	865.91	–	–	–	–	545	56,766	16,158.94	865.91
Karnataka	1,960	1,977,854	123,822.20	433,381.22	114	3,031,255	530.69	33,644.92	2,074	5,009,109	124,352.89	467,026.15
Kerala	1,199	436,031	19,142.63	27,285.08	–	–	–	–	1,199	436,031	19,142.63	27,285.08
Madhya Pradesh	734	69,516	3,572.75	9,810.36	69	7,788	2.67	512.00	803	77,304	3,575.42	10,322.36
Maharashtra	2,396	3,044,172	332,821.14	972,884.27	398	33,908	18.97	3,338.42	2,794	3,078,080	332,840.11	976,222.69
Orissa	950	262,081	8,778.39	8,088.88	15	860	0.18	42.27	965	262,941	8,778.57	8,131.15
Punjab	314	211,990	1,186.51	21,936.21	108	4,819	0.06	24.10	422	216,809	1,186.57	21,960.30
Rajasthan	626	419,867	9,455.08	36,629.07	–	–	–	–	626	419,867	9,455.08	36,629.07
Sikkim	–	–	–	–	–	–	–	–	–	–	–	–
Tamil Nadu	3,043	1,775,299	91,284.84	116,877.48	200	64,847	9.04	3,430.95	3,243	1,840,146	91,293.88	120,308.43
Telangana	1,289	985,513	23,763.44	401,366.22	–	–	–	–	1,289	985,513	23,763.44	401,366.22
Uttar Pradesh	2,160	399,301	6,304.29	79,261.28	–	–	–	–	2,160	399,301	6,304.29	79,261.28
Uttarakhand	837	174,531	6,299.14	8,966.89	–	–	–	–	837	174,531	6,299.14	8,966.89
West Bengal	2,195	604,734	54,153.90	82,209.79	1	223	0.04	11.15	2,196	604,957	54,153.93	82,220.94
Total	**24,167**	**13,518,154**	**901,319.20**	**3,048,465.07**	**1,003**	**3,203,970**	**572.45**	**43,440.63**	**25,170**	**16,722,124**	**901,891.64**	**3,091,905.70**

Technology and Digital Initiatives

We have implemented various technological and digital initiatives across our operations to increase productivity, train our agents and employees, improve cost efficiencies and upgrade customer services via technological improvements such as a seamless, digitized customer on-boarding processes and enhanced digital channels for payments. Our Corporation's expenditure on IT infrastructure for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 was ₹1,774.39 million, ₹4,244.04 million, ₹3,614.20 million and ₹1,373.40 million, in India, respectively.

Our technology team enhances our technology systems to improve our services and operations. As at December 31, 2021, we had 2,763 employees on our technology team.

Digital Customer-Facing Initiatives

Our customer portal is designed to enhance our customers' experience with our online services. As at December 31, 2021, our customer portal had 18.60 million registered users. Informational and transactional services as well as self-service features are available through the portal and our online sales platform. Customers may access these services by completing a simple registration process on the portal. Customers registered under our basic services option are able to view the premium calendar and access services such as payment of premium in advance, premium payment certificates, payment of loan interest and repayment of loans. Customers who have completed the KYC verification are able to access additional services, such as registering a change of address, changing their mode of payment and switching their fund type under ULIP. For more information on direct sales on our Corporation's website, see "*-Our Strategies – Reinforce our omni-channel distribution network and increase its productivity*" on page 193.

Our customer mobile app, available on both Android and iOS platforms, had 5.13 million registered users as at December 31, 2021.

Our Jeevan Saakshya service is a digital certificate of existence for annuitants and pensioners that eliminates the need for physical existence certificates. Annuitants/pensioners can conveniently self-generate the digital certificate of existence from anywhere using their electronic (including mobile) devices. Jeevan Saakshya also enables the annuitant/pensioner to submit his or her certificate of existence using a digital photograph on his or her mobile phone that identifies him or her using artificial intelligence and machine learning.

We have integrated the DigiLocker application developed by the Government to allow policyholders to view their policies in their DigiLocker accounts. The issued documents in the DigiLocker system are deemed to be at par with original physical documents.

Our LIC DocQ app allows policyholders to submit claim documents for survival benefit and maturity claims settlement in any of our Corporation's offices.

Our Corporation's pension and group schemes vertical is in the process of rolling out a new multi-tiered IT application designed using micro-services architecture with Oracle as the database, while the front end is Java driven. This new multi-tiered IT application provides self-servicing capabilities for customers, increased operational efficiency, improved service delivery, better risk management capabilities, an improved claims management system and a robust management information system. This new IT application is being rolled out in a phased manner, with the first phase beginning in June 2021. Hardware and software at the primary site (at Mumbai), Near Disastrous Recovery (NDR) (at Navi Mumbai) and Far Disastrous Recovery (FDR) (at Bengaluru) are up and running. All the environments viz. system integration testing, quality and analysis, user acceptance testing and production are up and running. The centralized information technology application for pension and group scheme system ("**ePGS**") has been planned to rollout in product wise phases. Along with these product-wise phases, the rollout of common functions will be concurrent. PMJJBY has been rolled out in ePGS along with the reengineered centralised collection system and the reengineered centralized payment systems with the respective accounting functions. Annuity, Swablamban and Maandhan schemes are next in line for rollout.

Non-digital Technology-enabled Access to Information for Customers

Customers can access information via call centre services and SMS-enabled services, including LICHELP (which is an SMS-based facility for policy enquiry, product query and registering of complaints under LIC Policy) and ASKLIC (which is an SMS-based service that provides policy-related information on topics such as premiums, loans, bonuses, revivals and nomination.)

We also have a voice-enabled chatbot service called "LIC Mitra" that employs conversational AI and acts as a one-stop platform where customers can find information on insurance policies, such as premium due dates, product information (including newly launched plans) and frequently asked questions related to policy servicing and claims. LIC Mitra is currently available in English, Hindi, Marathi and Malayalam we plan to make it available in other Indian languages in the future.

Additionally, to undertake the next wave of digital transformation to unlock several benefits of accelerating growth, driving customer satisfaction and improving intermediary productivity and loyalty, 'LIC Digi Zone' was inaugurated by LIC Whole-time Chairperson Shri M. R. Kumar on December 29, 2021 at BKC in Mumbai.

The purpose of the LIC Digi-Zone is to enhance its digital operations such as sales and services for its customers through kiosks installed in the premises. The kiosks are equipped with a bouquet of services and information such as insurance plans, customer portal, pay premium online, buy a policy online, office locator, premium calculator, Link PAN to LIC Policy, Check Policy PAN Status, Be a LIC Agent, LIC Website, Plan NAV and Phone Helpline.

Our Corporation has developed a system-driven escalation mechanism for prioritizing registered customer complaints if such complaints have not been resolved within two days in order to address customer grievances more effectively.

Pre-purchase Applications

We have two apps for intermediaries to use at the pre-purchase stage:

- *Sales App*: this application provides intermediaries lead management, financial need analysis, quotes and illustrations, e-proposal and content management.

- *LIC Quick Quotes App*: this application provides intermediaries with premium quotation and benefit illustration, with a facility to compare quotes and view variations.

On-boarding Digital Platforms

In addition to the portal on our Corporation's website for direct sales, we have undertaken several technological and digital initiatives, such as the development of online and mobile applications to streamline and digitize our customer on-boarding and policy issuance processes:

- ***e2e*** – an online business portal for senior business associates only, which enables Senior Business Associates to register new proposals for insurance and complete the process of underwriting and acceptance of risk for customers instantly, with immediate issuance of the first premium receipt.
- ***i-Proposal*** – this is an online proposal submission application for Senior Business Associates, select development officers, LIC Associates, Chief Life Insurance Advisors and empowered agents, which uses form-based data entry and validates proposal forms. The proposal details are submitted directly to the servicing branch, which reduces data entry activities at the branch office for underwriting, thereby ensuring faster proposal completion upon submission of proposal documents by the agent and reducing the time it takes to complete the acceptance process.
- ***ANANDA*** – this is a completely paperless digital platform for procurement of insurance business for all our Corporation's sales channels, including agents, Chief Life Insurance Advisors and Development Officer, to on-board new customers and complete the issuance of new policies. ANANDA also provides tools for customer canvassing (including premium quotes, benefits illustrations, suitability analysis and financial need analysis), online form filling, online underwriting using a rule engine, online initial deposit payments, e-signing of documents, approval of proposals and the creation of new insurance policies. Beyond the customer and onboarding process, ANANDA can also issue e-policy bonds and e-first premium receipts and automatically archive digitally signed documents for servicing customers in the future. ANANDA is designed both as a mobile app as well as a web portal, and facilitates the entire new business procurement process digitally, which is normally done offline. ANANDA operates 24 hours a day, seven days a week, which frees our sales force from conducting more time-consuming offline processes, thereby increasing their productivity. ANANDA was launched in November 2020 for online use only. To increase its use, on August 24, 2021, ANANDA was made available as a mobile app. For Fiscal 2021 and the nine months ended December 31, 2021, the number of policies issued through ANANDA was 41,241 and 210,113, respectively.

Digital Channels for Premium Payments

Our customers can pay their premiums using different digital platforms, such as UPI payments, net banking and payments via debit or credit cards on our Corporation's website, apps (including Amazon Pay, Billdesk, Google Pay, Mobikwik, Paytm and PhonePe), and via the Electronic National Automated Clearing House ("**e-NACH**"), which is a fully digital, automated payment system. Once the policyholder completes the e-NACH online, he or she gives permission to our Corporation to debit the insurance premium amount from his or her bank on a fixed day of each month. e-NACH utilizes the services of National Payments Corporation of India's National Automated Clearing House ("**NACH**").

We have a growing share of policyholders paying renewal premiums via digital channels, leading to a larger share of premium renewal premium collections made via digital channels. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, payments made via digital channels represented 25.50%, 31.53%, 42.54% and 46.95% of payments to our Corporation by the number of individual policies with renewal premiums paid in India, respectively, and payments made via digital channels represented 17.24%, 22.20%, 32.11% and 36.44% of individual renewal premiums collected in India, respectively.

Technology Initiatives for Sales Intermediaries

We have various other tech-enabled services for our agents and other distribution channels, including:

- *Sales App*: this application provides intermediaries lead management, financial need analysis, quotes and illustrations, e-proposal and content management.
- *LIC Quick Quotes App*: this application provides intermediaries with premium quotation and benefit illustration, with a facility to compare quotes and view variations.
- *Portal & Mobile App for Chief Life Insurance Advisors*: this application provides Chief Life Insurance Advisors with an informational web portal and mobile application to monitor their agents' performance and customer service. The application also provides financial need analysis, quotes, illustrations and e-proposals.

- *PRAGATI App*: this comprehensive mobile application helps development officers monitor the performance of sales personnel under his or her supervision.
- *Generic module for bancassurance partners and other corporate intermediaries*: this customised online platform developed for our institutional distribution partners, enables them to integrate with our Corporation's systems via a secure application programming interface, and (post-approval by our Corporation) provides them with facilities to generate leads for new policies, remit initial deposits, register proposals, enquire about proposals and issue e-first premium receipts.
- *Online Micro Insurance*: this online platform enables our Micro Insurance agents to register new proposals and complete the onboarding process for Micro Insurance policies.
- *Merchant Portal*: This web portal provides online services to our customers through Senior Business Associates, empowered development officers and authorised selected agents, who collect premium and proposal deposits on our behalf. Customers can remit the amount in cash or cheque. Senior Business Associates have also been provided a few non-financial facilities to cater to customers' policy-related servicing needs.
- *Agents' Pre-recruitment Mobile App*: this application facilitates the registration process for prospective agents of our Corporation, including uploading documents with auto-resizing options and mock agent tests.
- *Online Pre-recruitment Training*: this is an online training module for prospective agents, which includes a mock test-taking facility. It is available in multiple languages.

Employee-Centric Technology Initiatives

We have undertaken several technology initiatives to boost productivity of employees, including:

- *Enterprise Document Management System ("**EDMS**") Admin Workflow Platform*: This administration files workflow system provides a comprehensive eGovernance solution and facilitates the movement of official 'notes and decisions' through an electronic mode. This is a transformation of the physical movement of notes and supporting documents into digital form. It also facilitates digital movement of letters (DAK) received at the central office from the postal department/courier.
- *LIC DocQ App*: This application enables our officials working in any office across India to revive policies in satellite offices and process claim requirements online to settle claims by procuring digital copies of the original documents from any of our branch locations in India.
- Underwriting Application: Our underwriting application has been integrated with our in-house core insurance package, eFEAP (electronic front-end application), which enables, among other things, the auto-generation of rating sheets and the uploading of documents in bulk.
- *Admin Portal Customer Zone Enquire Centre*: This web portal answers online customer services-related enquiries.
- *Online Training*: With a view to encouraging self-learning through digital mode, the Self Learning Management Portal 'LIC Gyanpeeth' enables standardized training content without dependence on physical training infrastructure and facilitators.
- *Remote Working (Work from Home)*: Secure VPN capabilities to provide our employees with an official, secure remote working facility.
- *Communication Channels*: Video conferencing solutions, broadcasts by our Corporation's top management, e-mail and SMS to facilitate quick, effective communication across our operations.
- *Employee Portal eDarpan*: Online database of personal profiles containing information on all our Corporation's employees on roll.
- *Online e-Annual Performance Appraisal Reporting System*: Online module for employee performance appraisal, with self-review and reporting by senior officials, which provides a transparent and timely employee appraisal system.
- *Jeevan Sanchar*: Corporate intranet website with online facilities providing comprehensive informational resources and search capabilities to our Corporation's employees of all levels.

Back-end Technology Initiatives

Our in-house core insurance package, eFEAP, has digitized our internal operations from new business procurement to claim settlement. Processes, including the generation of new business figures, accounts summary extraction, commission processing and generation of schedules, among others, have been automated by eFEAP. The eFEAP software is integrated with the SMS, email gateways and EDMS to facilitate servicing and information delivery to our customers.

EDMS provides an image repository of all policy dockets as well as administrative and agency documents, which multiple users can simultaneously access to view images.

In addition to EDMS, we have metropolitan area servicing hubs for batch processing jobs, such as bulk printing and the NACH, which do not require in-person interactions with customers. As at December 31, 2021, we had 25 metropolitan area servicing hubs across India.

Our data warehouse is the single source of information for all regulatory and management information reports and is a source of information related to customers contact details.

Our in-house central office management information system is a web-based reporting repository that provides a near real-time management information system and other data analytics.

In November 2018, we appointed a third-party vendor to identify any gaps in our existing IT setup, as per the guidelines issued by IRDAI. This information and cyber security assurance assessment is conducted on an annual basis. In accordance with IRDAI guidelines, we also conduct a configuration audit, vulnerability assessment and penetration testing on our IT systems on a regular basis.

Some of the notable software development initiatives our Corporation has completed since April 1, 2018 that are not discussed above include:

- Launch of a new underwriting application to replace the previous application for referring proposals to a higher office for review. We also released a mobile application for uploading documents to the new underwriting application system;
- Centralization of platform for managing the ULIP business; and
- Using two network service providers of multiprotocol label switching for all locations across India, which enables redundancy in the network.

Other more recently developed or in-progress technology-related initiatives include:

- Central office private cloud for general purpose applications and a separate cloud for ULIP;
- SIEM solution for log management, correlation and alerts;
- Network level encryption (GETVPn/IPsec) to strengthen the communication channel;
- Prevention mechanism for distributed denial of service (volumetric attacks) on our internet leased lines;
- The existing unique customer identification and de-duplication solution is being upgraded; and
- Our Corporation has initiated a process for procuring an asset management tool to track all assets, validate security policies and automate compliance.

Accreditations

Our Corporation's information security management system is certified for ISO 27001:2013. Our Corporation's data centre operation has been certified for ISO 27001:2013.

Awards

Our technology team has received the following awards:

- Digital PSU Summit Awards 2021: Category AI (by the Indian Express Group);
- BFSI Digital Innovation Award 2019; and
- Red Hat Innovation Awards APAC 2018.

Operations

Our operational focus is on customer on-boarding, underwriting and pricing, customer service and retention and claims management.

Customer On-boarding

We are committed to harnessing technology capabilities to support our customer on-boarding and to drive operating efficiencies. We have undertaken several initiatives and developed mobile applications to streamline and digitize our customer on-boarding and policy issuance processes, with the aim of creating a seamless customer on-boarding process that is convenient and simple for customers and intermediaries. For more details on our mobile applications, see "– *Technology and Digital Initiatives*" on page 215.

We started issuing policies digitally ("**E-policies**") in Fiscal 2020. The following table sets forth the percentage of E-policies for individual products issued in India to total individual policies issued in India in the respective periods:

Particulars	Fiscal 2020	Fiscal 2021	Nine months ended December 31, 2021
Total number of E-policies for individual products issued in India (in million)	15.05	18.76	11.79
Total number of individual policies issued in India (in million)	21.90	20.98	12.65
Percentage of E-policies for individual products in India to total individual policies issued in India (%)	68.73%	89.44%	93.19%

Note: (1) Calculated on the actual number of E-policies for individual products in India and total individual policies issued in India and not on the numbers presented in million.

Underwriting

Underwriting focuses on maintaining equity by providing a fair risk assessment in the selection and pooling of risk and charging appropriate premium commensurate with the risk that the lives bring to the pool. Our aim is to ensure that our underwriting is undertaken in a prudent manner, keeping in mind the objectives envisaged in the Board-approved underwriting policy. The policy envisages proper selection and classification of risk to allow widespread availability and affordability of insurance to meet our basic objectives. We revise our underwriting policy from time to time, to take into account various factors, such as environmental and regulatory changes; technological and medical advances; our experiences of insured lives; market practices and feedback. We abide by the IRDAI guidelines on know-your-customer ("**KYC**") and prevention of money laundering when accepting proposals and renewing policies.

Our Corporation carries out a risk evaluation on parameters such as age, gender, health, income, education, occupation, vocation, health history of family, residence and nationality of the life to be assured and in consideration of the specific nature of a product.

Our underwriting guidelines are developed in-house, in consultation with medical officers, actuaries and reinsurers and are updated regularly. The guidelines include evidence requirements for risk assessment, various limits for risk management and rating methodology.

Our Corporation's underwriting structure is multi–tiered due to the large scale of our operations and the extent of underwriting involved.

First Tier (Sales Intermediaries): the intermediary gives the basic information on the proposed lives and a recommendation about whether or not to accept the proposed lives.

Second Tier (Branch Office, Satellite Office, Divisional Office, Zonal Office, Central Office): A large number of the proposals are processed at Branch Offices and satellite offices and are assessed on the basis of detailed guidelines and procedures laid down, up to the financial underwriting powers of the unit. Underwriting guidelines are incorporated into the front-end application of Branch Offices and satellite offices, with appropriate checks for suggestive underwriting. Proposals with a large sum assured or adverse risk factors are referred to a divisional office, a zonal office or the central office. The authority levels and financial powers for each office are defined. Medical referees are available at divisional offices, zonal offices and the central office.

During the process of underwriting, underwriters and medical referees (especially at zonal offices and the Central Office) may exercise their judgement with due diligence to arrive at an appropriate underwriting decision, which is dependent on the merits of the case. Proposals with new unidentified risk, large insurance cover and substandard cases are referred to reinsurers for their opinion and facultative reinsurance. An online underwriting application is used for escalation and underwriting of proposals in divisional offices, zonal offices and the central office.

In order to upgrade our underwriters' knowledge and skills, we facilitate their participation in various seminars, workshops and training sessions. The underwriters at our central office attend seminars conducted by our reinsurers and the Association of Insurance Underwriters to stay abreast of the latest trends in underwriting. We have also developed an interactive module for enhancing operational knowledge of underwriting at all levels.

Pricing

We price our products based on assumptions with respect to expected mortality and morbidity rates corresponding to that line of business, rates of return on investments, persistency, expenses and expense inflation so that the products are viable and profitable in due course of time, premium rates are fair to customers and sustain market competition. To arrive at assumptions with respect to mortality/longevity/morbidity, standard tables, such as the Indian Assured Lives Mortality

2012-2014, Indian Individual Annuitant Mortality 2012-2015, Critical Illness Basic Table, as applicable, as per the regulatory requirements, are used. Our Corporation introduces new products from time to time and in case our Corporation does not have any experience with a new product in a niche segment or with a product with specific nature of risks, the morbidity/mortality rates provided by reinsurers are also considered for the pricing the product based on their experience in global markets. The pricing assumptions include a margin for adverse deviation, and are based on our own experience, wherever available.

For most of our products, we conduct a long-term analysis for product sustainability. If we expect that a significant deviation may occur, we either withdraw the product completely, or replace features, or replace the product with a modified version.

Pricing (or re-pricing) is a periodic exercise based on experience analysis and the policy framework and is typically performed by our in-house actuarial team. As at December 31, 2021, we had 16 actuarially qualified members in our pricing team, including qualified Fellow Actuaries, who consider a holistic view of the risks and returns to the stakeholders within the regulatory framework. We take into account our policyholders' needs as well as our Corporation's overall marketing and business strategies when pricing our products.

Customer Service and Retention

Our customer-centric focus has won us numerous awards over the years, including, more recently, BFSI Congress – Customer Centric Excellence Award 2019-2020, ET Now World BFSI Congress – Claims Service of the Year Award 2019-2020, Skoch Award – Excellence in BFSI (Platinum) for Claim Settlement 2020-2021, Business Leader of the Year Award Claim Service Leader 2020-2021, National Award for Excellence in Financial Services for Customer Service Excellence 2020-2021 and National Award for Leadership & Excellence: Claims Service Leader Award 2021-2022, FICCI Special Jury Award at the Insurance Industry Awards 2022; FICCI Best Insurance Campaign – Life Category at the Insurance Industry Awards 2022 and Marksmen Daily for Epitomising Excellence in the BFSI Industry Award 2021-22.

Our Corporation's customer-centric business model results in minimal complaints. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, in India, our Corporation received 4,276 unfair business practices complaints out of 21.43 million policies sold, 3,994 unfair business practices complaints out of 21.92 million policies sold, 4,107 unfair business practices complaints out of 21.01 million policies sold and 2,578 unfair business practices complaints out of 12.67 million policies sold, respectively.

The following table sets forth certain key ratios in India as at and for the periods indicated:

Particulars	As at and for the year ended March 31,			As at and for the nine months ended December 31, 2021
	2019	2020	2021	
Death Claims Repudiation Ratio[(1)]	0.43	0.81	0.69	0.29
Number of complaints received in India for individual and group products	102,274	109,613	111,382	85,015
Conservation Ratio[(2)] (%) (in India for individual products)	92.19%	88.79%	84.48%	93.72%

Notes:

(1) Death Claims Repudiation Ratio is the number of claims repudiated or not found admissible out of the total number intimated for individual products in India, expressed as a ratio.

(2) Conservation Ratio represents the total renewal premium for individual products in India for the year or period, expressed as a percentage of total renewal premium income (individual products) in the current year divided by first year income and renewal premium income in the previous year.

We have a chatbot service, 'LIC Mitra', which provides our customers with a platform to raise queries related to policy servicing and claims.

We have 74 customer zones across India as at December 31, 2021, each of which works as a 'one-stop contact' for the resolution of all servicing needs of a customer.

We have a centralized call centre that works 24 hours a day, seven days a week. The call centre is operational in Hindi, English and eight regional languages: Bengali; Gujarati; Kannada; Malayalam; Marathi; Oriya; Tamil; and Telugu. A total of 5.99 million calls were received at the call centre during Fiscal 2021, of which 3.64 million, or 61%, were completed via the interactive voice response system and 2.34 million, or 39%, were referred to the call centre executive's desk. The average customer satisfaction ratings received for Fiscal 2021 was 4.51 on the scale of one (poor) to five (excellent). Of the calls attended by the call centre executives, only 0.12 million, or 5.76%, of the calls were escalated to LIC Helpdesk for further resolution.

We have an SMS initiative called LICHELP, where policyholders can send an SMS and file a claim or complaint with us. On receipt of an SMS, we send an acknowledgement SMS with a reference number to the policyholder and an official from the customer service zone mapped to the servicing branch of the policy, contacts the customer for resolution of the complaint or request. We update the policyholder at each stage of the process through an SMS or an e-mail. Customers can also contact us at an e-mail address for redressal of any grievances.

Our Corporation also has an online system – the 'Integrated Complaint Management System' ("**ICMS**") - through 'LIC's e-services' available on our Corporation's website, to ensure a quick redressal of customers' grievances. This online system allows policyholders to register a grievance and track its status.

Our Corporation has grievance redressal officers at Branch, divisional, zonal and central office levels to redress our customers' grievances. If a policyholder is not satisfied with the decision of our redressal officers, a policyholder can also appeal to the Insurance Ombudsman. The Ombudsman can entertain disputes relating to partial or total repudiation of claims, delay in settlement of claims, any dispute on the terms of the policies in so far as such disputes relate to claims, disputes regarding premium paid or payable in terms of the policy and non-issuance of insurance documents.

The table below sets forth the number of death claims reported and death claims settlement ratio for individual policies in India for the periods indicated:

Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Nine months ended December 31, 2021
Number of death claims reported	750,950	758,916	946,976	1,109,158
Death Claims Settlement Ratio(1) (%)	97.79	96.69	98.62	96.09

*Notes: (1) Death claims settlement ratio is calculated as the number of claims paid out of the total intimated ("**Death Claims Settlement Ratio**").*

The following table sets forth information relating to our grievance disposal for individual policies in India as at and for periods indicated:

Particulars	As at and for the year ended			As at and for the nine months ended December 31, 2021
	March 31, 2019	March 31, 2020	March 31, 2021	
Opening balance at the beginning of the year/period	–	–	51	–
Add: Additions during the year/period	102,274	109,613	111,382	85,015
Less: Complaints resolved during the year/period	102,274	109,562	111,433	84,503
Complaints pending at the end of the year/period	–	51	–	512

The following tables provide details of the number of complaints by individual policyholders in India and the complaint resolution periods for the periods and dates indicated.

Particulars	As at and for the nine months ended December 31, 2021					
	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	0	2,578	2,363	147	39	29
New business related	0	5,724	5,280	362	41	41
Policy servicing related	0	25,612	23,800	1,450	268	94
Claims servicing related(1)	0	32,930	30,442	2,051	265	172
Others	0	18,171	16,761	1,017	217	176
Total	0	85,015	78,646	5,027	830	512

(1) Claims include for death, maturity, survival benefit, pension, surrender and other benefits.

Duration pending	As at and for the nine months ended December 31, 2021		
	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	450	–	450
More than 15 days	62	–	62
Total	512	–	512

Particulars	As at and for the year ended March 31, 2021					
	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	–	4,107	3,741	292	74	–
New business related	–	5,699	5,153	502	44	–

Particulars	As at and for the year ended March 31, 2021					
	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Policy servicing related	–	39,536	36,594	2,567	375	–
Claims servicing related(1)	–	37,416	34,324	2,794	298	–
Others	51	24,624	22,584	1,754	337	–
Total	**51**	**111,382**	**102,396**	**7,909**	**1,128**	**–**

Note: (1) Claims include for death, maturity, survival benefit, pension, surrender and other benefits.

Duration of complaints pending	As at March 31, 2021		
	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	–	–	–
More than 15 days	–	–	–
Total	–	–	–

Particulars	As at and for the year ended March 31, 2020					
	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	–	3,792	3,455	275	62	–
New business related	–	4,239	3,906	295	38	–
Policy servicing related	–	47,849	44,545	2,689	615	–
Claims servicing related(1)	–	28,954	26,870	1,778	306	–
Others	–	24,779	22,906	1,440	382	51
Total	**–**	**109,613**	**101,682**	**6,477**	**1,403**	**51**

Note: (1) Claims include for death, maturity, survival benefit, pension, surrender and other benefits.

Duration of complaints pending	As at March 31, 2020		
	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	51	–	51
More than 15 days	–	–	–
Total	**51**	–	**51**

Particulars	As at and for the year ended March 31, 2019					
	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
Sales related	–	4,273	3,899	281	93	–
New business related	–	3,291	3,062	177	52	–
Policy servicing related	–	42,568	39,498	2,227	843	–
Claims servicing related(1)	–	24,138	22,205	1,427	506	–
Others	–	28,004	25,929	1,469	606	–
Total	**–**	**102,274**	**94,593**	**5,581**	**2,100**	**–**

Note: (1) Claims include for death, maturity, survival benefit, pension, surrender and other benefits.

Duration of complaints pending	As at March 31, 2019		
	Complaints made by customers	Complaints made by intermediaries	Total
Less than 15 days	–	–	–
More than 15 days	–	–	–
Total	–	–	–

The following table sets forth our Persistency Ratios in terms of amount of premium by (i) regular premium and limited premium ("**RP & LP**"), (ii) single premium and fully paid-up premium ("**SP & FP**") and (iii) total premium ("**TP**") in India under individual category as at the dates indicated.

Individual Products	As at March 31,									As at December 31, 2021		
	2019			2020			2021					
	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)
13th month	77	100	88	72	100	85	79	100	87	77	100	88
25th month	71	99	84	67	99	83	70	99	83	72	99	83
37th month	65	97	76	63	98	80	67	98	82	68	97	80
49th month	60	95	73	58	96	72	63	97	79	65	96	80
61st month	63	92	72	54	94	70	59	95	72	62	96	79

The following table sets forth our Persistency Ratios in India in terms of amount of premium by (i) regular premium and limited premium, (ii) single premium and fully paid-up premium and (iii) total premium by product categories under individual category as at the dates indicated.

Product Category	Particulars	As at March 31,									As at December 31, 2021		
		2019			2020			2021					
		RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)
Participating Products (Non-Linked)	13th month	77	99	82	72	99	78	79	99	82	77	99	82
	25th month	71	98	77	67	98	74	70	98	76	72	98	77
	37th month	65	97	74	63	96	71	67	96	74	68	96	74
	49th month	60	95	73	58	95	68	63	94	70	65	95	72
	61st month	63	92	72	54	93	69	59	94	68	62	94	71
Non-Participating Products (Non-Linked)	13th month	64	100	99	59	100	99	64	100	99	64	100	99
	25th month	56	100	99	53	99	98	52	99	98	52	99	98
	37th month	51	99	95	48	99	98	49	99	98	49	98	97
	49th month	47	99	83	45	99	96	45	99	98	45	97	96
	61st month	33	99	81	42	99	89	41	99	95	42	98	97
Unit-Linked Products	13th month	70	NA	70	77	NA	77	61	100	74	58	100	88
	25th month	72	NA	72	61	NA	61	70	NA	70	59	NA	59
	37th month	64	NA	64	64	NA	64	54	NA	54	66	NA	66
	49th month	NA	NA	NA	55	NA	55	57	NA	57	50	NA	50
	61st month	52	80	76	NA	NA	NA	43	NA	43	46	NA	46

Notes: *(1) NA means not applicable since there is no business (no exposure) in the corresponding year of issue.*

The following table set forth our Persistency Ratios in terms of amount of premium (i) regular premium and limited premium, (ii) single premium and fully paid-up premium, and (iii) total premium in India according to our distribution channels under individual category as at the dates indicated.

Distribution Channel	Particulars	As at March 31,									As at December 31, 2021		
		2019			2020			2021					
		RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)
Individual Agents	13th month	77	100	88	73	100	85	79	100	87	77	100	88
	25th month	71	99	84	68	99	82	70	99	83	72	99	83
	37th month	65	98	76	63	98	80	67	98	82	68	97	80
	49th month	60	96	73	58	97	72	63	98	79	65	97	80
	61st month	63	93	72	54	95	70	59	96	72	62	97	79
Corporate Agents (including bancassurance)	13th month	40	99	90	38	99	87	49	99	89	48	99	90
	25th month	34	96	88	34	97	88	37	97	85	42	98	86
	37th month	28	91	75	29	94	87	33	95	86	33	94	80
	49th month	23	84	71	25	87	73	29	92	85	31	91	84
	61st month	25	80	70	21	81	68	24	85	71	27	89	82
Digital marketing	13th month	78	100	97	76	100	96	80	100	97	81	100	97
	25th month	72	99	96	70	99	96	73	99	95	75	99	96
	37th month	66	98	91	66	99	95	69	99	96	70	98	94
	49th month	55	94	87	60	97	90	65	98	94	66	98	95
	61st month	54	91	83	51	94	86	59	97	90	62	97	94
Micro Insurance Agents	13th month	14	100	16	13	100	18	78	100	78	78	100	78
	25th month	13	99	15	10	100	12	11	100	16	50	100	51
	37th month	11	99	14	10	99	13	9	100	11	9	100	15
	49th month	6	94	9	8	99	11	10	98	12	9	99	11
	61st month	15	89	16	4	93	7	5	97	8	6	96	8
Other channels(2)	13th month	73	100	97	69	100	95	77	99	89	77	100	91
	25th month	65	99	95	68	98	95	63	98	92	69	98	88
	37th month	61	100	83	62	99	95	65	98	94	61	96	91
	49th month	67	100	78	59	98	85	57	99	94	66	99	94
	61st month	73	99	81	61	99	80	58	98	85	64	99	95

Notes: (1) Other channels include brokers and insurance marketing firms.

Claims Management

As a customer-centric organisation, we endeavour to raise the benchmark in our claims settlement performance. Our efficient and fair claim settlement process is evidenced by us winning ET Now World BFSI Congress - Claims Service of the Year Award in 2019-2020.

The tables below show our claims settlement ratio and claims paid out as a percentage of premium for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 by product type in India.

Product Type	**Fiscal 2019**				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
In India:					
Non-Linked Products:					
Life Participating	2,194,127.65	1,362,627.19	1,259,269.18	92.41	57.39
Life Non-Participating	11,717.81	4,928.05	4,490.96	91.13	38.33
Annuity Participating	48.74	1,303.95	1,234.41	94.67	2,532.64
Annuity Non-Participating	164,920.71	5,265.61	5,042.53	95.76	3.06
Pension Participating	7,078.98	7,498.84	7,466.65	99.57	105.48
Health Non-Participating	2,978.37	345.63	259.54	75.09	8.71
Variable Non-Participating	472.15	2,022.30	1,959.78	96.91	415.08
Group Non-Participating	981,893.04	270,444.64	270,348.74	99.96	27.53
Linked Products:					
Life Non-Participating	4,423.68	75,926.64	74,394.39	97.98	1,681.73
Pension Non-Participating	2,269.21	10,197.90	6,618.11	64.90	291.65
Health Non-Participating	1,273.82	271.49	241.57	88.98	18.96
Group Non-Participating	96.02	55.51	55.51	100.00	57.81
Total in India	**3,371,300.19**	**1,740,587.75**	**1,631,381.37**	**93.73**	**48.39**

Product Type	**Fiscal 2020**				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
In India:					
Non-Linked Products:					
Life Participating	2,271,597.00	1,307,146.44	1,164,727.42	89.10	51.27
Life Non-Participating	12,184.13	4,755.23	3,845.70	80.87	31.56
Annuity Participating	44.91	699.59	621.19	88.79	1,383.19
Annuity Non-Participating	152,430.16	5,813.50	5,416.17	93.17	3.55
Pension Participating	6,507.03	2,370.26	2,350.80	99.18	36.13
Health Non-Participating	3,148.80	449.87	315.52	70.14	104.02
Variable Non-Participating	376.54	464.51	397.05	85.48	105.45
Group Non-Participating	1,336,289.73	408,530.68	405,673.17	99.30	30.36
Linked Products					
Life Non-Participating	4,597.22	9,395.33	6,358.51	67.68	138.31
Pension Non-Participating	1,797.64	13,879.19	8,084.55	58.25	449.73
Health Non-Participating	1,089.45	346.36	266.82	77.04	24.49
Group Non-Participating	73.02	46.02	45.57	99.02	62.41
Total in India	**3,790,135.62**	**1,753,896.98**	**1,598,102.47**	**91.12**	**42.16**

Product Type	**Fiscal 2021**				
	Premium [A] (₹ in million)	**Amount of Claims Made [B] (₹ in million)**	**Amount of Claims Paid Out [C] (₹ in million)**	**Claims Settlement Ratio [D=C/B] (%)**	**Claims Paid Out as a Percentage of Premium [E=C/A] (%)**
In India:					
Non-Linked Products:					
Life Participating	2,438,148.45	1,551,793.20	1,410,649.30	90.90	57.86
Life Non-Participating	13,446.36	6,827.21	6,333.39	92.77	47.10

Product Type	Fiscal 2021				
	Premium [A] (₹ in million)	Amount of Claims Made [B] (₹ in million)	Amount of Claims Paid Out [C] (₹ in million)	Claims Settlement Ratio [D=C/B] (%)	Claims Paid Out as a Percentage of Premium [E=C/A] (%)
Annuity Participating	35.06	683.56	585.06	85.59	16.69
Annuity Non-Participating	202,972.41	8,820.80	8,212.57	93.10	4.05
Pension Participating	5,806.02	3,188.98	3,133.12	98.25	53.96
Health Non-Participating	3,382.38	338.52	267.62	79.06	7.91
Variable Non-Participating	208.67	2,247.86	2,179.65	96.97	10.45
Group Non-Participating	1,350,886.56	375,798.56	374,677.84	99.70	27.74
Linked Products:					
Life Non-Participating	11,538.52	51,504.04	34,801.58	67.57	301.61
Pension Non-Participating	1,360.61	18,776.96	13,134.56	69.95	965.34
Health Non-Participating	1,068.85	359.08	304.04	84.84	28.45
Group Non-Participating	27.47	38.05	38.05	100.00	138.51
Total in India	**4,028,881.36**	**2,020,376.82**	**1,854,316.78**	**91.78**	**46.03**

Product Name	Nine months ended December 31, 2021				
	Premium [A] (₹ in million)	Amount of Claims Made [B] (₹ in million)	Amount of Claims Paid Out [C] (₹ in million)	Claims Settlement Ratio [D=C/B] (%)	Claims Paid Out as a Percentage of Premium [E=C/A] (%)
In India:					
Non-Linked Products:					
Life Participating	1,763,560.63	1,262,700.52	1,111,029.94	87.99	63.00
Life Non-Participating	12,072.49	9,065.38	7,679.42	84.71	63.61
Annuity Participating	19.84	1,067.52	1,008.91	94.51	5,085.23
Annuity Non-Participating	88,782.54	10,930.54	10,795.38	98.76	12.16
Pension Participating	3,208.08	3,786.16	2,833.49	74.84	88.32
Health Non-Participating	2,230.89	471.62	194.95	41.34	8.74
Variable Non-Participating	59.10	632.41	578.62	91.49	979.05
Group Non-Participating	946,313.13	305,541.14	303,892.85	99.46	32.11
Linked Products:					
Life Non-Participating	20,016.67	48,662.44	45,850.97	94.22	229.06
Pension Non-Participating	734.32	8,349.62	3,776.74	45.23	514.32
Health Non-Participating	513.09	463.04	393.99	85.09	76.79
Group Non-Participating	22.04	28.18	28.18	100.00	127.86
Total in India	2,837,532.82	1,651,698.57	1,488,063.04	90.09	52.44

Individual Products

Our claims management process includes intimating the policyholder in time and getting the requirements for periodical payments and maturity claims. We send the intimations well in advance by speed post/registered acknowledgement due and we send reminders through SMS and email. Our endeavour is to settle majority of the claims on or before the due date.

Upon receiving death intimation from claimants, the requirements, such as the death certificate, policy bond and KYC are sought. If the death has occurred/happened after three years of the sale of the policy, the claim is settled expeditiously. If the death has occurred/happened within three years of the sale of the policy, we conduct an investigation and the same is settled on the merit of the case. The maturity claim and the death claims are paid at our branches. We may reject the claim if the policy has lapsed or if any of the restrictive clauses apply.

We repudiate a claim only in case of suppression of material information or frauds. Even in those cases where we originally repudiate a claim, we give an opportunity to the claimant to make a representation for consideration by the Claims Dispute Redressal Committees at the applicable zonal office and the central office. The Claims Dispute Redressal Committees at the central and zonal offices have, among other members, a retired High Court or District Court judge.

For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, we settled 61.54%, 65.26%, 61.17% and 68.69% of the individual living benefit claims within IRDAI timelines, respectively.

The following table provides details of the amount of maturity and death claims paid and the number of maturity and death claims made by and settled for individual policyholders in India for the years/period indicated.

	Maturity Claims				Death Claims			
	Claims paid (₹ in million)	**No. of claims made (in million)**	**No. of claims settled (in million)**	**Ratio of claims made to claims settled (in%)**	**Claims paid (₹ in million)**	**No. of claims made (in million)**	**No. of claims settled (in million)**	**Ratio of claims made to claims settled (in %)[(1)]**
Fiscal 2019	1,231,921.53	26.54	24.64	92.86	128,719.18	0.75	0.73	97.79
Fiscal 2020	1,064,006.12	23.26	20.36	87.50	127,978.47	0.76	0.73	96.69
Fiscal 2021	1,294,590.49	24.48	21.98	89.78	182,955.83	0.95	0.93	98.62
Nine months ended December 31, 2021	957,226.58	17.29	15.25	88.20	226,682.07	1.11	1.07	96.09

Note: (1) Calculated on the actual number of death claims made and settled and not on the numbers presented in million.

The following table sets forth the ratio of the number of death claims by individual policyholders in India that were settled, repudiated and rejected for the years/period indicated and were pending as at dates indicated.

	As at and for the year ended March 31,			**As at and for the nine months ended December 31, 2021**
	2019	**2020**	**2021**	
	(ratios)			
Settled	97.79	96.69	98.62	96.09
Repudiated	0.43	0.81	0.69	0.29
Rejected	0.46	0.29	0.31	0.20
Pending	0.11	0.77	0.18	3.16

Pension & Group Products

There are typically three types of claims that arise under different schemes of our pension and group products: (i) on the death of a member; (ii) on the member reaching the superannuation age; and (iii) on the member's resignation or termination before the superannuation age. Under group gratuity, group leave encashment, group saving linked insurance and group superannuation schemes, claims may be made upon the occurrence of any of the above contingencies. Under group term assurance schemes, claims arise in the event of death only. Further, additional annuity payments are made under group superannuation schemes and group annuity schemes.

Under the group schemes, claim amounts are payable to the master policyholder, except under group insurance policies effected in lieu of Employees Deposit Linked Insurance Scheme, where the claim is payable directly to the savings bank account of the beneficiary nominated under the provident fund account. The claim payment is made to the nominee under non-employer-employee group schemes. Under lender-borrower group insurance schemes, a claim is paid to the master policyholder up to the loan outstanding and the balance amount is paid to the nominee directly.

Under group saving linked insurance schemes, the contributions are normally borne by the members themselves and the claims may be settled in favour of the member, nominee or legal heirs under the instructions and authority of the employer (i.e., the master policyholder). The annuity payments may also be directly made to the annuitants on behalf of the trustees under written instructions and authority of the trustees of the superannuation funds.

The master policies of the group schemes are granted in the name of the trustees, employer, or the representative of the group. Consequently, all the requirements needed in connection with the settlement of claims arising thereunder have to be complied with and discharge is to be given by the master policyholder, for example, the employer or trustees (as the case may be), instead of individual members. Individual members under the group schemes are normally covered on the basis of simple insurability conditions rather than individual evidence of health.

In view of dealing with group clients, the requirements for the settlement of claims under our group schemes are streamlined and minimal.

The following table provides details of maturity and death claims made by and settled for group policyholders in India for the years/period indicated.

	Maturity Claims			Death Claims		
	No. of claims made (in million)	**No. of claims settled (in million)**	**Ratio of claims made to claims settled (in %)**	**No. of claims made (in million)**	**No. of claims settled (in million)**	**Ratio of claims made to claims settled(1) (in %)**
Fiscal 2019	0.32	0.32	100.00	0.26	0.26	99.68
Fiscal 2020	0.31	0.31	100.00	0.22	0.20	91.08
Fiscal 2021	0.31	0.29	93.55	0.22	0.21	96.80
Nine months ended December 31, 2021	0.22	0.22	99.89	0.17	0.17	96.37

Note: (1) Calculated on the actual number of death claims made and settled and not on the numbers presented in million.

The following table sets forth the ratio of the number of death claims by group policyholders in India that were settled, repudiated and rejected for the years/period indicated and were pending as at dates indicated.

	As at and for the year ended March 31,			As at and for the nine months ended December 31, 2021
	2019	**2020**	**2021**	
	(ratios)			
Settled	99.68	91.08	96.80	96.37
Repudiated	0.02	0.18	0.39	2.68
Rejected	–	–	–	–
Pending	0.30	8.75	2.81	0.95

Investments

Our Corporation's investments comprise investments made with policyholders' funds and investments made with Shareholders' funds. The following table sets forth the breakdown of our Corporation's AUM on a standalone basis by fund type as at the dates indicated:

Investment Strategy

Funds	As at March 31,						As at December 31, 2021	
	2019		**2020**		**2021**			
	Carrying Value	**% of Total**	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**
	(₹ in million, except percentages)							
Policyholders' Funds								
Participating Funds	22,371,935.55	74.87	22,372,689.23	72.77	26,928,965.96	73.25	25,099,649.10	62.56
Non-Participating Funds	6,746,408.14	22.58	7,728,523.36	25.14	9,125,067.05	24.82	14,494,349.67	36.13
Linked Funds	754,522.86	2.53	635,391.95	2.07	700,560.25	1.91	463,581.33	1.16
Shareholders' Funds	6,366.19	0.02	6,852.93	0.02	7,194.42	0.02	64,139.84	0.16
Total	**29,879,232.74**	**100.00**	**30,743,457.47**	**100.00**	**36,761,787.68**	**100.00**	**40,121,719.94**	**100.00**

Our Corporation invests premiums received and other income generated from our insurance business to meet the future liabilities associated with the insurance products that we underwrite, as well as to generate returns for our business. We believe that our success in investment management contributes to the competitiveness of our products, financial strength, profitability and business reputation.

We have established an investment policy (the "**Investment Policy**"), which delineates our investment objectives and policies. The overall objective of the Investment Policy flows from the broader investment objective as laid out in one of our Corporation's objectives, which is that in the investment of funds, the primary obligation is to our policyholders whose money we hold on trust. The Investment Policy aims to achieve several objectives, such as: (i) to acquire and maintain quality assets that will meet the liabilities accepted by our Corporation; (ii) to be able to meet our policyholders' reasonable expectations with regard to the safety of their funds and to ensure optimal returns; (iii) to adhere to all regulatory provisions; (iv) to conduct all related activities in a cost-effective and efficient manner; (v) to achieve performance in line with benchmarks identified for different investment portfolios; and (vi) to deploy funds in the manner that is most advantageous to our policyholders. The Investment Policy maintains a "safety first" objective, which is reflected in our investment in sovereign bonds, high-rated corporate bonds and equities.

The Heads of Investment-Operations (front office), Monitoring & Accounting (back office) and Risk Management (mid-office) functions are responsible for the implementation of the Investment Policy. These functions maintain a system of internal controls that supports the achievement of investment objectives, and are responsible for the risk management system, as may be applicable to their respective areas of operation, while coordinating with the other sections. The front office is headed by the Chief Investment Officer and the mid-office is headed by the Chief Risk Officer. The Investment Policy lays down the norms as to how our Corporation's assets should be managed while adhering to our objectives, the Life Insurance Corporation Act and the applicable provisions of the IRDAI regulatory provisions, the RBI and SEBI guidelines, along with the policyholders' reasonable expectations.

The investment objectives for each category of funds are as follows:

Participating Funds

Investments are made in appropriate asset classes so as to generate reasonable returns**,** over a long term, for the policyholders. Investments are required to comply with IRDAI regulations and other statutory requirements, while meeting risk parameters and prudential limits prescribed by the Board and the Investment Committee. We aim to develop a strategy to align with asset-liability management ("**ALM**") requirements / guidelines as closely as possible and maintain appropriate liquidity levels at all times. We attempt to optimize the yield on the investment portfolio by developing and executing an appropriate asset allocation strategy based on short-term and long-term views on permissible asset classes.

Non-Participating Funds

The objective of our non-participating funds is to meet all the projected benefits of all the policies. We attempt to optimize the yield on the investment portfolio, while adhering to all regulatory/statutory requirements and aligning with ALM requirements as closely as possible.

Linked Funds

While adhering to the mandated investment pattern of each fund, funds are invested in such a manner so as to generate returns commensurate with the market, fund composition and risk appetite, thereby ensuring adequate liquidity for catering to and meeting all redemptions and claims. Each of these funds is managed independently, keeping in mind the requirements of each fund.

Shareholders' Funds

The objective of Shareholders' funds is to ensure availability of capital for our Corporation and to meet the required solvency margin for the India only business of 150%. Investments using Shareholders' funds are mostly made in the least risky assets and are highly liquid in nature. We attempt to optimize returns on investments using Shareholders' funds, while adhering to all regulatory guidelines and relevant laws. Our Corporation's Shareholders' funds on a standalone basis also include our investments in our Subsidiaries.

Investment Composition

All of our Corporation's investments are governed by the IRDAI (Investments) Regulations, 2016 and the Investment Master Circulars issued by IRDAI from time to time. In addition, investments in all asset classes are restricted to the duly approved internal exposure norms mentioned in the Investment Policy and our standard operating procedures. For more details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows-Investment Restrictions"* and *"Key Regulations and Policies—Certain guidelines and circulars notified by the IRDAI"* on pages 54 and 266, respectively.

Our investments comprise central/state government securities, corporate bonds, securitised debts, equities and preference shares, mutual funds, alternate investments and money market instruments. We make informed investment decisions by analysing information from various sources.

As at December 31, 2021, our policyholders had total investments of ₹40,057,580.10 on a standalone basis, including investments of more than ₹9,838,054.04 in equities, representing 24.56% of investments. As at December 31, 2021, over 90% of our policyholders' equity investments in India are held in stocks that are a part of the Nifty 200 and BSE 200 indices. As per the CRISIL Report, as at December 31, 2021, our Corporation's investments in listed equity represented approximately 4% of the total market capitalisation of NSE as at that date. (*Source: the CRISIL Report*).

As at December 31, 2021, our policyholders' investments included 49.24% of the outstanding shares in IDBI Bank, an Indian private sector bank whose shares are listed for trading on BSE and NSE, as well as 45.24% of the outstanding shares in LIC Housing Finance, an Indian housing finance company whose equity shares are listed on BSE and NSE and whose Global Depository Shares are listed on the Luxembourg Stock Exchange. Although IDBI Bank and LIC Housing Finance are currently associates of our Corporation, as the investments in IDBI Bank and LIC Housing Finance were made using policyholders' funds, these investments form part of the investments in the Policyholders' Account.

As at December 31, 2021, on a standalone basis, aside from equities, our policyholders had an investment assets mix comprising 38.09% central government securities, 24.25% state government securities 8.33% corporate bonds, 3.05% loans, 0.15% money market instruments, 0.56% approved securities, 0.64% mutual funds, exchange traded funds and venture funds and 0.37% other investments (i.e., preference shares and investment properties).

Our Corporation has also invested in the infrastructure and social sectors, in line with our wider social welfare objectives. For further information on our environmental, social and governance efforts, see "*-Environmental, Social and Governance*" on page 241.

Of our total AUM as at December 31, 2021 on a standalone basis, 62.56% was held in participating policyholder investments, 36.12% was held in non-participating policyholder investments, 1.16% was held in unit-linked policyholder investments and 0.16% was held in Shareholders' investments.

The following table sets forth the composition of our investments on a standalone basis by asset class on the basis of carrying value as at December 31, 2021:

Asset Class	**As at December 31, 2021**									
	Policyholders' Funds						**Shareholders' Funds**		**Total**	
	Participating Funds		**Non-Participating Funds**		**Linked Funds**					
	Carrying Value	**% of Total**	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**	**Carrying Value**	**% of Total**
	(₹ in million, except percentages)									
Central Government Securities	10,648,205.48	42.42	4,518,377.89	31.18	98,066.63	21.15	16,242.28	25.32	15,280,892.28	38.09
State Government Securities	5,632,159.48	22.44	3,996,530.63	27.57	81,083.87	17.49	20,013.37	31.20	9,729,787.35	24.25
Other Approved Securities	181,898.25	0.72	39,375.40	0.27	4,385.08	0.95	-	-	225,658.73	0.56
Loans	1,220,365.69	4.86	3,384.96	0.02	43.25	0.01	-	-	1,223,793.90	3.05
Debentures, Bonds & Pass-Through Certificates	2,196,713.01	8.75	1,112,915.17	7.68	33,410.59	7.21	131.59	0.21	3,343,170.36	8.33
Equity	4,837,975.78	19.28	4,765,537.63	32.88	234,540.63	50.59	13,697.47	21.36	9,851,751.51	24.56
Venture Funds/ Alternative Investment Funds, Mutual Funds & Exchange Traded Funds(1)	206,337.13	0.82	26,762.28	0.18	12,050.98	2.60	13,561.52	21.14	258,711.91	0.64
Money Market Instruments	27,323.64	0.11	31,464.84	0.22	0.30	-	433.08	0.68	59,221.86	0.15
Other Investments(2)	148,670.64	0.59	0.87	0.00	-	-	60.53	0.09	148,732.04	0.37
Total	**25,099,649.10**	**100.00**	**14,494,349.67**	**100.00**	**463,581.33**	**100.00**	**64,139.84**	**100.00**	**40,121,719.94**	**100.00**

Notes:

(1) As at December 31, 2021, our Corporation's: (i) mutual fund investment had a carrying value of ₹105,909.27 million; (ii) exchange traded funds investment had a carrying value of ₹140,981.56 million; and (iii) venture funds/alternative investment funds investment had a carrying value of ₹11,821.08 million.

(2) Other investments comprise investments in preference shares and investment properties.

The following table sets forth certain information relating to our investments by asset class on a standalone basis as at the dates indicated:

Asset Class	As at March 31,						As at December 31, 2021	
	2019		2020		2021			
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	(₹ in million, except percentages)							
Central Government Securities	10,373,515.68	34.71	11,929,482.44	38.80	13,909,318.24	37.83	15,280,892.28	38.09
State Governmen Securities	8,183,564.22	27.39	9,030,603.86	29.37	9,616,086.38	26.16	9,729,787.35	24.25
Other Approved Securities	261,054.74	0.87	262,116.32	0.85	261,768.90	0.71	225,658.73	0.56
Loans	1,195,710.23	4.0	1,225,854.34	3.99	1,204,046.46	3.28	1,223,793.90	3.05
Debentures, Bonds and Pass Through Certificates	2,871,093.13	9.61	3,305,201.65	10.75	3,311,178.86	9.01	3,343,170.36	8.33
Equity	6,521,387.43	21.83	4,616,496.75	15.02	7,967,938.08	21.67	9,851,751.51	24.56
Venture Funds/ Alternative Investment Funds, Mutual Funds & Exchange Traded Funds(1)	125,560.90	0.42	97,332.32	0.32	248,814.22	0.68	258,711.91	0.64
Money Market Instruments	232,258.62	0.78	120,777.14	0.39	93,115.47	0.25	59,221.86	0.15
Other Investments(2)	115,087.79	0.39	155,592.65	0.51	149,521.07	0.41	148,732.04	0.37
Total	**29,879,232.74**	**100.00**	**30,743,457.47**	**100.00**	**36,761,787.68**	**100.00**	**40,121,719.94**	**100.00**

Notes:

(1) As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, our Corporation's: (i) mutual fund investment had carrying values of ₹85,105.11 million, ₹29,220.97 million, ₹137,774.14 million and ₹105,909.27 million, respectively; (ii) exchange traded funds investment had carrying values of ₹30,802.55 million, ₹58,130.00 million, ₹100,625.36 million and ₹140,981.56 million, respectively; and (iii) venture funds/alternative investment funds investment had carrying values of ₹9,653.24 million, ₹9,981.35 million, ₹10,414.72 million and ₹11,821.08 million, respectively.

(2) Other investments comprise investments in preference shares and investment properties.

The following table sets forth certain information relating to our domestic (within India) investments and international (outside India) investments on a standalone basis as at the dates indicated:

Funds	As at March 31,						As at the nine months ended December 31, 2021	
	2019		2020		2021			
	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total	Carrying Value	% of Total
	(₹ in million, except percentages)							
Domestic	29,840,086.11	99.87	30,702,720.08	99.87	36,714,949.07	99.87	40,064,292.53	99.86
International	39,146.63	0.13	40,737.39	0.13	46,838.61	0.13	57,427.41	0.14
Total	**29,879,232.74**	**100.00**	**30,743,457.47**	**100.00**	**36,761,787.68**	**100.00**	**40,121,719.94**	**100.00**

Investment Performance

The following table sets forth the net investment income and yield of our Corporation's AUM on a standalone basis by category for the years/period indicated:

Funds	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)
	(₹ in million, except percentages)							
A. With Interest, Amortisation, Dividends and Realised Gains / (Losses)								
Participating Funds	1,649,151.73	8.85	1,788,314.76	8.78	1,996,206.14	8.95	1,642,985.63	9.33

Funds	Fiscal						Nine months ended December 31, 2021	
	2019		2020		2021			
	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)
	(₹ in million, except percentages)							
Non-Participating Funds	514,969.21	8.47	569,965.54	8.11	662,768.29	8.15	560,082.58	7.45
Linked Funds	42,584.17	5.48	(29,809.04)	(4.32)	58,733.65	10.11	37,469.30	11.02
Shareholders' Funds	433.09	7.35	293.29	4.54	229.88	3.35	1,195.88	4.57
B. With Interest, Amortisation, Dividends and Realised and Unrealised Gains / (Losses)								
Participating Funds	3,794,102.42	21.62	1,865,931.69	9.18	4,624,824.04	22.04	2,456,212.51	14.20
Non-Participating Funds	502,108.92	8.25	436,370.52	6.15	724,569.51	8.94	3,516,949.82	54.90
Linked Funds	68,708.26	8.99	(15,427.08)	(2.26)	159,543.90	30.07	156,560.81	53.00
Shareholders' Funds	673.87	11.67	468.55	7.35	586.83	8.78	1,734.73	6.68

Notes: (1) Yield is computed using the formula i= 2I/(A+B-I) where i=gross yield, I=investment income, A=assets at the beginning of the Fiscal Year and B=assets at the end of the Fiscal Year.

Of the gross investment income set forth above, the following table sets forth gross investment income for (i) equities and (ii) debt (including government securities and excluding linked funds, and fixed deposit) in the years/period indicated:

Asset Class	Year ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)
	(₹ in million, except percentages)							
A. With Interest, Amortisation, Dividends and Realised Gains / (Losses)								
Equity	347,993.11	8.63	297,025.29	6.80	496,591.52	10.62	536,939.87	13.44
Debt and Fixed Deposit	1,715,643.67	8.47	1,879,836.32	8.38	2,067,495.37	8.27	1,580,562.86	7.73
B. With Interest, Amortisation, Dividends and Realised and Unrealised Gains / (Losses)								
Equity	2,491,561.53	84.09	257,757.33	5.87	3,267,947.0	99.28	4,391,164.01	172.16
Debt and Fixed Deposit	1,716,640.27	8.47	1,883,304.42	8.39	2,070,353.67	8.28	1,582,112.61	7.74

Note: (1) Yield is computed using the formula i = 2I/(A+B-I) where i=gross yield, I=investment income, A=assets at the beginning of the Fiscal Year and B=assets at the end of the Fiscal Year. These are yearly averages.

Of the debt investment income (including government securities and excluding linked funds) set forth in the table above, the following table sets forth net investment income from debentures, bonds and other debt securities in the years/period indicated:

Asset Class	Year ended March 31,						Nine months ended December 31, 2021	
	2019		2020		2021			
	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)	Investment Income	Yield(1) (%)
	(₹ in million, except percentages)							
A. With Interest, Amortisation, Dividends and Realised Gains / Losses								
Debentures and Bonds	243,739.37	8.67	244,065.12	8.16	267,117.24	8.34	159,282.02	6.47
Other Debts	1,471,904.30	8.43	1,635,771.20	8.41	1,800,378.13	8.26	1,421,280.84	7.91
B. With Interest, Amortisation, Dividends and Realised and Unrealised Gains / Losses								
Debentures and Bonds	244,206.57	8.69	244,817.12	8.18	268,025.34	8.37	159,703.23	6.49
Other Debts	1,472,433.70	8.43	1,638,487.30	8.43	1,802,328.33	8.27	1,422,409.38	7.91

Note: (1) Yield is computed using the formula i = 2I/(A+B-I) where i=gross yield, I=investment income, A=assets at the beginning of the Fiscal Year and B=assets at the end of the Fiscal Year. These are yearly averages.

The following table sets forth our policyholders' and Shareholders' investment in debt-by-debt rating on a standalone basis as at the dates indicated. Debt investments are considered with book value except for those in ULIP, which are considered with market value. As at December 31, 2021, 95.90% of our debt AUM was invested in sovereign and AAA rated securities.

Debt rating	**As at March 31,**						**As at December 31, 2021**	
	2019		**2020**		**2021**			
	(₹ in million)	**% of Total**	**(₹ in million)**	**% of Total**	**(₹ in million)**	**% of Total**	**(₹ in million)**	**% of Total**
Policyholders:								
Sovereign	18,789,045.30	85.03	21,190,510.59	85.46	23,750,542.54	86.95	25,207,586.01	87.76
AAA rated	2,180,558.49	9.87	2,401,065.34	9.68	2,358,251.24	8.63	2,337,817.99	8.14
AA or better	415,695.81	1.88	497,288.66	2.01	508,390.49	1.86	615,960.50	2.14
Rated below AA but above A (A or better)	299,310.27	1.35	157,455.76	0.64	183,389.48	0.67	138,246.77	0.48
Rated below A but above B	40,550.00	0.18	61,107.00	0.25	81,169.34	0.30	90,628.15	0.32
Others(1)	372,404.82	1.69	488,294.29	1.97	432,732.13	1.58	332,600.45	1.16
Total debt investments	**22,097,564.69**	**100.00**	**24,795,721.64**	**100.00**	**27,314,475.23**	**100.00**	**28,722,839.85**	**100.00**
Shareholders:								
Sovereign	1,742.06	100.00	1,740.93	100.00	1,739.80	100.00	36,002.59	100.00
AAA rated	–	–	–	–	–	–	–	–
AA or better	–	–	–	–	–	–	–	–
Rated below AA but above A (A or better)	–	–	–	–	–	–	–	–
Rated below A but above B	–	–	–	–	–	–	–	–
Others(1)	–	–	–	–	–	–	–	–
Total debt investments	**1,742.06**	**100.00**	**1,740.93**	**100.00**	**1,739.80**	**100.00**	**36,002.59**	**100.00**
Total debt investments for policyholders and Shareholders	**22,099,306.75**	**100.00**	**24,797,462.57**	**100.00**	**27,316,215.02**	**100.00**	**28,758,842.45**	**100.00**

Note: (1) Others include loans that are not rated.

The following table sets forth our Corporation's investments in corporate debt in sectors that comprise more than 5% of the total investments in corporate debt and the total investments in corporate debt on a standalone basis as at December 31, 2021.

Sector	**As at December 31, 2021**	
	(₹ in million)	**% of Total**
Infrastructure related activities	1,589,936.98	47.58
Financial service activities, except insurance activities	1,049,019.19	31.39
Investment in housing finance	453,396.60	13.57
Others (corporate debt investments in other sectors)	249,253.40	7.46
Total corporate debt	**3,341,606.17**	**100.00**

The following table sets forth our Corporation's investment in equity securities in sectors that comprise more than 5% of the total investments, and the total equity investments on a standalone basis as at December 31, 2021.

Industry/Portfolios	**As at December 31, 2021**	
	(₹ in million)	**% of Total**
Financial service activities, except insurance activities	1,495,264.19	24.66
Infrastructure related activities	634,532.44	10.47
Manufacture of pharmaceuticals, medicinal, chemical and botanical products	462,409.33	7.63
Computer programming, consultancy and related activities	414,890.62	6.84
Manufacture of coke and refined petroleum products	401,261.93	6.62

Industry/Portfolios	As at December 31, 2021	
	(₹ in million)	**% of Total**
Others (equity investments in other sectors)	2,654,637.02	43.78
Total equity	**6,062,995.53**	**100.00**

Risk Management

Given we are in the business of providing risk cover and security to our customers, we recognise that risks are an integral element of our business and managed acceptance of risk is essential for the creation of shareholder value. Our Corporation's main risks are classified according to key risk areas and functionalities, such as top line growth, compliance, persistency, investment, human resources, product and pricing, information technology and change management. We have identified our key risk indicators and we closely monitor them in an effort to mitigate these risks. Our respective departments review the risk registers on a semi-annual basis and the risk registers are updated to keep abreast of new risk observations.

Our Corporation is committed to having a continuous organizational focus on risk management, and we have put in place a risk management policy to cover areas, such as risk vision, risk governance, risk identification, risk measurement, risk monitoring and risk reporting.

Our ERM framework has three lines of defence to manage risk controls and reporting:

- First line of defence: The primary responsibility here is to manage the risks and to ensure that adequate controls are in place for mitigating the risks. The responsibility lies with the Heads of Department in the central office.
- Second line of defence: This line of defence includes the control functions, such as risk management and board secretariat/compliance. These control functions are responsible for the oversight of the first line of defence. This facilitates and monitors the implementation of effective risk management practices and supports the risk owners in assessing and reporting risk-related information (to the Risk Management Committee and the Board).
- Third line of defence: This line of defence includes the audit and inspection (internal audit) function, whose primary responsibility is to provide reasonable assurance to executive management and the Board about the adequacy and effectiveness of the governance, risk management and internal control framework and procedures within our Corporation.

Our Corporation has a decentralized risk management framework, with individual functional heads at our corporate offices monitoring and managing the risks relating to their functions through the delegation of financial powers and the usage of manuals, standard operating procedures and management information systems ("**MIS**"). At the top of our Corporation's structure is the Board of Directors who delineate the strategies, the risk appetite and policies and guidelines. Our Board of Directors provide overall guidance on risk management, which includes providing oversight on key risks and measures, approving the risk management policy, the risk management strategy, the risk appetite statement, the ALM policy on an annual basis and the business continuity plan.

In accordance with the Corporate Governance Guidelines issued by the IRDAI, we have constituted a Risk Management Committee of the Board (the "**RMCB**"). The RMCB has several functions, including overseeing the risk management governance structure, reviewing the risk management framework, risk appetite and risk mitigation plans for significant risks, identifying strategic risks emanating from changes in the business environment and regulations, ensuring that there is compliance with regulatory requirements, addressing all matters related to ALM and IT security policy for investment functions on an annual basis, reviewing regular updates on our business continuity in line with the business continuity plan, evaluating solvency and fraud monitoring, on a regular basis. RMCB meetings are convened once in every quarter to review the above aspects and report to the Board, emphasizing the matters that require further strategic intervention.

We also have an independent committee, known as the Committee of Executives on Risk Management, which consists of the Chief of the Actuarial Department and the heads of three sections of our Investment Department, namely, the front office (Chief Investment Officer), mid-office (Chief Risk Officer) and the back-office. The Committee of Executives on Risk Management supports the RMCB by supervising several major functions, such as, establishing risk management policies, MIS for risk reporting/risk control applicable to the Investment Department, framing accountability and authority for risk management, reporting to the RMCB about key risks arising from strategic initiatives and changes in the business environment or regulations, providing risk assessment review reports highlighting significant risks and risk mitigation plans, reviewing the operating risk environment including, the business continuity plan, reviewing the solvency position of our Corporation and reviewing IT security risks. The Committee of Executives on Risk Management's recommendations are reported to the RMCB through a consolidated report.

The ERM framework for our Corporation aims to establish a comprehensive risk governance structure with defined roles and responsibilities, defined methodology for identification, assessment, monitoring/mitigation and reporting of risk within the organization to ensure that significant risks are managed appropriately, to strengthen the linkages between business strategy and risk appetite in order to drive decision making, and to establish consistent and common risk language and culture across the organization. We have introduced the ERM Policy to conduct business in a systematic manner with regard to risks faced by our Corporation, and to control our business effectively with defined responsibilities and adequate risk management procedures.

We have an ERM cell, with the Chief Risk Officer heading the cell, and a team of officers supporting him at different levels. Our ERM cell provides a framework for evaluating and managing risks inherent in our Corporation through risk and control self-assessment, incident management and top risk-key risk indicator analysis. The ERM cell is working on the implementation of the IT solution package for monitoring various risks our Corporation encounters in our business.

Our investment risks are systematically identified through our systems and procedures to help protect our shareholders' and policyholders' funds, and to ensure that their reasonable expectations are met. All of our Corporation's investments are governed by the IRDAI (Investments) Regulations, 2016 and Investment Master Circular issued by IRDAI from time to time. In addition to this, investments in all asset classes are restricted to the duly approved internal exposure norms mentioned in the Investment Policy and standard operating procedures, and various other policies, such as the Risk Management Policy, Risk Appetite Statement and ALM Policy, which are reviewed annually and cover the areas of potential risk, whilst considering mitigation strategies.

Our investments are subject to market risk, liquidity risk, credit risk, interest rate risk and operational risk. Life insurance policies are subject to mortality and morbidity risk, persistency risk and expense risk.

Market Risk

Market risk refers to the uncertainty of future earnings resulting from changes in interest rates, exchange rates and the market prices of securities. Our Corporation attempts to minimise the effects of market risk by looking to primarily invest in securities that are part of major indices.

Market risk is further mitigated by matching assets and liabilities by type and duration and matching cash flows to the extent commercially practicable. The applicable investment strategy for each line of business is set out clearly to ensure that liabilities are appropriately matched by the nature and duration of assets. The investment for non-participating products consists predominantly of fixed income securities, with minimal exposure to equities. Investments for participating products are made in appropriate asset classes with portfolio yield optimized by an asset allocation strategy based on short-term and long-term views on permissible asset classes, with the aim of delivering superior returns. Unit linked funds are invested in such a manner so as to generate returns commensurate with the market, fund composition and risk appetite, ensuring adequate liquidity for meeting all redemptions and claims, while keeping investments consistent with the pattern defined for respective funds. Under the IRDAI Investment Regulations, our Corporation is required to invest our investment assets forming part of our controlled fund in certain specified categories of assets and instruments, subject to thresholds prescribed for each category of investment. Given the prescribed limits on the manner in which our Corporation's assets are held and in which our investments can be made, we may be unable to mitigate market risks, while making investments, in the same manner as non-insurance companies.

Liquidity Risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form. Hence, there is a risk of losses if our Corporation is forced to sell assets at unfavourable prices to meet the cash flow requirements as and when they arise if we hold insufficient liquid assets to support the liabilities.

Our Corporation faces limited liquidity risk due to the nature of our liabilities and business structure. The cash investments along with expected future premium from existing business is usually sufficient to cover expected pay-outs. Our Corporation manages our liquidity risk by monitoring the asset-liability cash flow matching positions. The cash flow matching analysis is also analysed under various stressed scenarios.

Credit Risk

Credit risk is the risk resulting from the failure of our obligors or our counterparties to perform or timely perform their contractual obligations or the deterioration in the credit profile of relevant parties. Credit risk is mitigated by (i) restricting investments primarily to securities rated AA and above by domestic rating agencies, (ii) monitoring the quarterly performances of our portfolio companies, their ratings and their track record of servicing of their obligations on the due dates, and (iii) setting counterparty exposure limits for companies, groups and industries in accordance with the IRDAI norms and our investment policy.

Interest Rate Risk

Interest rate risk refers to the risk where our Corporation incurs significantly higher costs than anticipated on funding policyholder benefits, the risk of losses when future cash flows from assets and liabilities are not well matched, and/or when the values of assets and liabilities differ significantly in amount because of interest rate changes. Our Corporation manages interest rate risk through asset-liability duration analysis, where we monitor the duration of assets and liabilities for different portfolios on a quarterly basis, at the line of business level, and stress testing analysis. Our Corporation seeks to manage interest rate risk by matching, to the extent commercially practicable, the average duration of our investment assets and the corresponding insurance policy liabilities they support. Matching the duration of our Corporation's assets to the corresponding liabilities reduces our exposure to changes in interest rates, because the effect of the changes could largely be offset against each other. However, restrictions under Indian insurance laws and related regulations, including the IRDAI (Investment) Regulations, 2016, as amended, on the type of investments and amount of investment assets in which our Corporation may invest, as well as the limited amounts and types of long-term investment assets in the Indian capital markets capable of matching the duration of our Corporation's liabilities, may result in a shorter duration of assets and liabilities with respect to certain of our Corporation's investments. For more details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Interest rate fluctuations may materially and adversely affect our profitability. In addition, the limited amounts and types of long-term fixed income products in the Indian capital markets and the legal and regulatory requirements on the types of investment and amount of investment assets that insurance entities are permitted to make could severely limit our ability to closely match the duration of our assets and liabilities and thereby decrease our interest rate"* on page 36.

Mortality and Morbidity Risk

Mortality risk means the fluctuations in the timing, frequency and severity of death of the insured, relative to that expected at the time of underwriting (at the inception of the contract) while morbidity risk refers to fluctuations in the timing, frequency and severity of health claims, relative to that expected at the time of underwriting (at the inception of the contract). For more details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – If actual claims experienced and other parameters are different from the assumptions used in pricing our products and setting reserves for our products, it could have a material adverse effect on our business, financial condition and results of operations*" on page 34. Morbidity and mortality risk is primarily managed through: (i) reinsurance: we utilize surplus treaties to limit our overall risk exposure; (ii) experience analysis: we monitor the expected versus actual mortality experience on a quarterly basis and take appropriate action; (iii) re-pricing: we reserve the right to review premium and risk charges where permissible by law; and (iv) underwriting and claims controls: we conduct periodic reviews of both underwriting and claims procedures and policies to ascertain the mortality risk experience. The underwriting norms are generally aligned to the basis of pricing.

Persistency Risk

Persistency risk is the risk that poor Persistency Ratios may lead to fewer policies remaining on the books to defray future fixed expenses and reduce future positive cash flows from the business written, potentially impacting our ability to recover acquisition expenses and maintain profitability. For more details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Adverse persistency metrics could have a material adverse effect on our financial condition, results of operations and cash flows*" on page 27.

Persistency risks are primarily managed through: (i) experience analysis: experience analysis is conducted on a quarterly basis 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: product features such as bonuses, guaranteed additions and additional allocation of units are used to encourage policyholders to continue with the policy; (iii) service initiatives: various proactive and reactive service initiatives are used to manage persistency, including customer education and extensive customer engagement through various media and personal visits; and (iv) alignment of key performance areas: key performance areas are identified for different levels among sales and operations to ensure an adequate focus on persistency.

Expense Risk

Expense risk is the risk that the actual expenses incurred in acquiring new business and maintaining policies are higher relative to that expected at the time of pricing the product. For more details, see "*Risk Factors –Internal Risk Factors – Risks Related to Our Business – Higher than expected operating expenses related to our insurance business could have a material adverse effect on our results of operations*" on page 48.

We actively monitor expense levels, which are then factored into the pricing of new products, calculation of reserves and management reporting. In case of any adverse deviations between actual unit costs and planned unit costs, mitigation measures are undertaken. We regularly monitor expenses to try and ensure that actual expenses do not vary significantly from budgeted expenses, otherwise, the same is factored into our valuation and pricing of products.

Operational Risk

Operational risk is the risk of direct or indirect loss, arising from inadequate or failed internal processes, people and systems, or external events, including changes in the regulatory environment. For more details see, "*Risk Factors – Internal Risk Factors – Risks Related to our Business – We are exposed to many types of operational risks, the occurrence of any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows*", "*Risk Factors – Internal Risk Factors – Risks Related to our Business – Our business involves the use, transmission and storage of confidential information and the failure to properly safeguard such information could result in violations of data privacy laws and regulations and lead to reputational harm and monetary damages, which could have a material adverse effect on our business, financial condition, results of operations and cash flows*", "*Risk Factors – Internal Risk Factors – Risks Related to our Business – Failures of or inadequacies in our information technology systems could have a material adverse effect on our business, financial condition, results of operations and cash flows*", "*Risk Factors – Internal Risk Factors – Risks Related to our Business – We are exposed to misconduct and fraud by our employees and intermediaries and any such instances could adversely affect our reputation, business, financial condition, results of operations and cash flows*" and "*Risk Factors – Internal Risk Factors – Risks Related to our Business – Our risk management policies and procedures and internal controls, as well as the risk management tools available to us, may not be adequate or effective*" on pages 45, 46, 46, 37 and 39, respectively.

Our operational risks are primarily managed through the following:

- *Risk Registers*. Risk registers document high-level risks of various departments and help mitigate and control these risks by applying the relevant control measures.
- *Risk Control Self-Assessment*. This requires each business unit 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 their effectiveness.
- *Incident Reportin*g. We are implementing an IT package where the incident reporting module will collect loss incidents to track the extent of operational risk. The incident reporting module will enable us to develop a system-based module for operational efficiency and to help prevent recurrence. Our Corporation will be able to use loss data records to estimate the capital required for operational risk more efficiently.
- *Risk Control Uni*t. Risk control units undertake proactive measures to detect process gaps and weaknesses to mitigate frauds and leakages.
- *Fraud Monitorin*g. We have developed a comprehensive methodology to identify, measure, monitor and control fraud. This involves a Fraud Monitoring Committee, to which all cases of fraud are reported. The committee is responsible for classifying reported frauds, undertaking root cause analysis of frauds to identify system lacunae and advising the concerned authority/authorities on actions to be taken at various levels. The Fraud Monitoring Committee reports the cases of fraud through the Risk Management Committee, which then reports to the Board every quarter.
- *Information Security and Business Continuit*y. We have developed a proactive approach to control and mitigate information security risk and threats to business continuity. Our information security management system is ISO certified.
- *Outsourcing Risk.* We have an Outsourcing Committee, which comprises executive directors of several departments, including Estates & Office Services, Investments, Risk Management, Customer Relationship Management /Policy Servicing, Information Technology /Software Development and Finance & Accounts. The committee facilitates the assessment of our Corporation's outsourcing risks, performs detailed business case reviews, conducts due diligence in order to verify the background, reputation and strategy of service providers, reviews the financial performance and condition of third-party service providers and verifies their operations and internal controls. Further, the committee analyses contractual provisions and sets out detailed scopes of work that are incorporated into service-level agreements with our service providers. We oversee and monitor our service providers on a regular basis. We also have business continuity and contingency plans in place in case third party service providers are unable to deliver the contracted services to us.

Reserves

We have established and consistently maintained reserves in line with the applicable professional standards in India, including the IRDAI (Assets, Liabilities and Solvency Margins of Insurers) Regulations 2016, IRDAI (Actuarial Report and Abstract) Regulations 2016, Insurance Act 1938, Life Insurance Corporation Act, as well as actuarial practice standards and guidance notes issued by the Institute of Actuaries of India. The valuation liability for our policies has been calculated by our Appointed Actuary and we have ensured that our reserves for each policy issued are at least equal to the guaranteed surrender value or special surrender value. Any negative reserve is set to zero while arriving at the reserve under a policy in accordance with the extant regulations, in this regard. The liabilities are calculated based on the valuation assumptions for interest, mortality, morbidity, expenses, inflation and bonuses, wherever applicable.

Additionally, statutory reserves are provided for liabilities in respect of premium waiver benefit, double accident benefit, including permanent disability benefit, liability in respect of refundable extra premium, refundable double accident benefit premium, revival of paid-up policies, AIDS and COVID-19, to name a few. The liabilities are calculated based on the valuation assumptions for interest, mortality, morbidity, expenses, inflation and bonuses, wherever applicable. The assumptions used for arriving at the reserves for the abovementioned items are determined based on a prudent assessment of the future experiences allowing a margin for any adverse deviation.

In accordance with the IRDAI Regulations, our Corporation is required to meet a solvency ratio, which is the ratio of (i) the amount of the excess of value of assets over the value of life insurance liabilities and other liabilities of policyholders' fund and Shareholders' funds to (ii) the amount of the required solvency margin. Each category is calculated in accordance with the existing IRDAI Regulations. The available solvency margin represents the capital available to meet regulatory solvency capital and is the excess of admissible assets over liabilities. The required solvency margin is computed by using factors specified by IRDAI for different lines of business, the factors being applicable on the reserves and the sum at risk. The minimum solvency ratio required to be maintained is the control limit of 1.50, as set by the IRDAI. Our Corporation's solvency ratio (within India business) was 1.60, 1.55, 1.76 and 1.77 as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, respectively.

Compliance

Given the nature of our Corporation's business, and the complexity involved in our operations, effectively managing compliance issues is critical for our Corporation's success. We have formulated a compliance risk management framework that assists us in addressing and managing compliance risk across our operations. We continue to emphasise a culture of compliance with applicable regulations and internal best practices across various departments and reporting levels within our organisation, making each employee individually responsible for ensuring compliance.

The Board of Directors directly, through its sub-committees, oversees the compliance framework and ensures that the quarterly Statutory Compliance Certificate is submitted to the Board. We have formulated various internal compliance policies and procedures, including policies relating to prevention of sexual harassment of women in the workplace, anti-fraud, anti-money laundering, grievance redressal and risk management. In accordance with the Whistle-blowers Protection Act, 2011, the Ministry of Personnel Public Grievances and Pensions' memorandum dated June 16, 2014, IRDAI CG Guidelines for Insurers dated May 18, 2016 (to the extent applicable) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we implemented the "Life Insurance Corporation of India Whistle-blower Policy" in 2017, which contains a mechanism for our employees to internally raise concerns pertaining to possible irregularities, weaknesses in governance, financial reporting issues, or such other matters arising within our Corporation. These policies help to ensure compliance with relevant laws and applicable regulatory guidelines issued by the relevant regulatory, statutory and enforcement authorities from time to time. For instance, our framework on anti-money laundering and financing of terrorism comprises creating awareness, detection and reporting of suspicious transactions along with other IRDAI mandated requirements. For further details, see "*Key Regulations and Policies*" on page 253.

We have also set up a dedicated compliance department that is responsible for identifying and communicating relevant compliance standards, clarifications and requirements from IRDAI to the other departments, along with providing advice on key compliance issues. We ensure that information relating to applicable regulatory requirements relating to our industry, products, sales and other operational processes is regularly disseminated to our various departments and among our employees, agents and other intermediaries, as applicable.

Our Corporation has an Internal Audit Department, which audits our accounting units to ensure that financial discipline is maintained across all of our offices, investigates areas of system failures and reports any excess or incorrect payments, as well as any fraud that arises during sample checking. The various Audit Department centres prepare an executive summary, highlighting areas that need system/process improvement. Our Corporation leverages the audit findings by way of revamping process and systems to help ensure that any financial irregularities are not repeated. The reports are closed only when the replies provided by the departments are fully supported by comprehensive, definitive and sufficient data.

Our Corporation has a separate inspection department, which inspects all our offices to help ensure that provisions of relevant acts, rules, regulations, guidelines/circulars, directions and standards are fully complied with. The inspection department undertakes comprehensive and focused inspections through an examination of relevant records, documentation, books of accounts and business activities, on a sample basis. Inspection reports are then issued on the basis of our exercise and are analysed to confirm whether our compliance obligations are satisfied.

Our Vigilance Department was constituted with the objective of ensuring a corruption-free and transparent organization, thus inspiring trust amongst the various stakeholders. The functions of the Vigilance Department involve ensuring that the existing rules and procedures of our Corporation are duly followed with a view to eliminate or minimize the scope for corruption or malpractices; identifying the sensitive/corruption prone areas in the organization and bringing it to the attention of the controlling department in the central office for necessary action; planning surprise vigilance checks to detect system failures and the existence of corruption or malpractices; and dealing with vigilance cases/complaints in respect of our offices, employees and agents. The department is also responsible for processing vigilance cases at all stages and is tasked with preparing an agreed list of officers of doubtful integrity, issuing vigilance clearance in respect of our employees and furnishing various types of periodic reports to the Central Vigilance Commission of India. In Fiscal 2021, we launched an online portal for surprise vigilance checks.

Reinsurance

Our Corporation takes a proactive approach in minimizing our risk exposure to stabilize our earnings and protect our capital resources through reinsurance arrangements with Swiss Re, Munich Re, GIC Re, RGA and Gen Re. All of our reinsurance contracts in India are administered in accordance with reinsurance regulations, such as IRDAI (Life Insurance – Reinsurance) Regulations, 2013 and IRDAI (Re-insurance) Regulations, 2018 and treaties with various reinsurers. These regulations lay down the objectives, minimum retention limits and factors to be considered for formulating the reinsurance program and retention policy. Our Corporation's reinsurance arrangements are in line with the objectives set by the reinsurance regulations. These objectives have been achieved over a period of time by reviewing the reinsurance arrangements, considering market dynamics, claim experience, financial strength and underwriting capacity.

Our Corporation has reinsurance arrangements with different reinsurers for various lines of businesses, such as, term plans, other than term plans, health plans, accident benefit, critical illness rider and group business.

Our Corporation selects the reinsurers based on the terms offered, reinsurance rating, financial stability, operational and technical support provided. We continuously monitor the financial health of our reinsurers and our Corporation experienced nil defaults from our reinsurers in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.

The following table sets out the ratings of our Corporation's reinsurers as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021:

Reinsurer	Rating Agency	Ratings			
		As at March 31, 2019	As at March 31, 2020	As at March 31, 2021	As at December 31, 2021
Swiss Re	Standard & Poor	AA- (very strong)	AA- (very strong)	AA- (very strong)	AA- (very strong)
Munich Re	Standard & Poor	AA- (very strong)	AA- (very strong)	AA- (very strong)	AA- (very strong)
GIC Re	A M Best	A- (excellent)	A- (excellent)	B++ (good)	B++ (good)
RGA	Standard & Poor	AA- (very strong)	AA-(very strong)	AA- (very strong)	AA- (very strong)
Gen Re	Standard & Poor	AA+ (very strong)	AA+ (very strong)	AA+ (very strong)	AA+ (very strong)

Our total reinsurance ceded in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 was ₹3,229.81 million, ₹3,359.32 million, ₹4,523.04 million and ₹3,880.29 million on a consolidated basis, respectively, which represented 0.09%, 0.09%, 0.11% and 0.14% of our premium on a consolidated basis, respectively. The table below sets out key information on our Corporation's reinsurers for Fiscal 2021 and the nine months ended December 31, 2021 in India:

Reinsurer	Type of reinsurance arrangement (surplus / quota share)	Type of reinsurance arrangement (obligatory / facultative)	Reinsurance ceded in India for Fiscal 2021 (₹ in million)	Reinsurance ceded in India for the nine months ended December 31, 2021 (₹ in million)
GIC Re	Surplus	Facultative and Obligatory	2,163.47	2,282.35
Swiss Re	Surplus	Obligatory	1,533.91	969.00
Munich Re	Surplus	Facultative and Obligatory	548.35	431.52
RGA	Surplus	Facultative and Obligatory	168.98	123.43
Gen Re	Surplus	Obligatory	2.92	6.00

Competition

Our Corporation is the sole public sector life insurer in India's market and our competitors in India, as at March 31, 2021, are 23 private insurance companies. (*Source: the CRISIL Report*). After 20 years of competition, our Corporation has been able to sustain our market leadership position. Our Corporation's main competitors are SBI Life Insurance Company Limited, HDFC Standard Life Insurance Company Limited and ICICI Prudential Life Insurance Company Limited. However, given our Corporation's scale, there is no other life insurer in India that is directly comparable to our Corporation and we continue to be the market leader in the life insurance market in India by a wide margin. For details, see "*-Overview*" and "*-Our Competitive Strengths*" on pages 183 and 185, respectively.

On April 1, 2021, the Insurance Laws (Amendment) Act 2021 came into force, raising the limit of foreign investment in an Indian insurance company from 49% to 74%, subject to certain safeguards. We expect this to lead to new entrants in the industry, better capitalisation of existing competitors and a general increase in the level of competition. While increased competition may lead to overall growth in customer participation for the under penetrated insurance industry in India, prompt additional reforms for the sector and improve industry practices, it may also adversely impact our market share, margins, growth in new business premiums and customer acquisition. As per the Life Insurance Corporation Act, our Promoter must own at least 51% of the Equity Shares. For further details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 54.

Our Corporation's other competitors include non-life insurance companies (to the extent such companies offer health insurance and protection products), standalone health insurance companies, pension funds, mutual funds companies and other financial services providers offering a variety of financial investment products. We also face competition from physical asset classes, such as real estate and gold, as alternate avenues for investments.

For more details on competition, see "*Risk Factors—Internal Risk Factors—Risks Relating to Our Business—We face significant competition and our business, financial condition, results of operations and cash flows could be materially harmed if we are not able to compete effectively*" and "*Industry Overview – Peer Benchmarking*" on pages 43 and 139, respectively.

Brand Strength and Marketing

We believe our Corporation's long tenure of serving the Indian population for over 65 years since our Corporation's incorporation in 1956 has led to the brand 'LIC' being synonymous with life insurance in India. (*Source: the CRISIL Report*). The brand 'LIC' was recognised as the third strongest and 10th most valuable global insurance brand in 2021, as per the report released by Brand Finance titled "*Brand Finance Insurance 100 2021*". The strength of a brand means the efficacy of a brand's performance on intangible measures relative to its competitors and is determined by looking at the brand's marketing investment, stakeholder equity and impact of those on business performance. The value of a brand is the present value of earnings specifically related to brand reputation. The brand 'LIC' was also recognised by WPP Kantar as the second most valuable brand in the report titled "*BrandZ™ Top 75 Most Valuable Indian Brands*" for 2018, 2019 and 2020. LIC's brand value in Fiscal 2021 was US$8,655 million and the brand 'LIC' achieved a BSI score of 84.1 out of 100 and a corresponding AAA- rating. (*Source: Brand Finance Insurance 100 2021*). The strength of the brand 'LIC' is further evidenced by our Corporation being awarded Gold Award in Most Trusted Brand in Insurance Category in Outlook Money Gold Award 2020, India's Most Trusted Brand by Insurance Alerts in August 2021, the Reader's Digest Most Trusted Brand in Insurance 2021-2022 and IBC Media India's Most Trusted Brand Award in 2019-2020.

We take a multifaceted approach with regard to our marketing activities in order to enhance awareness of our brand to all segments of society, particularly with the millennial segment. Millennial customers (customers born between January 1, 1981 and December 31, 1994) accounted for approximately 42% of individual policies sold by our Corporation in India in the nine months ended December 31, 2021. We advertise our products across all media, including television, print, radio, digital media, sponsorships, hoardings and other outdoor media to expand the reach of our brand. Further, we have sponsored important leadership summits in electronic and digital media, which widened the scope of our publicity efforts.

We have made significant efforts to enhance our digital marketing activities through advertisements on digital media, content marketing, native articles and video campaigns. To engage the youth segment, we have sponsored important events in Indian Institutes of Technology, Indian Institutes of Management, literary festivals, such as the Times Lit Fest, Fintech Festivals, the online lectures organised by the Millennium India Education Foundation, virtual summer camps and Digital Baal Mela. We have also sponsored a number of shows on television. We have run digital campaigns on various websites, including various financial websites and news websites.

We plan to increase our social media presence on prominent social media platforms by continuing to regularly post creative content on socially important days. Our recent YouTube videos have garnered favourable responses from audiences. We also post press releases, creative content on our products and services and other government initiatives. We purchase "Media Buy" on various publications, including notable news publications, various entertainment programs, as well as major sporting events. We also sponsor summits/conclaves pertaining to insurance, BFSI and SMEs, to name a few.

Our Corporation was awarded the BTV National Award for Marketing Excellence in 2019-2020 in the BFSI sector and the International Advertising Association's Leadership Award in September 2021.

Accreditations, Awards and Achievements

Our accreditations, awards and achievements span across various sectors, including business excellence and quality, leadership, marketing and advertising, information technology/digital innovation, customer service, training, corporate governance and claim settlement. We have won numerous awards over the years, including, more recently:

- FICCI Special Jury Award at the Insurance Industry Awards 2022;
- FICCI Best Insurance Campaign – Life Category at the Insurance Industry Awards 2022;
- Marksmen Daily for Epitomising Excellence in the BFSI Industry Award 2021-22;
- ACEF 10th Global Customer Engagement Forum & Awards Television Promotion for 'Pehle LIC' Gold in 2021-2022;
- Ashirwad Award for OLI in 2021-2022;
- BFSI Congress – Customer Centric Excellence Award 2019-2020;
- Business Today & Money Today Financial Awards Best Life Insurance Provider of the Year in 2019-2020;
- Certificate of Appreciation for ISTD National Award for Innovative Training Practice in 2017-2018;
- Certificate of Appreciation in Learning and Development from Jury of BML Munjal Award in 2020;
- CMO Asia – Technology Initiative of the Year 2020-2021;
- Jamnalal Bajaj Uchit Vyavahar Puraskar for Fair Business Practices by the Council for Fair Business Practices in Fiscal 2021;
- Dun & Bradstreet India's Top PSU Award 2019-2020 and 2021-2022;
- Economic Times Insurance Awards-Amiable Award in 2019-2020;
- Economic Times Insurance Special Jury Recognition Award 2019-2020;
- ET Now World BFSI Congress – Claims Service of the Year Award 2019-2020;
- ET Now World BFSI Congress – Life Insurance Company of the Year Award 2019- 2020;
- FICCI Special Jury Award at the Insurance Industry Awards 2020;
- Global Best Employer Brand Award for Excellence in Training by BFSI in 2017;
- Golden Peacock Award for Excellence in Corporate Governance 2020-2021;
- Golden Peacock National Training Award in 2018-2019;
- Greentech HR Award in Training Excellence 2018, 2019 and 2020;
- IAA Leadership Awards in 2019-2020 and 2021-2022;
- Indian Achievers Forum Award Best Indian Insurance Company Award in 2019-2020;
- National Awards for Leadership & Excellence – Claim Service Leader Award in 2020-2021;
- National Awards for Leadership & Excellence – Customer Service Excellence in 2020-2021;
- National Awards for Leadership & Excellence – Digital Advertising Award in 2021-2022;
- National Awards for Leadership & Excellence – Insurance Company of the Year in 2020-2021;
- National Awards for Excellence in Financial Services – Marketing Award (2020-2021);
- National Awards for Excellence in Financial Services – Customer Service Excellence Award (2020-2021);
- Outlook Money Awards – Life Insurance Provider of the Year 2019-2020;
- Skoch Award - Excellence in BFSI (Platinum) Claim Settlements in 2020-2021; and
- WPP Kantar *BrandZ*™ Second Most Valuable Indian Brand 2018, 2019 and 2020.

Environmental, Social and Governance

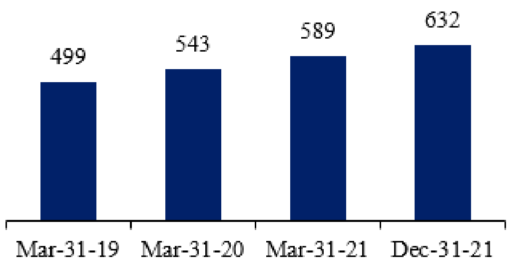
We place great value on environmental, social and governance ("**ESG**") standards, as we take pride in conducting our business responsibly. We are committed to ESG standards that help build a sustainable future for the communities we serve and create long-term value for all our stakeholders. We continue to undertake various initiatives towards this, including alleviating poverty, pursuing inclusive growth, promoting gender equality, promoting good health, reducing our carbon footprint through consumption rationalisation and using eco-friendly technology.

With the purpose of reaching out to vulnerable communities in the lowest strata of the society and improving their quality of life in small, but tangible ways, our Corporation voluntarily set up the LIC Golden Jubilee Foundation ("**LIC GJF**") in 2006 to commemorate its Golden Jubilee Year and as a part of community development activities, which LIC GJF undertakes across the country. LIC GJF has been working with NGOs and providing succour and sustenance to the marginalized and underprivileged population across India in a wide range of areas, including education, medical treatment, health and sanitization, empowerment of women and environmental causes.

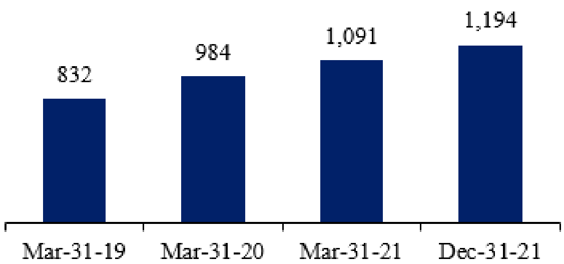
We provide annual contributions to the corpus of LIC GJF. For Fiscal 2019, Fiscal 2020 and Fiscal 2021, our donations to LIC GJF were ₹200.00 million, ₹200.00 million and ₹200.00 million on a consolidated basis, respectively. LIC GJF uses the interest earned on the corpus donated by us to fund various projects and initiatives. As at March 31, 2021, LIC GJF had a corpus of ₹2,400.00 million.

Since its inception until December 31, 2021, LIC GJF has sanctioned funding for 632 projects in various fields across India. A summary of LIC GJF's initiatives sanctioned to promote community welfare (excluding scholarships offered) and the cumulative amount of money sanctioned by LIC GJF for those projects has been presented below. A sanctioned amount is not necessarily spent in the Fiscal Year/period in which it was sanctioned. In case of construction projects, the sanctioned amount is disbursed in stages of construction.

Cumulative Number of Projects Sanctioned by LIC GJF



Cumulative Amount sanctioned for projects by LIC GJF (₹ in million)

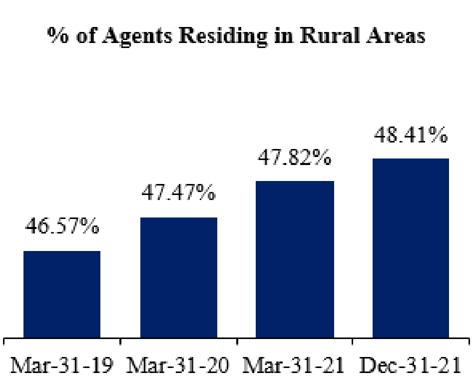


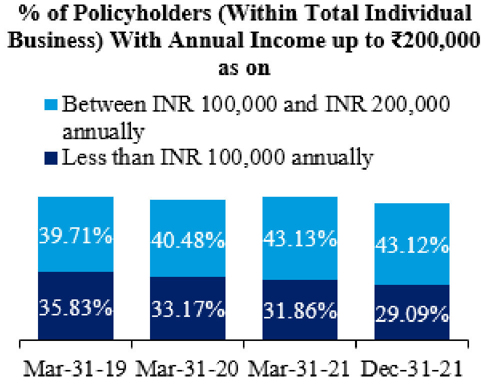
In addition, we are committed to achieving the Sustainable Development Goals adopted by the United Nations Member States in 2015. The 17 Sustainable Development Goals provide a coherent and holistic framework to balance social, economic and environmental sustainability alongside development, while bringing the world to several life-changing "zeroes", including zero poverty, zero AIDs, zero hunger and zero discrimination against women.

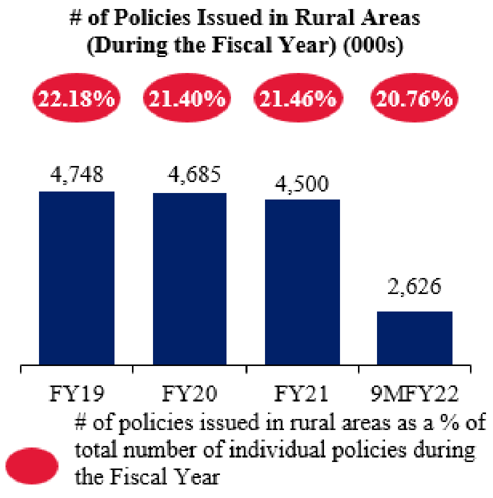
We benchmark and integrate the Sustainable Development Goals with key areas of our business operations and focus on making a positive contribution to at least 12 of the 17 Sustainable Development Goals. We actively work to deepen our impact across these 12 goals and expand the scope across other goals in the pursuit of a win-win for both our business and the social ecosystem.

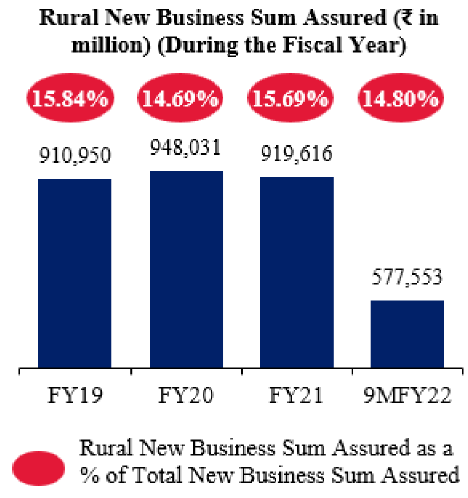
Below is the summary of our Corporation's, LIC GIF's and LIC Golden Jubilee Scholarship Scheme's key initiatives across various Sustainable Development Goals:

	We undertake conscious efforts to spread awareness of and access to life insurance to the under-privileged, especially those in the least developed and most remote areas of India. We also endeavour to tailor our products and processes to cater to these customer segments. We are among the chief implementers of the Government of India's insurance-focussed social security schemes, such as Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Micro Insurance schemes. Over the years, we have invested significantly in developing our distribution capabilities in remote areas of India. Despite rapid urbanization in India, we continue to remain focused on rural areas to uplift the rural population.









***Notes**: 'Rural area', as defined by IRDAI, means any place as per the latest census which meets the following criteria: (i) a population of less than 5,000; (ii) a population density of less than 400 per square kilometre; and (iii) more than 25% of the male working population is engaged in agricultural pursuits.*

We also undertake initiatives, such as "Bima Gram", which provide incentives for people in rural areas to opt for life insurance cover. We have covered 1,140, 1,157 and 760 villages under Bima Gram during Fiscal 2019, Fiscal 2020 and Fiscal 2021, respectively.

2 ZERO HUNGER

To promote food security for children, since its inception, LIC GJF has donated ₹8.17 million in total until December 31, 2021 to Akshaya Patra Foundation, a non-profit organisation in India that works towards eliminating hunger among students from underprivileged sections of society.

3 GOOD HEALTH AND WELL-BEING

As an employer and provider of life insurance, savings and pensions, we take on the responsibility to promote healthy and sustainable lifestyles through different channels, including:

- Incentivizing and rewarding individuals for pursuing healthier lifestyles through initiatives, such as reduced premiums and additional riders at reduced costs.
- Improving access to healthcare and financing healthcare infrastructure through our impact investing strategy.
- Campaigning to increase awareness of financial resilience, such as finding the right insurance protection at the right time, and being able to deal with a potential loss of income due to illness, disability or the loss of a breadwinner.
- Offering health insurance riders to our customers, which offer preventive treatments and timely cures for potential health risks.
- Organizing "Insurance Week" from September 1 to September 7 annually, under which activities to promote awareness of insurance are undertaken, including contributions to government hospitals for basic infrastructure, and distribution of various kits and accessories to doctors and policemen. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, we spent ₹48.30 million, ₹50.18 million, ₹0.15 million and ₹41.33 million on a consolidated basis, respectively, on Insurance Week.

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Organising medical camps under the Swastha Bharat initiative and cleaning activities under the Swachh Bharat initiative regularly. During the nine months ended December 31, 2021, our Corporation organised 1,569 medical camps and 2,451 cleaning activities.
Since its inception until December 31, 2021, LIC GJF has sanctioned 257 projects worth ₹467.68 million towards medical relief, including provision of ambulances, medical equipment, construction of hospital wards and dispensaries. LIC GJF has also sponsored cochlear implant surgeries for children through a hospital in Pune.
Since its inception until December 31, 2021, LIC GJF has sanctioned 91 projects worth ₹247.42 million towards general public utility, including construction of orphanages, old age homes, learning centres and contribution towards relief for social causes.
Since its inception until March 31, 2021, LIC GJF has provided ₹30.00 million to support paediatric cancer care at Tata Memorial Hospital.

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<td>4 QUALITY EDUCATION</td>
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Given the ever-evolving environment around us, we recognize the importance of continuous learning, and we are committed to promoting lifelong learning opportunities for all members of our community, including customers, children and employees. Our Corporation and LIC GJF have undertaken multiple initiatives to promote inclusive and equitable learning opportunities, including:

In 2008, LIC GJF introduced the LIC Golden Jubilee Scholarship Scheme for sponsoring children belonging to economically weaker sections of society to pursue higher education until they complete their graduation or professional course. The scheme also has a special reservation for female scholars. Since its inception up until March 31, 2021, LIC GJF contributed ₹414.04 million to the LIC Golden Jubilee Scholarship Scheme and the scheme has provided scholarships to 18,462 students up until March 31, 2021.
Our Corporation providing a comprehensive training mechanism (comprising in-house trainings as well as collaboration with external training institutions) for our Corporation’s employees to enable them to realize their full potential.
Our Corporation providing remote villages with access to high-quality educational resources by donating textbooks, experiment kits and other educational supplies.
Offering support to various educational and research institutes, such as:

Our Corporation making contributions towards the ‘LIC Chair Professor’ at the National Insurance Academy (“NIA”), Pune, for research-oriented specific studies related to life insurance, which amount to ₹2.50 million in each of Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.
Our Corporation making a contribution of ₹12.50 million to NIA towards creating a Chair for research related to social security and financial inclusion for the period between August 2018 and July 2023.
Our Corporation deputing officials to the NIA and the Insurance Institute of India (College of Insurance), in various capacities.

Since its inception until December 31, 2021, LIC GJF has sanctioned 284 projects (excluding scholarships) worth ₹479.31 million towards promoting education through, among others, the construction of hostels, school buildings, classrooms, vocational training centres, computer labs and libraries and the provision of school buses (including those for transporting students in tribal areas).

Additionally, our Corporation undertakes an annual initiative called “Bima School”, under which we encourage children in schools to obtain insurance cover by providing incentives to them, which include extending benefits to schools for development activities once a certain number of a school’s students are covered. During Fiscal 2019, Fiscal 2020 and Fiscal 2021, we spent ₹2.90 million, ₹3.10 million and ₹2.50 million, respectively, on a consolidated basis under Bima School.

The chart below sets forth the cumulative amounts disbursed by LIC GJF towards education initiatives (including scholarships) as at the dates shown below:
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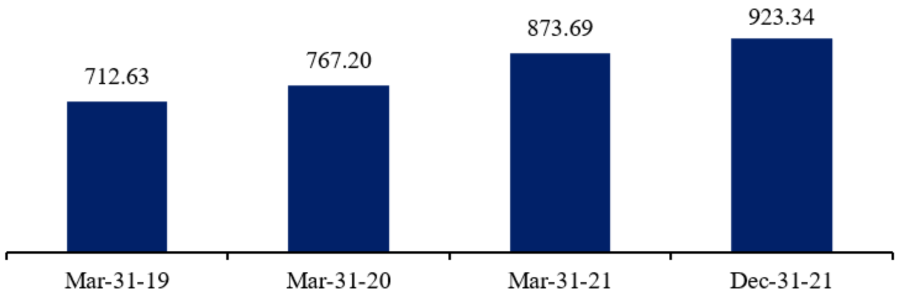
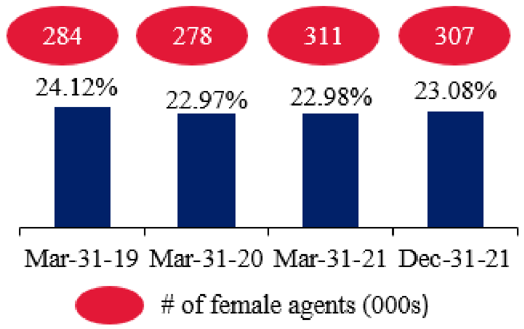
Cumulative Amount Disbursed Towards Education (Including Scholarships) as on (₹ in million)

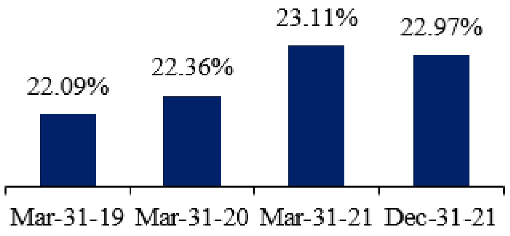


We recognize the importance of diversity and inclusion. We continuously strive to establish a culture that celebrates diversity and is free from discrimination. As a result of our proactive efforts and innovative practices, our gender diversity metrics and the strength of women employees and customers are as follows:

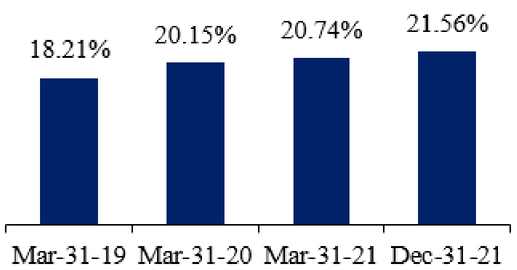
% of Female Agents



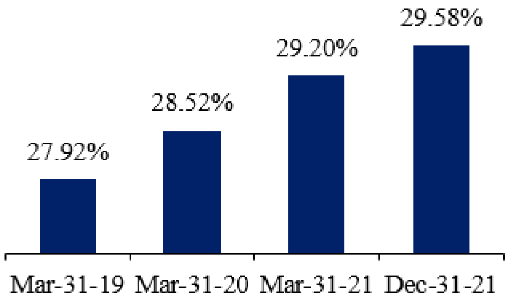
% of Women in Overall Workforce



% of Women in Managerial Positions (i.e., With Designation of Assistant Divisional Manager and Above)



% of Female Policyholders



In addition, our Corporation takes workplace sexual harassment seriously, and has established relevant committees at the central, zonal and divisional office levels. These committees are tasked with monitoring and preventing any workplace sexual harassment incidents from occurring in our Corporation.

LIC GJF has taken multiple projects oriented towards women, including:

- In Fiscal 2019, LIC GJF sanctioned ₹3.11 million towards the provision of livelihood generation training to women, with 720 women expected to benefit over a period of three years.
- Since its inception until December 31, 2021, LIC GJF has sanctioned a total of ₹86.26 million towards various other women-oriented projects, including:
  - construction of a residential and vocational centre for the integral development and empowerment of girls and women from tribal areas;
  - construction of a mother and child care centre;
  - construction of dormitories and toilets for girls; and
  - distribution of books and computers for girls belonging to below-poverty-line families.

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<td>6 CLEAN WATER AND SANITATION</td>
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Improving environmental health and water supplies is critical for the health of society. With the aim of improving drinking water conditions, as well as protecting water resources, our Corporation implemented a water conservation plan internally, and invested in public drinking water and sewerage facilities externally. Some of the initiatives undertaken by LIC GJF include:

Since its inception until December 31, 2021, LIC GJF has sanctioned ₹30.87 million towards sanitation projects, including the construction of toilets and a pathology laboratory;
Since its inception until March 31, 2021, LIC GJF has contributed ₹2.50 million towards the Clean Ganga Fund, an initiative by the Government of India, towards cleaning of the River Ganga;
Since its inception until December 31, 2021, LIC GJF sanctioned ₹2.63 million towards the provision of drinking water via the purchase of water vending machines and water coolers with water purifiers; and
In Fiscal 2020, LIC GJF contributed ₹2.50 million towards the purchase of seven napkin manufacturing facilities by self-help groups. In Fiscal 2019, LIC GJF contributed ₹1.25 million towards the renovation of a water body and arranging fresh water for the surrounding community.

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<td>8 DECENT WORK AND ECONOMIC GROWTH</td>
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Viewing our employees as important assets and attaching great importance to the growth and development of our individual agents, we promote sustained, inclusive and sustainable economic growth, full and productive employment and a decent work environment for all.

We have taken several initiatives and established processes to ensure that our employees have the opportunity to reach their full potential:

As at December 31, 2021, our Corporation had developed the following in-house training infrastructure for skill development of our employees and individual agents:
A management development centre situated in Mumbai for managerial training needs of officers in the cadre of assistant divisional manager to senior divisional manager.
Eight zonal training centres and 113 divisional training centres for the functional training needs of employees in the cadre of record clerk to administrative officer.
576 agent training centres and 35 sales training centres for the training of individual agents and development officers.

Our Corporation offers a holistic experience to officers with necessary skills and knowledge across the life insurance industry through external training institutes. External training programmes are conducted to cater to the specific training needs of senior officials in collaboration with professional training institutions of repute, such as the Indian Institute of Management, NIA, Pune, Administrative Staff College of India (ASCI), Hyderabad, National Academy of Human Resource Development (NAHRD) and the College of Insurance.
For basic qualification in training and development, our Corporation reimburses the fees to officers undertaking a course-diploma in training and development with the Indian Society for Training and Development.
For our Corporation’s individual agents, our Corporation offers several inclusive schemes, such as gratuity provisions, hereditary commission scheme, group insurance and Mediclaim.
Our Corporation also aims to promote well-being among our employees by offering provisions, such as preventive health check-up schemes, reimbursement of medical expenses and diagnostic tests and comprehensive insurance provisions.

Key schemes/incentives offered for the skill development of our Corporation’s employees are as follows:

LIC of India (Special Allowance for In-house Development of Actuarial Capability) Rules 2002 – Scheme, which is applicable to our employees possessing actuarial qualifications.
Technical allowance offered to our employees for passing the examination offered by the Insurance Institute of India to employees (i.e., Licentiate/Associateship & Fellowship Diploma).
Continued Professional Development Scheme for employees working in the Investment Department of our Corporation.
LIC of India, Information Technology Specialist Group (Selection, Term and Condition of Service and Payment of Allowance) Rule, 2007 – Scheme applicable to employees working in the I.T. department of our Corporation.
Monthly graduation Increment/Allowance payable to our Class – III employees upon passing the graduation examination.
Monthly allowance payable to our Class – III employees upon passing the MBA examination.

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9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our Corporation believes that doing business responsibly will promote resiliency in the future. Accordingly, we actively invest in the infrastructure and social sector through projects and schemes for, among others, the generation and transmission of power, the housing sector and the development of roads, bridges, road transport and railways.

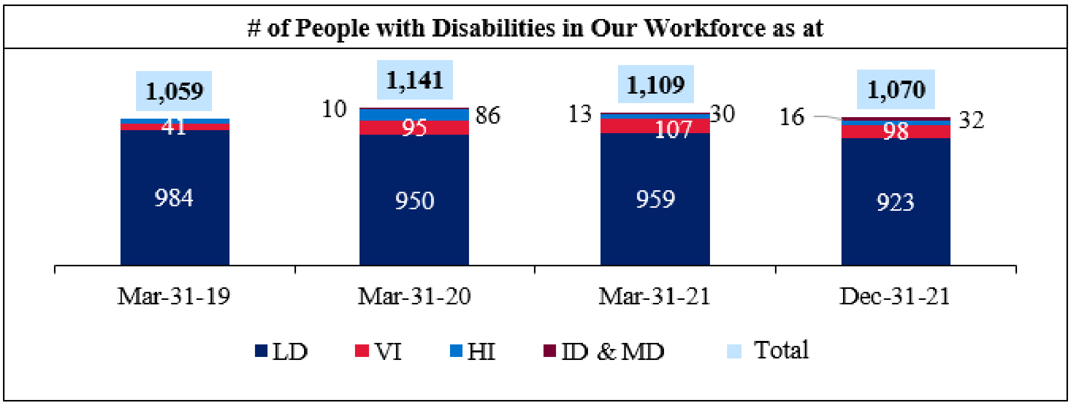
The table below sets forth our Corporation's investments on a standalone basis in (i) the power sector, (ii) roads and bridges and (iii) other infrastructure on a standalone basis for the periods indicated.

Particulars	For Fiscal 2019	For Fiscal 2020	For Fiscal 2021	For the nine months ended December 31, 2021
	(₹ in million, except percentages)			
Power	45,342.14	248,032.10	113,804.04	50,762.39
Roads & bridges	85,788.19	135,154.30	41,019.20	37.61
Other infrastructure	11,338.96	47,378.50	71,708.56	36,413.80
Total investments in power, roads & bridges and other infrastructure	**142,469.29**	**430,564.90**	**226,531.80**	**87,213.80**
Total investments in power, roads & bridges and other infrastructure as a percentage of total investments (%)	4.36	9.73	4.39	2.51

10 REDUCED INEQUALITIES

We are committed to providing equal opportunities in employment and creating an inclusive workplace where all our employees are treated with respect and dignity:

- Our Corporation has an equal opportunities policy in place, which is in accordance with the provisions of the Rights of People with Disabilities Act, 2016 and Rights of Persons with Disabilities Rules, 2017.
- Our Corporation offers reservation for persons with benchmark disabilities in the workforce.
- Our Corporation also has a scheme for economically weaker sections, which provides a 10% reservation in direct recruitment for eligible individuals in our workforce.
  Additionally, in recruitment processes, our Corporation has reservations for scheduled castes, scheduled tribes and other backward classes.



***Notes:** LD: locomotor disability; VI: visually impaired; HI: hearing impaired; ID: intellectual disability; and MD: multiple disability.*

Since its inception until December 31, 2021, LIC GJF has sanctioned 17 projects to benefit tribal populations, which includes providing transportation for doctors and paramedical staff to medical camps in tribal areas, providing transportation for patients living in tribal areas to access medical treatment and constructing school buildings such as classrooms for the provision of quality education to students in tribal areas.

Since its inception until March 31, 2021, LIC GJF has contributed a total of ₹7.11 million towards various relief measures for individuals and communities affected by natural calamities in various impacted regions in India.

11 SUSTAINABLE CITIES AND COMMUNITIES

Our Corporation is committed to supporting the sustainable development of cities and communities by contributing towards housing and renewable energy initiatives. We strongly believe in making cities and other human settlements inclusive, safe and sustainable, and have taken initiatives, such as:

- As at December 31, 2021, our Corporation had total outstanding investments of ₹14,080.00 million on a standalone basis in renewable energy to contribute to a more sustainable source of energy.
- In our endeavour to provide security to people and promote social welfare, our Corporation has made investments in the housing sector of ₹63,500.00 million, ₹92,413.00 million, ₹36,697.24

million and ₹31,404.61 million in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively.

- Our Corporation has installed percolation pits to conserve water in our buildings where our Corporation was involved in the construction.

In Fiscal 2018, LIC GJF sanctioned projects worth ₹1.60 million towards purchasing an ambulance and establishing a literacy camp for adults in Govindpur Village, which is in a predominantly tribal area in Eastern Uttar Pradesh, India. In Fiscal 2019, LIC GJF sanctioned ₹7.62 million for the construction of community toilets and bathrooms and providing pure drinking water.

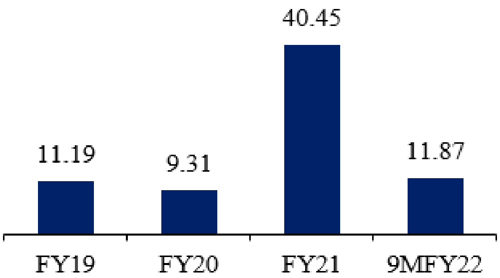
13 CLIMATE ACTION

We recognize that climate change is one of the most important topics of concern in the world. As a responsible global citizen, our Corporation actively looks to identify and fund solutions that cater to pressing social and environmental issues of our time. We have undertaken the following initiatives to combat climate change and its impacts:

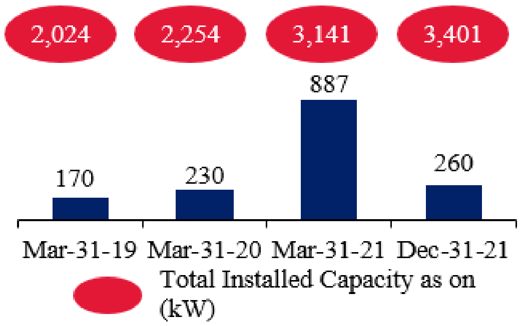
- Constructed three green-rated buildings in Jaipur, Allapuzha and Chirawa.
- Provided LED light fittings in all our buildings during construction and replacing existing light fittings with LED light fittings in a phased manner.
- Installed 3,401 kilowatts ("**kW**") of roof top solar capacity as at December 31, 2021, which reduced our Corporation's carbon footprint by approximately 3,172 tons per annum.

Set forth below are tables showing (i) the amount our Corporation spent on improving energy efficiency on a standalone basis for the periods indicated, (ii) the amount of roof-top solar capacity installed by our Corporation for the periods indicated and our Corporation's total installed roof-top solar capacity as at the dates indicated and (iii) the reduction of our Corporation's carbon emissions as a result of various initiatives undertaken by our Corporation.

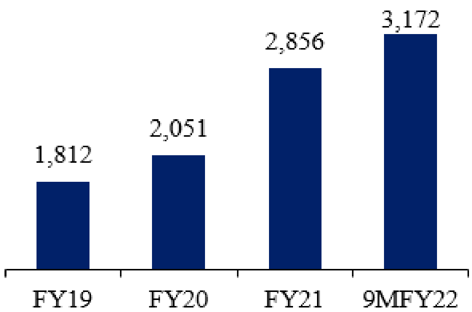
Total Amount Spent on Improving Energy Efficiency during the Fiscal Year (₹ in million)



Roof-Top Solar Capacity Installed (During the Fiscal Year) (kW)



Total Reduction of Carbon Emission (During the Fiscal Year) (Tons per annum)



15 LIFE ON LAND	Our Corporation aims to proactively identify and address the relevant environmental issues of our time. All our Corporation's offices periodically undertake initiatives to plant trees in the office and residential premises. Additionally, our Corporation has taken on the upkeep and maintenance of several public gardens. During the nine months ended December 31, 2021, LIC GJF sanctioned ₹2.28 million for the purchase of an ambulance for the rescue and treatment of wild animals.

In addition to our Corporation's efforts to contribute to the Sustainable Development Goals, our Corporation incorporates high ESG standards across various areas of our business, including:

Underwriting and Investment Management

Our Corporation reviews our underwriting guidelines while taking various environmental and regulatory factors into account to ensure that we make informed decisions for our investment portfolio and that we incorporate fundamental, quantitative and qualitative ESG parameters to analyse the sustainability of the companies we invest in.

Corporate Governance

Our Corporation conducts its business while adhering to various corporate governance practices to help ensure that there is operational transparency, information sharing, accountability and continuous dialogue with all our stakeholders. We have standard operating procedures or manuals in place that detail procedures to be followed for each function. Namely, we have several Board sub-committees that overlook our Corporation's corporate governance and enhance our brand equity, strengthen the stakes of Shareholders and maintain a healthy working environment within the organization. These sub-committees include the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, the Policyholders' Protection Committee and the review committee on wilful defaulter. For further details, see "*Our Management – Committees of the Board*" on page 291.

Initiatives in Response to COVID-19

Our Corporation's and LIC GJF's initiatives in response to COVID-19, included the following:

- In Fiscal 2020, LIC GJF contributed ₹50.00 million to the PM CARES Fund, ₹10.00 million to the Chief Minister's Relief Fund for COVID-19 – Government of Maharashtra and ₹5.00 million to the International Association for Human Values' disaster relief fund for COVID-19 relief.
- In Fiscal 2021, LIC GJF sanctioned a ₹10.00 million donation to Tata Memorial Hospital for the treatment of COVID-19 affected cancer patients.
- In Fiscal 2020, we contributed ₹1,000.00 million towards COVID-19 relief efforts on a consolidated basis.
- Our Corporation implemented several relief measures for our customers, including granting a grace period until May 31, 2020 for policies for payment of premiums due in March 2020 and relaxing some rules in relation to the settlement of maturity, survival benefit, death claim and annuity.

Employees

As at December 31, 2021, our Corporation had 105,207 full-time employees (including 43 employees deputed to foreign entities). The following is a breakdown of our Corporation's full-time employees by department as at December 31, 2021:

Department	Number of Employees	% of Total Employees
Executive & Top Management	658	0.63
Operations	50,261	47.77
Sales (Management)	20,873	19.84
Estates & Office Services	10,140	9.64
Finance	8,467	8.05
Marketing	7,325	6.96
Technology	2,763	2.63
Human Resources	2,054	1.95
Audit & Risk Management	777	0.74
Legal & Compliance	663	0.63
Investments	171	0.16
Actuarial and Product Development	101	0.10
Others	954	0.91

Department	Number of Employees	% of Total Employees
Total	**105,207**	**100.00**
Of which:		
In India	*105,164*	*99.96*
Outside India	*43*	*0.04*

Our employees are the backbone of our business. We believe that in order to attract and retain our employees, it is important that we foster a cordial and collaborative workplace, invest in proper training and development initiatives and provide adequate benefits to our employees to help enable us to be one of the most desirable places to work.

We are committed to building, nurturing and developing a talent pool of highly competent individuals through need-based training to upgrade the knowledge, skills and attitude of our workforce. We provide our employees with training through our in-house training centres, such as the management development centre and eight zonal training centres, as well as through external training institutes, such as Administrative Staff College of India, Hyderabad, the National Academy of Human Resource Development, the National Insurance Academy and the College of Insurance. We also conduct customized training programs through the Indian Institute of Management for selected officers of various departments. We provide some of our employees with exposure to global best practices by sending them to receive training overseas.

The pandemic has propelled the transition to online training, thereby expanding the coverage and reach of our Corporation's training programs to employees across all our geographical locations. We have developed a self-learning and development platform called "LIC Gyanpeeth", which was introduced on October 19, 2020. We have synchronised our training needs assessment based on the aspirations of our employees to ensure a continued stream of skilled personnel.

We have also implemented employee engagement programs, which are aimed at motivating our employees to work towards our organizational goals, foster collaboration, share corporate concerns, update new initiatives of various departments and improve the quality of customer service.

Our Corporation provides our employees with gratuity, leave encashment and superannuation benefits. All these benefits are fully funded under a separate policy of pension and group schemes and fully funded as per the actuarial valuation carried out every year. Our Corporation has also taken a group insurance policy to cover life and medical insurance for the benefit of its employees.

Insurance Policies Taken by Our Corporation

Our Corporation's properties with a book value of ₹1.50 million and above are insured against fire. We have taken out insurance on IT infrastructure at our central office, zonal offices and divisional offices. For further details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We may be unable to obtain external reinsurance on a timely basis at reasonable costs and are exposed to concentration risk with individual reinsurers*" on page 59.

Our Corporation has taken a directors' & officers' liability policy for a sum assured of ₹250.00 million.

Intellectual Property

Our Corporation holds 14 registrations in respect of trademarks under various classes, including Class 16, 36, 41 and 42, granted by the Government of India's Trademark Registry under the Trademarks Act, 1999, as at December 31, 2021. Our Corporation also holds a copyright registration for the Hindi name, Bharatiya Jeevan Bima Nigam and the English name, Life Insurance Corporation of India. For further information on our Corporation's intellectual property, see *"Government and Other Approvals-Intellectual Property"* and "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We cannot ensure that our intellectual property is protected from copy or use by others, including our competitors, and intellectual property infringement actions may be brought against us*" on pages 531 and 58, respectively.

Properties used for our Corporation's Business

Our Corporation's central office is located in Yogakshema, Mumbai, India, which is a leasehold property for 99 years, from February 22, 1957 to February 22, 2056.

The details of our Corporation's other offices in India as at December 31, 2021 are as follows:

Type of Office	No. of Offices (including offices housed in premises where other one or more other type of office is located)(1)	Owned	Taken on Lease
Central Office	1	1	–
Management Development Centre	1	1	–
Zonal Offices	8	7	–
Zonal Training Centres	8	8	–
Divisional Offices	113	101	7
Branch Offices	2,048	908	928
Satellite Offices	1,559	14	1,521
Sales Training Centres	17	16	1
Mini Offices	1,173	–	1,173
Pension & Group Scheme Units	77	1	2
Salary Savings Scheme Units	4	2	–
Total	**5,009**	**1,059**	**3,632**

Note: (1) Our Corporation utilises the same property/building to run the operations of several of our offices. For the purposes of providing the data in the table above for properties that are owned and taken on lease, only one office has been considered, e.g., the Yogakshema building houses the central office, one zonal office, two divisional offices and two branch offices. However, only the central office has been considered. By way of another example, as at December 31, 2021, we had 77 pension & group scheme units pan India. However, they were primarily housed in the divisional office premises, and only three units functioned from standalone premises.

Community Service Initiatives

Our Corporation is not subject to any statutory obligation to undertake any corporate social responsibility initiatives. However, on our own accord, we established the LIC GJF with the objective of providing relief to those living in poverty or distress, lacking advancement opportunities in terms of education, requiring medical relief, or any other public utility.

For more details, see "-*Environmental, Social and Governance*" on page 241.

Recent Developments – Responses to the COVID-19 Pandemic

Our Corporation implemented numerous measures to help mitigate the negative effects of the COVID-19 pandemic on our business, including:

- Introducing work from home arrangements for our employees to perform their tasks seamlessly.
- Utilizing secure VPN-based connectivity to enable remote access (work from home) to users on 24 hours a day, seven days per week basis.
- Providing our employees and intermediaries with more online training.
- Utilizing the video conferencing tool to enable employees to conduct meetings and share presentations and documents with ease.
- Digitizing new business processing through ANANDA, which we launched in November 2020.
- Increasing our focus on promoting the portal on our website to garner more online sales.
- Providing additional digitized modes of payment for customers, such as e-NACH, also known as eMandate, which is a digital payment service.
- Enhancing the focus on digital delivery of services to customers in a self-service mode and introducing multiple online facilities for customers. Our online portal and mobile application for customers and agents have been enhanced with features that facilitate additional online services, in terms of service request submissions and digital transactions.
- Introducing the AI-enabled Chatbot called "LIC Mitra" in September 2020, which provides various policy-related information, premium due dates and various LIC products, including, newly launched plans and customer queries (FAQs) related to policy servicing and claims.
- Introducing a comprehensive administration files workflow system as an e-governance solution to enable our Corporation to transition into a paperless work environment.
- Introducing the EDMS Admin Work Flow platform to support an effortless movement of notes and other documents digitally, thus reducing the dependency on physical storage and paperwork.
- Simplifying our claims and servicing processes through the implementation of the LIC DocQ app to effect revival of policies in satellite offices, and to enable submission of claim requirements for settlement of claims at any of our branch locations in India. The app has been implemented in conjunction with the facility for New Underwriting Application users.

- Introducing products that are suitable for the pandemic climate, such as LIC's Arogya Rakshak, which covers hospitalization due to COVID-19.

For further information on the effects of the COVID-19 pandemic on our business, financial condition, results of operations and cash flows, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – The ongoing COVID-19 pandemic could adversely affect all aspects of our business, including: (i) restricting the ability of our agents to sell our products; (ii) significantly increasing our expenses due to changes in laws and regulations and investing in new methodologies to overcome the restrictions brought in to address the spread of COVID-19 and the adverse changes in population mortality/morbidity or utilization behaviours; (iii) adversely affecting our investment portfolio; (iv) adversely affecting our operational effectiveness; and (v) heightening the risks we face in our business, including those discussed in this Prospectus*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations and Financial Condition – Effects of COVID-19*" on pages 24 and 454, respectively.

KEY REGULATIONS AND POLICIES

The following description is an indicative summary of certain sector specific key laws and regulations in India, which are applicable to our Corporation. The information detailed in this section has been obtained from publications available in the public domain. The regulations, as applicable and as amended, set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed as nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

The Life Insurance Corporation Act, 1956 ("Life Insurance Corporation Act") and Life Insurance Corporation General Regulations, 2021 ("LIC General Regulations")

Our Corporation was constituted under the Life Insurance Corporation Act, with an objective to serve the purpose of nationalisation of life insurance business in India. The Life Insurance Corporation Act was passed by the legislature with an intent to subsume all the existing life insurance business in India and thereby transferring all such business to our Corporation. The Life Insurance Corporation Act also provides for the regulation and control of the business of our Corporation and the matters related thereto.

The Life Insurance Corporation Act governs various aspects of our Corporation, including in relation to corporate governance requirements, constitution of board of directors, qualifications for appointment of directors, disqualifications for removal of directors, maintenance of requisite funds and distribution of surplus. The Life Insurance Corporation Act also governs the share capital of our Corporation, including alteration of authorized share capital, increase of issued share capital by way of public issue, rights issue, preferential allotment, private placement or issue of bonus shares, subject to applicable limits. Further, Section 5(4) of the Life Insurance Corporation Act requires the Central Government to hold at least 51% of the issued equity share capital of our Corporation, at all times, and not less than 75% for the first five years after the first issue of shares to any person other than the Central Government. Section 5(A)(3) of the Life Insurance Corporation Act prohibits any person (other than the Central Government), acting either individually or in concert with others, from holding equity shares in excess of 5% of the issued equity share capital of our Corporation, or a higher percentage, as notified by the Central Government.

As per Section 5(4) of the Life Insurance Corporation Act, our Corporation may increase its issued share capital, with the previous approval of the Central Government, by, *inter-alia*, issue of shares to life insurance policyholders of our Corporation. However, issuance to policyholders cannot be through either preferential allotment or private placement. Section 5(9) of the Life Insurance Corporation Act allows our Corporation to make a reservation for the policyholders of our Corporation on a competitive basis, in relation to a public issue, to an extent of up to 10% of the issue size. Such reservation may be made by our Corporation *"*at any time during the period of five years from the commencement of Section 131 of the Finance Act, 2021.*"* The manner of reservation for the policyholder through public issue has been specified in the Life Insurance Corporation Rules, 1956, as amended by Life Insurance Corporation (Amendment) Rules, 2021 ("**LIC Rules**"). The aforesaid reservation limit is subject to the value of allotment of equity shares not exceeding ₹200,000.

Further, the Life Insurance Corporation Act empowers our Corporation to constitute an executive committee to exercise such powers as entrusted upon it by the Board of Directors. Furthermore, our Corporation is also required to constitute a nomination and remuneration committee and an audit committee in accordance with the terms of the Life Insurance Corporation Act to perform such functions as prescribed. The Life Insurance Corporation Act requires our Corporation to be guided by the directions which may be issued by the Central government in writing for matters of policy involving public interest. Additionally, our Corporation is allowed to entrust the superintendence and direction of the affairs and business of a zonal office to a zonal manager who shall perform all such functions as may be delegated with respect to the area within the jurisdiction of the zonal office. In terms of the Life Insurance Corporation Act, our Board is required to cause an investigation to be made every year by actuaries into the financial conditions of the life insurance business of our Board, including a valuation of the liabilities of our Board in respect thereto, and submit the report of the actuaries to our Board. The Life Insurance Corporation Act requires that, if for any financial year, profits accrue from any business (other than life insurance business) carried on by our Corporation, then, after making necessary provisions, the balance of such profits shall be allocated to or be reserved for the members. Further, in terms of the Life Insurance Corporation Act, the sum assured by all policies issued by our Corporation including any bonuses declared thereof and the amounts assured by all policies issued by any insurer, the liabilities under which have vested in our Corporation under the Life Insurance Corporation Act and the bonuses declared in respect thereof, are guaranteed as to payment in cash by the Central Government – such guarantee being 'sovereign guarantee' provided on the sum/ amounts assured as aforesaid. Furthermore, in accordance with the Life Insurance Corporation Act, the Central Government guarantees as to payment in cash the sums assured by all policies issued by our Corporation including any bonuses declared in respect thereof, subject to the provisions of the Life Insurance Corporation Act.

Section 5A of the Life Insurance Corporation Act provides that the shares of our Corporation shall be freely transferable provided that any arrangement between two or more persons in respect of transfer of shares shall be enforceable as a contract. However, the Central Government cannot transfer any shares held by it in our Corporation, if as a result of such transfer, the shares held by it, on a fully diluted basis, reduce to less than 51% of the issued equity share capital of our Corporation. Further, no person, other than the Central Government, acting individually or with persons acting in concert (as defined in the Takeover Regulations) with such person, or constituents of a group (as defined in the Competition Act, 2002), shall hold equity share in excess of 5% of the issued equity share capital of our Corporation, or such higher percentage as the Central Government may by notification specify. The Parliament, in March 2021, passed the Insurance Amendment Bill 2021 to increase the FDI limit in the insurance sector to 74% from 49% of paid-up equity capital previously. The DPIIT has introduced an amendment to the FDI Policy by issuance of Press Note no. 1 (2022 Series) dated March 14, 2022 and consequent amendment to the FEMA Non-debt Instruments Rules, restricting FDI to up to 20% in our Corporation through automatic route.

The privilege of carrying on life insurance business in India exclusively, which was provided to our Corporation under the Life Insurance Corporation Act, ceased to have effect with the commencement of IRDA Act and thereafter our Corporation is required to carry on life insurance business in India in accordance with the Insurance Act subject to the provisions of the Life Insurance Corporation Act and the rules/regulations framed thereunder. The Life Insurance Corporation Act provides that laws relating to the winding up of companies or corporations shall not apply to our Corporation, and our Corporation shall not be placed in liquidation except for an order by the Central government and in such manner as the Central government may direct. The Life Insurance Corporation Act empowers the Central government to make rules to carry out the purposes of the Life Insurance Corporation Act, the subject matter of which includes, among other things, the term of office and the conditions of service of directors, the manner of reservation in favour of life insurance policyholders and allotment against such reservation, in relation to a public issue, the conditions for appointment of employees and the securities and instruments which may be issued. Further, our Board may, with prior approval of the Central government, make regulations for the purposes of giving effect to the provisions of the Life Insurance Corporation Act, the subject matter of which includes, among other things, method of recruitment of employees and agents, classification of policies, maintenance and operation of the funds and reserves and manner of election of directors.

In terms of the Finance Act, 2021 ("**Finance Act**"), new provisions in relation to constitution of our Board and qualifications and disqualifications have been implemented. Further, the directors and the members of senior management are required to disclose their interest in any body corporate, including by way of shareholding, in the manner prescribed. Further, the Finance Act, provides a list of transactions which cannot be entered into by our Corporation with related parties, except prior consent of our Board and such other conditions as may be prescribed. Further, the Finance Act stipulates certain requirements, among other things, with respect to capital of our Corporation, register of members, transferability of shares and rights of registered members to nominate. Further, the Finance Act has introduced new provisions in relation to annual general meetings and other general meetings, including the time period within which such meetings shall be held, subject matter of such meetings, the manner in which such meetings shall be conducted and the voting rights of the members. Further, the Finance Act has amended provisions in relation to, among other things, funds of our Corporation, financial statements, board's reports, appointment of auditors and functions of our Corporation. Further, the Finance Act has introduced new provisions in relation to declaration and manner of distribution of dividends, protection of actions taken under the Life Insurance Corporation Act, utilisation of surplus from life insurance business, and requirement to maintain separate funds for participating and non-participating policyholders of our Corporation.

The system of compensation for our Corporation is governed by the following rules:

(i) Life Insurance Corporation of India, Chairman (Certain Terms and Conditions of Services) Rules, 1998 read with Life Insurance Corporation of India, Chairman (Certain Terms and Conditions of Services) Amendment Rules, 2016 and Life Insurance Corporation of India, Chairman (Revision of Certain Terms and Conditions of Services) Amendment Rules, 2021 whereby, the position of the Chairman has been replaced with "Chief Executive". These rules govern the payment of remuneration/compensation to the Chief Executive of our Corporation.

(ii) Life Insurance Corporation of India, Managing Director (Revision of Certain Terms and Conditions of Services) Rules, 1998 read with Life Insurance Corporation of India, Managing Director (Revision of Certain Terms and Conditions of Services) Amendment Rules, 2016 and Life Insurance Corporation of India, Managing Director (Revision of Certain Terms and Conditions of Services) Amendment Rules, 2021. These rules govern the payment of remuneration/compensation to the Managing Director of our Corporation. These rules govern the terms and conditions of service of managing directors of our Corporation, including *inter alia* the scale of pay, amount of dearness allowance, house rent allowance and provident fund/gratuity fund contribution.

(iii) Life Insurance Corporation of India (Payment of Gratuity to the Chairman and Managing Directors) Rules, 1997. These rules govern the payment of gratuity to the Chief Executive and Managing Director of our Corporation. In terms of these rules, a person who, immediately before the date of assuming office as the Chief Executive or the Managing Director as the case may be, was in the service of our Corporation is paid gratuity calculated in accordance with rule 9 of the Life Insurance Corporation of India Class-I Officers (Revision of Terms and Conditions of Service) Rules, 1985. The amount of gratuity so calculated cannot be less than the amount of gratuity such person would have been entitled to had he continued in the grade of zonal manager (selection grade), when the gratuity becomes due and payable to him.

The Central Government has framed the LIC Rules in exercise of the powers conferred by Section 48 of the Life Insurance Corporation Act. The LIC Rules, *inter alia*, provide for the following matters: (i) the term of office of members of employees and agents relations committee; (ii) the terms of resignation and removal of the members of our Corporation; (iii) **t**erm of office and conditions of service of directors; (v) disclosure of interest; (vi) Manner and procedure of selection of auditors and conditions of their appointment. The Life Insurance Corporation of India (Agents) Regulations, 2017 is applicable to all agents appointed in India by our Corporation for the purpose of soliciting or procuring the life insurance business, including business relating to the continuance, renewal or revival of policies of insurance for our Corporation. The agent to be appointed by our Corporation is required to fulfil the eligibility conditions as laid down in Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations, 2016. An agent is required to bring minimum amount of business in his first and subsequent agency years as may be determined by our Corporation, failure of which results in termination of the appointment of the agent.

Separately, pursuant to the power under Section 49 of the Life Insurance Corporation Act, and in supersession of the Life Insurance Corporation Regulations, 1959, our Corporation has notified the LIC General Regulations on July 22, 2021, which, *inter alia*, prescribes the manner and conditions subject to which equity shares may be issued by our Corporation, manner of holding meetings of board and its committees, the kind and nature of share capital and debentures, manner of issue of securities, calls and forfeiture of shares, manner of nomination by member, manner of keeping and maintaining registers, payment of dividend and transfer of securities.

The LIC General Regulations provide that the share capital of our Corporation is required to be of such kinds as are provided for in respect of a company under Section 43 of the Companies Act. However, our Corporation cannot issue equity shares with differential rights as to dividend, voting or otherwise. Further, the shares, debentures and other interest of any member in our Corporation is a movable transferable property. The issuance of securities in physical form by our Corporation is required to be in accordance with the requirements specified by the Board in this regard.

Our Corporation may from time to time increase its issued share capital, with the previous approval of the Central Government, by way of public issue or rights issue or preferential allotment or private placement or issue of bonus shares to existing members holding equity shares, or by issue of shares to employees pursuant to share based employee benefits schemes, or by issue of shares to life insurance policyholders of our Corporation, or otherwise. Further, these regulations mandate our Corporation to pay dividend in proportion to the amount paid-up on each share.

Pursuant to these regulations, in the event of a public issue of equity shares of our Corporation, before filing the draft offer document with the SEBI, our Corporation is required to request the IRDAI for its observations (if any), in respect of the following:

(i) its overall financial position, before and after issue capital structure, and embedded value as assessed by an independent actuary;
(ii) its record on maintenance of control level of solvency required under regulations made by the IRDAI and on policyholder protection;
(iii) its record of compliance with insurance regulations, as applicable to our Corporation;
(iv) the status of compliance with public disclosure requirements under any circular of the IRDAI in this regard, in so far as such circular is applicable to our Corporation.

The Insurance Act and the IRDA Act

The Insurance Act along with the various regulations, guidelines and circulars issued by the Insurance Regulatory and Development Authority of India ("**IRDAI**"), govern, amongst other matters, registration of the insurers, opening of new places of business, accounts and balance sheet, audit of financial statements, actuarial report and abstract, insurance intermediaries and agents, investment of funds, valuation of assets and liabilities, solvency margins, limits on expenses of management, commission and/or remuneration and/ or rewards payable to insurance agents and intermediaries, reinsurance and obligation of insurers in respect of rural and social sectors. The IRDAI came into existence by virtue of promulgation of the IRDA Act to regulate, promote and ensure orderly growth of the insurance sector in India and to protect the interests of policyholders.

Insurers are required to be registered with the IRDAI under the Insurance Act for carrying out any class of insurance business, including life insurance in India. The Insurance Act stipulates, among other things, certain requirements with respect to submission of certified true copy of report on the affairs of the concern which is submitted to the members of the policyholders of the insurer. Insurers are required to maintain records of policies, including the details of policyholders, record of claims, including details of discharge or rejection of claims, record of insurance agents, etc. Section 30A of the Life Insurance Corporation Act (introduced with effect from April 19, 2000) provides that our Corporation shall carry on life insurance business in India in accordance with the provisions of the Insurance Act on and from the commencement of the Insurance Regulatory and Development Authority Act, 1999. Section 43 of the Life Insurance Corporation Act provides a list of sections of the Insurance Act which are applicable to our Corporation. Further, certain provisions of the Insurance Act are applicable to our Corporation subject to such conditions and modification as may be prescribed. The Central Government may, in pursuance of their powers under Section 43 of the Life Insurance Corporation Act, notify further provisions of the Insurance Act to be applicable to our Corporation.

The Insurance (Amendment) Act, 2021

The Insurance (Amendment) Act, 2021 received the assent of the President of India on March 25, 2021. The Central Government notified that the Insurance (Amendment) Act, 2021 shall come into force with effect from April 1, 2021. It amends the definition of Indian insurance company under Section 2 (7A) of the Insurance Act to increase the maximum foreign investment allowed in an Indian insurance company. The cap on aggregate holding of equity shares by foreign investors, including portfolio investors, has been raised to 74% of paid-up equity share capital from the erstwhile 49%. The requirement for insurance companies to be Indian owned and controlled has been omitted, thereby, allowing foreign ownership and control of insurance companies, subject to certain conditionalities. The foreign investment in insurance companies is subject to such conditions as may be prescribed by IRDAI and/ or the Central Government, which, *inter alia*, includes the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 and the IRDAI (Indian Insurance Companies) (Amendment) Regulations, 2021.

Certain regulations notified by the IRDAI

Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000, as amended ("IRDAI Registration Regulations")

The IRDAI has notified the IRDAI Registration Regulations which makes it mandatory for any applicant desiring to carry on or partake insurance business in India to obtain a certificate of registration from IRDAI, prior to commencing insurance business. The IRDAI Registration Regulations also set out the overall process for seeking such registration, including eligibility criteria, fees for registration, grounds for rejection, action upon rejection, and effect of rejection of an application for registration. These regulations provide guidance with respect to renewal, cancellation and suspension of certificate of registration. These regulations also prescribe the manner in which foreign investment in an Indian insurance company is to be computed. Further, the IRDAI Registration Regulations prescribe that an insurer is required to pay an annual fee to the IRDAI. Pursuant to the IRDAI (Indian Insurance Companies) (Amendment) Regulations, 2021, the IRDAI Registration Regulations require all insurance companies having foreign investment, to ensure that:

(i) a majority of its directors are resident Indian citizens;
(ii) a majority of its 'Key Management Persons' (defined in the Guidelines for Corporate Governance for insurers in India issued by the IRDAI on May 18, 2016 as "members of the core management team of an insurer including all whole-time directors/ Managing Directors/ CEO and the functional heads one level below the MD/CEO, including the CFO, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary) are resident Indian citizens; and
(iii) at least one among the chairperson of its Board of directors / MD /CEO, are resident Indian citizens.

Currently, our Corporation is fully owned and controlled by the Government of India and therefore, the conditions prescribed in the IRDAI Registration Regulations in relation to foreign investment are not applicable to us. However, pursuant to listing of our Corporation, it is possible that we may attract investment from non-resident entities/ persons, which in turn shall trigger the aforesaid compliance requirements under the IRDAI Registration Regulations, subject to the provisions of the Life Insurance Corporation Act.

Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 ("Protection of Policyholders' Interest Regulations")

On June 22, 2017, the IRDAI notified the Protection of Policyholders' Interest Regulations. The Protection of Policyholders' Interest Regulations prescribes specifications with respect to various aspects including insurance product solicitation, grievance redressal, and claim settlement, which are required to be complied by all insurers in order to protect the interests of policyholders. It mandates insurers to have in place a policy approved by its board of directors, which is required to provide inter-alia, the steps that an insurer proposes to enhance insurance awareness amongst prospects and policyholders, service parameters, procedure for expeditious resolution of complaints, steps to be taken during the policy solicitation and sale stages, and steps taken by the insurer for preventing mis-selling and unfair business practices at point of sale and service.

The Protection of Policyholders' Interest Regulations prescribe the form and content requirements that are required to be fulfilled by insurers in relation to their policy documents, proposal forms and prospectuses of insurance products. The insurers are mandated to disclose in their policy documents all material information such as the terms and conditions of a policy, details of premium payable, free look period, requirements to be fulfilled for lodging a claim, coverage of the policy, exclusions, grounds for cancellation, and details of grievance redressal mechanism available to policyholders. Further these regulations set out the procedure that is required to be followed by insurers for expeditiously settling any claims made by a policyholder. Further, pursuant to the IRDAI CG Guidelines, insurers are also required to mandatorily set up a Policyholders' Protection Committee. The Policyholders' Protection Committee is required to, *inter alia*, recommend a policy on customer education for approval of the board of directors of the insurer, ensure proper implementation of the same, put in place systems to ensure that policyholders have access to redressal mechanisms and establish policies and procedures, for the creation of a dedicated unit to deal with customer complaints and resolve disputes expeditiously, establish a framework for review of awards given by Insurance Ombudsman/consumer forums, review claims reports.

Insurance Regulatory and Development Authority of India (Appointed Actuary) Regulations, 2017 ("Appointed Actuary Regulations")

The Appointed Actuary Regulations mandate that an insurer shall not carry on business of insurance without an appointed actuary for a period exceeding one year and require that the insurers (including us) appoint a person fulfilling the eligibility requirements specified under the regulations to act as an appointed actuary, after seeking the approval of the IRDAI in this regard. The appointed actuary needs to, *inter alia*, ensure that all the records of the insurer to conduct actuarial valuation of the liabilities and assets of the insurer have made been available to her or him, render actuarial advice to the management of the insurer particularly in the areas of product designing and pricing, express opinions on the underwriting policy, reinsurance arrangements and effective implementation of risk management systems, ensure that the insurer complies with the attendant solvency requirements under the applicable law and pay due regard to generally accepted actuarial principles while carrying out any task. Further, the Appointed Actuary Regulations provides a list of actuarial statements / certificates/ reports to be submitted to the IRDAI with due dates.

Insurance Regulatory and Development Authority of India (Actuarial Report and Abstract for Life Insurance Business) Regulations, 2016 (the "Actuarial Report Regulations")

The IRDAI has issued the Actuarial Report Regulations dated April 13, 2016, which stipulate procedures for preparation of actuarial reports and abstracts and also provide for valuation methods and parameters to be included in such actuarial reports and abstracts.

Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations")

The IRDAI Investment Regulations have segregated a life insurer's total investment assets into three categories: (i) shareholders' funds representing solvency margin, non-unit reserves of unit-linked life insurance business, participating and non-participating funds of policyholders, funds of variable insurance products including one year renewable pure group term assurance business at their carrying value; (ii) policyholders' funds of pension, annuity and group business including funds of variable insurance products at their carrying value; and (iii) policyholders' unit reserves of the unit linked insurance business, including funds of variable insurance products at their market value as per the IRDAI Investment Regulations. Further, the IRDAI Investment Regulations lays down the category of "approved investments" which was earlier defined in the Insurance Act. Additionally, the IRDAI Investment Regulations have prescribed the composition of investment committee and also the investment pattern and exposure norms for an insurer.

The IRDAI Investment Regulations prescribe the manner and limits with respect to the investment of the assets of an insurer. Maximum exposure limits for a single "investee" company, group of investee companies and for the industry sector to which the investee company belongs to have been defined. Additionally, limits at various asset classes and exposure to credit instruments including limits based on credit ratings have also been prescribed. Further, the IRDAI Investment Regulations prescribe that not more than 5% of the total aggregate of the "investment assets" of insurers can be invested in companies belonging to its promoter group. The IRDAI Investment Regulations have also specifically laid emphasis on insurers conducting their own risk analysis commensurate with the complexity of the product(s) and the materiality of their holding and prohibited replacement of appropriate risk analysis and management on the part of the insurer in lieu of credit ratings.

Insurers are also required to implement investment risk management systems and processes which are to be certified by a chartered accountant firm and are required to be audited at least once at the beginning of every two financial years. The IRDAI Investment Regulations also stipulate investment management mechanism, including formulating of an investment policy, constitution of an investment committee which shall implement the investment policy (as approved by the board of directors of the insurer), risk management systems (as mandated by the IRDAI) and audit and reporting to the board or its committees. Further, the net asset value as declared by the insurer shall be subject to a daily concurrent audit. The board of directors of the insurer are also required to review the investment policy and its implementation on a half-yearly basis (or at such shorter intervals as decided) and make modifications to the investment policy as may be necessary keeping in mind protection of policyholders' interests and the pattern of investment laid down in the IRDAI Investment Regulations. Compliance with the IRDAI Investment Regulations is required to be reported by insurance companies on a quarterly basis by filing the forms prescribed in these regulations. The IRDAI Investment Regulations further mandate that all events in the knowledge of the insurer which can have material adverse impact on the investment portfolio of the insurer and consequently on the security of policyholder benefits and expectations, are required to be reported to the IRDAI on an immediate basis. The insurer is also required to adopt a model code of conduct, duly approved by its board of directors, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

While our Corporation has made investments in accordance with the IRDAI Investment Regulations in the ordinary course, in some instances, we have also sought exemptions from application of the provisions of the IRDAI Investment Regulations. Our Corporation has obtained the following approvals/ exemptions for making certain investments:

- The IRDAI *vide* letter dated December 23, 2016, approved our Corporation's total exposure of up to 16.23% in Indian Tobacco Company Limited (that is, an additional exposure of up to 2%). In addition, the IRDAI had also approved an additional exposure of up to 5% in Larsen & Toubro Limited. However, at present, the exposure in Larsen & Toubro Limited has been brought down within the prescribed limit as per IRDAI Investment Regulations.
- The IRDAI *vide* letter dated July 4, 2018 permitted our Corporation to acquire up to 51% of equity shares in IDBI Bank, subject to certain conditions, including our Corporation progressively bringing its stake down in IDBI Bank within the regulatory limits prescribed in the IRDAI Investment Regulations, over a period of time specified by the IRDAI. Further, the Central Government *vide* letter dated August 6, 2018, conveyed no-objection to acquisition of controlling stake by our Corporation as promoter in IDBI Bank.
- The IRDAI *vide* letter dated March 31, 2021, allowed our Corporation to hold equity shares of LIC Housing Finance Limited to the extent of 49% of outstanding equity shares. The IRDAI, however, also advised our Corporation to explore the possibility of reducing its stake in LIC Housing Finance Limited, to bring our Corporation's exposure within the limits prescribed under Regulation 9 of the IRDAI Investment Regulations.

Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers Transacting Life Insurance Business) Regulations, 2016 ("EOM Regulations")

The EOM Regulations prescribe the limit and scope of the expenses of the management in life insurance business, i.e., all operating expenses including commission/brokerage payable to intermediaries which are charged to revenue account. The EOM Regulations prescribe the percentage of the allowable expenses under various segments of life insurance business and the insurers are obligated to ensure that the expenses of management are within the allowable limit. The EOM Regulations provide that for any violation of such limits, the IRDAI may after allowing forbearance to the provision of EOM Regulations for a maximum period of ten (10) years and having regard to the business model of the insurer, *inter alia* direct the excess expense to be charged to the shareholder's account, impose restrictions on opening of new places of business, impose restrictions on payment of performance incentives to the managing directors / chief executive officers, whole time director and key management persons or remove managerial personnel and/or appoint an administrator.

Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 ("Obligations of Insurers to Rural and Social Sectors Regulations")

The Obligations of Insurers to Rural and Social Sectors Regulations provide the percentage of lives to be insured in social sector (computed on the total business procured in the preceding financial year and applicable to all insurers). "Rural Sector" has been defined in the Obligations of Insurers to Rural and Social Sector Regulations to mean "the places or areas classified as 'rural' while conducting the latest decennial population census (Census of India)", whereas "Social Sector" has been defined in the Obligations of Insurers to Rural and Social Sector Regulations to include "unorganized sector, informal sector, economically vulnerable or backward classes and other categories of persons, both in rural and urban areas". The Obligations of Insurers to Rural and Social Sectors Regulations prescribe the percentage of total policies to be underwritten in the respective year with respect to rural sector by life insurers. Similarly, the regulations also provide the percentage of policies insuring people comprising social sector (computed on the total business procured in the preceding financial year and applicable to all insurers). The Obligations of Insurers to Rural and Social Sectors Regulations also require insurers to put in place effective operational procedures for accurate classification of the business obligations into the Rural Sector and Social Sector.

Insurance Regulatory and Development Authority of India (Micro Insurance) Regulations, 2015 ("Micro Insurance Regulations")

The Micro Insurance Regulations were notified on March 13, 2015 and supersede the Insurance Regulatory and Development Authority (Micro Insurance) Regulations, 2005. Under the Micro Insurance Regulations, life insurers are allowed to offer general micro insurance products and life micro-insurance products where "General micro-insurance product" means any health insurance contract, any contract covering the belongings, such as, hut, livestock or tools or instruments or any personal accident contract, either on individual or group basis, as per terms stated in Schedule I of the Micro Insurance Regulations and "Life micro-insurance product" means a life insurance product designed as per terms stated in Schedule II of the Micro Insurance Regulations. Provided that the life insurer offering general micro-insurance products must have a tie-up with an insurer carrying on the general insurance business. Further, the regulations govern, *inter alia*, the appointment of micro insurance agents, code of conduct of micro insurance agents, distribution of micro insurance products, filing of micro insurance products, issuance of micro insurance policy contracts, the remuneration/commission payable to micro insurance agents and obligations to rural and social sectors.

Insurance Regulatory and Development Authority of India (Insurance Advertisements and Disclosure) Regulations, 2021 ("Advertisement Regulations") and Master Circular on Insurance Advertisements, dated October 17, 2019 ("Advertisement Master Circular")

The Advertisement Regulations replaced the erstwhile Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000 with dual objectives of: (a) ensuring that the insurers, intermediaries or insurance intermediaries adopt fair, honest and transparent practices while issuing advertisements and avoid practices that tend to impair the confidence of the public; and (b) ensuring that the advertisement is relevant, fair and in simple language enabling informed decision making. The Advertisement Regulations, among other things, incorporated the concepts of 'insurance advertisement' and 'institutional advertisement' which were earlier introduced *vide* the Advertisement Master Circular. The Advertisement Regulations prescribe certain compliances and controls in relation to insurance advertisements issued by insurers, intermediaries, or insurance agents. The insurers are required to have a compliance officer, establish and maintain a system of control over the content, form, and method of dissemination of all advertisements relating to the insurance products offered to the prospects. Such advertisements are required to be filed with the IRDAI within seven days after its release, along with the following: (a) the UIN number(s) of the policy(ies) or Products advertised in case of an insurance advertisement; (b) a description of the advertisement and how it is used; (c) the method or media used for dissemination of the advertisement and (d) an identifying number for the advertisement. Insurers are also required to ensure that advertisements are not unfair or misleading in as much as, it should clearly identify the insurance product, describe benefits as detailed in the provisions of the policy and indicate the risks involved. Through the Advertisement Regulations, the IRDAI has also brought about certain additional aspects such as 'clarity in advertisements', requiring insurers and insurance intermediaries to, *inter alia,* ensure that in all advertisements, the communications are clear, fair and not misleading whatever be the mode of communication. The insurers/ insurance intermediaries are also required to use material and design (including paper size, colour, font type and font size, tone and volume) to present the information legibly and in an accessible manner along with mandatory disclosures in the same language as that of the whole advertisement. In addition to the Advertisement Regulations, IRDAI issued the Advertisement Master Circular prescribing the minimum standards (including do's and don'ts) to be adhered by the insurers and insurance intermediaries while publishing insurance advertisements. Further, every insurer, intermediary or insurance agent is required to maintain an advertisement register and maintain specimens of all advertisements for a minimum period of three years.

Insurance Regulatory and Development Authority of India (Re-insurance) Regulations, 2018 ("Reinsurance Regulations")

In terms of the Insurance Act, insurers are obligated to reinsure with Indian reinsurers such percentage of sum assured on each policy, as notified by IRDAI from time to time. Life insurers are required to retain 25% of the sum at risk under pure protection life insurance business portfolio and 50% of the sum at risk under other than pure protection life insurance business portfolio. As per the Reinsurance Regulations, every insurer is required to prepare a reinsurance programme which should commence from the beginning of every financial year and the insurer is required to file the board approved reinsurance program along with its retention policy, 45 days before the commencement of financial year and thereafter, the insurer is required to file the final reinsurance program (incorporating changes, if any) duly approved by the board of directors of the insurer, within 30 days from commencement of the financial year. The objective of the reinsurance programme is (a) maximum retention within the country, subject to proper and adequate diversification of risks; (b) to develop adequate technical capability and financial capacity; (c) to secure the best possible re-insurance coverage required to protect the interest of the policyholders and (retro)cedents at a reasonable cost; and (d) to simplify the administration of business. The insurers are required to ensure that the reinsurance arrangements in respect of catastrophe accumulations are adequate and ensure that the catastrophe modelling report and basis along with return period estimates, on which quantum of catastrophe protection is purchased, is duly approved by the board of directors of the insurer and file a synopsis of the catastrophe modelling report along with the reinsurance programme. Further, the Reinsurance Regulations, *inter alia*, require every insurer to maintain the maximum possible retention in commensuration with its financial strength, quality of risks and volume of business, ensure that the re-insurance arrangement is not fronting and formulate a suitable board approved insurance segment-wise retention policy. Every Indian insurer is required to submit to IRDAI, copies of every re-insurance contract, the list of re-insurers with their credit rating, their shares in the proportional and non-proportional re-insurance arrangement. The board, while formulating the re-insurance programme and the retention policy, are required to ensure that the re-insurance arrangements are effective and appropriate by taking into consideration, *inter-alia*, the following factors: (i) business mix, overall risk appetite, type and extent of re-insurance protection required; (ii) level of risk concentration and retention levels; (iii) mechanism of reinsurance.

Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 ("ALSM Regulations")

The ALSM Regulations prescribes the procedures to be followed for determining the value of assets, liabilities, available solvency margin and required solvency margin of insurers. Where the insurer transacts life insurance business providing life covers, the amount of liabilities shall be determined in accordance with the principles specified under the ALSM Regulations.

Further, the ALSM Regulations require insurers to prepare a statement of valuation of assets, determine amount of liabilities and solvency margin of insurers in the formats prescribed under the regulations on an annual basis. An insurer is required to maintain its available solvency margin at a level which is not less than the higher of, (i) 50% of the amount of minimum capital as prescribed under the Insurance Act; and (ii) 100% of the required solvency margin. An insurer is required to maintain a control solvency margin as stipulated by the IRDAI, which currently is a solvency ratio of 150%. In this regard, the Insurance Act prescribes that if at any time the insurer is not able to maintain the required control level of solvency margin, without prejudice to taking any other action as deemed fit by the IRDAI, the IRDAI may require such insurer to submit a financial scheme indicating a plan of action to correct the deficiency within a specified period not exceeding six months. Further, pursuant to the Transfer of Equity Shares Regulations promoters of insurers may be required by the IRDAI to infuse additional capital in proportion to their shareholding or otherwise at periodic intervals to ensure that the insurer is compliant with the aforesaid solvency requirements at all times.

Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016 ("Health Insurance Regulations"), Consolidated Guidelines on Product filing in Health Insurance Business dated July 22, 2020, as modified by circular dated February 8, 2021 and Master Circular on Standardization of Health Insurance Products dated July 22, 2020

The Health Insurance Regulations are applicable to all registered life insurers, general insurers and health insurers, undertaking health insurance business. Health insurance products are permitted to be offered by entities with a valid registration to carry on life insurance, general insurance or health insurance business. Life insurers are permitted to offer long term individual health insurance products for a term of five years or more, considering that the premium for such products shall remain unchanged for at least a period of every block of three years. The premium may be reviewed and modified as necessary at a point thereafter. Life insurers are not permitted to offer indemnity-based products for either individuals or groups. Further, group health policies may be offered by any insurer for a term of one year except credit linked products where the term can be extended up to the loan period not exceeding five years.

The principles of pricing of health insurance products under the Health Insurance Regulations require insurers to ensure that the premium for a health insurance policy is based on age and other relevant risk factors as applicable. For provision of cover under family floater, the impact of the multiple incidence of rates of all family members proposed to be covered must be considered. The premiums filed must ordinarily be not changed for a period of three years after a product has been cleared in accordance with the product filing guidelines specified by IRDAI. Thereafter, the insurer may revise the premium rates depending on the experience and subject to conditions specified in the regulations. The revised rates shall not be changed for a further period of one year from the date of approval by the IRDAI.

Further, the Health Insurance Regulations specify certain provisions relating to health insurance products including product filing procedures, withdrawal of products, review of health insurance products, restrictions on group insurance products, and proposal forms. Further, all the insurers, including life insurers are required to adopt a board approved health insurance underwriting policy, which is required to be periodically reviewed. Other provisions of the Health Insurance Regulations include designing of health insurance policies, renewal, migration, free-look period, special provisions for senior citizens and mandatory AYUSH coverage. The Health Insurance Regulations also contain provisions on administration of health insurance policies, including protection of policyholders' interest, claims settlement and rejection, and minimum disclosures in policy documents. It also provides for administration of health policies through engagement of network providers and third-party administrators ("**TPA**") and specifies minimum requirements under health service agreements with TPAs, and payments and claim settlement procedures in relation to such engagement of network providers and TPAs.

On July 22, 2020, IRDAI issued Consolidated Guidelines on Product filing in Health Insurance Business ("**Consolidated Product Filing Guidelines**") replacing the erstwhile Guidelines on Product filing in Health Insurance Business dated July 29, 2016 and subsequent modification guidelines thereto. The Consolidated Product Filing Guidelines apply to all insurers (except specialized insurers), and to TPAs, to the extent applicable. The Consolidated Product Filing Guidelines require insurers to adopt an underwriting policy for health insurance business giving details of health, personal accident and travel policies, duly approved by the board of directors, and file the same with IRDAI. The Consolidated Product Filing Guidelines also provide detailed prescriptions in relation to proposal forms, designing of products, prospectus, and customer information sheet. The Consolidated Product Filing Guidelines lay down the regulatory framework for (i) 'file and use' procedures in respect of, *inter alia*, new products or add-ons or riders, pilot products, health package products, and filing modifications of products including guidelines on filing minor modification on certification basis; and (ii) 'use and file' procedures for group products other than government schemes and insurance schemes sponsored by governments. Further, there are also provisions on additional guidelines for group insurance, withdrawal of products, guidelines on wellness features/ benefits, and guidelines on migration and portability for health insurance products.

On July 22, 2020, IRDAI also issued the Master Circular on Standardization of Health Insurance Products which replaced the Guidelines on Standardization in Health Insurance dated July 29, 2016 and subsequent modification guidelines issued from time to time. The master circular provides for guidelines on standardization in health insurance, standardization of exclusions in health insurance contracts, and standard individual health insurance product. It contains, *inter alia*, standard definitions for health insurance policies, standard nomenclature and procedures for critical illnesses, standard exclusions and prohibited exclusions in health insurance policies, and basic mandatory covers for individual health insurance products, to enable the prospective policyholders and insured to understand these policies without ambiguity.

Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("**Financial Statements Regulations")**

The Financial Statements Regulations prescribe accounting principles and other financial disclosures to be adhered to while preparing financial statements. These disclosures, *inter alia*, include (i) actuarial assumptions for valuation of liabilities for life policies in force; (ii) encumbrances to assets of the company in and outside India; (iii) commitments made and outstanding for loans, investments and fixed assets; (iv) basis of amortisation of debt securities and (v) specified contingent liabilities. Additionally, the financial statements are required to be prepared in conformity with the accounting standards issued by the ICAI, to the extent applicable, except for accounting standard 3 for cash flow statements which is to be prepared only under the direct method of accounting and accounting standard 17 for segment reporting which is to be applicable to all insurers irrespective of the requirements regarding listing and turnover specified in such accounting standard. Preparation of financial statements which includes balance sheet, revenue account, profit and loss account and receipts and payments account of an insurer, management report and auditor's report are required to be prepared in accordance with the formats as prescribed under these regulations. Separately, our Corporation is also required to maintain its books of account, records and financial statements as well as file returns in accordance with the requirements under Section 24A and Sections 24B of the Life Insurance Corporation Act.

Separately, the IRDAI in its circular dated June 28, 2017 approved a regulatory override whereby the implementation of Ind-AS in the insurance sector was deferred for a period of two years and insurance companies were required to implement it for periods after April 1, 2020. However, on January 21, 2020, the IRDAI issued a circular on

Implementation of Ind-AS in the Insurance Sector whereby it has withdrawn its circular dated June 28, 2017 and deferred the implementation for Ind AS and dispensed with the requirement to submit the proforma financial statements. It has been decided to implement Ind-AS 109 and Ind-AS equivalent of IFRS 17 simultaneously, along with all other applicable Ind-AS and the effective date of implementation shall be decided after the finalization of IFRS 17 by International Accounting Standards Board and subsequent notification of standard equivalent to IFRS 17 in India.

Insurance Regulatory and Development Authority of India (Places of Business) Regulations, 2015 ("IRDAI Place of Business Regulations")

The IRDAI Place of Business Regulations lay down norms for every insurer who seeks to open a place of business within or outside India. Each such insurer is required to obtain the prior approval of the IRDAI, prior to opening a new place of business within or outside India. These regulations also prescribe the nature of activities that can be undertaken by places of business within and outside India and lay down the norms for opening, closure or relocation of branches or offices in India, foreign branch office, etc., and in addition, prescribe certain reporting requirements to IRDAI. In addition, the IRDAI Place of Business Regulations also require the insurers to provide a minimum of two months advance notice on closure or relocation of a branch to the concerned policyholders serviced by that place of business along with information on alternate arrangements being made to provide services to them. All insurers are required to have a board approved annual business plan, which, *inter alia*, contains the total number of new places of business to be opened within India not only in the urban centres but also in semi-urban and rural centres. Insurers are also required to annually submit the annual business plan to the IRDAI. The IRDAI Place of Business Regulations also enables insurers to open foreign branch offices/representative or liaison office outside India, subject to prior approval of the IRDAI, and prescribe activities allowed by such offices.

Insurance Regulatory and Development Authority of India (Third Party Administrators – Health Services) Regulations, 2016 ("TPA Regulations")

The TPA Regulations provide for, *inter alia*, compulsory registration of health services by TPAs, minimum capital and net worth requirements, procedure for application and renewal for registration, conditions for registration, code of conduct and restrictions on transfer of shares or ownership of TPAs. Amongst others, TPAs may render the following services to an insurer under an agreement in connection with health insurance business: a) servicing of claims under health insurance policies by way of pre-authorization of cashless treatment or settlement of claims other than cashless claims or both; b) servicing of claims for hospitalization cover, if any, under personal accident policy and domestic travel policy; c) facilitating carrying out of pre-insurance medical examinations in connection with underwriting of health insurance policies; d) health services matters of foreign travel policies and health policies issued by Indian insurers covering medical treatment or hospitalization outside India; e) servicing of non-insurance healthcare schemes; and f) any other services as may be notified by IRDAI. However, TPAs are prohibited from, *inter alia*, directly making payment in respect of claims, rejecting or repudiating claims directly and procuring or soliciting insurance business directly/indirectly or offer any service directly to the policyholder or insured. A TPA can provide health services to more than one insurer. Similarly, an insurer may engage more than one TPA for providing health services to its policyholders or claimants. In cases where more than one TPA is engaged by the insurer for a given insurance product, the policyholder can choose a TPA of their choice from amongst the TPAs engaged by the insurer. The insurer has the prerogative of whether or not to engage any TPA or to terminate the services of the TPA or not to engage the services of the TPA for a particular health insurance product or discontinue the services of the TPA to service a particular health insurance product. Further, the TPA Regulations prescribe minimum standard clauses required to be incorporated in health services agreements between insurers, TPAs and network providers.

The Insurance Ombudsman Rules, 2017 as amended by Insurance Ombudsman (Amendment) Rules, 2021 ("Ombudsman Rules")

The objective of the Ombudsman Rules is to resolve all complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorships and micro enterprises on the part of insurance companies and their agents and intermediaries in a cost effective and impartial manner. The Ombudsman Rules are applicable to all the insurers and their agents and intermediaries. It provides for constitution and composition of Council for Insurance Ombudsmen whose functions include, *inter alia,* issuing guidelines relating to administration, secretariat staffing, infrastructure and other aspects of the functioning of insurance ombudsman system.

The Ombudsman Rules also provides for the procedure and selection criteria for appointment, qualification, term of office, remuneration and territorial jurisdiction of insurance ombudsman. Further, the duties and functions of insurance ombudsman and the manner in which the complaint is to be made, the procedure for redressal of grievance, nature of complaints to be entertained and the manner of passing award in case the complaint is not settled by way of mediation is also provided under the Ombudsman Rules.

Insurance Regulatory and Development Authority (Manner of Receipt of Premium) Regulations, 2002

These regulations govern the manner in which any person proposing to take an insurance policy or any policyholder can pay premiums to an insurer. Under the regulations, the manner of premium payments include cash, any recognised banking negotiable instrument such as cheques, including demand drafts, pay orders, banker's cheques drawn on any scheduled bank in India, postal money orders, credit or debit cards, bank guarantee or cash deposit, internet, e-transfer, direct credits via standing instructions, and any other method of payment as may be approved by the IRDAI from time to time. These regulations also address the commencement of risk covered by insurance policies and the recovery of collection charges from the proposer.

Insurance Regulatory and Development Authority of India (Issuance of e-insurance policies) Regulations, 2016 ("E-insurance Regulations")

The E-insurance Regulations lay down the procedure for electronic issuance of policies and mandates issuance of policies in electronic mode with respect to the specified products enlisted in the regulation and provision for discounts on premiums for such policies. The E-insurance Regulations also require an insurer to mandatorily issue electronic insurance policies in disaster prone and vulnerable areas as specified by the IRDAI.

Insurance Regulatory and Development Authority of India (Outsourcing of activities by Indian Insurers) Regulations, 2017 ("Outsourcing Regulations")

The Outsourcing Regulations have been issued by the IRDAI to (i) ensure that insurers follow prudent practices on management of risks arising out of outsourcing with a view to preventing negative systemic impact and to protect the interests of the policyholders and (ii) ensure sound management practices for effective oversight and adequate due diligence with regard to outsourcing activities of the insurers. The objective of the Outsourcing Regulations is to further ensure that outsourcing arrangements neither diminish the ability of the insurer to fulfil its obligations towards its policyholders nor impede the effective supervision of the regulator nor result in their internal control, business conduct or reputation being compromised or weakened. The Outsourcing Regulations prescribe a list of activities which an insurer is prohibited from outsourcing. An insurer is not allowed to outsource various activities including, but not limited to, investment and related functions, fund management including NAV calculations, compliance with AML/KYC, product design, grievance redressal etc. and the Outsourcing Regulations permits the insurer to outsource activities which are generally not expected to be carried out internally by the insurers. The Outsourcing Regulations lay down the mode and manner of evaluating the eligibility criteria, due diligence procedures for the outsourced vendor, record maintenance mechanism, regulatory access, contractual obligations with the outsourced vendor, data security of policy holders information, business continuity plan and principles to be followed in case service provider is a related party and also require insurers to formulate an outsourcing policy, establish an outsourcing committee and report outsourcing arrangements to the IRDAI. The Outsourcing Regulations also provide the criteria to treat certain outsourcing arrangements as material outsourcing arrangements and the obligations pertaining to such material outsourcing arrangements.

Insurance Regulatory and Development Authority of India (Unit Linked Insurance Products) Regulations, 2019 ("Unit Linked Products Regulations") and Insurance Regulatory and Development Authority of India (Non-Linked Insurance Products) Regulations, 2019 ("Non- Linked Products Regulations")

Insurance products are broadly regulated by Unit Linked Products Regulations and Non-Linked Products Regulations. These regulations have been issued by the IRDAI to (i) ensure that insurers follow prudent practices in designing and pricing of life insurance products and to protect the interests of the policyholders and (ii) ensure sound and responsive management practices for effective oversight and adequate due diligence with regard to designing and pricing of life insurance products.

These regulations prescribe the requirements on revival of a policy upon its discontinuance, the revival period and the obligations of an insurer upon revival in addition to setting forth various regulations regarding, among others, minimum death benefits and policy terms, discontinuance terms, caps on various charges under products, surrender value offered under unit-linked and non-linked products and administration and disclosure norms of such products, with the objective of protecting the interests of policyholders. In addition, insurance products offered by an insurer on a group platform are also governed by the Unit Linked Products Regulations and Non-Linked Products Regulations.

The Unit Linked Products Regulations provide that unit linked insurance products are required to be offered through products that are non-participating in nature. The Unit Linked Products Regulations also require the minimum death benefit of life insurance products and individual pension products and the minimum death or health related benefits under health insurance products to not be less than 105% of all premiums paid till date of death. The Non-Linked Products Regulations provide for non-linked insurance products to be offered through products that are participating and non-participating in nature. In terms of the Non-Linked Products Regulations, for all the non-linked individual life insurance products, the minimum sum assured on death during the entire term of the policy shall not be less than seven times the annualized premium, for limited or regular premium products, and 1.25 times the single premium for single premium products. Further, for other than single premium products, the minimum death benefit shall be at least 105% of the total premiums received upto the date of death.

Certain regulations notified by the IRDAI for agents and insurance intermediaries

To regulate agents and intermediaries, IRDAI notified certain regulations in relation to individual agents, corporate agents, brokers, web aggregators, insurance marketing firms and others.

Individual Agents

Individual agents are appointed by insurers as per the Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulations, 2016. Under these regulations, an individual agent is permitted to act as an agent for one life, general, health and mono-line insurer each. Further, composite insurance agents can act as insurance agents for two or more insurers, subject to the condition that he/she shall not act as insurance agent for more than one life insurer, one general insurer, one health insurer and one each of the mono-line insurers.

Corporate Agents

Corporate agents are granted a certificate of registration by IRDAI in accordance with the IRDAI Registration of Corporate Agents Regulations for solicitation and servicing of insurance business for any of the specified category of life, general and health. A corporate agency registration is valid for a period of three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed in the IRDAI Registration of Corporate Agents Regulations. The criteria includes matters such as: (a) whether the applicant has the necessary infrastructure and trained personnel/ manpower for effectively undertaking the activities as a corporate agent; (b) whether the principal officer, directors and other employees of the applicant have violated the code of conduct set out under the IRDAI Registration of Corporate Agents Regulations in the last three years; (c) whether any person, directly or indirectly connected with the applicant, has been refused in the past the grant of a licence/registration by the IRDAI; and (d) whether the applicant, in case the principal business of the applicant is other than insurance, maintain an arms-length relationship in financial matters between its activities as Corporate Agent and other activities. Depending on the type of registration (i.e., General, Life, Health or Composite) a corporate agent is permitted to act as a corporate agent for a maximum of three life, three general and/ or three health insurers and is required to adopt a board approved open architecture policy on the same The corporate agents are required to adhere to a code of conduct on soliciting and servicing of insurance policies as prescribed by the regulations.

Insurance Brokers

Insurance brokers are granted a certificate of registration by IRDAI in accordance with the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2018, and are, *inter alia*, required to adhere to the capital requirements, maintenance of minimum net worth, and deposit requirements. They must also adhere to a code of conduct as prescribed by the regulations. The registration granted is subject to a number of conditions, including, taking adequate steps for redressal of grievances of clients within 14 days of receipt of complaint, keeping the IRDAI informed about the number and nature of complaints received, abstaining from undertaking multi-level marketing for solicitation and procurement of insurance products and maintaining records in specified formats.

Insurance Web Aggregators

Further, IRDAI issued the Insurance Regulatory and Development Authority of India (Insurance Web Aggregators) Regulations, 2017 in order to supervise and monitor as insurance intermediaries, the web aggregators who maintain a website for providing interface to the insurance prospects for price comparison and information of products of different insurers and other related matters.

Insurance Marketing Firms

In addition, the IRDAI has issued the IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015 ("**IMF Regulations**") for regulating insurance marketing firms ("**IMFs**"). An IMF is an entity registered with the IRDAI to solicit or procure insurance products, to undertake insurance service activities and to distribute other financial products, in each case as per the provisions of the IMF Regulations, by employing individuals licensed to market, distribute and service such other financial products. The IMFs are required to engage licensed insurance sales persons and financial service executive on salary and incentive basis and the IMFs are required to ensure continuous monitoring of the activities of the insurance sales persons and be responsible for compliance of the IMF Regulations and the code of conduct prescribed thereunder.

Insurance Regulatory and Development Authority of India (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016 ("Remuneration Regulations")

Further, the Remuneration Regulations prescribe the mode, manner, and limits for payment of commission or remuneration or reward to insurance agents and insurance intermediaries. Every insurer is also required to adopt a board approved policy with respect to payment of commission or remuneration or reward to insurance agents and insurance intermediaries. These regulations specify that the maximum rate of commission or remuneration payable by an insurer shall not exceed either: (i) the maximum limit specified by these regulations; or (ii) any other rate of commission or remuneration approved by the IRDAI under any other regulations or guidelines, whichever is lower The regulations also specify the eligibility criteria for payment of rewards to insurance agents and insurance intermediaries.

Insurance Regulatory and Development Authority of India (Regulatory Sandbox) Regulations, 2019 ("Regulatory Sandbox Regulations")

The IRDAI issued the Regulatory Sandbox Regulations with the objectives of, a) striking a balance between orderly development of insurance sector on one hand and protection of interests of policyholders on the other, while at the same time facilitating innovation; and b) facilitating creation of regulatory sandbox environment and to relax such provisions of any existing regulations framed by the IRDAI for a limited scope and limited duration, if such a relaxation is needed. Any applicant, which includes insurers, can apply to IRDAI seeking permission for promoting or implementing innovation in insurance in India in any one or more of the following categories: a) insurance solicitation or distribution; b) insurance products; c) underwriting; d) policy and claims servicing; and e) any other category recognized by the IRDAI. The Regulatory Sandbox Regulations provide for, *inter alia*, the procedure for making applications, conditions for grant of permission, extension and revocation of permission, regular review by the IRDAI of the proposal, and conclusion of the proposal. The Regulatory Sandbox Regulations also provide for internal monitoring, review and evaluation of systems and controls and specify steps to be taken upon conclusion of the allocated time period, for bringing the product under the regulatory framework. Further, the Chairperson of IRDAI may relax for the applicant the applicability of one or more provisions of any regulation(s) notified by the IRDAI or any guidelines or circulars issued by the IRDAI, subject to the conditions contained in the regulations and any other conditions as deemed necessary. However, such relaxation shall not be offered in respect of compliance with the Insurance Act or IRDA Act or any other applicable statutes.

On April 7, 2021, IRDAI released a notification on Insurance Regulatory and Development Authority of India (Regulatory Sandbox) (Amendment) Regulations, 2021 which extended the validity of Regulatory Sandbox Regulations for a further period of two years. Pursuant to the amendment, the Regulatory Sandbox Regulations are valid for a period of four years from the date of their publication in the official gazette i.e., four years from July 30, 2019.

Insurance Regulatory and Development Authority of India (Minimum Information Required for Investigation and Inspection) Regulations, 2020 ("Minimum Information Regulations")

The IRDAI has notified the Minimum Information Regulations on November 24, 2020, with the objective to specify the minimum information required to be maintained by insurer, intermediary or insurance intermediary, so as to enable the investigating officer to discharge satisfactorily his or her functions under Section 33 of the Insurance Act. The Minimum Information Regulations are effective after six months from the aforesaid date of publication and has therefore come into effect from May 23, 2021. The Minimum Information Regulations require every insurer to, *inter alia*, maintain at their principal place of business in India all records, information, data, documents, books or registers required to be maintained by them under the extant provisions of the Insurance Act, rules, regulations, guidelines, circulars or directions applicable to the insurers and provisions of any other law, as applicable to its business. Where it is not convenient or practicable to maintain any item of information in full detail at such principal place of business, it may be maintained at the branches or other offices in such a way that each such branch or office maintains only the relevant part of the information applicable to its working. The key requirements in relation to maintenance of minimum information are set out below:

- Records of all proposals for insurance received, cover-notes, individual policies and group policies, reinsurance business, premiums received, endorsements, bank guarantees and deposits with cross-reference to the relevant policy or policies and claims intimated.
- Records of insurance agents, insurance intermediaries, all salaried field workers, employees including employees on contract basis and the underlying employment letters and changes therein.

- Cash book and disbursement book with supporting documents, investments separately for immovable property, securities and scripts, loans on mortgages and other loans, and other assets.
- Proper records of attendance, in any form, of staff indicating employees who attend the office each day.
- Office of an insurer issuing any documents used for evidencing of the assumption of risk is required to: (a) ensure that such documents are serially numbered, (b) maintain a record of the serial numbers of the forms of documents issued to each person, and (c) maintain a proper check to verify that all the forms and documents issued are properly accounted for.

Further, the information to be maintained in terms of the Minimum Information Regulations being the 'minimum information', the insurers are expected to maintain all the relevant information, documentation, and related papers with respect to the specific function which it carries. In addition, the IRDAI may specify additional information to be maintained by the insurers as may be required from time to time. The insurers are also required to put in place appropriate policy, approved by their Boards, on maintenance of records and destruction of old records, both physical and electronic form, considering the nature, importance, business needs and other applicable legal requirements.

Insurance Regulatory and Development Authority of India (Other Forms of Capital) Regulations, 2015

In addition to equity shares, insurance companies have now been permitted to issue preference shares and debentures (as defined in the Companies Act and satisfying the criteria specified under these regulations) in compliance with the provisions of these regulations. These regulations prescribe parameters regarding seniority of claims, maturity periods, reporting requirements to be undertaken by insurers and procedures for issue of 'other forms of capital'. The issuance of 'other forms of capital' by insurance companies requires specific prior approval of the IRDAI. The total quantum of the instruments taken together cannot exceed 25% of total of paid-up equity share capital and securities premium of an insurer. However, the total quantum of the "Other forms of Capital" cannot exceed 50% of the net worth of an insurer.

Insurance Regulatory and Development Authority of India (Maintenance of Insurance Records) Regulations, 2015

These regulations prescribe the manner in which the records of every policy issued and record of every claim is to be maintained by the insurer. These regulations require records of policies and claims to be mandatorily maintained in electronic form, records to be complete and accurate and the system of maintenance to have necessary security features. The insurer is required to form a board approved policy for the manner and maintenance of the policies and records, including having a detailed plan to review the implementation of the maintenance and storage of records. Such review is required to be overseen by the risk management committee of the board of the insurer. These regulations require records held in electronic mode pertaining to all the policies issued and all claims made in India to be held in data centres located and maintained in India only.

Certain guidelines and circulars notified by the IRDAI

Guidelines for Corporate Governance for Insurers in India dated May 18, 2016 ("IRDAI CG Guidelines")

The IRDAI CG Guidelines issued by the IRDAI encompass the corporate governance requirements applicable to insurers. These guidelines stipulate the governance structure in insurance companies, including board of directors, key management personnel, constitution of various committees such as audit committee, investment committee, risk management committee, policyholder protection committee, nomination and remuneration committee, CSR committee, role of appointed actuaries, appointment of auditors, relationship with stakeholders, related party transaction policy and whistle blower policy. The roles and responsibilities of the Board of Directors, indicatively include setting clear and transparent policy framework for execution of the corporate objectives, seeking detailed and transparent information flow from the senior management (CEO and other KMPs) and devising appropriate systems to serve as effective monitoring arrangements. They also lay down certain disclosure requirements in relation to financial statements, including quantitative and qualitative information on financial and operating ratios, actual solvency margin/ required margin, description of risk management architecture, payments made to group entities from the policyholders' funds and pecuniary relationships with the non-executive directors. The IRDAI CG Guidelines also reiterate the roles and responsibilities of the Appointed Actuary which are set out in the Appointed Actuary Regulations. The provisions of the IRDAI CG Guidelines are applicable to our Corporation subject to the provisions of the Life Insurance Corporation Act and the rules and regulations framed thereunder.

Master Circular on Anti Money Laundering/Counter- Financing of Terrorism (AML/CFT)-Guidelines for Life Insurers ("Anti Money Laundering Guidelines")

On September 29, 2015, IRDAI issued the Master Circular collecting all circulars pertaining to anti-money laundering and counter- financing of terrorism to be followed by life insurance companies. The Anti Money Laundering Guidelines, *inter alia*, lays down the adoption of AML/CFT Program in order to discharge the statutory responsibility through internal policies, procedures and controls, recruitment and training of employees/agents on AML, and internal controls to combat any possible money laundering attempts. Further, it prescribes the reporting obligations to track any money laundering attempts for further investigation and action.

Guidelines on Insurance e-Commerce dated March 9, 2017 ("Guidelines on Insurance e-Commerce")

The Guidelines on Insurance e-Commerce issued by the IRDAI regulate and govern the online insurance business, and marketing and solicitation of insurance business through online mode. The Guidelines on Insurance e-Commerce mandate all insurers and insurance intermediaries, who are desirous of setting up an Insurance Self- Network Platform (ISNP) for undertaking insurance e-commerce activities in India, to file an application for registering their electronic platform set up as an ISNP with the IRDAI. The guidelines provide for internal monitoring, review and evaluation of systems and controls, which is subject to review by an external certified information system auditor, chartered accountants with DISA (ICAI) qualification or CERT-IN experts at least once annually, code of conduct, adherence to regulatory prescriptions and grievance mechanism. The Guidelines on Insurance e-Commerce also prescribe a code of conduct to be followed by operators of ISNPs which, amongst other things, require that policyholders should be provided with a copy of the insurance policy in electronic form, furnish post sales servicing of policies sourced through it, and prohibits ISNPs being used for conducting business prejudicial to the interests of policyholders and manipulating the insurance business.

Revised Guidelines on Stewardship Code for Insurers in India dated February 7, 2020 ("Stewardship Code Guidelines")

The IRDAI had issued Guidelines on code for stewardship for the insurance companies *vide* its circular dated March 20, 2017, which, *inter alia*, set out the guidelines for each principle under the code as notified by the IRDAI. The IRDAI had decided to review the existing guidelines on stewardship code based on the experience in implementation, compliance by the insurers and the recent developments in this regard and accordingly issued the Stewardship Code Guidelines. The Stewardship Code Guidelines focus on role of insurance companies to be played in general meetings of investee companies wherein they act as institutional investors and to engage with the management of their investee companies at a greater level to improve the governance of such investee companies. The guidelines prescribe the stewardship code in the form of a set of principles which the insurers need to adopt. The insurers were required to review and update their existing stewardship policy based on the Stewardship Code Guidelines and the updated stewardship policy was required to be approved by the Board of Directors of the insurers and disclosed on the website, alongside the public disclosures. Further, insurers are required to disclose the voting activity in an investee company in which the insurers have actively participated and voted on resolutions/proposals. Such disclosures will form part of public disclosures on the website of the insurer and are required to be made on quarterly basis in the prescribed format.

Master Circular on Point of Sales Products and Persons – Life Insurance dated December 3, 2019, as amended, Guidelines on Point of Sales – Non-life & Health Insurers dated October 26, 2015 read with Revision in Guidelines on Point of Sales Person – Non-Life and Health dated March 16, 2017 (collectively, the "Point of Sales Persons Guidelines")

In order to facilitate the growth of insurance business in the country and to enhance insurance penetration and insurance density, IRDAI as part of its developmental agenda issued the guidelines on "Point of Sales Persons". The Point of Sales Persons Guidelines define a point of sales person to be an individual who possesses the minimum qualifications, has undergone training and passed the examination as specified in these guidelines and solicits and markets products which have been approved by the IRDAI, the requirements being distinguished in accordance with the category of insurance products: life and non-life. The "point of sales persons" can solicit and market only certain pre-underwritten products approved by the IRDAI. Pursuant to the Point of Sales Persons Guidelines an insurer or an insurance intermediary can engage a point of sales person to represent him and a point of sales person can represent an insurer or an insurance intermediary. Distribution of products by Point of Sales Persons is required to be regulated by the insurer/ insurance intermediary appointing such persons. To this effect the regulatory framework: (a) requires the Point of Sales Persons to comply with rules and procedures of that insurer; and (b) makes the insurer/ insurance intermediary responsible for the conduct of the Point of Sales Persons.

Specifically, for life insurers, appointment of Point of Sales Persons ("**POSP-LI**") is governed by the Master Circular on Point of Sales Products and Persons – Life Insurance dated December 3, 2019. A POSP-LI engaged by a life insurer can sell the eligible insurance products of such life insurers. POSP-LI are permitted to distribute the following types of life insurance products:

(a) Pure Term Insurance Product with or without Return of Premium;
(b) Non-linked, Non-Participating Endowment Product;
(c) Immediate Annuity Product;
(d) Non- Linked, Non-Par, Non- Medical Health Insurance Products (fixed Benefit) for Individual / Family Floater Policies only (Not to be sold as Group insurance); and
(e) Micro insurance products of life insurance companies.

The IRDAI has also prescribed the necessary features which all of the above-mentioned products must have in order to be distributed by a POSP-LI.

Guidelines on Information and Cyber Security for Insurers dated April 7, 2017 ("Cyber Security Guidelines"), as amended *vide* circular dated December 30, 2020

In order to ensure that insurers are adequately prepared to mitigate information and cyber security related risks, the IRDAI issued the Cyber Security Guidelines in 2017. The Cyber Security Guidelines, as a part of governance mechanism of insurers, amongst other requirements, mandate: (a) constitution of Information Security Committee (ISC); (b) adopting a Board approved Information & Cyber Security Policy; (c) appointment of Chief Information Security Officer (CISO); and (d) Cyber Crisis Management Plan (CCMP). In addition, the Cyber Security Guidelines also require the insurers' Risk Management Committee to be responsible for: (a) an Annual Comprehensive Assurance audit including conducting of Vulnerability Assessment & Penetration Test (VA&PT); and (b) reporting the findings to the IRDAI.

Insurance Regulatory and Development Authority of India Master Circular on Unclaimed Amounts of Policyholders dated November 17, 2020 (the "Unclaimed Amounts Circular")

The IRDAI had issued Master Circular on Unclaimed Amounts of Policyholders dated July 25, 2017 summarizing all directions of the IRDAI regarding unclaimed amounts through various circulars and supersedes all the directions issued previously by the IRDAI on the subject. On November 17, 2020, IRDAI issued the Unclaimed Amounts Circular whereby the directions given under previous master circular were updated, more particularly, with regard to the monitoring, reporting and certification of unclaimed amounts. The Unclaimed Amounts Circular also provides for convergence in compliance taking into account various circulars issued by IRDAI on the subject as well as the Senior Citizens' Welfare Act, 2015 ("**SCWF Act**") and the rules notified thereunder.

The Unclaimed Amounts Circular contains directions relating to the accounting, administration, and disclosures regarding the unclaimed amounts of policyholders held by insurers. The Unclaimed Amounts Circular prohibits the insurer from appropriating or writing back any part of the unclaimed amount belonging to the policyholders / beneficiaries under any circumstances. It mandates the Policyholders' Protection Committee ("**PPC**") of an insurer to oversee timely payout of the dues of policyholders and requires PPC to review the aging analysis, progress of settlement and steps taken to reduce the unclaimed amount by the insurers at the end of each quarter. The details of the action taken by an insurer regarding the above and details about the status of the unclaimed amount should be submitted to the IRDAI along with the minutes of meetings of PPC on a half-yearly basis. Every insurer is required to display information about any unclaimed amount of ₹1,000 or more on their respective websites (to continue even after completion of 10 years) and a facility is to be provided on the website to enable policyholders or beneficiaries to verify unclaimed amount due to them. Further, the Unclaimed Amounts Circular prescribes the procedures relating to the mode of payment of the unclaimed amount, communication to the policyholders, accounting, utilization of investment income etc.

The SCWF Act which mandates the transfer of unclaimed amounts of the policyholders held beyond a period of 10 years to the Senior Citizens' Welfare Fund ("**SCWF**"). The Senior Citizens' Welfare Fund Rules, 2016 ("**SCWF Rules**") specifies the entities that are required to transfer the amounts into the SCWF and contains provisions pertaining to administration of the SCWF.

Circular notes that life, general and health insurance companies have been notified by the Government of India to be part of the entities who shall be liable to transfer unclaimed amounts to the SCWF instituted pursuant to the Finance Act, 2015 and Finance Act, 2016. Accordingly, all insurance companies are to ensure that the unclaimed amounts of policyholders are held in custody and invested in manner directed by IRDAI under the Unclaimed Amounts Circular for a period of 10 years from their due date. The Unclaimed Amounts Circular prescribes that the unclaimed amount, on completion of 10 years, will be treated in accordance with SCWF Rules. All insurers must adhere to the accounting procedure issued by Budget Division, Department of Economic Affairs, Ministry of Finance for transfer of the unclaimed amounts into the SCWF. Every financial year the process laid down in the SCWF Rules read with the accounting procedure for transfer of the funds into the SCWF must be followed. All insurers must make transfers to the SCWF on or before March 1 every year.

Insurance Regulatory and Development Authority of India circulars in relation to Operationalisation of Central KYC Records Registry

The IRDAI issued a circular dated July 12, 2016 in relation to Operationalization of Central KYC Records Registry ("**CKYCR**") to facilitate banks and financial institutions with the KYC related information of customers so as to avoid multiplicity of undertaking KYC each time a customer avails any financial product or services. The Central Registry of Securitisation and Asset Reconstruction and Security Interest of India ("**CERSAI**") is authorized to perform the functions of CKYCR under the Prevention of Money Laundering (Maintenance of Records) Rules 2005, which includes receiving, storing, safeguarding and retrieving the KYC records of a client in digital form. The CERSAI has finalized the KYC template for individuals and the operating guidelines for uploading KYC records by reporting entities to CKYCR. Insurers are required to upload KYC records only in respect of claim where claims are received on or after July 15, 2016. In addition, insurers are required to submit a monthly statement of the number of KYC records to be uploaded and records actually uploaded to the IRDAI. Further, the IRDAI issued circular dated January 25, 2021, which, *inter alia*, extended the CKYCR to Legal Entities, as the CKYCR was fully operational for individual customers.

Circular on Public Disclosures by Insurers dated September 30, 2021 ("Disclosure Circular")

The IRDAI had previously issued circulars in relation to public disclosures by insurers *vide* circulars numbered IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010 and IRDA/F&I/CIR/PBDIS/105/05/2011 dated May 26, 2011. Further, "Guidelines on Periodic Disclosures" were also issued by the IRDAI dated April 9, 2010 and circular number IRDA/CAD/CIR/245/11/2012 dated November 20, 2012. The previous circulars and guidelines mandated public disclosures of financial and other information of insurers in newspapers and insurers' websites on a periodical basis. The Disclosure Circular was issued superseding the earlier circulars and guidelines in consideration of changes in some reporting formats and to align format of disclosures with the present reporting formats specified under various regulations / guidelines / circulars.

The Disclosure Circular mandates insurers to furnish certain information in the public domain in the quarterly, half-yearly and annually in the form prescribed thereunder:

(a) Balance Sheet, Profit and Loss Account, Revenue Account and Key Analytical Ratios to be published in one English and one regional language / Hindi, newspaper in font size 10; and
(b) Revenue Account, Profit & Loss Account, Balance Sheet, Schedules to Accounts and other forms, on their website.

Every insurer is required to submit a Certificate to the IRDAI confirming compliance with the stipulation on public disclosures within seven days of publication in a newspaper and on the website. The objective of the Disclosure Circular is geared towards maintaining efficient, fair and stable insurance market, the protection of the policyholders and for strengthening corporate governance and market discipline in the insurance industry.

Insurance Regulatory and Development Authority of India's COVID-19 related measures for life insurers

On March 23, 2020, IRDAI issued 'COVID-19 Global Pandemic Related Instructions to Life Insurers'. As per this circular, the IRDAI has covered four aspects: i) functioning of offices; (ii) grace period for payment of premiums; (iii) claims; and (iv) periodic reports. In respect of partial or full closure of offices, the IRDAI has directed life insurers to notify policyholders by SMS/ e-mail and/ or press releases in addition to display on the branch office. Life insurers were further directed to display on their website a list of offices not functioning, alternate arrangements for policyholder servicing, contact phone numbers, if any, for emergency needs, information on Covid-19 death claims (including their admissibility), specific information (product wise) on admissibility of claims under health insurance contracts. The IRDAI also allowed an additional grace period of one month for all life insurance premium payments due in March 2020. For better monitoring of the Covid-19 situation, the IRDAI further directed insurers to report details of offices fully/ partially closed with duration and steps taken in this regard, every fortnight. Insurers have also been asked to maintain data on Covid-19 claims, separately, which is to be submitted to IRDAI as and when called for.

On March 30, 2020, IRDAI issued COVID-19 related comprehensive instructions to all classes of insurers. The IRDAI urged insurers and other regulated entities to operate their offices with absolutely necessary staff so as to maintain essential insurance services including claims settlement, authorisation for hospitalisation, renewal of insurance policies and such other activities. Insurers were further required to prominently display on their website a dedicated help line number for policyholders and another help line number for other stakeholders including agents and intermediaries. Further, insurers were advised to devise a business continuity plan which, *inter alia*, deals with processes, transactions, reporting and customer services to be handled in a seamless manner in light of the present situation, with a copy of this plan to be submitted to the IRDAI. All insurers were advised to set up a crisis management committee, comprising of key personnel to monitor the current situation on a real-time basis and to take timely decisions on staff matters, risk mitigation and minimization of businesses disruption. The risk management committees of insurers have been entrusted with the task of evaluating various risks (such as strategic, operational, insurance, liquidity, credit, reputational, market, foreign exchange, reduction in new business, reduction in renewal business, asset liability mismatch, reduction in yield, capital erosion and claims) and devise necessary mitigation measures. Significant impact on operations or capital requirements or solvency margin of insurers are to be promptly communicated to the IRDAI.

On April 4, 2020, IRDAI issued another circular allowing an additional grace period of 30 days for all life insurance premium payments due in March and April 2020. Further, to minimize policyholders' exposure to the volatile stock market, in case of policies providing for lump sum settlement at fund value and are maturing up to May 31, 2020, the IRDAI asked life insurers to provide policyholders option (regardless of policy wording) to avail settlement options as per Regulation 19 (Unit Linked Products Regulations(which includes deferred periodical payments to mitigate the risk of market fluctuations).

The IRDAI also granted temporary relaxation from complying with provisions, which ranged from dispensing filing of physical returns with the IRDAI to extension of timelines for public disclosures. The IRDAI issued general advisories dated April 13, 2020 and April 24, 2020 ("**Capital Conservation Circular**") to insurers for capital conservation with focus on dividends, expense management, liquidity management and solvency monitoring, urging insurers to take a conscious call to refrain from making dividend pay-outs from profits pertaining to the financial year ending March 31, 2020, till further instructions from the IRDAI in this regard. Considering the revival phase of the economy in general and the insurance industry in particular and taking into account the solvency position of the insurers, the IRDAI decided to withdraw the applicability of the Capital Conservation Circular with effect from February 25, 2021. However, the IRDAI requested the insurers to take a conscious call in the matter of declaring dividends for FY 2020-21 considering their capital, solvency and liquidity positions.

Information Technology Act, 2002 ("Information Technology Act")

The Information Technology Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The Information Technology Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India on April 11, 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 ("**IT Security Rules**") which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. Under the IT Security Rules, sensitive personal data is defined to include personal information relating to passwords, financial information, medical records, biometric information and so on. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

Other Regulations

In addition to the above, our Corporation is required to comply with the provisions of the Life Insurance Corporation Act, FEMA, labour laws, data protection laws, various tax related legislations, various other IRDAI related regulations, notifications, circulars, press-releases and guidelines, and other applicable statutes and policies along with the rules formulated thereunder for its day-to-day operation. The illustrative list of rules issued under the Life Insurance Corporation Act are:

1. Life Insurance Corporation of India (Employees) Pension Rules, 1995;
2. Life Insurance Corporation of India (Regulation of Superannuation) Rules, 1987;
3. Development Officers (Certain Terms and Conditions of Service) Rules 1986;
4. Life Insurance Corporation of India, Chairman (Certain Terms and Conditions of Services) Rules, 1998 read with Life Insurance Corporation of India, Chairman (Certain Terms and Conditions of Services) Amendment Rules 2016;

5. Life Insurance Corporation of India, Managing Director (Revision of Certain Terms and Conditions of Services) Rules, 1998 read with Life Insurance Corporation of India, Managing Director (Revision of Certain Terms and Conditions of Services) Amendment Rules 2016; and
6. Life Insurance Corporation of India (Payment of Gratuity to the Chairman And Managing Directors) Rules, 1997.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Corporation

Our Corporation was established as "*Life Insurance Corporation of India*" on September 1, 1956, under the Life Insurance Corporation Act. Further, our Corporation obtained its certificate of registration, bearing registration number 512, to undertake the business of life insurance by a certificate dated September 20, 1956 issued by the Controller of Insurance in accordance with the provisions of the Insurance Act. Our Corporation obtained the certificate of registration from the IRDAI to undertake life insurance business on January 1, 2001 which was renewed on an annual basis under Section 3A of the Insurance Act. Further, pursuant to amendment to Section 3A of the Insurance Act with effect from December 2014, the process of annual renewal of certificate of registration was discontinued. Accordingly, the certificate of registration issued on January 31, 2014 continues to be in effect.

Changes in central office of our Corporation

Except as disclosed below, there has been no change in the central office of our Corporation since the date of establishment:

Year of change (Fiscal Year)	Details of change in the address of the central office	Reasons for change in the address of the central office
1957	The central office of our Corporation was shifted from Oriental Building, Fort Bombay, Mumbai 400 001, Maharashtra, India to 'Jeevan Kendra', Churchgate, Mumbai 400 021, Maharashtra, India	Administrative convenience
1964	The central office of our Corporation was shifted from 'Jeevan Kendra', Churchgate, Mumbai 400 021, Maharashtra, India to 'Yogakshema', Jeevan Bima Marg, Nariman Point, Mumbai 400 021, Maharashtra, India	Administrative convenience

Main objects of our Corporation

Our Corporation, being established under the Life Insurance Corporation Act, does not have a memorandum of association or articles of association. Our Corporation is governed under the provisions of the Life Insurance Corporation Act, the rules issued thereunder, and the Insurance Act and the regulations and guidelines issued by the IRDAI, each only to the extent applicable and not inconsistent with the provisions of the Life Insurance Corporation Act.

The functions of our Corporation contained in Section 6 of Chapter III of the Life Insurance Corporation Act are set forth below:

"(1) Subject to the rules, if any, made by the Central Government in this behalf, it shall be the general duty of the Corporation to carry on life insurance business, whether in or outside India, and the Corporation shall so exercise its powers under this Act as to secure that life insurance business is developed to the best advantage of the community.

(2) Without prejudice to the generality of the provisions contained in sub-section (1) but subject to the other provisions contained in this Act, the Corporation shall have power— (a) to carry on capital redemption business, annuity certain business or reinsurance business in so far as such reinsurance business appertains to life insurance business; (b) subject to the rules, if any, made by the Central Government in this behalf, to invest the funds of the Corporation in such manner as the Corporation may think fit and to take all such steps as may be necessary or expedient for the protection or realisation of any investment; including the taking over of and administering any property offered as security for the investment until a suitable opportunity arises for its disposal; (c) to acquire, hold and dispose of any property for the purpose of its business; (d) to transfer the whole or any part of the life insurance business carried on outside India to any other person or persons, if in the interest of the Corporation it is expedient so to do; (e) to advance or lend money upon the security of any movable property or otherwise; (f) to borrow or raise any money in such manner and upon such security as the Corporation may think fit; (g) to carry on either by itself or through any subsidiary any other business in any case where such other business was being carried on by a subsidiary of an insurer whose controlled business has been transferred to and vested in the Corporation under this Act; (h) to carry on any other business which may seem to the Corporation to be capable of being conveniently carried on in connection with its business and calculated directly or indirectly to render profitable the business of the Corporation; (i) to do all such things as may be incidental or conducive to the proper exercise of any of the powers of the Corporation.

(3) In the discharge of any of its functions the Corporation shall act so far as may be on business principles."

Amendments to the memorandum of association in the last ten years

Our Corporation does not have a memorandum of association as we are established under the Life Insurance Corporation Act.

Major events and milestones of our Corporation

The table below sets forth the key events in the history of our Corporation.

Calendar Year	Particulars
2021	Launched Atma Nirbhar Agents New Business Application
2020	Designated as Domestic Systemically Important Insurer (D-SII)
2019	Completed the acquisition of 51% stake in IDBI Bank
2015	Established a subsidiary, Life Insurance Corporation (LIC) Bangladesh Limited, in Bangladesh
2012	Established a wholly owned subsidiary, Life Insurance Corporation (Singapore) Pte Ltd, in Singapore
2008	Established a subsidiary, LIC Cards Services Limited, to provide credit card services
2007	Entered into an agreement for implementation of 'Enterprise Document Management System' (EDMS) with an aim to convert all policy records into digital format
2007	Established a subsidiary, LIC Pension Fund Limited
2006	Established 'LIC's Golden Jubilee Foundation' with an aim to support construction of hospitals, schools, etc. and provide scholarships to meritorious students from marginalized communities.
2003	Established a subsidiary, Life Insurance Corporation (Lanka) Limited, in Sri Lanka
2000	Established a subsidiary, Life Insurance Corporation (Nepal) Ltd., in Nepal
1997	Implementation of Corporation's 'Metro Area Network' and 'Wide Area Network' resulting in linking network of all branches
1989	Established a subsidiary, Life Insurance Corporation (International) B.S.C. (c), in Bahrain
1989	Established LIC Mutual Fund as a trust
1989	Established an associate, LIC Housing Finance Limited
1981	Implementation of 'Reorganization Policy' to give effect to larger scale decentralization of operations and decision-making
1963-64	Corporation undertook initiatives in becoming pioneer in installing computers with installation of two computer systems - one in Mumbai and one in Kolkata, with an aim to improve operations
1960	Established foreign branch in United Kingdom
1956	Established foreign branches in Fiji and Mauritius
1956	Establishment of our Corporation

Awards, accreditations and recognitions received by our Corporation

The table below sets forth the key awards and accreditations received by our Corporation:

Year/ Period	Awards and Accreditations
2021-22	FICCI Special Jury Award at the Insurance Industry Awards 2021
	FICCI Best Insurance Campaign – Life Category at the Insurance Industry Awards 2021
	Recognised for Epitomising Excellence in the BFSI Industry at 50 Most Trusted BFSI Brands Awards 2021 by Marksmen Daily
	Best PSU award in the life insurance sector at Dun & Bradstreet PSU Awards
	Customer Service Excellence Award at National Award for excellence in BFSI
	"Insurance Company of the year" at National Award for excellence in BFSI
	Certificate at ACEF 10th Global Customer Engagement Forum & Awards in 'Television - Promotion' for 'Pehle LIC'
	Recognised as one of the Most Trusted Brands of India 2022 by Team Marksman India
	Recognised as one of the Best BFSI - Brands 2022 by the Economic Times at the Best Brands Awards 2022
	Customer Service Excellence Award at the World BFSI Congress & Awards
	Insurance Company of the Year Award at the World BFSI Congress & Awards
	Operational Excellence Initiative of the Year Award for 'Ananda' at the World BFSI Congress & Awards
	Technology Initiative of the Year Award for 'Jeevan Sakshya' at the World BFSI Congress & Awards
	Excellence in Claim Service Award at the World BFSI Congress & Awards
2020-21	Certificate of Appreciation on reaching final rounds of evaluation of BML Munjal Awards 2020

Year/ Period	Awards and Accreditations
	HR Award 2020 in Training Excellence at the 9th Annual Greentech HR Award 2020
	Golden Peacock Award for Excellence in Corporate Governance (GPAECG) for the year 2020
	Continuous Campaign (Metro only) Award by IPRCCA
	Jamnalal BajajUchit Vyavahar Puraskar for Fair Business Practices by Council for Fair Business Practices
	SKOCH Award - Excellence in BFSI (Platinum) for claim settlements
	Micro Insurance Leader Award at the Business Leader of the Year Awards
	Claim Service Leader Award at the Business Leader of the Year Awards
	Most Admired Company of the Year Award at the Business Leader of the Year Awards
	Technology Initiative of the Year Award at the Business Leader of the Year Awards
	Life Insurance Company of the Year Award at National Award for Excellence in Financial Services
	Customer Service Excellence Award at National Awards for Excellence in Financial Services
	Award for Marketing Excellence at National Awards for Excellence in Financial Services
	Certificate of Apprenticeship by Governor of Maharashtra for excellent work done during lockdown arising out of the COVID-19 Pandemic
	ABCI Award (Silver) for Wall Calendar
	ABCI Award (Bronze) for Corporate Intranet
	ABCI Award (Bronze) for Photo Feature
	ABCI Award (Bronze) for Wallpaper
	WPP Kantar Award for Top 75 Most Valuable Indian Brands 2020 for being the 2nd Most Valued Brand
	FICCI Special Jury Award at the Insurance Industry Awards 2020
2019-2020	Aqua Foundation's Excellence Award under the category of Excellence in Resource Management
	BFSI Congress - Customer Centric Excellence Award
	Life Insurance Provider of the year at Outlook Money Awards
	Award for Marketing Excellence in BFSI sector at BTVI Awards
	Golden Peacock National Training Award (GPNTA) for the year 2019

Time and cost overruns

Considering the nature of business of our Corporation, there have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions or banks

Our Corporation has not availed of any term loans and/or other credit facilities and, accordingly, there have not been any defaults or rescheduling/ re-structuring of borrowings from financial institutions or banks.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Corporation, entry into new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, see "*-Major events and milestones of our Corporation*" and "*Our Business*" beginning on pages 273 and 183, respectively.

Our Holding Company

As on the date of this Prospectus, our Corporation has no holding company.

Our Subsidiaries

As on the date of this Prospectus, our Corporation has seven Subsidiaries.

1. LIC Cards Services Limited ("LCSL")

Corporate Information and Nature of Business

LCSL was incorporated on November 11, 2008 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, National Capital Territory of Delhi and Haryana. Its registered office is situated at 6th Floor, Jeevan Prakash Building, 25, KG Marg, New Delhi 110 001, India. The corporate identification number of LCSL is U65100DL2008PLC184790.

LCSL is engaged in the business of issue and development of credit cards, smart cards, charge cards and other types of cards, or any other payment products such as domestic and international travelers' cheques and gift vouchers of all descriptions.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LCSL is ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up equity share capital of LCSL is ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each.

Our Corporation holds 1,000,000 equity shares (including one equity share each held by Jagat Singh Tolia, Salil Vishwanath, Anirban Sarkar, Ratnakar Patnaik, Geeta Prabhakaran and Pratibha Singh as nominees of our Corporation), which represents 100.00% of the total outstanding equity holding of LCSL.

2. LIC Pension Fund Limited ("LPFL")

Corporate Information and Nature of Business

LPFL was incorporated on November 21, 2007 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Its registered office is situated at Yogakshema, Jeevan Bima Marg, Mumbai 400 021, Maharashtra, India. The corporate identification number of LPFL is U66020MH2007PLC176066.

LPFL is engaged in the business of pension fund for pension fund schemes, as regulated by the Pension Fund Regulatory and Development Authority, Government of India.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LPFL is ₹500,000,000 divided into 50,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up equity share capital of LPFL is ₹500,000,000 divided into 50,000,000 equity shares of ₹10 each.

Our Corporation holds 50,000,000 equity shares (including one equity share each held by J S Tolia, Anirban Sarkar, Pratibha Singh, Salil Vishwanath, Geeta Prabhakaran and Ratnakar Patnaik as nominees of our Corporation), which represents 100.00% of the total outstanding equity holding of LPFL.

3. Life Insurance Corporation (International) B.S.C. (c) ("LIC Bahrain")

Corporate Information and Nature of Business

LIC Bahrain was incorporated on July 20, 1989 in the Kingdom of Bahrain as a Bahraini Shareholding Company (closed) under the Commercial Company Law, 2001 with the Ministry of Industry, Commerce and Tourism. Its registered office is situated at 1st Floor, Ali Al-Wazzan Building, Al-Khalifa Avenue, P.O. Box 584, Manama, Kingdom of Bahrain. The corporate identification number of LIC Bahrain is 21606-1.

LIC Bahrain is engaged in the business of life insurance in Bahrain and GCC countries.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LIC Bahrain is BHD 65,439,300 divided into 654,393 equity shares of BHD 100 each. The issued, subscribed and paid-up equity share capital of LIC Bahrain is BHD 65,439,300 divided into 654,393 equity shares of BHD 100 each.

Our Corporation holds 652,193 equity shares, which represents 99.66% of the total outstanding equity holding of LIC Bahrain.

4. Life Insurance Corporation (Lanka) Limited ("LIC Lanka")

Corporate Information and Nature of Business

LIC Lanka was incorporated in the Democratic Socialist Republic of Sri Lanka as a private limited company under the Companies Act, No. 17 of 1982, then after renewed by the Companies Act, No. 7 of 2007 on October 7, 2002 and September 29, 2008, respectively, with the Registrar of Companies, Sri Lanka. Its registered office is situated at No. 65, Braybrooke Place, Colombo 2, Sri Lanka. The corporate identification number of LIC Lanka is PB (651).

LIC Lanka is engaged in the business of life insurance.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LIC Lanka is LKR 870,000,000 divided into 87,000,000 shares of LKR 10 each. The issued, subscribed and paid-up equity share capital of LIC Lanka is LKR 870,000,000 divided into 50,000,000 ordinary equity shares of LKR 10 each and 37,000,000 preference shares of LKR 10 each.

Our Corporation holds 39,999,993 ordinary equity shares, aggregating to 80.00% of the total ordinary equity shareholding of LIC Lanka. Our Corporation also holds 37,000,000 paid-up non-cumulative irredeemable preference shares in LIC Lanka, which represents 100.00% of such preference shareholding of LIC Lanka.

5. Life Insurance Corporation (Nepal) Ltd. ("LIC Nepal")

Corporate Information and Nature of Business

LIC Nepal was incorporated on December 26, 2000 in Nepal as a public limited company under the Companies Act of Nepal with the Office of the Company Registrar. Its registered office is situated at Star Mall, 4th Floor, Putalisadak, Kathmandu, Nepal. The corporate identification number of LIC Nepal is 765/057-58.

LIC Nepal is engaged in the business of life insurance.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LIC Nepal is NRS 2,211,000,000 divided into 22,110,000 equity shares of NRS 100 each. The issued, subscribed and paid-up equity share capital of LIC Nepal is NRS 2,211,000,000 divided into 22,110,000 equity shares of NRS 100 each.

Our Corporation holds 12,160,500 equity shares, which represents 55.00% of the total outstanding equity holding of LIC Nepal.

Listing

The equity shares of LIC Nepal have been listed on the Securities Board of Nepal since March 21, 2003.

6. Life Insurance Corporation (Singapore) Pte. Ltd. ("LIC Singapore")

Corporate Information and Nature of Business

LIC Singapore was incorporated on April 30, 2012 as a public limited company under the Singapore Companies Act, (Cap. 50) with the Accounting and Corporate Regulatory Authority. Its registered office is situated at 3 Raffles Place, #07-01, Bharat Building, Singapore 048617. The corporate identification number of LIC Singapore is 201210695E.

LIC Singapore is engaged in the business of life insurance.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LIC Singapore is SGD 43,930,000 divided into 43,930,000 equity shares of SGD 1 each. The issued, subscribed and paid-up equity share capital of LIC Singapore is SGD 43,930,000 divided into 43,930,000 equity shares of SGD 1 each.

Our Corporation holds 43,930,000 equity shares, which represents 100.00% of the total outstanding equity holding of LIC Singapore.

7. Life Insurance Corporation (LIC) of Bangladesh Limited ("LIC Bangladesh")

Corporate Information and Nature of Business

LIC Bangladesh was incorporated on December 14, 2015 as a private limited company under the Bangladesh Companies Act, 1994 with the Registrar of Joint Stock Companies & Firms, Bangladesh. Its registered office is situated at 57-57A, Udoy Tower (7th Floor), Gulshan Avenue, Gulshan-1, Dhaka-1212. The corporate identification number of LIC Bangladesh is C-127605/2015.

LIC Bangladesh is engaged in the business of, among other things, life insurance services by carrying out life and supplementary health coverage, providing accident benefit and pension insurance business under individual and group schemes and all kinds of guarantee and indemnity business.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LIC Bangladesh is BDT 1,000,000,000 divided into 100,000,000 equity shares of BDT 10 each. The issued, subscribed and paid-up equity share capital of LIC Bangladesh is BDT 600,000,000 divided into 60,000,000 equity shares of BDT 10 each.

Our Corporation holds 50,000,000 equity shares, which represents 83.33% of the total outstanding equity holding of LIC Bangladesh.

Our Associates

1. IDBI Bank Limited ("IDBI Bank")

Corporate Information and Nature of Business

IDBI Bank was incorporated on September 27, 2004 as Industrial Development Bank of India Limited, a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Subsequently, its name was changed to IDBI Bank Limited and a fresh certificate of incorporation dated May 7, 2008 was issued under the Companies Act, 1956. Its registered office is situated at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005, Maharashtra, India. The corporate identification number of IDBI Bank is L65190MH2004GOI148838.

IDBI Bank is engaged in the business of banking in all forms within and outside India.

Capital Structure

As on the date of this Prospectus, the authorised share capital of IDBI Bank is ₹250,000,000,000 divided into 25,000,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up equity share capital of IDBI Bank is ₹107,524,021,750 divided into 10,752,402,175 equity shares of ₹10 each.

Our Corporation holds 5,294,102,939 equity shares, which represents 49.24% of the total outstanding equity holding of IDBI Bank.

Listing

The equity shares of IDBI Bank have been listed on BSE and NSE since September 20, 1995.

2. IDBI Trusteeship Services Limited ("IDBI Trusteeship")

Corporate Information and Nature of Business

IDBI Trusteeship was incorporated on March 8, 2001 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Its registered office is situated at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India. The corporate identification number of IDBI Trusteeship is U65991MH2001GOI131154.

IDBI Trusteeship is engaged in the business of providing trusteeship services.

Capital Structure

As on the date of this Prospectus, the authorised share capital of IDBI Trusteeship is ₹100,000,000 divided into 7,500,000 equity shares of ₹10 each and 250,000 preference shares of ₹100 each. The issued, subscribed and paid-up equity share capital of IDBI Trusteeship is ₹60,327,600 divided into 6,032,760 equity shares of ₹10 each.

Our Corporation holds 1,800,000 equity shares, which represents 29.84% of the total outstanding equity holding of IDBI Trusteeship.

3. LIC Housing Finance Limited ("LIC Housing")

Corporate Information and Nature of Business

LIC Housing was incorporated on June 19, 1989 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Its registered office is situated at Bombay Life Building, 45/47, Veer Nariman Road, Fort, Mumbai 400 001, Maharashtra, India. The corporate identification number of LIC Housing is L65922MH1989PLC052257.

LIC Housing is engaged in the business of providing long term finance to persons, in particular to holders of policies issued by our Corporation, for the construction or purchase of houses for residential purposes.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LIC Housing is ₹1,500,000,000 divided into 750,000,000 equity shares of ₹2 each. The issued, subscribed and paid-up equity share capital of LIC Housing is ₹1,100,126,000 divided into 550,063,000 equity shares of ₹2 each.

Our Corporation holds 248,842,495 equity shares, which represents 45.24% of the total outstanding equity holding of LIC Housing.

Listing

The equity shares of LIC Housing have been listed on BSE, NSE and the Luxembourg Stock Exchange since November 30, 1994, July 29, 1998 and September 8, 2004 respectively. The debt securities of LIC Housing are listed on NSE.

4. LICHFL Asset Management Company Limited ("LICHFL AMC")

Corporate Information and Nature of Business

LICHFL AMC was incorporated on February 14, 2008 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai and was converted into a public limited company on October 19, 2010. Its registered office is situated at Bombay Life Building, 2nd Floor, 45/47, Veer Nariman Road, Mumbai 400 001, Maharashtra, India. The corporate identification number of LICHFL AMC is U65900MH2008PLC178883.

LICHFL AMC is engaged in the business of, *inter alia*, managing, advising and administering all kinds of venture / mutual funds, capital and private equity funds.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LICHFL AMC is ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up equity share capital of LICHFL AMC is ₹91,944,000 divided into 9,194,400 equity shares of ₹10 each.

Our Corporation holds 494,400 equity shares, which represents 5.38% of the total outstanding equity holding of LICHFL AMC.

5. LIC Mutual Fund Asset Management Limited ("LICMF Asset Management")

Corporate Information and Nature of Business

LICMF Asset Management was incorporated on April 20, 1994 as Jeevan Bima Sahayog Asset Management Company Limited, a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Subsequently, its name was changed to LIC Mutual Fund Asset Management Company Limited and a fresh certificate of incorporation dated August 21, 2006 was issued under the Companies Act, 1956; and then its name was changed to LIC Nomura Mutual Fund Asset Management Company Limited and a fresh certificate of incorporation dated February 15, 2011 was issued under the Companies Act, 1956. Thereafter, its name was changed to LIC Mutual Fund Asset Management Limited and a fresh certificate of incorporation dated May 14, 2016 was issued under the Companies Act, 2013. Its registered office is situated at 4th Floor, Industrial Assurance Building, opposite Churchgate Station, Mumbai 400 020, Maharashtra, India. The corporate identification number of LICMF Asset Management is U67190MH1994PLC077858.

LICMF Asset Management is engaged in the business of investment management.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LICMF Asset Management is ₹250,000,000 divided into 25,000 equity shares of ₹10,000 each. The issued, subscribed and paid-up equity share capital of LICMF Asset Management is ₹110,000,000 divided into 11,000 equity shares of ₹10,000 each.

Our Corporation holds 4,950 equity shares (including one equity share each held by Debi Prasanna Mohanty, Krishna Singh Nagnyal, Salil Vishwanath, Debashis Prasad Pattanaik, Jagat Singh Indra Singh Tolia, Anirban Sarkar and Ipe Mini as nominees of our Corporation), which represents 45.00% of the total outstanding equity holding of LICMF Asset Management.

6. LIC Mutual Fund Trustee Private Limited ("LICMF Trustee")

Corporate Information and Nature of Business

LICMF Trustee was incorporated on April 8, 2003 as LIC Mutual Fund Trustee Company Private Limited, a private limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai. Subsequently, its name was changed to LIC Nomura Mutual Fund Trustee Private Limited and a fresh certificate of incorporation dated February 15, 2011 was issued under the Companies Act, 1956. Thereafter, its name was changed to LIC Mutual Fund Trustee Private Limited and a fresh certificate of incorporation dated May 24, 2016 was issued under the Companies Act, 2013. Its registered office is situated at 4th Floor, Industrial Assurance Building, opposite Churchgate Station, Mumbai 400 020, Maharashtra, India. The corporate identification number of LICMF Trustee is U65992MH2003PTC139955.

LICMF Trustee is engaged in the business of acting as a trustee for mutual funds.

Capital Structure

As on the date of this Prospectus, the authorised share capital of LICMF Trustee is ₹100,000 divided into 10,000 equity shares of ₹10 each. The issued, subscribed and paid-up equity share capital of LICMF Trustee is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Our Corporation holds 4,900 equity shares, which represents 49.00% of the total outstanding equity holding of LICMF Trustee.

Common pursuits

Except for LIC Singapore, LIC Bahrain, LIC Nepal, LIC Lanka and LIC Bangladesh, which are each engaged in the business of life insurance, none of our Subsidiaries and Associates are engaged in activities similar to that of our Corporation or are enabled under their respective incorporation documents to engage in activities similar to that of our Corporation. There is no conflict of interest between our Subsidiaries and Associates and our Corporation.

However, LICMF Asset Management and IDBI Asset Management Limited, in which IDBI Bank holds 66.67% of the issued and paid-up capital are both currently engaged in the mutual funds business. For details, see *"Risk Factors – Our Corporation is in breach of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("SEBI MF Regulations"), which prohibit any shareholder from holding 10% or more of the shareholding or voting rights in any asset management company, or the trustee company of a mutual fund from holding, directly or indirectly, 10% or more of shareholding or voting rights in the asset management company or the trustee company of any other mutual fund"* on page 41. Further, IDBI Bank and LIC Housing are both engaged in housing finance activity. For details, see *"Risk*

Factors – While we believe that IDBI Bank, one of our Associates, does not need to raise further capital at the moment, we may be required to infuse additional funds into IDBI Bank in the future. We may also be required to ensure that one of our Associates cease undertaking housing finance activities in order to comply with regulatory requirements" on page 42.

Accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of our Subsidiaries or Associates, as applicable, that have not been accounted for by our Corporation.

Business interests of our Subsidiaries and Associates in our Corporation

Except as disclosed in sections "*Our Business*" and "*Financial Statements*", beginning on pages 183 and 308 respectively, our Subsidiaries and Associates do not have or propose to have any business interests in our Corporation.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Except as disclosed below, our Corporation has not undertaken any material acquisition or divestment of business or undertaking and has not undertaken any merger, amalgamation in the last 10 years. Further, except as disclosed in "*Financial Statements*" beginning on page 308, there has been no revaluation of assets by our Corporation in the last 10 years.

1. LIC Housing Finance Limited ("**LIC Housing Finance**") is an Indian housing finance company, formed with the key objective of providing long-term finance to individuals for the purchase or construction of a house or a flat for residential purposes. LIC Housing Finance was incorporated on June 19, 1989 with us as its promoter and we continue to be its promoter as on date. Pursuant to preferential allotment undertaken by LIC Housing Finance dated September 8, 2021, our Corporation acquired 45,400,000 equity shares using policyholders' funds. Presently, our Corporation holds 45.24% of the shares in LIC Housing Finance. For further details in relation to LIC Housing Finance, see "*-Our Associates*" on page 277.

2. IDBI Bank is an Indian private sector bank providing a wide array of banking products and services, such as savings account, home loan, education loan, personal loan, loan products for agriculture and MSME clients, fund based and non-fund based assistance to corporates, treasury & capital market products, to a wide range of customers, spanning retail, agriculture, MSMEs and corporates. Pursuant to a series of preferential allotments undertaken by IDBI Bank, our Corporation has acquired equity shares of IDBI Bank, using policyholders' funds. Presently, our Corporation holds 5,294,102,939 equity shares, cumulating to 49.24% of the shares in IDBI Bank. For further details in relation to IDBI Bank, see "*-Our Associates*" on page 277.

3. Pursuant to and as part of the initial public offering by UTI Asset Management Company Limited ("**UTI AMC**"), our Corporation divested 8.25% of its shareholding in the equity share capital of UTI AMC on October 9, 2020. Post the initial public offering by UTI AMC, our Corporation held 9.99% in the equity share capital of UTI AMC.

Significant financial or strategic partners

As on the date of this Prospectus, our Corporation does not have any significant financial or strategic partners.

Summary of key agreements

Shareholders' agreements

As on the date of this Prospectus, there are no subsisting shareholders' agreements.

Agreements with Key Managerial Personnel, Directors, or any other employee

As on the date of this Prospectus, there are no agreements entered into by our Key Managerial Personnel or Directors or any other employee of our Corporation, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Corporation.

Details of guarantees given to third parties by our Promoter

Our Promoter has not given any guarantees on behalf of our Corporation to third parties.

OUR MANAGEMENT

Board of Directors

The Board of our Corporation is constituted in accordance with the provisions of the Life Insurance Corporation Act. In terms of the Life Insurance Corporation Act, the total number of Directors of our Corporation shall not exceed 18 Directors (including not more than four Managing Directors). As on the date of this Prospectus, our Board comprises fifteen Directors, which includes (i) one Whole-time Chairperson; (ii) one Government Nominee Director; (iii) four Managing Directors; (iv) nine Independent Directors. Our Board also comprises two women Directors, including one woman Independent Director. For further details please see *"Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act – Board of Directors*" on page 589.

The following table sets forth details regarding our Board of Directors as of the date of this Prospectus:

S. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Other directorships
1.	**Mangalam Ramasubramanian Kumar** ***Designation***: Whole-time Chairperson ***Address:*** A-6, Jeevan Jyot, Setalvad Lane, Napean Sea Road, Cumballa Hill, Mumbai 400 026, Maharashtra, India ***Occupation:*** Service ***Date of birth:*** June 13, 1961 ***Period and term:*** From March 14, 2019 till March 13, 2023 or till attainment of superannuation or until further orders, whichever is earlier ***DIN:*** 03628755	60	**Indian companies** • LIC Cards Services Limited; • LIC Housing Finance Limited; • LIC Mutual Fund Asset Management Limited; • LIC Pension Fund Limited; and • ACC Limited. **Foreign companies** • Life Insurance Corporation (International) BSC (c); • Life Insurance Corporation (Lanka) Limited; • Life Insurance Corporation (Nepal) Ltd.; • Life Insurance Corporation (Singapore) Pte. Ltd.; and • Kenindia Assurance Company Ltd.
2.	**Pankaj Jain** ***Designation:*** Government Nominee Director ***Address:*** 60, Munirka Vihar, New Delhi, 110 067, India ***Occupation:*** Service ***Date of birth:*** December 28, 1965 ***Period and term:*** From October 21, 2020 till further orders ***DIN:*** 00675922	56	**Indian companies** • Indian Strategic Petroleum Reserves Limited; • National Credit Guarantee Trustee Company Limited; and • Petronet LNG Limited **Indian entities** • National Bank for Financing Infrastructure and Development; • Oil Industry Development Board; and • International Financial Services Centres Authority
3.	**Raj Kumar**	60	**Indian companies**

S. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Other directorships
	Designation**:* Managing Director ***Address: 10 Queens Court Maharshi Karve Road, Opposite Oval Maidan, Churchgate, VTC, PO. Marine Lines, Mumbai 400 020, Maharashtra, India ***Occupation**:* Service ***Date of birth**:* January 3, 1962 ***Period and term**:* From November 1, 2019 till January 31, 2023, or until further orders, whichever is earlier ***DIN**:* 06627311		• Grasim Industries Limited; • LICHFL Asset Management Company Limited; and • LIC Housing Finance Limited. **Foreign companies** • Life Insurance Corporation (Lanka) Limited
4.	**Siddhartha Mohanty** ***Designation**:* Managing Director ***Address:*** Flat No. 13, 6th Floor, Oval View, Maharshi Karve Road, Churchgate, Marine Lines, Mumbai 400 020, Maharashtra, India ***Occupation**:* Service ***Date of birth**:* June 8, 1963 ***Period and term**:* From February 2, 2021 and up to the date of his superannuation, i.e., June 30, 2023, or until further orders, whichever is earlier ***DIN:*** 08058830	58	**Indian companies** • LIC Cards Services Limited; • LIC Pension Fund Limited; and • Mahindra & Mahindra Financial Services Limited **Foreign companies** • Life Insurance Corporation (International) B.S.C. (c)
5.	**Ipe Mini** ***Designation**:* Managing Director ***Address:*** Flat No. 06, Oval View, Maharshi Karve Road, Opposite Oval Maidan, Churchgate, Mumbai 400 021, Maharashtra, India ***Occupation**:* Service ***Date of birth**:* August 19, 1963 ***Period and term:*** From August 2, 2021 and up to the date of her attaining the date of superannuation, i.e., August 31, 2023, or until further orders, whichever is earlier ***DIN:*** 07791184	58	**Indian entities** • LICHFL Care Homes Limited; and • DCM Shriram Industries Limited **Foreign companies** • Life Insurance Corporation (LIC) of Bangladesh Limited
6.	**Bishnu Charan Patnaik** ***Designation**:* Managing Director ***Address:*** Flat No. A-4203, Omkar 1973, Off Annie Besant Road, Hanuman Nagar, Worli Colony, Mumbai 400 030, Maharashtra, India ***Occupation**:* Service ***Date of birth**:* March 19, 1963 ***Period and term**:* From October 1, 2021 and up to the date of his attaining the age of superannuation, i.e., March 31, 2023, or until further orders, whichever is earlier ***DIN:*** 08384583	59	**Indian Companies** • LIC Cards Services Limited; and • LIC Mutual Fund Trustee Private Limited. **Foreign companies** • Life Insurance Corporation (Nepal) Ltd.

S. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Other directorships
7.	**Dr. Ranjan Sharma** ***Designation****:* Independent Director ***Address****:* 430, Pant Nagar, Behind Income Tax Office, Gonda 271 001, Uttar Pradesh, India ***Occupation****:* Teaching ***Date of birth****:* June 12, 1967 ***Period and term****:* From October 29, 2021 till April 28, 2022 and re-appointed with effect from April 29, 2022 for a period of four years till April 28, 2026^ ***DIN:*** 09573799	54	Nil
8.	**Vinod Kumar Verma** ***Designation****:* Independent Director ***Address****:* 218, Near Kali Chaura, Munshipura, Maunath, Bhanjan, Mau 275 101, Uttar Pradesh, India ***Occupation****:* Business (electronics) ***Date of birth****:* January 1, 1967 ***Period and term****:* From October 29, 2021 till April 28, 2022 and re-appointed with effect from April 29, 2022 for a period of four years till April 28, 2026^ ***DIN:*** 09309031	55	Nil
9.	**Anil Kumar** ***Designation*****:** Independent Director ***Address*****:** D-19, C.C. Colony, Opposite to Rana Prathap Bagh, North Delhi, Delhi 110 007, India ***Occupation*****:** Professor ***Date of birth:*** June 9, 1962 ***Period and term:*** From January 20, 2022 till July 19, 2022 ***DIN*****:** 09477565	59	Nil
10.	**Anjuly Chib Duggal** ***Designation*****:** Independent Director ***Address*****:** P-10, Hauz Khas Enclave, Hauz Khas, South Delhi, Delhi 110 016, India ***Occupation*****:** Retired (civil services) ***Date of birth:*** August 27, 1957 ***Period and term:*** From January 29, 2022 to January 28, 2026^ ***DIN*****:** 5264033	64	**Indian companies:** • Gillette India Limited
11.	**Gurumoorthy Mahalingam**	65	Nil

S. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Other directorships
	Designation*: Independent Director ***Address*: Flat no. 1/A, New no. Y-14/ Old no. Y-34, 5th Street, Behind Saravana Bhavan, Anna Nagar, Chennai 600 040, Tamil Nadu, India ***Occupation*: Retired ***Date of birth: November 16, 1956 ***Period and term:*** From January 29, 2022 to January 28, 2026^ ***DIN*: N.A.*		
12.	**Raj Kamal** ***Designation*: Independent Director ***Address*: Marina Residences, 3 905, PO Box 390695, Dubai ***Occupation*: Service ***Date of birth:*** November 7, 1970 ***Period and term:*** From January 29, 2022 to January 28, 2026^ ***DIN*: 07653591	51	**Foreign companies** • SMIT Consulting DMCC; and • Trans-Fi Inc.
13.	**Vankipuram Srinivasa Parthasarathy** ***Designation*: Independent Director ***Address*: 3404, Indiabulls Sky, Senapati Bapat Marg, Elphistone West, Elphistone Road, Deliste Road, Mumbai 400 013, Maharashtra, India ***Occupation*: Self employed ***Date of birth:*** November 1, 1962 ***Period and term:*** From January 29, 2022 to January 28, 2026^ ***DIN*: 00125299	59	**Indian companies** • Allcargo Logistics Limited; • Grassroot Trading Network for Women; • IAI Industries Limited; • Imperial Auto Industries Limited; • Kids Clinic India Limited; • Girnar Software Private Limited; • Greencell Mobility Private Limited; and • Rudi Multi Trading Company Limited. **Foreign companies** • Allcargo Belgium; and • Ecuhold N.V.
14.	**Vijay Kumar Muthu Raju Paravasa Raju** ***Designation*: Independent Director ***Address*: B5E, CEE, Deeyes Regal Palm Gardens, 383, Velachery Main Road, Velachery, Chennai 600 042, Tamil Nadu, India	52	**Indian companies** • Extensible Business Reporting Language (XBRL) India; • Geojit Financial Services Limited;

S. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Other directorships
	Occupation*:** Service ***Date of birth: September 30, 1969 ***Period and term:*** From January 29, 2022 to January 28, 2026^ ***DIN*:** 05170323		• Heritage Foods Limited; • Sella India Software Services Private Limited; • Sify Data and Managed Services Limited; and • Thejo Engineering Limited **Foreign Companies** • Sify Technologies (Singapore) Pte. Limited
15.	**Sanjeev Nautiyal** ***Designation*:** Independent Director ***Address*:** House No. B-136, Sector-C, Mahanagar, Lucknow 226 006, Uttar Pradesh, India ***Occupation*:** Retired ***Date of birth:*** September 16, 1961 ***Period and term:*** From January 29, 2022 to January 28, 2026^ ***DIN*:** 8075972	60	Nil

**Section 153 of the Companies Act and the rules thereunder is not applicable to our Corporation and hence, Gurumoorthy Mahalingam, an Independent Director, is not required to hold a DIN as prescribed under the extant provisions of the Companies Act and the rules made thereunder. As on the date of this Prospectus, Gurumoorthy Mahalingam is a director of our Corporation only and does not hold any other directorships.*
^Subject to the approval of the Shareholders in the annual general meeting in terms of Section 4(4) of the Life Insurance Corporation Act.

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Mangalam Ramasubramanian Kumar is the Whole-time Chairperson of our Corporation. He holds bachelor's degree of science from the Faculty of Science, University of Madras. He has also passed the licentiate examination conducted by the Insurance Institute of India in September 2015. He joined our Corporation in the year 1983 as an apprentice officer and has experience in the insurance sector. Previously, he was the zonal manager of South, North-Central and North zones of our Corporation and has also headed the personnel and pension & group schemes department.

Pankaj Jain is a Government Nominee Director of our Corporation and is an officer at the Indian Administrative Service from the 1990 batch. He is presently serving as a secretary in the Ministry of Petroleum, Government of India. He holds a bachelor's degree in commerce and a master's degree in business administration from University of Delhi. He is a qualified cost accountant from the Institute of Cost Accountants of India. He is also a member of the International Financial Services Centres Authority.

Raj Kumar is the Managing Director of our Corporation. He holds bachelor's degree in science from D.A.V College, Guru Nanak Dev University, Jalandhar, Punjab. He joined our Corporation in the year 1984 as an apprentice officer and has experience in the insurance sector. He has also served as the chief executive officer of LIC Mutual Fund Asset Management Limited and was also the zonal manager, Bhopal, executive director (estate and office services), Mumbai, amongst others, of our Corporation. He was also the senior divisional manager of Gorakhpur and Jaipur divisions of our Corporation.

Siddhartha Mohanty is the Managing Director of our Corporation. He holds bachelor's degree in law and a master's degree of arts (political science) from Utkal University, Bhubaneswar, Odisha. He also holds a post graduate certification on business management from the Xavier Institute of Management, Bhubaneshwar, Odisha. He has also passed the licentiate examination conducted by the Insurance Institute of India in November 2002. He previously served as COO and CEO of LIC Housing Finance Limited and has held various other positions, such as, senior divisional manager of Raipur and Cuttack, chief (legal), chief (investment – monitoring & accounting), executive director (legal), amongst others. During his tenure as chief (legal), Mumbai, our Corporation also won the "Best Insurance In-House Legal Team of the Year" at the Legal Era Awards 2013-14. He joined our Corporation in the year 1985 as an apprentice officer and has experience in the insurance sector.

Ipe Mini is the Managing Director of our Corporation. She holds master's degree of commerce from the Faculty of Commerce and Management Studies, Andhra University. She has also completed the certification programme in IT and Cyber Security for Board Members from the Institute for Development and Research in Banking Technology (established by the Reserve Bank of India). She joined our Corporation in the year 1986 as an apprentice officer and has experience in the insurance sector. Previously, she was also the CEO of LICHFL Financial Services Limited and has led the international operations of our Corporation. Previously, she was also the shareholder director of Central Bank of India. She has been recognized as one of 'India's top 100 women in finance' in the year 2020 by the Association of International Wealth Management of India.

Bishnu Charan Patnaik is the Managing Director of our Corporation. He holds bachelor's and master's degree of arts (political science) from Utkal University, Bhubaneshwar, Odisha. He is also a fellow of the Insurance Institute of India. He was the secretary general of the Governing Body of the Insurance Council. He joined our Corporation in the year 1985 as an apprentice officer and has experience in the insurance sector and has handled several positions in our Corporation such as senior divisional manager of Jamshedpur and Berhampur divisions, regional manager (marketing bancassurance and alternate channels), regional manager (customer relationship management) and director of Zonal Training Centre in Agra.

Dr. Ranjan Sharma is an Independent Director of our Corporation. He holds bachelor's and master's degree of arts from University of Allahabad, Uttar Pradesh. He has also pursued his doctorate in philosophy (geography) from Dr. Ram Manohar Lohia Avadh University in 2011. He is also an associate professor at Shri Lal Bahadur Shastri College, Gonda, Uttar Pradesh and has been associated with the institute since 1990. He is experienced in the field of academics.

Vinod Kumar Verma is an Independent Director of our Corporation. He holds bachelor's degree in arts from Bhimrao Ambedkar University, Indara, Mau. He is experienced in electronics business. He has been appointed as an Independent Director of our Corporation from October 29, 2021.

Anil Kumar is an Independent Director of our Corporation. He holds a bachelor's degree in commerce from the Shri Ram College of Commerce, University of Delhi and a master's degree in commerce from the Delhi School of Economics, University of Delhi. He also holds a doctor of philosophy from the University of Delhi. He is currently working as a professor in the Department of Commerce of the Shri Ram College of Commerce, University of Delhi and was initially appointed as a lecturer in September 1986. He has also authored various books on, *inter alia*, corporate governance and industrial laws.

Anjuly Chib Duggal is an Independent Director of our Corporation. She holds a master's degree in arts from the Punjab University. She is a retired Indian Administrative Services officer from the Punjab cadre (batch of 1981). Previously, she has also worked, amongst others, as a Secretary with the Department of Financial Services, Ministry of Finance, Government of India, as a secretary with the Ministry of Corporate Affairs. She was also a director on the board of the Reserve Bank of India.

Gurumoorthy Mahalingam is an Independent Director of our Corporation. He holds a master's degree in science (statistics) from Indian Institute of Technology, Kanpur and a master's degree in business administration (international banking and finance) from the University of Birmingham. Previously, he was, amongst others, the whole-time director of SEBI and was also the executive director of the Reserve Bank of India and has numerous years of experience in the financial sector.

Raj Kamal is an Independent Director of our Corporation. He holds a bachelor's degree of technology in mechanical engineering from the Indian Institute of Technology, Bombay and is a post-graduate in management from the Indian School of Business, Hyderabad. Previously, he was also the Chief Executive Officer of OYO Vacation Homes.

Vankipuram Srinivasa Parthasarathy is an Independent Director of our Corporation. He holds a bachelor's degree in commerce from Gujarat University. He is a fellow member of the Institute of Chartered Accountants of India and a member of the Institute of Chartered Accountants in England and Wales. Previously, *inter alia,* he was also the group chief financial officer and group chief information officer of the Mahindra Group.

Vijay Kumar Muthu Raju Paravasa Raju is an Independent Director of our Corporation. He holds a bachelor's degree in commerce from the Faculty of Commerce, Andhra University. He is also a member of the Institute of Chartered

Accountants of India, a member of the Institute of Company Secretaries of India and a fellow of the Institute of Cost Accountants of India. Currently, he is the Chief Financial Officer at Sify Technologies Limited, a listed company. He is an independent director on the boards of, amongst others, Thejo Engineering Limited. He is also a member of the interpretation committee of International Financial Reporting Standards and a fellow of the Institute of Directors.

Sanjeev Nautiyal is an Independent Director of our Corporation. He has completed a bachelor's degree in arts and a master's degree in business administration from Lucknow University. Previously, he was, amongst others, the managing director and chief executive officer of SBI Life Insurance Company Limited.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors have any interest in the promotion or formation of our Corporation as on the date of this Prospectus.

None of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Corporation.

None of our Directors have any interest in any property acquired in the three years preceding the date of this Prospectus or proposed to be acquired by our Corporation or in any transaction by our Corporation for acquisition of land, construction of building or supply of machinery.

Terms of appointment of Directors

In terms of (i) the Life Insurance Corporation of India Managing Director (Revision of Certain Terms and Conditions of Service) Rules, 1988, ("**MD Conditions of Service Rules**") as amended, the pay scale of our Managing Directors is between ₹0.21 million to ₹0.22 million, with effect from January 1, 2016. Further, in terms of the MD Conditions of Service Rules, the dearness allowance payable to the Managing Directors with effect from July 1, 2016, is as per the decision of the Government of India. In terms of the office memorandum dated October 25, 2021, the dearness allowance is 31% of the basic pay, with effect from July 1, 2021; and (ii) the Life Insurance Corporation of India Chairman (Certain Terms and Conditions of Service) Rules, 1988, the basic pay of the Whole-time Chairman is ₹225,000 per month, amongst others.

1. **Remuneration to Whole-time Chairperson:**

(a) Mangalam Ramasubramanian Kumar was initially appointed as the Chairperson of our Corporation pursuant to the notification dated March 14, 2019. Pursuant to the notification dated January 30, 2022, the term of office of Mangalam Ramasubramanian Kumar was extended till March 13, 2023, or until he attains superannuation or until further orders whichever is earlier. Additionally, the details of remuneration, is as follows:

Particulars	Remuneration (in ₹)
Pay scale	225,000
Range of net salary Fiscal 2022/ per month^	106,121-715,285
Basic	225,000
Dearness allowance	69,750

^ Calculated post deduction of inter alia provident fund, additional provident fund, income tax etc.

The compensation of Mangalam Ramasubramanian Kumar was ₹5.87 million in Fiscal 2022 in his capacity as a Director of our Corporation.

2. **Remuneration to Managing Directors:**

(b) Raj Kumar was appointed as the Managing Director of our Corporation pursuant to the notification dated November 1, 2019 till January 31, 2022. Pursuant to the notification dated January 30, 2022, the term of office of Raj Kumar was extended till January 31, 2023, or until further orders whichever is earlier. Additionally, the details of remuneration, is as follows:

Particulars	Remuneration (in ₹)
Pay scale	205,400-224,400
Range of net salary Fiscal 2022/ per month^	146,138 - 866,305
Basic	217,900
Dearness allowance	67,549

^ Calculated post deduction of inter alia provident fund, provident fund arrears, additional provident fund, additional provident fund arrears, income tax, general insurance premium etc.

The compensation of Raj Kumar was ₹5.41 million in Fiscal 2022 in his capacity as a Director of our Corporation.

(c) Siddhartha Mohanty was appointed as the Managing Director of our Corporation pursuant to the notification dated January 20, 2021, for a period of up to June 30, 2023, or until further orders, whichever is earlier. Additionally, the details of remuneration, is as follows:

Particulars	Remuneration (in ₹)
Pay scale	205,400-224,400
Range of net salary Fiscal 2022/ per month^	22,518 – 1,068,083
Basic	211,600
Dearness allowance	65,596

^ Calculated post deduction of inter alia provident fund, income tax, provident fund loan, interest for children education loan, professional tax etc.

The compensation of Siddhartha Mohanty was ₹5.04 million in Fiscal 2022 in his capacity as a Director of our Corporation.

(d) Ipe Mini was appointed as the Managing Director of our Corporation pursuant to the notification dated July 5, 2021. Additionally, her pay scale is as follows:

Particulars	Remuneration (in ₹)
Pay scale	205,400-224,400
Range of net salary Fiscal 2022/ per month^	18,236 - 1,705,013
Basic	205,400
Dearness allowance	63,674

^ Calculated post deduction of inter alia provident fund, additional provident fund, professional tax, income tax, insurance premiums, easter advance etc.

The total compensation paid to Ipe Mini was ₹4.87 million in Fiscal 2022, for her being associated with our Corporation as a Managing Director as well as holding office in other capacities.

(e) Bishnu Charan Patnaik was appointed as the Managing Director of our Corporation pursuant to the notification dated July 5, 2021 for a period of up to March 31, 2023 or until further orders whichever is earlier. Additionally, his pay scale is as follows:

Particulars	Remuneration (in ₹)
Pay scale	205,400-224,400
Range of net salary Fiscal 2022/ per month^	124,161-1,499,846
Basic	205,400
Dearness allowance	63,674

^ Calculated post deduction of inter alia provident fund, additional provident fund, income tax, insurance premium, professional tax, interest for children's educational loans etc.

The total compensation paid to Bishnu Charan Patnaik was ₹5.15 million in Fiscal 2022, for him being associated with our Corporation as a Managing Director as well as holding office in other capacities.

None of our Directors are entitled to remuneration from our Subsidiaries or Associates. None of our Directors received any remuneration from our Subsidiaries or Associates in Fiscal 2022. Further, there is no contingent or deferred compensation payable to any of our Directors by its Subsidiaries or Associates which accrued in Fiscal 2022.

3. Compensation to Government Nominee Director and Independent Directors:

Pursuant to the resolution dated July 26, 2021 passed by the Board of our Corporation, our Independent Directors appointed under the provisions of the Life Insurance Corporation Act, are entitled to receive sitting fees of ₹80,000 per meeting of the Board and ₹60,000 per meeting of the committees.

The details of remuneration and commission paid to our Government Nominee Director and Independent Directors during Fiscal 2022 are as follows:

S. No.	Name of Director	Sitting fees paid in Fiscal 2022 (₹ in million)
1.	Pankaj Jain	Nil
2.	Dr. Ranjan Sharma	1.34
3.	Vinod Kumar Verma	0.98
4.	Anil Kumar	0.70
5.	Anjuly Chib Duggal	0.50
6.	Gurumoorthy Mahalingam	0.56
7.	Raj Kamal	0.38
8.	Vankipuram Srinivasa Parthasarathy	0.68
9.	Vijay Kumar Muthu Raju Paravasa Raju	0.62
10.	Sanjeev Nautiyal	0.44

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Pankaj Jain, who is appointed as a Government Nominee Director by the Government of India in terms of Section 4(2)(d) of the Life Insurance Corporation Act, none of our Directors have an arrangement or understanding with the Shareholders, i.e., the Government of India, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board.

Shareholding of Directors in our Corporation

In terms of the Life Insurance Corporation Act, our Directors are not required to hold any qualification shares.

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board and its committees as well as to the extent of other remuneration and reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Corporation.

Except as stated in "*Financial Statements*" beginning on page 308, and as disclosed in this section, our Directors do not have any other interest in the business of our Corporation.

Our Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Corporation, during their tenure as Directors.

None of our Directors is party to any bonus or profit-sharing plan of our Corporation other than the performance linked incentives given to our Managing Directors and Whole-time Chairperson.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Bhaskaran Nayar Venugopal	May 31, 2019	Cessation due to superannuation
Alice Vaidyan	July 31, 2019	Cessation due to superannuation
Hemant Bhargava	July 31, 2019	Cessation due to superannuation
Debasish Panda	September 11, 2019	Appointment as member

Name	Date of Appointment/ Change/Cessation	Reason
Mukesh Kumar Gupta	November 1, 2019	Appointment as member
Raj Kumar*	November 1, 2019	Appointment as member
Injeti Srinivas	December 27, 2019	Appointment as member
Girish Chandra Murmu	December 27, 2019	Cessation
Devesh Srivastava	January 3, 2020	Appointment as ex-officio member
Injeti Srinivas	June 4, 2020	Cessation
Rajesh Verma	June 4, 2020	Appointment as member
Bimalendu Chakrabarti	September 28, 2020	Cessation as non-official Director
Ravindra Nath Chaturvedi	September 28, 2020	Cessation as non-official Director
Ramamurthy Chandrasekaran	September 28, 2020	Cessation as non-official Director
Pankaj Jain*	October 21, 2020	Appointment as member
Rajeev Ranjan	October 21, 2020	Appointment as member
Debasish Panda	October 21, 2020	Cessation
Rajesh Verma	October 21, 2020	Cessation
Tharavanat Chandrasekharan Suseel Kumar	January 31, 2021	Cessation
Siddhartha Mohanty*	February 2, 2021	Appointment as member
Rajeev Ranjan	June 30, 2021	Cessation
Devesh Srivastava	June 30, 2021	Cessation
Vipin Anand	July 31, 2021	Cessation due to superannuation
Ipe Mini	August 2, 2021	Appointment as Managing Director
Padmaja Chunduru	August 31, 2021	Cessation due to superannuation
Mukesh Kumar Gupta	September 30, 2021	Cessation due to superannuation
Bishnu Charan Patnaik	October 1, 2021	Appointment as Managing Director
Dr. Ranjan Sharma	October 29, 2021	Appointment as Independent Director
Vinod Kumar Verma	October 29, 2021	Appointment as Independent Director
Anil Kumar	January 20, 2022	Appointment as Independent Director
Anjuly Chib Duggal	January 29, 2022	Appointment as Independent Director
Gurumoorthy Mahalingam	January 29, 2022	Appointment as Independent Director
Raj Kamal	January 29, 2022	Appointment as Independent Director
Vankipuram Srinivasa Parthasarathy	January 29, 2022	Appointment as Independent Director
Vijay Kumar Muthu Raju Paravasa Raju	January 29, 2022	Appointment as Independent Director
Sanjeev Nautiyal	January 29, 2022	Appointment as Independent Director

**In terms of Section 4(6) of the Life Insurance Corporation Act and pursuant to the circular resolution passed by the Board of our Corporation dated July 1, 2021, Mangalam Ramasubramanian Kumar, Raj Kumar, Siddhartha Mohanty and Pankaj Jain were redesignated as Chairperson, Managing Director, Managing Director and Government Nominee Director, respectively.*

Borrowing powers of our Board

In accordance with section 6(2)(f) of the Life Insurance Corporation Act, our Board is authorised to borrow or raise any money in such manner and upon such security as our Corporation may think fit, subject to the provisions of the Life Insurance Corporation Act.

Corporate Governance

Our Corporation is in compliance with the corporate governance requirements as prescribed under the Life Insurance Corporation Act and SEBI Listing Regulations and the SEBI ICDR Regulations, including constitution of our Board and committees and the terms of reference of our committees thereof. The provisions of the IRDAI CG Guidelines are applicable to our Corporation (to the extent applicable and not inconsistent with subject to the provisions of the Life Insurance Corporation Act and the rules and regulations framed thereunder). For further details, please see *"Key Regulations and Policies*" on page 253.

Our Board has been constituted in compliance with the Life Insurance Corporation Act, the SEBI Listing Regulations, and the guidelines issued thereunder from time to time.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

Executive Committee

The members of the Executive Committee are:

1. Mangalam Ramasubramanian Kumar (Whole-time Chairperson), *Chairperson*;
2. Pankaj Jain (Government Nominee Director);
3. Raj Kumar (Managing Director);
4. Siddhartha Mohanty (Managing Director);
5. Ipe Mini (Managing Director);
6. Bishnu Charan Patnaik (Managing Director);
7. Dr. Ranjan Sharma (Independent Director);
8. Anjuly Chib Duggal (Independent Director);
9. Gurumoorthy Mahalingam (Independent Director); and
10. Vankipuram Srinivasa Parthasarathy (Independent Director).

The Executive Committee was last reconstituted by the Board of Directors (through circulation) on February 7, 2022. The scope and function of the Executive Committee is in accordance with Section 19(1) of the Life Insurance Corporation Act and its terms of reference include the following:

1. To appoint officers in the cadres of Zonal Manager and above and equivalent cadres;

2. As appointing authority, to execute the functions specified in the Life Insurance Corporation of India (Staff) Rules, 1960;

3. To take disciplinary action against the officers in the cadres of Zonal Manager and above and equivalent cadres as disciplinary authority and impose penalty under Rule 39 (1) of Life Insurance Corporation of India (Staff) Rules, 1960;

4. To consider the appeals received from the officers in the cadre of Deputy Zonal Manager/Senior Divisional Manager/ Divisional Manager and equivalent cadres under of Life Insurance Corporation of India (Staff) Rules, 1960;

5. To relax any of the provisions of Life Insurance Corporation of India (Staff) Rules, 1960;

6. As competent authority, to execute the functions specified in the Life Insurance Corporation of India (Employees) Pension Rules, 1995;

7. As per Rule 48 (1) of Life Insurance Corporation of India (Employees) Pension Rules, 1995, Executive Committee shall be consulted before passing any final order under that Rule;

8. To authorize to grant, issue and enter into any Policies of Assurance and any deeds or other instruments and any transactions for the purpose of Corporation's business;

9. To authorize to accept the surrender of any insurance or annuity and to purchase or redeem any insurance or annuity and to waive the forfeiture of any insurance;

10. Arrangements for reassuring risks undertaken by the Corporation or for sharing risks undertaken by other insurers;

11. With the advice of the Investment Committee, to approve lending on mortgage on the security of or to purchase or otherwise acquire for the Corporation any immovable or movable properties, rights or privileges;

12. To approve purchase or otherwise acquisition of all kinds of movable articles; chattels and things and to approve sell, dispose of or otherwise deal with the same in the course of the business of the Corporation;

13. Proposals for inclusion in the budget and to have the budget exercise financial control over the affairs of the Corporation and ensure that the expenditure incurred is not in excess of the budget sanctioned by the Board;

14. All matters relating to bankrupts and insolvents;

15. To approve contributions and subscribe to Charitable, benevolent, religious, scientific, national or other institutions or subjects as deemed appropriate;

16. To appoint any person or persons as Attorney or Attorneys of the Corporation for the purposes of the Corporation;

17. To authorize negotiations and contracts, and execute and do all acts, deeds and things in the name and on behalf of the Corporation;

18. To authorize various foreign operations;

19. To authorize operation of bank accounts; and

20. To carry out any other functions assigned by the Board.

Audit Committee

The members of the Audit Committee are:

1. Vijay Kumar Muthu Raju Paravasa Raju (Independent Director), *Chairperson*
2. Pankaj Jain (Government Nominee Director);
3. Raj Kumar (Managing Director);
4. Dr. Ranjan Sharma (Independent Director);
5. Vankipuram Srinivasa Parthasarathy (Independent Director); and
6. Anil Kumar (Independent Director).

Ipe Mini is the special invitee at the Audit Committee of our Corporation. The Audit Committee was last reconstituted by the Board of Directors (through circulation) on February 7, 2022. The scope and function of the Audit Committee is in accordance with Section 19(C) of the Life Insurance Corporation Act, the IRDAI CG Guidelines (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and the rules and regulations made thereunder) and the Regulation 18(3) of the SEBI Listing Regulations and its terms of reference include the following:

The terms of reference of the Audit Committee include:

1. Oversight of financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation to the Board for the appointment, remuneration and terms of appointment of the statutory auditors of the Corporation;

3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors, if permissible under the Life Insurance Corporation Act/ rules/ regulations;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of Section 24C(2) of Life Insurance Corporation Act;

    (b) Changes, if any, in accounting policies and practices and reasons for the same;

    (c) Major accounting entries involving estimates based on the exercise of judgment by management;

    (d) Significant adjustments made in the financial statements arising out of audit findings;

    (e) Compliance with listing and other legal requirements relating to financial statements;

    (f) Disclosure of any related party transactions; and

    (g) Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Prior approval or any subsequent modification of transactions of the Corporation with related parties;

9. Scrutinising of inter-corporate loans and investments, if any;

10. Valuing of undertakings or assets of the Corporation, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussing with internal auditors on any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the vigil mechanism;

19. Approving the appointment of the chief financial officer, chief internal auditor and chief compliance officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;

22. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the Corporation and its shareholders; and

23. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Life Insurance Corporation Act or the SEBI Listing Regulations, each as amended or by any other regulatory authority.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Management letters/ letters of internal control weaknesses issued by the statutory auditors;

3. Internal audit reports relating to internal control weaknesses;

4. The appointment, removal and terms of remuneration of the chief internal auditor; and

5. Statement of deviations:

   (a) Quarterly statement of deviation(s) including Report of monitoring agency, if applicable submitted to stock exchange(s) in terms of Regulation 32 (1) of the SEBI Listing Regulations.
   (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7) of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Anil Kumar (Independent Director), *Chairperson*
2. Pankaj Jain (Government Nominee Director);
3. Mangalam Ramasubramanian Kumar (Whole-time Chairperson);
4. Dr. Ranjan Sharma (Independent Director);
5. Vinod Kumar Verma (Independent Director); and
6. Gurumoorthy Mahalingam (Independent Director)

The Nomination and Remuneration Committee was last reconstituted by the Board of Directors (through circulation) on March 7, 2022. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 19(B) of the Life Insurance Corporation Act, Regulation 19(4) of the SEBI Listing Regulations and the IRDAI CG Guidelines (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and the rules and regulations made thereunder).

The terms of reference of the Nomination and Remuneration Committee shall include:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.

3. To recommend the appointment of an independent director to Board;

4. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

5. Devising a policy on Board diversity;

6. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;

7. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

8. recommend to the Board a policy relating to the sum payable as sitting fees to a director nominated or appointed under clauses (e) or (f) or (g) of sub-section (2) of section 4 of the Life Insurance Corporation Act, subject to such fees not exceeding such limit as may apply in respect of sitting fees payable to a director of a company under the Companies Act, 2013;

9. Recommend to the board, all remuneration, in whatever form, payable to senior management; and

10. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Life Insurance Corporation Act or the SEBI Listing Regulations, each as amended or by any other regulatory authority.

The Nomination and Remuneration is required to meet as and when required but atleast once in a year.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Dr Ranjan Sharma (Independent Director), *Chairperson*;
2. Raj Kumar (Managing Director);
3. Anil Kumar (Independent Director);
4. Anjuly Chib Duggal (Independent Director); and
5. Vijay Kumar Muthu Raju Paravasa Raju (Independent Director).

The Stakeholders' Relationship Committee was last reconstituted by the Board of Directors (through circulation) on February 7, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Regulation 20(4) of the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Corporation in respect of various services being rendered by the Registrar & Share Transfer Agent; and

4. Review of the various measures and initiatives taken by the Corporation for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

Policyholders' Protection Committee

The members of the Policyholders' Protection Committee are:

1. Sanjeev Nautiyal (Independent Director), *Chairperson*;
2. Siddhartha Mohanty (Managing Director);
3. Ipe Mini (Managing Director);
4. Vinod Kumar Verma (Independent Director);
5. Anjuly Chib Duggal (Independent Director); and
6. Dr. Snehalata Deshmukh (Expert).

The Policyholders' Protection Committee was reconstituted by the Board of Directors (through circulation) on February 7, 2022. The scope and function of the Policyholders' Protection Committee is in accordance with Clause 7.4 of the IRDAI CG Guidelines.

The terms of reference of the Policyholders' Protection Committee are as follows:

1. Adoption of standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof;

2. Review mechanism to address complaints and grievances of policyholders including misselling by intermediaries;

3. Review of awards given by Insurance Ombudsman/Consumer Forums;

4. Analyze the root cause of customer complaints, identify market conduct issues;

5. Advise the management appropriately about rectifying systemic issues, if any;

6. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary;

7. Review the measures and take steps to reduce customer complaints at periodic intervals;

8. Review compliance with the statutory requirements as laid down in the regulatory framework;

9. Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals;

10. Provide details of grievances at periodic intervals in such formats as may be prescribed by the Authority;

11. Ensure that details of insurance ombudsmen are provided to the policyholders;

12. Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims;

13. Reviewing Repudiated claims with analysis of reasons;

14. Review status of settlement of other customer benefit pay-outs like Surrenders, Loan, Partial withdrawal requests etc.;

15. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority;

16. Matters relating to relocation of Place of Business of the Corporation within the same city, town or village and subsequent closure of earlier Place of Business was delegated to the Policyholders' Protection Committee;

17. Approve closure of Mini offices consequent upon their up gradation to Satellite offices; and

18. Approval in advance for relocation of any place of business within the same city, town or Village.

Investment Committee

The members of the Investment Committee are:

1. Mangalam Ramasubramanian Kumar (Whole-time Chairperson), *Chairperson*;
2. Raj Kumar (Managing Director);
3. Siddhartha Mohanty (Managing Director);
4. Ipe Mini (Managing Director);
5. Bishnu Charan Patnaik (Managing Director);
6. Gurumoorthy Mahalingam (Independent Director);
7. Raj Kamal (Independent Director); and
8. Vijay Kumar Muthu Raju Paravasa Raju (Independent Director).

The Investment Committee was reconstituted by the Board of Directors (through circulation) on February 7, 2022. The scope and function of the Investment Committee is in accordance with Section 19A of the Life Insurance Corporation Act. and the IRDAI CG Guidelines (to the extent applicable and not inconsistent with the Life Insurance Corporation Act and rules and regulations made thereunder).

The terms of reference of the Investment Committee are as follows:

1. To take decisions in matters relating to the investment of the funds of the Corporation;

2. To review the performance of Investments made on quarterly basis;

3. To take note of reporting items submitted to the Investment Committee;

4. To review and recommend to the Board Investment Policy (IP) and lay down the operational framework for the investment operations. Such review of the Investment Policy to be done on a half yearly basis or at such short intervals as may be decided. To ensure that regulatory norms and Section 27A of Insurance Act 1938 as made applicable to LIC by Govt, notification u/s 43(2) of Life Insurance Corporation Act are adhered to while making investments;

5. To approve the "Standard Operating Procedures" of the Corporation with respect to its investment functions on an annual basis and any need based modification thereof from time to time. The provisions of SOP may be reviewed from time to time depending on economic scenario, regulatory provisions and other factors, and may be changed after approval of Investment Committee;

6. To lay out guidelines for various investment functions;

7. The Investment Policy, as approved by the Board, shall be implemented by the Investment Committee;

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

9. The Committee shall formulate an effective reporting system to ensure compliance with the policy set out by it apart from Internal /Concurrent Audit mechanisms for a sustained and ongoing monitoring of Investment Operations;

10. The Committee shall submit a report to the Board on the performance of the investment portfolio with regard to its safety and soundness; and

11. The Committee shall analyze and review of non-performing assets of investments on a quarterly periodicity.

Risk Management Committee

The members of the Risk Management Committee are:

1. Gurumoorthy Mahalingam (Independent Director), *Chairperson*;
2. Raj Kumar (Managing Director);
3. Siddhartha Mohanty (Managing Director);
4. Vankipuram Srinivasa Parthasarathy (Independent Director);
5. Sanjeev Nautiyal (Independent Director); and
6. Tablesh Pandey (Executive Director (enterprise risk management)/ chief risk officer/ actuarial core group central office).

The Risk Management Committee was last reconstituted by the Board of Directors (through circulation) on February 7, 2022. The scope and function of the Risk Management Committee is in accordance and Regulation 21(4) of the SEBI Listing Regulations and the IRDAI CG Guidelines.

The terms of reference of the Risk Management Committee are as follows:

1. To formulate a detailed risk management policy which shall include:

    a. A framework for identification of internal and external risks specifically faced by the Corporation, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the operations of the Corporation;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, annually, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;

7. The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;

8. Review of Risk Management framework;

9. Review of Anti-Fraud Policy, Anti Money Laundering Policy, Asset Liability Management Policy, Risk Appetite Statement etc and recommendation of the above Policies to the Board for approval;

10. Setting of the risk tolerance limits and assess the cost and benefits associated with risk exposure;

11. Review of Corporation's risk-reward performance to align with overall policy objectives;

12. Discuss and consider best practices in risk management in the market and advise the respective functions;

13. Assist the Board in effective operation of the risk management system by performing specialized analyses and quality reviews;

14. Maintain an aggregated view on the risk profile of the Corporation for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.;

15. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters;

16. Report to the Board, details on the risk exposures and the actions taken to manage the exposures; review, monitor and challenge where necessary, risks undertaken by the Corporation;

17. Review the solvency position of the Corporation on a regular basis;

18. Monitor and review regular updates on business continuity;

19. Monitor implementation of Anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;

20. Review compliance with the guidelines on Insurance Fraud Monitoring Framework IRDA/SDD/MISC/CIR/009/01/2013 dated 21/01/2013;

21. Oversee matters related to Asset Liability Management (ALM) as per the Corporation's ALM Policy; and

22. The Risk Management Committee shall be periodically apprised about the Outsourcing arrangements entered into by the insurer and also confirmation to the effect that they comply with the stipulations as well as the internal policy be placed before them.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

With Profits Committee

The members of the With Profits Committee are:

1. Mangalam Ramasubramanian Kumar, (Whole-time Chairperson), *Chairperson*;

2. Raj Kamal (Independent Director);
3. Sobhag Mal Jain (Executive Director (finance & accounts));
4. Dinesh Pant (Appointed actuary and Executive Director (actuarial));
5. Sunil Agrawal (Chief Financial Officer); and
6. Subrahmanyam Kollimarla, Independent actuary.

The With Profits Committee was last reconstituted by the Board of Directors (through circulation) on April 12, 2022. The scope and function of the With Profits Committee is in accordance with the Insurance Regulatory and Development Authority of India (Non-Linked Insurance Products) Regulations, 2019. The terms of reference of the With Profits Committee are as follows:

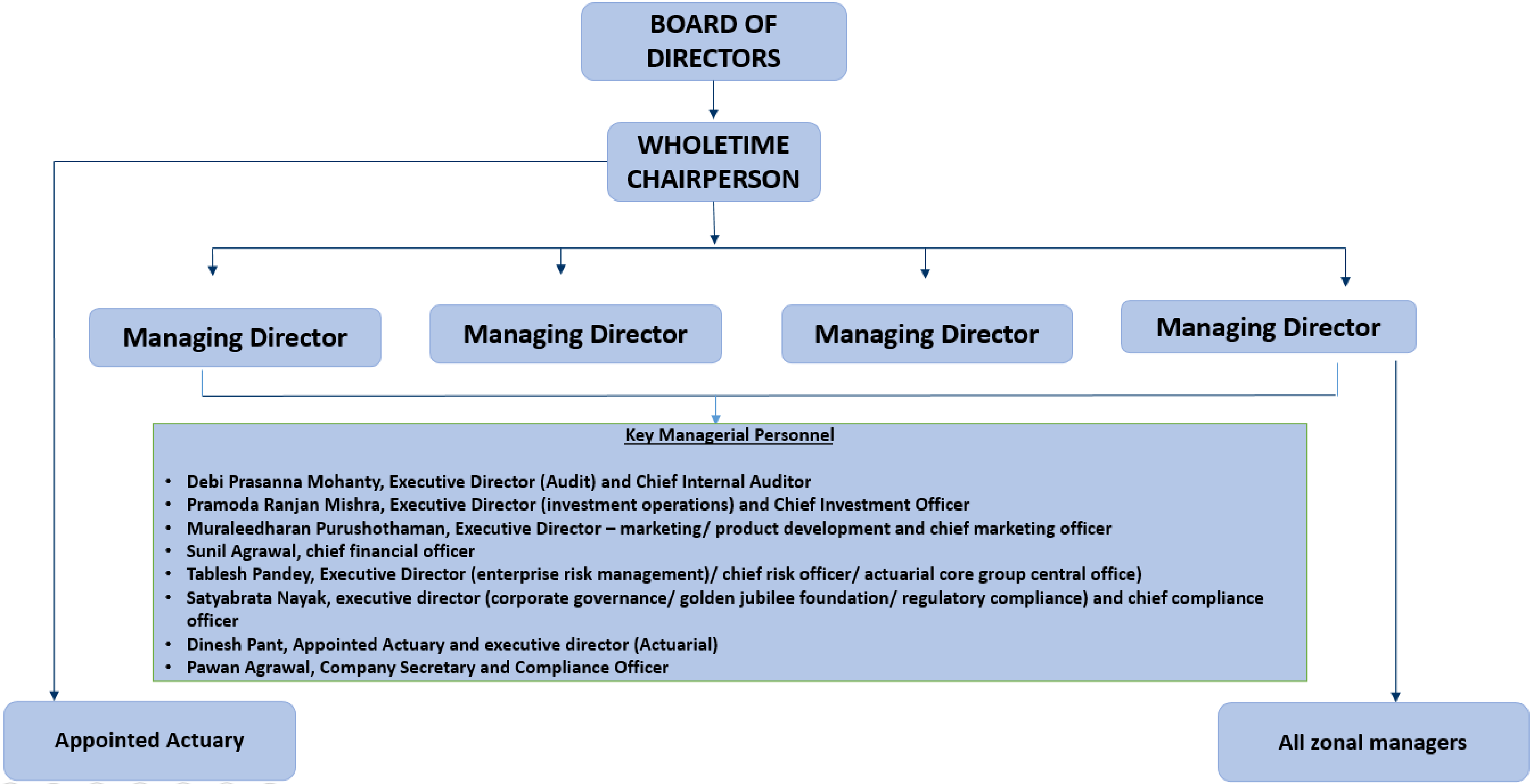
1. Approve the asset share methodology including the deductions for expenses and crediting of investment return to the asset share and other associated elements; and

2. Prepare a report summarising the committee's view to be sent to the IRDAI along with the actuarial report and abstract.

Other Committees of our Corporation

In addition to the committees mentioned in "- *Committees of the Board*" on page 291, our Corporation has constituted other committees, such as, (i) election of shareholders' directors committee in public sector banks, (ii) IPO committee, (iii) IT strategy committee, (iv) building advisory committee and (v) review committee on wilful defaulters.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel of our Corporation are as follows:

For further details in relation to the Whole-time Chairperson and Managing Directors of our Corporation, see "– *Brief Biographies of Directors*" on page 286. For details of compensation paid to him, see "–*Terms of Appointment of Directors*" on page 288.

Debi Prasanna Mohanty is the Executive Director (Audit) and Chief Internal Auditor of our Corporation. He holds a bachelor's degree in arts from the Ravenshaw College, Cuttack and a master's degree in arts from Utkal University. He joined our Corporation on April 17, 1984 and has worked in various offices of our Corporation in different capacities. He has previously held various other positions, such as, additional executive director (audit), executive director (information technology – business process reengineering), chief (marketing), amongst others. During Fiscal 2022, he received a remuneration (including arrears) of ₹7.29 million.

Pramoda Ranjan Mishra is the Executive Director (investment operations) and Chief Investment Officer of our Corporation. He holds a master's degree in arts from Utkal University. Previously, he has held various other positions in our Corporation including *inter alia* the chief (investment operations), secretary (investment operations) and has also held the position of chief executive officer, Life Insurance Corporation (Nepal) Ltd. He joined our Corporation on August 1, 1985. During Fiscal 2022, he received a total remuneration of ₹6.91 million^.

Muraleedharan Purushothaman is the Executive Director – marketing/ product development and chief marketing officer of our Corporation. He holds a bachelor's degree in science from the Faculty of Science, University of Kerala and a master's degree in arts from the University of Kerala. He joined our Corporation on November 1, 1985. He has also held several other positions in our Corporation, including senior divisional manager in-charge, regional manager (marketing), additional executive director (marketing) and was also the CEO of Life Insurance Corporation (Nepal) Ltd. During Fiscal 2022, he received a remuneration (including arrears) of ₹7.23 million.

Sunil Agrawal in the Chief Financial Officer of our Corporation. He holds a bachelor's degree in engineering (computer science and engineering) from Amravati University and is also a qualified chartered accountant. He joined our Corporation on March 2, 2022 and was re-designated as a chief financial officer of our Corporation with effect from April 1, 2022. He has previously worked with R S Agrawal & Co., Chartered Accountants, ICICI Prudential Life Insurance Company Limited, Reliance Nippon Life Insurance Company Limited, amongst others. His engagement with our Corporation is for a period of three years from the date of joining with an option for renewal at the discretion of our Corporation. Since he was redesignated as our Corporation's chief financial officer after March 31, 2022, he has not received any remuneration for Fiscal 2022 in his capacity as a chief financial officer.

Satyabrata Nayak is the executive director (corporate governance/ golden jubilee foundation/ regulatory compliance) and chief compliance officer of our Corporation. He has completed master's degree in commerce from Annamalai University and is also a fellow of the Insurance Institute of India. He also holds a specialised diploma in health insurance from the Insurance Institute of India. Previously, he has held various other positions in our Corporation including inter alia Secretary (IRDAI). He joined our Corporation on February 1, 1988. During Fiscal 2022 he was associated with LIC Housing Finance Limited, and has not received remuneration from our Corporation.

Tablesh Pandey is the Executive Director (enterprise risk management)/ chief risk officer/ actuarial core group central office) of our Corporation. He holds a bachelor's degree in technology from the Jawaharlal Nehru Krishi Vishwa Vidyalaya, Jabalpur, Madhya Pradesh. He joined our Corporation in February 22, 1988. He was previously the regional manager (IT) in the various zones of our Corporation. During Fiscal 2022, he received a total remuneration (including arrears) of ₹7.26 million^.

Dinesh Pant is the Appointed Actuary and executive director (actuarial) of our Corporation. He holds a bachelor's degree in law from the University of Delhi and a masters' degree in management from the Indira Gandhi National Open University. He is also a fellow of the Institute of Actuaries of India and Insurance Institute of India. Previously, he has been the product actuary of our Corporation and has also been the deputy general manager and general manager of Kenindia Assurance Company Ltd., Kenya, on deputation from our Corporation. He joined our Corporation on September 18, 1989. During Fiscal 2022, he received a remuneration (including arrears) of ₹10.50 million.

Pawan Agrawal is the Company Secretary and Compliance Officer of our Corporation. He holds a bachelor's degree in commerce from Kanpur University, Uttar Pradesh and is a member of the Institute of Company Secretaries of India from 1987. He has previously worked with IDBI Bank Limited as a company secretary and chief general manager and has numerous years of experience as company secretary. He joined our Corporation on April 16, 2021 and his engagement with our Corporation is for a period of three years from April 16, 2021. Pawan Agrawal was on deputation from IDBI Bank Limited till December 31, 2021 and is engaged with our Corporation on contractual basis post December 31, 2021. During Fiscal 2022, he received a remuneration of ₹4.01 million.

^The total remuneration paid in Fiscal 2022 is inclusive of the remuneration paid in various other capacities, prior to them being designated as a KMP of our Corporation.

Relationship between our Key Managerial Personnel and Directors

None of the Key Managerial Personnel is either related to each other or to our Directors.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Shares of our Corporation.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel is party to any bonus or profit-sharing plan of our Corporation, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

Except for Pawan Agrawal, the Company Secretary and Compliance Officer and Sunil Agrawal, the Chief Financial Officer of our Corporation, all the Key Managerial Personnel are permanent employees of our Corporation. For further details, please see *" – Key Managerial Personnel – Pawan Agrawal*" and *"-Key Managerial Personnel – Sunil Agrawal"* on page 302.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Corporation other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the Key Managerial Personnel has been paid any consideration of any nature from our Corporation, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Changes in the Key Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years:

Name	Date of change	Reason of change
Praveen Kumar Molri	October 31, 2019	Superannuation
Pradeep Kumar Jain	May 30, 2020	Transfer vide office order dated May 30, 2020
Shankar Narayan Mokashi	May 30, 2020	Transfer vide office order dated May 30, 2020
Dinesh Pant	May 30, 2020	Transfer vide office order dated May 30, 2020
Masil Jayamohan	May 30, 2020	Transferred vide office order dated May 30, 2020
Pawan Agrawal	April 16, 2021	Appointment
Shubhangi Sanjay Soman	August 20, 2021	Redesignated
Muraleedharan Purushothaman	August 20, 2021	Redesignated
Arun Kumar Anand	August 20, 2021	Redesignated
Debashis Prasad Pattanaik	August 20, 2021	Redesignated
Debi Prasanna Mohanty	September 28, 2021	Redesignated
Shankar Narayan Mokashi	December 31, 2021	Superannuation
Tablesh Pandey	January 1, 2022	Appointment
Shubhangi Sanjay Soman	March 31, 2022	Superannuation
Sunil Agrawal	April 1, 2022	Re-designated
Debashish Prasad Pattanaik	April 24, 2022	Transferred vide office order dated April 7, 2022
Satyabrata Nayak	April 25, 2022	Appointment
Arun Kumar Anand	April 30, 2022	Retirement
Pramoda Ranjan Mishra	May 2, 2022	Appointment

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Corporation on retirement and certain post-retirement benefits, no officer of our Corporation, including our Directors, the Key Managerial Personnel has entered into a service contract with our Corporation pursuant to which they are entitled to any benefits upon termination of employment. Further, none of our Directors have entered into a service contract with our Corporation pursuant to which they have been appointed as a director of our Corporation or their remuneration has been fixed in the preceding two years.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

Except as disclosed in *"-Key Managerial Personnel*" on page 302, there is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Other than the interest free advance, including, towards festivals, droughts and floods, no non-salary amount or benefit has been paid or given to any of our Corporation's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

Our Corporation does not have an employee stock option plan.

OUR PROMOTER

Our Promoter is the President of India, acting through the Ministry of Finance, Government of India. Our Promoter currently holds 100% of the pre-Offer paid-up Equity Share capital of our Corporation. Assuming the sale and subscription of all the Equity Shares offered in the Offer, our Promoter shall hold around 96.5% of the post-Offer paid-up Equity Share capital of our Corporation. As our Promoter is the President of India, acting through the Ministry of Finance, disclosures on our Promoter Group (defined in Regulation 2(1)(pp) of the SEBI ICDR Regulations), as specified in Schedule VI of the SEBI ICDR Regulations have not been provided.

OUR GROUP COMPANIES

Our Corporation was established under the Life Insurance Corporation Act and is fully owned and controlled by the Government of India. In terms of Schedule VI, Part A, Paragraph 13(A) of the SEBI ICDR Regulations, our Corporation has not identified any group companies of our Corporation.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors at their discretion, in accordance with the provisions of the Life Insurance Corporation Act and other applicable laws. Pursuant to Section 24 of the Life Insurance Corporation Act, our Corporation is required to maintain funds for participating and non-participating policyholders. Our Board of Directors may, subject to the Shareholders approving an exemption from maintenance of the policyholders' funds for the financial year, utilise a portion of its surplus from life insurance business and profits from any other business for such financial year for the declaration and payment of dividend to the Shareholders in accordance with Section 28B of the Life Insurance Corporation Act. No dividend shall be declared or paid by our Corporation for any Financial Year (a) except out of the surpluses and profits as provided under Section 28(2) of the Life Insurance Corporation Act; and (b) from its reserves other than free reserves. Further, pursuant to Section 28B of the Life Insurance Corporation Act, no dividend shall be declared or paid by our Corporation unless any losses carried over from previous years and any depreciation not provided for in previous years are set off against surpluses and profits under Section 28(2) of the Life Insurance Corporation Act for the financial year for which the dividend is proposed to be declared or paid.

The dividend distribution policy of our Corporation was adopted and approved by our Board of Directors in their meeting held on July 26, 2021 ("**Dividend Policy**"). In terms of the Dividend Policy, the dividend, if any, will be declared in accordance with Section 28B of the Life Insurance Corporation Act and other applicable laws, and shall be approved by the Shareholders in a general meeting.

The details in respect of dividends paid by our Corporation in the last three financial years and until the date of filing of this Prospectus by our Corporation, is provided below:

Particulars	**Period**			
	April 1, 2021 till the date of this Prospectus	**Financial year ended March 31, 2021**	**Financial year ended March 31, 2020**	**Financial year ended March 31, 2019**
No. of Equity Shares bearing face value of ₹10*	6,324.99 million Equity Shares	Refer note 1	Refer Note 1	Refer Note 1
Face value of Equity Shares**	10.00	Refer note 1	Refer Note 1	Refer Note 1
Interim dividend***	-	-	-	-
Final dividend***	-	-	26,977.43	26,630.99
Total dividend***	-	-	26,977.43	26,630.99
Dividend per share*	-	-	4.27	4.21
Dividend rate (%)	-	-	43%	42%
Mode of payment of dividend	-	-	Converted into Equity Shares	Bank payment
Dividend distribution tax***	N.A.	N.A.	N.A.	N.A.

***Note 1**: Our Corporation issued and allotted fully paid-up capital aggregating to ₹63,249.90 million consisting of ₹6,324.99 million Equity Shares with face value of ₹10 each to the Government of India, on September 8, 2021, in terms of Section 5(2) and Section 5(4) of Life Insurance Corporation Act read with Regulation 7 of LIC General Regulations, 2021.*
**in ₹.*
***₹ per Equity Share.*
**** in ₹ million.*

Our Corporation paid dividend amounting to ₹26,630.99 million in Fiscal 2019 to the Government of India and retained its share of the surplus in Fiscals 2020 and 2021 for the issuance of bonus Equity Shares. For further details, please see *"Capital Structure – Notes to the Capital Structure – Equity Share Capital History of our Corporation*" on page 92. Our Corporation has not declared/ paid any dividend for the period starting from April 1, 2021 till the date of this Prospectus.

There is no guarantee that any dividends will be declared or paid in the future. For details of risks in relation to our capacity to pay dividend, see *"Risk Factors – Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, capital expenditures and applicable Indian legal provisions, as well as the terms of our financing arrangements we may enter into in future"* on page 68.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To
Board of Directors
Life Insurance Corporation of India

Dear Ladies and Gentlemen,

1. We have examined the attached Restated Consolidated Financial Information of Life Insurance Corporation of India (the "Corporation"), its subsidiaries and its associates (the Corporation, its subsidiaries and its associates collectively referred to as "the Group"), which comprises the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure I); the Restated Consolidated Statement of Revenue Account (also called the "Policyholders' Account" or the "Technical Account") (enclosed as Annexure II), the Restated Consolidated Statement of Profit & Loss Account (also called the "Shareholders' Account" or the "Non - Technical Account") (enclosed as Annexure III), the Restated Consolidated Statement of Receipts and Payments Account (also called the "Cash Flow Statement") (enclosed as Annexure IV) for the nine months ended December 31, 2021 and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and other financial information (referred to as "Other Restated Financial Information"), summary of "Significant Accounting Policies and Notes to Restated Consolidated Financial Information" and other explanatory information as at and for the nine months ended December 31, 2021 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 (enclosed as Annexure XXIV), (hereinafter collectively referred to as the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Corporation at their meeting held on February 25, 2022 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus (Collectively, the "Offer Documents") prepared by the Corporation in connection with the proposed initial public offer of equity shares of the Corporation ("IPO") prepared in terms of the requirements of:

    a) Section 5 of Chapter II of the Life Insurance Corporation Act, 1956, as amended (the "Act"),
    b) Para 1 & 2 of Schedule I Part (c) of Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 (referred to as the "IRDAI Regulations") issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"),
    c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and
    d) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

2. The Corporation's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India ("IRDAI"), BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Corporation on the basis of preparation stated under Note A (B) of Annexure XXIV to the Restated Consolidated Financial Information. The respective Board of Directors of the Corporation and the subsidiaries and associates included in the Group are responsible for designing, implementing, and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the Corporation and the subsidiaries and associates respectively are also responsible for identifying and ensuring that the Corporation and each such company complies with the Act, IRDAI Regulations, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with the Corporation in accordance with our engagement letter dated October 29, 2021 in connection with the proposed IPO of equity shares of the Corporation;
   b) The Guidance Note also requires that we comply with the ethical requirements of the code of ethics issued by the Institute of Chartered Accountants of India;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
   d) The requirements of the ICDR Regulations.

   Our work was performed solely to assist the Corporation in meeting its responsibilities in relation to its compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information, expressed in Indian Rupees in million (Rs. in million), have been compiled by the Corporation's management from:

   a) the audited Special Purpose Consolidated Interim Financial Statements of the Group as at and for the nine months period ended December 31, 2021 prepared in accordance with the recognition and measurement principles of the accounting standard (referred to as "AS") 25 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, to the extent applicable and the other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Financial Statements"), which have been approved by the Board of Directors at their meeting held on February 25, 2022 and audited by us.
   b) the audited Consolidated Financial Statements of the Group as at and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the AS as prescribed under Section 133 of the Companies Act, 2013, to the extent applicable and other accounting principles generally accepted in India (the "Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on January 20, 2022 and audited by us.

5. For the purpose of our examination, we have relied on:

   a) Auditor's report issued by us dated February 25, 2022 on the Special Purpose Consolidated Interim Financial Statements of the Group as at and for the nine months period ended December 31, 2021 as referred in paragraph 4(a) above.
   b) Auditor's report issued by us dated January 20, 2022 on the Consolidated Financial Statements of the Group for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 as referred in paragraph 4(b) above.

   The auditor's reports on the Special Purpose Consolidated Interim Financial Statements of the Group as at and for the nine months period ended on December 31, 2021 and on the Consolidated Financial Statements of the Group as at and for the financial years ended March 31, 2021, March 31, 2020, include the following Emphasis of Matter paragraphs:

   I. **For the nine months period ended December 31, 2021**

      i. Note No. A(B) of Schedule 15A to the Special Purpose Consolidated Interim Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Consolidated Interim Financial Statements have been prepared by the Corporation for the purpose of preparation of the restated consolidated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations") in relation to the proposed initial public offering of the Corporation. As a result, the Special Purpose Consolidated Interim Financial Statements may not be suitable for any other purpose. The Special Purpose Consolidated Interim Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

ii. Note No. B(42) of Schedule 15A to the Special Purpose Consolidated Interim Financial Statements regarding bifurcation of Single/Unified Policyholders' fund into Participating and Non-Participating Policyholders' fund, segregation of assets among Participating to Non-Participating, Solvency Margin of the Corporation and the rational adopted by the Management of the Corporation for the realignment of the assets.

iii. Note No. B(17)(C) of Schedule 15A to the Special Purpose Consolidated Interim Financial Statements regarding liability on account of additional contribution of Rs. 111,246.60 million, arisen due to fresh option to employees in financial year 2019-20, which is being amortised over a period of five years from financial year 2019-20 in accordance with the approval granted by IRDAI vide its letter no. 101/2/F&A-Life/LIC/2018-19/208 dated 06-07-2020. Accordingly, an amount of Rs. 16,686.98 million has been charged to Revenue Account for the nine months ended December 31, 2021, respectively and balance amount of Rs. 50,060.93 million is to be amortised over the period upto March 31, 2024.

iv. Note No. B(37) of Schedule 15A to the Special Purpose Consolidated Interim Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and assessment made by the management on its business and financial statements, including valuation of policy liability.

II. **For Financial Year ended March 31, 2021**

i. Note No. B(17)(C)of Schedule 15A to the Consolidated Financial Statements regarding liability on account of additional contribution of Rs 111,246.60 million arisen due to fresh pension option to employees in financial year 2019-20, which is being amortized over a period of five years from financial year 2019-20 in accordance with the approval granted by IRDAI vide its letter no. 101/2/F&A-Life/LIC/2018-19/208 dated 06-07-2020. Accordingly, an amount of Rs 22,249.20 million has been charged to Revenue account for the year then ended March 31, 2021, respectively and balance amount of Rs 66,748.10 million is to be amortized over a period up to March 31, 2024.

ii. Note No. B(39) of Schedule 15A to the Consolidated Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and assessment made by the management on its business and financial statements, including valuation of policy liability.

III. **For Financial Year ended March 31, 2020**

i. Note No. B(17)(C)of Schedule 15A to the Consolidated Financial Statements regarding the deferment of 4/5th of the liability of the Corporation towards additional contribution to pension fund amounting to Rs. 88,997.30 million pursuant to the approval granted by IRDAI vide its letter no. 101/2/F&A-Life/LIC/2018-19/208 dated 06-07-2020.

ii. Note No. B(39) of Schedule 15A to the Consolidated Financial Statements regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and assessment made by the management on its business and financial statements, including valuation of policy liability.

iii. Auditors of IDBI Bank Limited (subsidiary), have reported the business uncertainties due to the outbreak of SARS-CoV-2 virus (COVID-19). In view of these uncertainties, the impact on the Bank's results is significantly dependent on future developments.

Our opinion is not modified with respect to these matters.

Other Matters

6. As indicated in our audit report referred in paragraph 5(a) above:

   a) The unaudited financial statements/ information of the 3 foreign branches (United Kingdom, Mauritius and Fiji) included in the Special Purpose Interim Standalone Financial Statements used for the preparation of Special Purpose Consolidated Interim Financial Statements, reflect total assets of Rs. 44,526.07 million, net assets of Rs. 5,867.49 million, as at December 31, 2021, total revenue of Rs. 2,647.52 million and net profit of Rs. 43.22 million for the nine months ended December 31, 2021. The opinion of the 10 statutory central auditors, including our opinion, on the Special Purpose Interim Standalone Financial Statements used for preparation of Special Purpose Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these 3 foreign branches is based solely on such information/certification from management of the Corporation. In our opinion and according to the information and explanations given to us by the management of the Corporation, these financial statements /information are not material to the Group.

   b) The 10 statutory central auditors of the Corporation, including us, have not audited the financial statements / information of 105 Divisional Offices (DO), 68 units of Pension & Group Schemes (P&GS) and 648 branches, included in the Special Purpose Interim Standalone Financial Statements used for preparation of Special Purpose Consolidated Interim Financial Statements, whose audited financial statements / information have been audited by the divisional / branch auditors whose reports have been furnished to the 10 statutory central auditors, including us, and the opinion of the 10 statutory central auditors', including our opinion, on the Special Purpose Interim Standalone Financial Statements, used for preparation of Special Purpose Consolidated Interim Financial Statements, in so far as it relates to the amounts and disclosures included in respect of such divisions / branches, is based solely on the report of such divisional / branch auditors. The financial information in respect of the branches audited by other auditors are not separately compiled as the divisions receive only trial balances of each branch which are consolidated at division level and thereafter at zonal level.

   c) The unaudited financial statements/ information of 2 Indian subsidiaries, 5 foreign subsidiaries and 6 associates have been included in the Special Purpose Consolidated Interim Financial Statements used for preparation of the Restated Consolidated Financial Information. The interim financial information/ financial statements of such subsidiaries included in the Special Purpose Consolidated Interim Financial Statements reflect total assets, net worth, net assets, total revenue, total net profit, and net cash inflows as tabulated in the table below and in case of associates, the Group's share in total net profit of the associates is tabulated in the table below. Our opinion on the Special Purpose Consolidated Interim Financial Statements, which was used for preparation of the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such financial information as furnished to us and certified by the management of the Corporation. In our opinion and according to the information and explanations given to us by the management, these financial statements /information are not material to the Group.

      Further, we refer to Note A(C) under Annexure XXIV: Significant Accounting Policies and Notes to the Restated Consolidated Financial Information, wherein the Corporation has stated that foreign subsidiaries have been consolidated based on their local accounting policies. These financial statements have been certified by the respective management of such companies and furnished to us, and our opinion in so far as it relates to the subsidiaries' balances and affairs of such subsidiaries located outside India, including other information, is based solely on management certifications of such companies.

Particulars	As at / for the nine month period ended **December 31, 2021** (Rs. in million)
Total Revenue	26,351.76
Total Assets	221,976.78
Networth	2,332.99
Net Assets	44,549.92
Net Profit	467.32
Net cash inflow / (outflows)	(7,745.67)
Group's Share in Profit/(Loss) in its Associates	22,281.16

d) 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 December 31, 2021 is the responsibility of the Corporation's appointed actuary ('the Appointed Actuary'). The Appointed Actuary has duly certified the actuarial valuation of liabilities and the fund for future appropriation for life policies in force and policies in respect of which premium has been discontinued but liability exists as at December 31, 2021 and in his opinion the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India and the Institute of Actuaries of India in concurrence with the Insurance Regulatory and Development Authority of India. We have relied upon the Appointed Actuary's Certificate in this regard for forming our opinion on the valuation of liabilities and the fund for future appropriation for life policies in force and for polices in respect of which premium has been discontinued but liability exists in the financial statements of the Corporation.

7. As indicated in our audit reports referred in paragraph 5(b) above:

a) We did not audit the financial statements / information of:

i) 3 foreign branches (United Kingdom, Mauritius and Fiji) audited by respective local auditors; 105 divisional offices, 68 units of pension and group schemes and 648 branches audited by other auditors appointed by the Corporation for the financial year ended March 31, 2021;
ii) 3 foreign branches (United Kingdom, Mauritius and Fiji), audited by respective local auditors; 105 divisional offices, 68 units of pension and group schemes and 642 branches audited by other auditors appointed by the Corporation for the financial year ended March 31, 2020; and
iii) 3 foreign branches (United Kingdom, Mauritius and Fiji), audited by respective local auditors; 8 divisional offices, 3 units of pension & group schemes and 41 branches audited by the 10 statutory central auditors of standalone financial statements, excluding us, 105 divisional offices, 66 units of pension and group schemes and 641 branches audited by other auditors appointed by the Corporation for the financial year ended March 31, 2019,

included in the audited standalone financial statements of the Corporation used for preparation of the Consolidated Financial Statements of the respective financial years and the opinion of the respective 10 statutory central auditors for Financial Years 2018-19, 2019-20 and 2020-21, including our opinion for Financial Years 2019-20 and 2020-2021, on the standalone financial statements in so far as it related to the amounts included for such entities is based solely on the reports of such other auditors. The information of total assets, net assets, net worth, total revenue, net profit, and net cash flows in respect of the branches audited by other auditors are not separately compiled, as the divisions receive only trial balances of each branch, which are consolidated at the division level and thereafter at the zonal level.

b) The audited standalone financial statements used for preparation of the Consolidated Financial Statements also include branches of the Corporation which are audited by the other auditors appointed by the Corporation over a cycle of 3 financial years, whereby each branch gets audited over a period of 3 financial years. The information of total assets, net assets, net worth, total revenue, net profit, and net cash flows in respect of the branches are not separately compiled, as the divisions receive only trial balances of each branch, which are consolidated at the division level and thereafter at the zonal level.

c) 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, March 31, 2020, March 31, 2019 is the responsibility of the Corporation's appointed actuary (the "Appointed Actuary"). The Appointed Actuary has duly certified the actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2021, March 31, 2020, March 31, 2019 and in his opinion the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India and the Institute of Actuaries of India in concurrence with the Insurance Regulatory and Development Authority of India. The respective 10 statutory central auditors have relied upon the Appointed Actuary's Certificate in this regard for forming their opinion on the audited standalone financial statements of the Corporation used for preparation of the Consolidated Financial Statements for Financial Years 2018-19, 2019-20 and 2020-21, respectively, including our opinion for Financial Years 2019-20 and 2020-2021.

d) We did not audit the financial statements/ information of 2 Indian subsidiaries, 5 foreign subsidiaries and 6 associates as at and for the year ended March 31, 2021, 4 Indian subsidiaries, 5 foreign subsidiaries and 4 associates as at and for the year ended March 31, 2020 and 2019 included in the audited Consolidated Financial Statements of the respective financial years. These financial statements except for 1 foreign subsidiary whose restated financial statements have been audited by us, have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of such other auditors. The financial information/ financial statements of such subsidiaries included in the audited Consolidated Financial Statements reflect total assets, net assets, networth, total revenue, total net profit, and net cash flows as tabulated in the table below and, in case of associates, the Group's share in total net profit of the associates is tabulated in the table below.

(Rs. in million)

Particulars	**As at / for the year ended March 31, 2021**	**As at / for the year ended March 31, 2020**	**As at / for the year ended March 31, 2019**
Total Revenues	38,057.55	301,982.16	104,303.73
Total Assets	202,755.41	3,239,124.35	3,401,535.50
Networth	1,890.10	1,319.00	1,599.00
Net Assets	31,911.50	384,401.86	402,885.26
Total Net Profit	1,913.12	(117,633.77)	(43,796.01)
Net cash inflow / (outflows)	3,994.38	96,362.97	127,050.01
Group's Share in Profit/(Loss) in its associates	11,633.54	5,744.42	6,683.97

For the purpose of consolidation in the years ended March 31, 2019 and March 31, 2020, 2 Indian subsidiaries have followed the accounting policies as per the financial reporting framework applicable to them as they are governed by different operations and accounting regulations. Our opinion in relation to conversion of such accounting policies is based on the report of such other auditors.

The financial statements/information of foreign subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries and consolidated based on their local accounting policies. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the reports of such other auditors and the currency conversion adjustments prepared by the management of the Corporation and audited by us.

8. The auditors of the subsidiaries and associates, as mentioned above, other than 1 foreign subsidiary whose restated financial statements have been audited by us, have provided us with their examination reports on the restated financial information of such subsidiaries and associates as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, and have confirmed that the restated consolidated financial information:

- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively as at and for the years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the nine-month period ended December 31, 2021;
- do not require any adjustment for modification as there is no modification in the underlying audit reports and
- have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. Below is the list of the auditors of the Corporation's subsidiaries and associates (as referred to in paragraph 8 above) for the periods indicated, whose reports have been furnished to us:

Sr no	Name of Entity	Type	Auditors	Period Covered
1.	LIC Pension Fund Limited	Subsidiary	Bathiya & Associates LLP	2018-19, 2019-20 and 2020-21
2.	LIC Card Services Limited	Subsidiary	S P J & Co.	2018-19, 2019-20 and 2020-21
3.	IDBI Bank Limited*	Subsidiary/ Associate	Varma & Varma	2018-19, 2019-20 and 2020-21
4	IDBI Trusteeship Services Limited*	Subsidiary/ Associate	Kochar & Associates	2018-19, 2019-20 and 2020-21
5.	LIC (International) B.S.C. (c) Bahra	Subsidiary	Grant Thornton- Abdulal	2018-19, 2019-20 and 2020-21
6.	LIC Nepal Limited	Subsidiary	Madan Niraula & Co.	2018-19, 2019-20 and 2020-21
7.	LIC (Lanka) Limited	Subsidiary	KPMG Sri Lanka	2018-19, 2019-20 and 2020-21
8.	LIC of Bangladesh Limited.	Subsidiary	Mahfel Huq & Co.	2018-19, 2019-20 and 2020-21
9.	LIC Housing Finance Ltd.	Associate	Gokhle & Sathe and M.P. Chitale	2018-19, 2019-20 and 2020-21
10.	LIC HFL Asset Management Company Limited Ltd.	Associate	MSKA & Associates	2018-19, 2019-20 and 2020-21
11.	LIC Mutual Fund Asset Management Company Ltd.	Associate	V.C. Shah & Co.	2018-19, 2019-20 and 2020-21
12.	LIC Mutual Fund Trustee Co. Private Limited	Associate	V.C. Shah & Co.	2018-19, 2019-20 and 2020-21

**IDBI Bank Limited and IDBI Trusteeship Services Limited were subsidiaries of the Corporation until December 2020, post which they were classified as associates of the Corporation.*

10. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

- has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively as at and for the years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the nine-month period ended December 31, 2021;

- does not require any adjustment for audit modification as there is no qualification, adverse opinion or disclaimer of opinion for material misstatements in the underlying audit reports. There are items relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and
- have been prepared in accordance with the Act, the IRDAI Regulations, the ICDR Regulations and the Guidance Note.

11. 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.

12. The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.

13. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the previous auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

15. Our report is intended solely for use of the Board of Directors of the Corporation for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO of equity shares of the Corporation. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For,
Batliboi & Purohit
Chartered Accountants
FRN: 101048W

Raman Hangekar
Partner
M No: 030615
UDIN: 22030615ADPPMH9464

Place:Mumbai
Date:25/02/2022

LIFE INSURANCE CORPORATION OF INDIA

INDEX

ANNEXURE - I : RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	Annexure	As at			
		Dec. 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
SHARE CAPITAL	IX	63,249.98	1,000.00	1,000.00	1,000.00
RESERVES AND SURPLUS	XI	24,986.17	67,054.71	8,916.58	7,984.35
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		1,408.34	784.97	101.69	(887.61)
MINORITY INTEREST (Shareholders)		1,018.79	992.76	962.84	877.61
Sub-Total		**90,663.28**	**69,832.44**	**10,981.11**	**8,974.35**
BORROWINGS	XII	36.66	36.65	2,534,135.99	2,694,005.95
POLICYHOLDERS' FUNDS:					
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		3,821,597.90	2,729,449.88	(43,165.63)	2,166,952.55
POLICY LIABILITIES		36,600,694.41	34,207,270.03	31,028,155.02	28,056,931.13
MINORITY INTEREST (Policyholders)		42.53	209.48	171,331.95	188,363.61
FUNDS FOR DISCONTINUED POLICIES:					
Discontinued on account of non payment of premium		552.09	336.60	333.42	327.10
Others		168.94	169.97	185.17	190.69
INSURANCE RESERVES	XIII	148,768.23	127,114.55	114,148.90	130,959.43
PROVISION FOR LINKED LIABILITIES		234,273.74	329,591.68	325,352.99	416,508.65
Sub-Total		**40,806,134.50**	**37,394,178.84**	**34,130,477.81**	**33,654,239.11**
FUNDS FOR FUTURE APPROPRIATIONS		11,070.00	33.40	286.82	132.71
Total		**40,907,867.78**	**37,464,044.68**	**34,141,745.74**	**33,663,346.17**

Particulars	Annexure	As at			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
APPLICATION OF FUNDS					
INVESTMENTS					
Shareholders'	XIV	51,866.53	4,264.03	4,008.40	3,693.83
Policyholders'	XV	38,436,172.98	34,984,407.37	29,579,077.57	28,776,866.93
ASSETS HELD TO COVER LINKED LIABILITIES	XVI	234,670.22	329,749.57	321,698.86	335,668.71
LOANS	XVII	1,111,411.48	1,087,636.65	2,374,346.96	2,498,803.33
FIXED ASSETS	XVIII	34,631.44	34,740.26	145,717.78	145,675.77
CURRENT ASSETS:					
Cash and Bank Balances	XIX	218,272.86	360,783.18	631,526.28	678,995.28
Advances and Other Assets	XX	1,501,465.14	1,493,661.00	1,941,964.94	1,832,788.44
Sub-Total (A)-Current Assets		**1,719,738.00**	**1,854,444.18**	**2,573,491.22**	**2,511,783.72**
CURRENT LIABILITIES	XXI	531,146.73	681,714.55	650,317.13	402,823.05
PROVISIONS	XXII	149,476.14	149,482.83	206,277.92	206,323.07
Sub-Total (B)-Current Liabilities		**680,622.87**	**831,197.38**	**856,595.05**	**609,146.12**
NET CURRENT ASSETS (C) = (A - B)		**1,039,115.13**	**1,023,246.80**	**1,716,896.17**	**1,902,637.60**
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	XXIII	0.00	0.00	0.00	0.00
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)		0.00	0.00	0.00	0.00
Total		**40,907,867.78**	**37,464,044.68**	**34,141,745.74**	**33,663,346.17**
Contingent Liabilities	XXIV (B) 2				

The above statement should be read with the Significant Accounting Policies and Notes to the Restated Consolidated Financial Information appearing in Annexure XXIV and other schedules and disclosures appearing in Annexures V - XXIII

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
FRN:101048W

Raman Hangekar (Partner)
M.No. 030615

Place : Mumbai
Date: 25.02.2022

On behalf of the Board

M.R. Kumar
Chairperson

Raj Kumar
Managing Director

V S Parthasarathy
Independent
Director

Shubhangi S. Soman
Executive Director
(F&A) & CFO

Dinesh Pant
Appointed Actuary

Pawan Agrawal
Company Secretary

ANNEXURE - II : RESTATED CONSOLIDATED STATEMENT OF REVENUE ACCOUNT
Policyholders' Account (Technical Account)

(₹ in million)

Particulars	Annexure	For the Nine months ended Dec. 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Premiums earned - net:					
(a) Premium	V	2,857,299.55	4,058,508.02	3,828,114.50	3,402,946.15
(b) Reinsurance ceded		(3,880.29)	(4,523.04)	(3,359.32)	(3,229.81)
(c) Reinsurance accepted		0.00	0.00	0.00	0.00
Sub-Total		**2,853,419.26**	**4,053,984.98**	**3,824,755.18**	**3,399,716.34**
Income from Investments :					
(a) Interest, Dividends & Rent - Gross		1,890,850.23	2,395,650.18	2,220,501.02	2,000,210.33
(b) Profit on sale/redemption of investments		428,623.74	461,867.51	313,616.70	302,412.19
(c) (Loss on sale/redemption of investments)		(63,995.95)	(63,771.20)	(119,741.88)	(63,440.11)
(d) Transfer/Gain on revaluation/change in fair value*		7,059.40	61,457.69	13,987.30	11,252.99
Other Income :					
(i) Amounts written back		1.70	2,854.87	8,189.73	2,682.96
(ii) Interest Earned		0.00	102,000.36	150,660.97	38,477.51
(iii) Commission, exchange and brokerage		0.00	12,950.96	20,105.65	6,129.35
(iv) Sundry Receipts		6,833.67	10,051.50	23,918.90	10,632.04
(v) Contribution from Shareholders' Account towards others		0.00	47.60	61.15	22.10
TOTAL (A)		**5,122,792.05**	**7,037,094.45**	**6,456,054.72**	**5,708,095.70**
Commission	VI	155,381.10	223,581.61	215,482.58	204,826.09
Operating Expenses related to Insurance Business	VII	272,673.41	351,622.15	344,258.84	283,316.03
Other Expenses:					
- Exchange (Gain)/Loss		2.54	(49.74)	(24.31)	13.49
- Interest Expended		0.00	88,674.42	132,874.87	34,314.94
- Payments to and provisions for employees		0.00	24,549.18	33,637.13	6,501.28
- Outsourcing expenses		0.00	4,001.18	6,183.52	1,522.02
- Rent, taxes and lighting		0.00	3,569.76	4,559.18	1,085.17
- Depreciation		0.00	3,020.73	3,991.56	921.79
- Others		0.00	10,796.11	16,095.51	3,965.08
GST on Fund Management charges & other charges		556.81	932.22	982.75	1,097.81
Provisions for Doubtful debts		(2,135.21)	101,819.10	108,881.65	114,520.09
Provision for taxation		80,021.02	91,705.25	108,255.58	55,567.74
Provisions (other than taxation) :					
(a) For diminution in the value of investments (net)		(15,199.86)	56,620.36	23,905.16	10,092.62
(b) Provision for Required Solvency Margin		0.00	0.00	0.00	0.00
(c) Others		(65,420.93)	(85,316.54)	111,715.98	31,398.61
TOTAL (B)		**425,878.88**	**875,525.79**	**1,110,800.00**	**749,142.76**

Particulars	Annexure	For the Nine months ended Dec. 31, 2021	For the year ended		
			March 31, 2021	March 31, 2020	March 31, 2019
Benefits paid (net)	VIII	2,346,198.67	2,884,890.51	2,554,794.89	2,523,808.34
Interim Bonuses Paid		24,700.07	22,290.73	16,733.70	16,513.70
Change in valuation of liability in respect of life policies :					
(a) Gross**		2,393,574.22	3,211,340.48	2,966,283.81	2,535,854.60
(b) Amount ceded in Reinsurance		0.00	0.00	0.00	0.00
(c) Amount accepted in Reinsurance		0.00	0.00	0.00	0.00
Transfer to/ (from) Provision for Linked Liabilities		(95,278.60)	4,343.10	(91,103.40)	(93,122.82)
Transfer to Funds for Future appropriation		11,036.61	31.26	0.41	0.95
Transfer to Funds for Discontinued Policies		254.08	54.41	34.63	59.13
TOTAL (C)		**4,680,485.05**	**6,122,950.49**	**5,446,744.04**	**4,983,113.90**
SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)		**16,428.12**	**38,618.17**	**(101,489.32)**	**(24,160.96)**
Add: Share of Profit in Associates		22,281.16	11,633.54	5,744.42	6,683.97
(Less)/Add: Minority Interest		(29.96)	(4,465.25)	63,726.72	25,162.06
TOTAL SURPLUS/(DEFICIT) (E)		**38,679.32**	**45,786.46**	**(32,018.18)**	**7,685.07**
APPROPRIATIONS					
Transfer to Shareholders' Account		16,377.61	29,625.82	26,955.13	25,994.77
Transfer to Other Reserve		22,301.71	16,160.64	(59,109.78)	(18,323.36)
Proposed Dividend paid		0.00	0.00	136.47	13.66
TOTAL (E)		**38,679.32**	**45,786.46**	**(32,018.18)**	**7,685.07**

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

The Breakup of Total Surplus during the period / year:

(a) Interim Bonus	24,700.07	22,290.73	16,733.70	16,513.70
#(b) Allocation of Bonus to policyholders	0.00	548,911.92	512,571.16	505,513.14
(c) Surplus shown in Revenue account	38,679.32	45,786.46	(32,018.18)	7,685.07
Total Surplus [a+b+c]	**63,379.39**	**616,989.11**	**497,286.68**	**529,711.91**

#The details of Allocation of Bonus to policyholders as at March 31, 2021, March31, 2020 and March 31, 2019 pertains only to LICI and does not include the details of the foreign subsidiary insurance companies as they are not required to provide such details as per their local laws or regulations. Allocation of Bonus to policyholders is done at year end.

The above statement should be read with the Significant Accounting Policies and Notes to the Restated Consolidated Financial Information appearing in Annexure XXIV and other schedules and disclosures appearing in Annexures V - XXIII

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
FRN:101048W

Raman Hangekar (Partner)
M.No. 030615

Place : Mumbai
Date: 25.02.2022

On behalf of the Board

M.R. Kumar
Chairperson

Raj Kumar
Managing Director

V S Parthasarathy
Independent
Director

Shubhangi S. Soman
Executive Director
(F&A) & CFO

Dinesh Pant
Appointed Actuary

Pawan Agrawal
Company Secretary

ANNEXURE - III : RESTATED CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT
Shareholders' Account (Non-technical Account)

(₹ in million)

Particulars	For the Nine months ended Dec. 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Amounts transferred from/to the Policyholders account (Technical Account)	16,377.61	29,625.82	26,955.13	25,994.77
Income from Investments:				
(a) Interest, Dividends & Rent - Gross	974.73	177.77	352.01	373.75
(b) Profit on sale/redemption of investments	226.74	61.22	21.21	126.00
(c) (Loss on sale/redemption of investments)	(5.59)	(9.10)	(18.79)	(44.56)
(d) Other Income	0.00	0.00	0.00	0.00
TOTAL (A)	**17,573.49**	**29,855.71**	**27,309.56**	**26,449.96**
Expenses other than those directly related to the Insurance business	3.82	4.64	4.50	4.21
Contribution to Policyholders' Account towards others	0.00	47.60	61.15	22.10
Provisions (Other than taxation):				
(a) For diminution in the value of investments (net)	0.00	0.00	58.75	0.00
(b) Provision for doubtful debts	0.00	0.00	0.00	0.00
(c) Others	0.00	0.00	0.00	0.00
TOTAL (B)	**3.82**	**52.24**	**124.40**	**26.31**

Particulars	For the Nine months ended Dec. 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Profit/(Loss) before tax	17,569.67	29,803.47	27,185.16	26,423.65
Provision for Taxation	416.55	62.08	80.38	149.87
Profit/Loss after tax	17,153.12	29,741.39	27,104.78	26,273.78
APPROPRIATIONS				
(a) Balance at the beginning of the period/year	1,128.55	632.57	685.89	2,073.57
(b) Interim Dividends paid during the period / year (5% Valuation surplus paid to Central Government)	0.00	0.00	0.00	0.00
(c) Proposed final dividend	0.00	151.44	26,997.35	27,254.37
(d) Dividend distribution on tax	0.00	6.61	0.00	32.70
(e) Transfer to General Reserve	287.88	29,005.67	149.65	279.01
(f) Transfer to Other Reserve	5.90	81.69	11.10	95.38
Profit carried forward to the Balance Sheet	17,987.89	1,128.55	632.57	685.89
*Earning per Share- Basics (₹) Refer Note (B) 33 of Annexure XXIV	2.71	4.70	4.29	4.15
*Earning per Share- Diluted (₹) Refer Note (B) 33 of Annexure XXIV	2.71	4.70	4.29	4.15
Nominal Value of Share (₹)	10.00	10.00	10.00	10.00

*The EPS for the nine months ended December 31, 2021 has not been annualised.

The above statement should be read with the Significant Accounting Policies and Notes to the Restated Consolidated Financial Information appearing in Annexure XXIV and other schedules and disclosures appearing in Annexures V - XXIII.

As per our report of even date

On behalf of the Board

For Batliboi & Purohit
Chartered Accountants
FRN:101048W

M.R. Kumar
Chairperson

Raj Kumar
Managing Director

Raman Hangekar (Partner)
M.No. 030615

V S Parthasarathy
Independent
Director

Shubhangi S. Soman
Executive Director
(F&A) & CFO

Place : Mumbai
Date: 25.02.2022

Dinesh Pant
Appointed Actuary

Pawan Agrawal
Company Secretary

ANNEXURE - IV : RESTATED CONSOLIDATED STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNT

(₹ in million)

PARTICULARS	For the Nine months ended Dec. 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Cash Flows from the operating activities:				
Premium received from policyholders, including advance receipts	2,867,807.80	4,067,745.98	3,799,289.45	3,416,145.27
Other receipts	6,835.38	25,904.60	52,214.28	19,444.34
Payments to the re-insurers, net of commissions and claims/ benefits	1,990.32	(837.93)	(370.21)	(2,295.24)
Payments of claims/benefits	(2,387,231.07)	(2,918,212.14)	(2,509,916.73)	(2,543,844.14)
Payments of commission and brokerage	(155,797.78)	(220,333.54)	(218,778.17)	(203,000.59)
Payments of other operating expenses	(354,312.03)	(421,234.37)	(420,753.70)	(325,344.09)
Deposits, advances and staff loans	(10,390.00)	185,360.61	(34,587.19)	(32,133.59)
Income taxes paid (net)	(46,849.98)	111,755.09	(87,258.56)	(163,192.91)
Service tax/ GST paid	(19,695.32)	(24,127.92)	(36,169.96)	(33,040.91)
Cash flows before extraordinary items	(97,642.68)	806,020.38	543,669.21	132,738.14
Cash flow from extraordinary operations	0.00	0.00	0.00	0.00
Net cash flo from operating acti ities	**(97,642.68)**	**806,020.38**	**543,669.21**	**132,738.14**
Cash flows from investing activities:				
Purchases of fixed assets	(4,046.81)	(10,760.66)	(11,202.60)	(25,458.04)
Proceeds from sale of fixed assets	3,813.53	72,389.93	1,999.25	5,534.39
Purchases of investments	(3,479,116.19)	(4,995,554.48)	(4,261,926.25)	(3,166,292.62)
Loans disbursed (net of repayments)	(21,639.61)	1,184,891.24	15,574.71	(55,818.62)
Sales of investments	1,573,789.99	2,748,073.22	1,525,158.09	1,338,236.45
Rents/Interests/ Dividends received	1,880,321.26	2,488,883.86	2,312,305.88	1,991,443.44
Net cash flo from in esting acti ities	**(46,877.83)**	**1,487,923.11**	**(418,090.92)**	**87,645.00**
Cash flows from financing activities:				
Repayments of borrowing	0.00	(2,534,099.33)	(159,869.96)	(142,628.76)
Interest/dividends paid	0.00	(27,155.34)	(26,767.48)	5,632.97
Net cash flo from financing acti ities	**0.00**	**(2,561,254.67)**	**(186,637.44)**	**(136,995.79)**
Effect of foreign exchange rates on cash and cash equivalents, net	1,687.25	(3,455.40)	13,942.97	8,717.66
Net increase /(decrease) in cash and cash equivalents:	(142,833.26)	(270,766.58)	(47,116.18)	92,105.01
Cash and cash equivalents at the beginning of the period/year	361,176.78	631,943.36	679,059.54	586,954.53
Cash and cash e ui alents at the end of the period / year	**218,343.52**	**361,176.78**	**631,943.36**	**679,059.54**

Note: Components of Cash and Cash Equivalent at the end of the period / year				
Cash and cheques in hand	12,483.51	33,724.98	27,263.21	62,075.24
Bank Balances	85,320.15	179,779.80	293,041.46	266,850.28
Fixed Deposits	76,185.27	74,609.16	85,956.56	62,221.27
Money Market Instruments	44,354.59	69,401.07	221,323.16	285,456.69
Remittance in Transit and others	0.00	3,661.77	4,358.97	2,456.06
Total Cash and Cash E ui alents	**218,343.52**	**361,176.78**	**631,943.36**	**679,059.54**

The above statement should be read with the Significant Accounting Policies and Notes to the Restated Consolidated Financial Information appearing in Annexure XXIV and other schedules and disclosures appearing in Annexures V - XXIII

As per our report of even date

On behalf of the Board

For Batliboi & Purohit
Chartered Accountants
FRN:101048W

M.R. Kumar
Chairperson

Raj Kumar
Managing Director

Raman Hangekar (Partner)
M.No. 030615

V S Parthasarathy
Independent
Director

Shubhangi S. Soman
Executive Director
(F&A) & CFO

Place : Mumbai
Date: 25.02.2022

Dinesh Pant
Appointed Actuary

Pawan Agrawal
Company Secretary

ANNEXURE - V : RESTATED CONSOLIDATED STATEMENT OF PREMIUM INCOME

(₹ in million)

	Particulars	**For the Nine months ended Dec. 31, 2021**	**For the year ended**		
			March 31, 2021	**March 31, 2020**	**March 31, 2019**
1	First year Premiums	222,153.27	343,409.95	584,464.99	316,765.61
2	Renewal Premiums	1,589,522.50	2,203,275.87	2,025,372.44	1,962,566.57
3	Single Premiums & CAG	1,045,623.78	1,511,822.20	1,218,277.07	1,123,613.97
	Total	**2,857,299.55**	**4,058,508.02**	**3,828,114.50**	**3,402,946.15**
	Premium Income from business written:				
1	In India	2,837,532.82	4,028,881.36	3,790,135.63	3,371,300.19
2	Outside India	19,766.73	29,626.66	37,978.87	31,645.96
	Total Premium	**2,857,299.55**	**4,058,508.02**	**3,828,114.50**	**3,402,946.15**

ANNEXURE - VI : RESTATED CONSOLIDATED STATEMENT OF COMMISSION EXPENSES

(₹ in million)

Particulars	For the Nine months ended Dec. 31, 2021	For the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Commission paid				
Direct - First year premiums	62,327.68	90,614.73	98,113.81	88,882.68
- Renewal premiums	82,685.19	115,143.90	104,127.94	101,117.27
- Single premiums	3,394.49	5,830.39	4,796.69	5,224.95
- Other Commission	4.33	5.62	3.98	2.99
Add: Commission on Re-insurance Accepted	0.00	0.00	0.00	0.00
Less: Commission on Re-insurance Ceded	6.33	27.73	441.29	350.66
Net Commission	**148,405.36**	**211,566.91**	**206,601.13**	**194,877.23**
Rewards and remuneration to Intermediaries	6,975.74	12,014.70	8,881.45	9,948.86
Total Commission	**155,381.10**	**223,581.61**	**215,482.58**	**204,826.09**

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

Agents	154,019.76	221,431.33	214,039.67	203,461.15
Brokers	42.53	106.57	143.01	105.92
Corporate Agency	109.87	203.52	115.93	247.55
Referral	0.00	0.00	0.00	0.00
Others: Banks	1,097.60	1,792.67	1,588.84	1,357.02
Insurance Marketing Firms (IMF)	117.67	75.25	36.42	5.11
TOTAL	**155,387.43**	**223,609.34**	**215,923.87**	**205,176.75**

ANNEXURE - VII : RESTATED CONSOLIDATED STATEMENT OF OPERATIN EXPENSES RELATED TO INSURANCE BUSINESS

(₹ in million)

	Particulars	For the Nine months ended Dec. 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
1	Employees' remuneration & welfare benefits	217,852.85	267,962.72	251,278.96	199,045.39
2	Travel, conveyance and vehicle running expenses	2,444.64	1,949.89	3,035.31	2,960.29
3	Training Expenses	89.38	95.48	499.72	295.21
4	Rents, rates & taxes	4,819.84	6,091.54	5,491.66	5,176.94
5	Repairs	852.21	1,658.95	1,333.52	1,157.04
6	Printing & Stationery	981.90	1,356.07	1,317.94	1,283.36
7	Communication expenses	1,636.40	2,472.22	2,297.56	2,759.28
8	Legal & professional charges	247.54	148.94	177.41	188.54
9	Medical Fees	433.21	590.06	805.16	658.11
10	Auditors' fees, expenses etc.:				
	(a) as auditor	75.03	74.95	90.59	65.07
	(b) as adviser or in any other capacity in respect of :				
	(i) Taxation matters	0.82	1.42	1.55	1.36
	(ii) Insurance matters	0.00	0.00	0.00	0.00
	(iii) Management services and	0.00	0.00	0.00	0.04
	c) in any other capacity	0.87	0.47	0.47	0.37
11	Advertisement and publicity	3,079.62	4,834.65	5,574.10	4,066.49
12	Interest & bank Charges	496.89	1,136.20	582.96	410.41
13	Others:				
1	Allowances and commission (other than commission to insurance agents)	10,027.23	19,285.80	22,365.32	19,762.87
2	Expense on Investment Property	1,069.49	1,305.23	1,186.40	1,252.98
3	Policy stamps	1,930.92	1,874.23	2,809.56	2,624.94
4	Receipt stamps	85.99	119.26	114.03	109.61
5	Electricity charges	1,686.89	2,190.13	2,506.06	2,522.00
6	Cash in transit and other insurance premia	22.01	43.99	39.12	36.16
7	Miscellaneous expenses	3,699.00	5,003.60	5,903.16	4,638.64
8	Head Office expenses	4.21	17.17	3.02	2.95
14	Depreciation	3,420.96	4,167.09	3,793.57	3,364.05
15	GST on premium etc.	17,715.51	29,242.09	33,051.69	30,933.93
	Total	**272,673.41**	**351,622.15**	**344,258.84**	**283,316.03**

ANNEXURE - VIII : RESTATED CONSOLIDATED STATEMENT OF BENEFITS PAID (NET)

(₹ in million)

	Particulars	**For the Nine months ended Dec. 31, 2021**	**For the year ended**		
			March 31, 2021	**March 31, 2020**	**March 31, 2019**
1	Insurance Claims:				
	(a) Claims by Death	299,039.45	239,268.94	175,279.87	171,288.42
	(b) Claims by Maturity	1,244,677.03	1,691,763.97	1,539,186.03	1,543,676.83
	(c) Annuities/Pensions payment	121,712.73	145,804.00	130,212.52	109,181.14
	(d) Other benefits:				
	(i) Surrenders	680,614.88	803,475.51	702,642.72	693,431.51
	(ii) Bonuses in cash	0.00	0.00	0.01	0.00
	(iii) Hospitali ation Benefits	109.39	124.68	154.10	100.73
	(iv) Major Surgical Benefits	87.20	154.98	162.18	180.34
	(v) Domicilliary Treatment Benefits	99.74	116.16	134.99	119.53
	(vi) Day Care Benefits	15.12	21.66	31.04	28.52
	(vii) Lump sum Benefit / Income Benefit (by installment)	150.60	137.99	79.75	10.85
	(viii) Other Claims Cost- Interest on unclaimed costs	5,709.08	8,505.79	8,767.39	7,460.09
	- Others	133.42	217.46	284.34	132.53
2	(Amount ceded in reinsurance):				
	(a) Claims by Death	(5,932.08)	(4,435.59)	(1,861.70)	(1,650.72)
	(b) Claims by Maturity	0.00	0.00	0.00	0.00
	(c) Annuities/Pensions payment	0.00	0.00	0.00	0.00
	(d) Other benefits	(217.89)	(265.04)	(273.69)	(151.43)
3	Amount accepted in reinsurance:				
	(a) Claims by Death	0.00	0.00	0.00	0.00
	(b) Claims by Maturity	0.00	0.00	0.00	0.00
	(c) Annuities/Pensions payment	0.00	0.00	0.00	0.00
	(d) Other benefits	0.00	0.00	(4.66)	0.00
	Total	**2,346,198.67**	**2,884,890.51**	**2,554,794.89**	**2,523,808.34**

ANNEXURE - IX : RESTATED CONSOLIDATED STATEMENT OF SHARE CAPITAL

(₹ in million)

Shareholders	As at			
	Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Authorised Capital Equity Shares of Rs. 10 each	250,000.00	N.A.	N.A.	N.A.
In terms of Section 5 of the Life Insurance Corporation Act, 1956				
Issued Capital Equity Shares of Rs. 10 each	63,249.98	N.A.	N.A.	N.A.
Subscribed Capital Equity Shares of Rs. 10 each	63,249.98	N.A.	N.A.	N.A.
Paid up Equity capital ** (Provided by the Government of India in terms of Section 5 of the Life Insurance Corporation Act, 1956)	0.00	1,000.00	1,000.00	1,000.00
Called-up Capital Equity Shares of Rs. 10 each 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.	63249.98	N.A.	N.A.	N.A.
Total	**63,249.98**	**1,000.00**	**1,000.00**	**1,000.00**

Notes:

a) Particulars of the different classes of capital - The Corporation holds only one class of capital i.e. Equity Capital

b) The amount capitalised on account of issue of bonus shares - Rs. 62249.98 million

c) Capital held by a holding company - N/A

**The Corporation was established by the act of Parliament with initial paid up capital made by the Government of India which was not in the form of equity shares. As such the number of shares are not applicable as at 31.03.2019, 31.03.2020 and 31.03.2021 as the allotment of 6,324,997,701 equity shares Rs. 10/- each was done in September 2021 in pursuant to Government of India s approval dated 06th September 2021 and Board resolution dated 08th September 2021. Accordingly, paid up capital of Rs 1,000 million was shown in the years preceding current period ended December 2021.

ANNEXURE - X : RESTATED CONSOLIDATED STATEMENT OF PATTERN OF SHAREHOLDIN
(As certified by the Mangement)

Shareholders	As at							
	Dec. 31, 2021		March 31, 2021		March 31, 2020		March 31, 2019	
	Number of shares	of Holding	Number of shares	of Holding	Number of shares	of Holding	Number of shares	of Holding
Promoters								
- Indian- President of India	6,324,997,701	100.00	N.A.	100.00	N.A.	100.00	N.A.	100.00
- Foreign	0	0.00	0	0.00	0	0.00	0	0.00
Others	0	0.00	0	0.00	0	0.00	0	0.00
Total	**6,324,997,701**	**100.00**	N.A.	**100.00**	N.A.	**100.00**	N.A.	**100.00**

*Note: -

The Corporation was established by the act of Parliament with initial capital made by Government of India which was not in the form of equity shares. As such the number of shares are not applicable as at 31.03.2019, 31.03.2020 and 31.03.2021 as the allotment of 6,32,49,97,701 equity shares Rs. 10/- each was done in September 2021 in pursuant to Government of India s approval dated 06th September 2021 and Board resolution dated 08th September 2021.

ANNEXURE - XI : RESTATED CONSOLIDATED STATEMENT OF RESERVES & SURPLUS (SHAREHOLDERS)

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1	Capital Reserve	4,503.15	1,743.95	59.95	0.00
2	Capital Redemption Reserve	0.00	0.00	0.00	0.00
3	Share Premium	21.02	21.02	21.02	21.02
4	Revaluation Reserve:				
	Opening Balance	19.66	19.66	2.94	1.46
	Additions during the period / year	0.00	0.00	16.72	1.48
	Deductions during the period / year	0.00	0.00	0.00	0.00
	Closing Balance	19.66	19.66	19.66	2.94
5	General Reserves:				
	Opening Balance	62,256.31	6,227.48	5,554.33	5,275.32
	Additions during the period / year:				
	Transfer from Profit and Loss Account	287.88	29,005.67	149.65	279.01
	Retention of Government Share of Surplus	0.00	27,023.16	0.00	0.00
	Capital Infusion to LIC (Singapore) Pte. Ltd.	0.00	0.00	523.50	0.00
	Deductions during the period / year:	62,249.98			
	Amount capitalised on account of issue of Bonus Shares		0.00	0.00	0.00
	Closing Balance	294.21	62,256.31	6,227.48	5,554.33
	Less : Debit balance in Profit and Loss Account, if any	0.00	0.00	0.00	0.00
	Less: Amount utili ed for Buy-back	0.00	0.00	0.00	0.00
6	Catastrophe Reserve	102.44	99.20	93.09	83.36
7	Other Reserves:				
	a) Exchange Fluctuation Reserve	1,408.35	1,144.66	1,290.44	828.14
	b) Others	649.45	641.36	572.37	808.67
8	Balance of profit in Profit and Loss Account	17,987.89	1,128.55	632.57	685.89
	Total	**24,986.17**	**67,054.71**	**8,916.58**	**7,984.35**

ANNEXURE - XII : RESTATED CONSOLIDATED STATEMENT OF BORRO IN S

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1	Debentures/Bonds	0.00	0.00	127,945.03	162,030.04
2	Banks	0.00	0.00	426,878.17	403,041.51
3	Financial Institutions	0.00	0.00	25,183.62	31,441.70
4	Deposits	0.00	0.00	1,954,129.17	2,097,492.70
5	Others	36.66	36.65	0.00	0.00
	Total	**36.66**	**36.65**	**2,534,135.99**	**2,694,005.95**

*Secured borrowing included of Rs. 112,784.49 and Rs. 139,893.54 million in March 31, 2020 and 2019 respectively.

ANNEXURE - XIII : RESTATED CONSOLIDATED STATEMENT OF INSURANCE RESERVES (POLICYHOLDERS)

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
1	Capital Reserve	264.27	264.44	1,960.04	1,202.02
2	Capital Redemption Reserve	0.00	0.00	0.00	0.00
3	Share Premium	0.00	0.00	0.00	0.00
4	Revaluation Reserve:				
	Opening Balance	122786.48	131,856.76	103,363.05	93,340.17
	Additions during the period / year	224.70	0.00	29,637.77	10,022.88
	Deductions during the period / year	0.00	(9,070.28)	(1,144.06)	0.00
	Closing Balance	123,011.18	122,786.48	131,856.76	103,363.05
5	General Reserves:				
	Opening Balance	7.74	1,875.59	390.13	80.62
	Additions during the period / year	0.00	0.00	1,485.46	309.51
	Deductions during the period / year	0.00	(1,867.85)	0.00	0.00
	Closing Balance	7.74	7.74	1,875.59	390.13
	Less : Debit balance in Profit and Loss Account, if any	0.00	0.00	0.00	0.00
	Less: Amount utili ed for Buy-back	0.00	0.00	0.00	0.00
6	Equalisation Reserve				
	Opening Balance	0.00	0.00	0.00	0.00
	Additions during the period / year	0.00	0.00	0.00	0.00
	Deductions during the period / year	0.00	0.00	0.00	0.00
	Closing Balance	0.00	0.00	0.00	0.00
7	Catastrophe Reserve	0.00	0.00	0.00	0.00
8	Other Reserves:				
	(i) Investment Reserve	0.00	0.00	0.00	0.00
	(ii) Exchange Fluctuation Reserve	24,892.68	23,466.60	26,776.22	13,319.86
	(iii) Statutory Reserve	0.00	0.00	0.00	0.00
	(iv) Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00
	(v) Others	198.08	745.44	674.72	673.30
9	Balance of profit in Profit and Loss account:				
	Opening balance	(20,156.15)	(48,994.43)	12,011.07	32,701.88
	Additions/(Deduction) during the period / year	22,301.71	(59,288.31)	(61,005.50)	(20,690.81)
	Adjustments during the perid / year	(1,751.28)	88,126.59	0.00	0.00
	Closing balance	394.28	(20,156.15)	(48,994.43)	12,011.07
	Total	**148,768.23**	**127,114.55**	**114,148.90**	**130,959.43**

ANNEXURE - XIV : RESTATED CONSOLIDATED STATEMENT OF INVESTMENTS - SHAREHOLDERS

(₹ in million)

	Particulars	**As at**			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
	LON TERM INVESTMENTS				
1	Government securities and Government guaranteed bonds including Treasury Bills	36,457.52	2,940.51	2,795.11	2,605.49
2	Other Approved Securities	17.24	38.02	15.40	11.84
3	Other Investments: (a) Shares:				
	(aa) Equity	873.88	724.85	465.45	517.07
	(bb) Preference	0.00	0.00	0.00	0.00
	(b) Mutual Funds	0.00	0.00	0.00	0.00
	(c) Derivative Instruments	0.00	0.00	0.00	0.00
	(d) Debentures/Bonds	887.71	526.99	694.59	437.44
	(e) Other Securities	0.09	0.09	18.67	18.67
	(f) Subsidiaries/ oint Ventures/Associates	66.57	66.57	66.57	79.49
	(g) Investment Properties - Real Estate	16.50	16.49	8.79	0.00
4	Investments in Infrastructure and Social Sector	0.00	0.00	0.00	0.00
5	Other than Approved Investments	0.00	0.00	0.00	0.00
6	Provision for Doubtful Investments	(58.75)	(58.75)	(58.75)	0.00
	SHORT TERM INVESTMENTS				
1	Government securities and Government guaranteed bonds including Treasury Bills	0.00	0.00	0.00	14.90
2	Other Approved Securities	0.00	0.00	0.00	0.00
3	Other Investments: (a) Shares:				
	(aa) Equity	0.00	0.00	0.00	0.00
	(bb) Preference	0.00	0.00	0.00	0.00
	(b) Mutual Funds	13,605.77	9.26	2.57	8.93
	(c) Derivative Instruments	0.00	0.00	0.00	0.00
	(d) Debentures/Bonds	0.00	0.00	0.00	0.00
	(e) Other Securities	0.00	0.00	0.00	0.00
	(f) Subsidiaries	0.00	0.00	0.00	0.00
	(g) Investment properties - Real Estate	0.00	0.00	0.00	0.00
4	Investments in Infrastructure and Social Sector	0.00	0.00	0.00	0.00
5	Other than Approved Investments	0.00	0.00	0.00	0.00
6	Provision for Doubtful and substandard assets	0.00	0.00	0.00	0.00
	Total	**51,866.53**	**4,264.03**	**4,008.40**	**3,693.83**

ANNEXURE - XV : RESTATED CONSOLIDATED STATEMENT OF INVESTMENTS - POLICYHOLDERS

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
	LON TERM INVESTMENTS				
1	Government securities and Government guaranteed bonds including Treasury Bills	24,346,503.77	22,974,561.83	21,203,924.65	18,909,374.34
2	Other Approved Securities	189,384.38	222,514.11	259,894.91	258,309.94
3	Other Investments:				
	(a) Shares:				
	(aa) Equity	7,389,351.91	5,942,879.32	3,319,826.05	4,647,321.19
	(bb) Preference	0.00	0.00	6,601.64	5,004.49
	(b) Mutual Funds	73,753.53	49,441.84	25,909.00	4,599.58
	(c) Derivative Instruments	0.00	0.00	0.00	0.00
	(d) Debentures/Bonds	910,735.73	788,695.65	736,602.92	782,637.61
	(e) Other Securities:				
	Special Deposit with Government of India	0.00	0.00	0.00	0.00
	Deposits with Social Security Fund	0.00	0.00	0.00	0.00
	Other Securities & Bonds	2,693.90	2,415.89	23,924.33	55,010.89
	Initial Contribution to UTI II Capital	0.00	0.00	10,704.60	2,288.34
	(f) Subsidiaries/ oint Ventures/Associates	321,831.82	275,908.31	54,363.32	48,958.71
	(g) Investment Properties - Real Estate	143,917.29	143,951.51	143,778.57	113,362.66
4	Investments in Infrastructure and Social Sector	2,958,821.36	2,794,735.43	2,490,759.76	2,329,955.61
5	Other than Approved Investments	1,357,501.64	1,157,602.01	818,108.79	1,097,206.35
6	Provision for Doubtful Investments	(118,042.13)	(199,708.36)	(179,056.52)	(99,096.42)
	SHORT TERM INVESTMENTS				
1	Government securities and Government guaranteed bonds including Treasury Bills	602,288.38	510,557.10	474,755.90	428,021.38
2	Other Approved Securities	33,451.07	36,621.45	478.34	378.73
3	Other Investments:				
	(a) Shares:				
	(aa) Equity	0.00	0.00	0.00	28.37
	(bb) Preference	0.00	0.00	0.00	0.00
	(b) Mutual Funds	83,200.10	118,526.44	13,285.75	59,050.88
	(c) Derivative Instruments	0.00	0.00	0.00	0.00
	(d) Debentures/Bonds	62,835.06	15,461.33	71,008.80	50,490.09
	(e) Other Securities:				
	Commercial Papers	0.00	0.00	2,506.81	15,326.34
	Special Deposit with Government of India	0.00	0.00	0.00	0.00
	(f) Subsidiaries	0.00	0.00	0.00	0.00
	(g) Investments Properties- Real Estate	0.00	0.00	0.00	0.00
4	Investments in Infrastructure and Social Sector	55,365.76	138,387.53	105,962.81	65,878.21
5	Other than Approved Investments	144,617.05	133,619.53	103,450.20	90,846.07
6	Provision for Doubtful and substandard assets	(122,037.64)	(121,763.55)	(107,713.06)	(88,086.43)
	Total	**38,436,172.98**	**34,984,407.37**	**29,579,077.57**	**28,776,866.93**

ANNEXURE - XVI : RESTATED CONSOLIDATED STATEMENT OF ASSETS HELD TO COVER LIN ED LIABILITIES

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
	LON TERM INVESTMENTS				
1	Government securities and Government guaranteed bonds including Treasury Bills	70,685.95	69,532.44	92,736.51	74,508.09
2	Other Approved Securities	659.53	678.11	15,196.95	663.49
3	Other Investments: (a) Shares:				
	(aa) Equity	123,620.74	122,700.96	76,825.80	178,777.48
	(bb) Preference	0.00	0.00	0.00	0.00
	(b) Mutual Funds	221.30	272.92	385.11	443.98
	(c) Derivative Instruments	0.00	0.00	0.00	0.00
	(d) Debentures/Bonds	1,962.65	2,016.77	2,160.69	2,835.09
	(e) Other Securities	0.00	0.00	750.00	1,009.50
	(f) Subsidiaries	0.00	0.00	0.00	0.00
	(g) Investment Properties - Real Estate	0.00	0.00	0.00	0.00
4	Investments in Infrastructure and Social Sector	18,498.11	21,099.63	26,545.64	46,004.47
5	Other than Approved Investments	6,138.11	6,923.49	5,568.97	20,646.71
	SHORT TERM INVESTMENTS				
1	Government securities and Government guaranteed bonds including Treasury Bills	4,645.46	9,348.01	11,459.09	20,258.34
2	Other Approved Securities	0.00	0.00	250.00	0.00
3	Other Investments: (a) Shares:				
	(aa) Equity	0.00	0.00	0.00	0.00
	(bb) Preference	0.00	0.00	0.00	0.00
	(b) Mutual Funds	3,891.82	13,072.75	10,175.20	11,333.53
	(c) Derivative Instruments	0.00	0.00	0.00	0.00
	(d) Debentures/Bonds	0.76	121.97	628.71	5,462.58
	(e) Other Securities	0.00	750.00	1,022.30	3,000.00
	(f) Subsidiaries	0.00	0.00	0.00	0.00
	(g) Investments Properties- Real Estate	0.00	0.00	0.00	0.00
4	Investments in Infrastructure and Social Sector	0.00	6,968.15	0.00	0.00
5	Other than Approved Investments	0.00	0.00	0.00	0.00
	Current Assets:				
6	**Cash & Bank Balance**				
	Cash (including cheques, drafts and stamps)	199.10	326.95	11.73	43.33
	Bank Balance (Deposits):				
	(a) Current Accounts	(113.85)	80.11	413.01	28.41
	(b) Others	0.00	0.00	0.00	0.00
7	**Ad ances:**				
	Other Advances	560.36	840.34	200.70	3,547.53
	Income outstanding/accrued on investments	1,796.30	3,578.63	4,527.62	5,753.01
	Total (A)- Current Assets	**2,441.91**	**4,826.03**	**5,153.06**	**9,372.28**
8	**Current Liabilities:**				
	Sundry Creditors	52.39	311.01	(225.49)	366.70
	Claims outstanding	21.40	18.18	11.03	17.49
	Premium and other deposits	0.17	0.19	0.23	0.43
	Life department current account	(1,977.84)	(71,767.72)	(72,626.60)	38,262.21
	Total (B)- Current Liabilities	**(1,903.88)**	**(71,438.34)**	**(72,840.83)**	**38,646.83**
	Net current assets (A-B)	**4,345.79**	**76,264.37**	**77,993.89**	**(29,274.55)**
	Total	**234,670.22**	**329,749.57**	**321,698.86**	**335,668.71**

ANNEXURE - XVII : RESTATED CONSOLIDATED STATEMENT OF LOANS

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1	**SECURITY- ISE CLASSIFICATION**				
	Secured				
	(a) On mortgage of property:				
	(aa) In India	115,550.01	119,707.13	713,663.80	691,898.55
	(bb) Outside India	303.79	313.31	338.13	343.46
	(b) On Shares, Bonds, Govt. Securities, etc.	0.00	0.00	0.00	0.00
	(c) Loans against Policies	1,053,354.94	1,020,123.34	998,245.01	927,409.04
	(d) Others:				
	Guaranteed by Government	30,780.45	37,069.20	46,040.23	56,792.66
	Hypothecation	8,853.00	8,697.47	99,132.49	109,276.21
	ANF Advances	0.00	0.00	0.00	0.00
	Secured by Tangible Asset	0.00	0.00	985,921.86	1,128,149.47
	Unsecured Loans	25,855.89	28,132.22	108,905.21	109,526.04
	Provision for Doubtful Loans	(123,286.60)	(126,406.02)	(577,899.77)	(524,592.10)
	Total	**1,111,411.48**	**1,087,636.65**	**2,374,346.96**	**2,498,803.33**
2	**BORRO ER- ISE CLASSIFICATION**				
	(a) Central and State Governments	19,283.12	23,307.49	42,132.59	48,420.51
	(b) Banks and Financial Institutions	0.00	0.00	43,042.59	44,140.51
	(c) Subsidiaries	0.00	0.00	0.00	0.00
	(d) Companies	114,311.78	116,428.21	813,421.35	945,055.51
	(e) Loans against policies	1,053,354.94	1,020,123.35	998,245.00	927,390.27
	(f) Others:				
	Mortgage Property	3,111.03	3,297.83	3,558.25	3,638.47
	Municipalities	528.05	528.05	626.00	708.80
	State Electricity Boards/ Power Generators	8,956.30	13,049.35	19,252.34	26,020.00
	State Road Transport Corporation	61.60	61.60	61.60	61.60
	Co-operative Industrial Estates	0.00	0.00	0.00	0.00
	Housing Co-op Societies	3,617.72	3,823.36	4,256.94	4,714.52
	Irrigation Sector	200.00	266.66	333.33	1,066.67
	*WSB, SFC, PTR,OTH,LDB etc.	31,273.48	33,156.71	42,907.01	44,203.98
	**ANF Advances	0.00	0.00	0.00	0.00
	Other Loans	0.06	0.06	984,409.73	977,974.59
	(g) Provision for bad and doubtful debts	(123,286.60)	(126,406.02)	(577,899.77)	(524,592.10)
	Total	**1,111,411.48**	**1,087,636.65**	**2,374,346.96**	**2,498,803.33**
3	**PERFORMANCE- ISE CLASSIFICATION**				
	(a) Loans classified as standard:				
	(aa) In India	1,102,586.43	1,081,050.49	2,290,736.25	2,321,907.73
	(bb) Outside India	12,189.88	11,398.30	45,189.84	44,975.15
	Provision for Standard Loans	(5,531.81)	(1,135.36)	(21,668.94)	(24,181.43)
	(b) Non-standard loans:				
	(aa) In India	119,634.77	121,299.27	546,634.14	585,110.26
	(bb) Outside India	287.00	294.61	69,686.50	71,402.29
	Provision for Non-Standard Loans	(117,754.79)	(125,270.66)	(556,230.83)	(500,410.67)
	Total	**1,111,411.48**	**1,087,636.65**	**2,374,346.96**	**2,498,803.33**
4	**MATURITY- ISE CLASSIFICIATION**				
	(a) Short-Term:				
	In India	114,047.64	101,775.87	290,829.49	247,706.87
	Out of India	166.11	174.40	9,040.51	9,139.50
	Provision for Short-Term	(51,603.17)	(44,171.16)	(47,133.47)	(41,256.41)
	(b) Long-Term:				
	In India	1,108,173.55	1,100,573.89	2,600,122.01	2,699,038.06
	Out of India	12,310.78	11,518.51	52,254.72	67,511.00
	Provision for Long-Term	(71,683.43)	(82,234.86)	(530,766.30)	(483,335.69)
	Total	**1,111,411.48**	**1,087,636.65**	**2,374,346.96**	**2,498,803.33**

Note:-

* WATER STATE BOARD (WSB), STATE FINANCIAL CORPORATION (STF), PORT TURST (PTR), OTHERS (OTH), LAND DEVELOPMENT BANK (LDB)

** AUTOMATED NON FORFEITURE (ANF)

ANNEXURE - XVIII : RESTATED CONSOLIDATED STATEMENT OF FIXED ASSETS

(₹ in million)

Particulars	ood ill	Intangibles	Land-Freehold	Land-Leasehold	Buildings	Furniture & Fittings	Information Technology	Vehicles	Office E uipment	Others: Telephones	Fax/Epabx	Mobile Phones	Library books	Miscellaneous Capital E uipment	Audio isual and other allied publicity e uipment	Engineerin g Dept. e uipment	Voltage stabili ers and UPS	enerators , D sets in rented premises	Total	ork in Progress	rand Total
ross Block																					
As at 01.04.2021	**0.00**	**654.39**	**964.47**	**818.76**	**30,998.38**	**4,965.93**	**16,688.54**	**9,865.71**	**706.93**	**146.79**	**25.32**	**5.15**	**3.07**	**616.93**	**781.62**	**0.67**	**1,531.95**	**19.40**	**68,794.01**	**1,483.18**	**70,277.19**
Additions	0.00	0.20	630.30	2.36	815.15	114.57	546.73	1,007.05	23.79	0.38	0.00	0.49	0.02	11.95	17.89	0.00	42.20	0.49	**3,213.57**	833.25	**4,046.82**
Deductions	0.00	0.00	0.00	(0.42)	(132.49)	(26.11)	(97.82)	(181.80)	(9.02)	(0.17)	(0.04)	(0.01)	(0.01)	(0.78)	(2.43)	0.00	(10.48)	(0.16)	**(461.74)**	(579.31)	**(1,041.05)**
Exchange Gain/Loss adjustment	0.00	1.86	0.00	0.00	0.00	0.17	0.65	0.12	0.02	0.01	0.00	0.00	0.00	0.39	0.01	0.00	0.00	0.00	**3.23**	0.00	**3.23**
As at 31.12.2021	**0.00**	**656.45**	**1,594.77**	**820.70**	**31,681.04**	**5,054.56**	**17,138.10**	**10,691.08**	**721.72**	**147.01**	**25.28**	**5.63**	**3.08**	**628.49**	**797.09**	**0.67**	**1,563.67**	**19.73**	**71,549.07**	**1,737.12**	**73,286.19**
Depriciation																					
As at 01.04.2021	0.00	**380.40**	**0.00**	**93.91**	**8,335.69**	**3,854.68**	**12,806.28**	**6,769.46**	**621.66**	**129.40**	**25.13**	**3.81**	**2.99**	**450.58**	**656.70**	**0.65**	**1,386.46**	**19.13**	**35,536.93**	**0.00**	**35,536.93**
For the period	0.00	1.58	0.00	6.24	724.28	187.97	1,460.95	877.55	28.93	2.36	0.05	0.47	0.05	23.78	42.98	0.00	63.61	0.16	**3,420.96**	0.00	**3,420.96**
On Sales/Adjustment	0.00	0.00	0.00	0.00	(20.30)	(24.55)	(99.09)	(139.19)	(9.06)	(0.04)	(0.04)	(0.01)	(0.01)	(0.80)	(2.38)	0.00	(10.60)	(0.16)	**(306.23)**	0.00	**(306.23)**
Exchange Gain/Loss adjustment	0.00	1.83	0.00	0.00	0.00	0.14	0.59	0.11	0.02	0.01	0.00	0.00	0.00	0.38	0.01	0.00	0.00	0.00	**3.09**	0.00	**3.09**
As at 31.12.2021	**0.00**	**383.81**	**0.00**	**100.15**	**9,039.67**	**4,018.24**	**14,168.73**	**7,507.93**	**641.55**	**131.73**	**25.14**	**4.27**	**3.03**	**473.94**	**697.31**	**0.65**	**1,439.47**	**19.13**	**38,654.75**	**0.00**	**38,654.75**
Net Block As at 31.12.2021	**0.00**	**272.64**	**1,594.77**	**720.55**	**22,641.37**	**1,036.32**	**2,969.37**	**3,183.15**	**80.17**	**15.28**	**0.14**	**1.36**	**0.05**	**154.55**	**99.78**	**0.02**	**124.20**	**0.60**	**32,894.32**	**1,737.12**	**34,631.44**
ross Block																					
As at 01.04.2020	**33,284.48**	**3,835.45**	**23,245.69**	**2,309.61**	**74,364.62**	**9,326.44**	**15,099.21**	**9,063.11**	**5,769.80**	**145.44**	**25.42**	**4.35**	**5.28**	**15,710.41**	**752.70**	**0.67**	**1,479.09**	**19.57**	**194,441.34**	**7,341.83**	**201,783.17**
Additions	0.00	8.45	135.93	15.86	5,954.67	271.18	2,200.96	1,173.58	33.24	2.25	0.01	1.00	0.04	26.88	34.56	0.00	80.19	0.34	**9,939.14**	821.48	**10,760.62**
Deductions	(33,284.48)	(3,182.58)	(22,417.15)	(1,506.71)	(49,320.91)	(4,601.62)	(612.26)	(369.79)	(5,095.56)	(0.92)	(0.11)	(0.20)	(2.25)	(15,149.68)	(5.48)	0.00	(27.33)	(0.51)	**(135,577.54)**	(6,680.13)	**(142,257.67)**
Exchange Gain/Loss adjustment	0.00	(6.93)	0.00	0.00	0.00	(30.07)	0.63	(1.19)	(0.55)	0.02	0.00	0.00	0.00	29.32	(0.16)	0.00	0.00	0.00	**(8.93)**	0.00	**(8.93)**
As at 31.03.2021	**0.00**	**654.39**	**964.47**	**818.76**	**30,998.38**	**4,965.93**	**16,688.54**	**9,865.71**	**706.93**	**146.79**	**25.32**	**5.15**	**3.07**	**616.93**	**781.62**	**0.67**	**1,531.95**	**19.40**	**68,794.01**	**1,483.18**	**70,277.19**
Depriciation																					
As at 01.04.2020	0.00	**2,128.87**	**0.00**	**806.51**	**9,346.78**	**7,170.80**	**11,538.35**	**5,978.89**	**4,385.08**	**126.87**	**25.15**	**3.41**	**5.15**	**12,622.65**	**585.77**	**0.60**	**1,321.79**	**18.72**	**56,065.39**	**0.00**	**56,065.39**
For the year	0.00	173.68	0.00	536.40	1,947.21	541.39	1,864.33	1,109.00	389.41	3.21	0.09	0.54	0.06	452.27	77.34	0.05	92.22	0.62	**7,187.82**	0.00	**7,187.82**
On Sales/Adjustment	0.00	(1,916.73)	0.00	(1,249.00)	(2,958.30)	(3,833.80)	(596.88)	(317.61)	(4,152.48)	(0.70)	(0.11)	(0.14)	(2.22)	(12,647.70)	(6.28)	0.00	(27.56)	(0.21)	**(27,709.72)**	0.00	**(27,709.72)**
Exchange Gain/Loss adjustment	0.00	(5.42)	0.00	0.00	0.00	(23.71)	0.48	(0.82)	(0.35)	0.02	0.00	0.00	0.00	23.36	(0.13)	0.00	0.01	0.00	**(6.56)**	0.00	**(6.56)**
As at 31.03.2021	**0.00**	**380.40**	**0.00**	**93.91**	**8,335.69**	**3,854.68**	**12,806.28**	**6,769.46**	**621.66**	**129.40**	**25.13**	**3.81**	**2.99**	**450.58**	**656.70**	**0.65**	**1,386.46**	**19.13**	**35,536.93**	**0.00**	**35,536.93**
Net Block As at 31.03.2021	**0.00**	**273.99**	**964.47**	**724.85**	**22,662.69**	**1,111.25**	**3,882.26**	**3,096.25**	**85.27**	**17.39**	**0.19**	**1.34**	**0.08**	**166.35**	**124.92**	**0.02**	**145.49**	**0.27**	**33,257.08**	**1,483.18**	**34,740.26**
ross Block																					
As at 01.04.2019	**33,516.62**	**2,998.69**	**27,118.21**	**7,646.81**	**72,706.55**	**9,468.45**	**12,626.11**	**8,176.45**	**6,279.63**	**145.62**	**25.93**	**3.73**	**5.61**	**14,313.69**	**709.21**	**0.65**	**1,413.89**	**18.94**	**197,174.79**	**7,103.14**	**204,277.93**
Additions	0.00	938.10	115.01	0.00	1,840.69	417.55	2,686.26	1,154.52	210.70	0.77	0.00	0.70	0.00	3,204.39	45.33	0.02	99.40	**0.77**	**10,714.21**	**488.37**	**11,202.58**
Deductions	-232.14	(112.01)	(3,987.54)	(5,337.20)	(182.65)	(562.27)	(215.02)	(268.60)	(720.61)	(0.99)	(0.51)	(0.08)	(0.33)	(1,807.68)	(1.93)	0.00	(34.21)	**(0.14)**	**(13,463.91)**	**(249.72)**	**(13,713.63)**
Exchange Gain/Loss adjustment	0.00	10.67	0.01	0.00	0.03	2.71	1.86	0.74	0.08	0.04	0.00	0.00	0.00	0.01	0.09	0.00	0.01	**0.00**	**16.25**	**0.04**	**16.29**
As at 31.03.2020	**33,284.48**	**3,835.45**	**23,245.69**	**2,309.61**	**74,364.62**	**9,326.44**	**15,099.21**	**9,063.11**	**5,769.80**	**145.44**	**25.42**	**4.35**	**5.28**	**15,710.41**	**752.70**	**0.67**	**1,479.09**	**19.57**	**194,441.34**	**7,341.83**	**201,783.17**
Depriciation																					
As at 01.04.2019	0.00	**1,837.00**	**0.00**	**3,933.20**	**12,323.48**	**6,583.68**	**10,273.84**	**5,114.28**	**3,931.41**	**124.11**	**25.54**	**2.96**	**5.42**	**12,680.75**	**497.75**	**0.55**	**1,251.17**	**17.02**	**58,602.16**	**0.00**	**58,602.16**
For the year	0.00	232.41	0.00	720.75	2,304.72	657.92	1,528.92	1,070.68	502.23	3.38	0.12	0.49	0.06	580.35	90.14	0.05	91.50	1.41	**7,785.13**	0.00	**7,785.13**
On Sales/Adjustment	0.00	49.57	0.00	(3,847.44)	(5,281.42)	(72.32)	(266.05)	(206.75)	(48.61)	(0.65)	(0.51)	(0.04)	(0.33)	(638.45)	(2.17)	0.00	(20.89)	0.29	**(10,335.77)**	0.00	**(10,335.77)**
Exchange Gain/Loss adjustment	0.00	9.89	0.00	0.00	0.00	1.52	1.64	0.68	0.05	0.03	0.00	0.00	0.00	0.00	0.05	0.00	0.01	0.00	**13.87**	0.00	**13.87**
As at 31.03.2020	**0.00**	**2,128.87**	**0.00**	**806.51**	**9,346.78**	**7,170.80**	**11,538.35**	**5,978.89**	**4,385.08**	**126.87**	**25.15**	**3.41**	**5.15**	**12,622.65**	**585.77**	**0.60**	**1,321.79**	**18.72**	**56,065.39**	**0.00**	**56,065.39**
Net Block As at 31.03.2020	**33,284.48**	**1,706.58**	**23,245.69**	**1,503.10**	**65,017.84**	**2,155.64**	**3,560.86**	**3,084.22**	**1,384.72**	**18.57**	**0.27**	**0.94**	**0.13**	**3,087.76**	**166.93**	**0.07**	**157.30**	**0.85**	**138,375.95**	**7,341.83**	**145,717.78**
ross Block																					
As at 01.04.2018	**34957.43**	**3,076.67**	**22,625.03**	**5,158.79**	**58,760.34**	**9,746.72**	**11,885.87**	**7,059.98**	**6,940.32**	**142.42**	**26.09**	**3.18**	**5.47**	**15,328.83**	**643.11**	**0.65**	**1,367.22**	**18.25**	**177,746.37**	**7,024.64**	**184,771.01**
Additions	0.00	25.59	4,519.49	2,497.97	14,266.74	301.65	1,228.79	1,386.95	53.00	4.18	0.02	0.61	0.28	124.36	68.47	0.00	89.39	**0.98**	**24,568.47**	889.58	**25,458.05**
Deductions	-1440.81	(109.99)	(25.85)	(9.95)	(319.31)	(580.66)	(489.38)	(270.52)	(713.46)	(1.00)	(0.18)	(0.06)	(0.14)	(1,139.50)	(2.33)	0.00	(42.73)	**(0.29)**	**(5,146.16)**	(811.06)	**(5,957.22)**
Exchange Gain/Loss adjustment	0.00	6.42	(0.46)	0.00	(1.22)	0.74	0.83	0.04	(0.23)	0.02	0.00	0.00	0.00	0.00	(0.04)	0.00	0.01	**0.00**	**6.11**	(0.02)	**6.09**
As at 31.03.2019	**33,516.62**	**2,998.69**	**27,118.21**	**7,646.81**	**72,706.55**	**9,468.45**	**12,626.11**	**8,176.45**	**6,279.63**	**145.62**	**25.93**	**3.73**	**5.61**	**14,313.69**	**709.21**	**0.65**	**1,413.89**	**18.94**	**197,174.79**	**7,103.14**	**204,277.93**
Depriciation																					
As at 01.04.2018	0.00	**1,819.65**	**0.00**	**3,770.03**	**11,343.57**	**6,710.43**	**9,757.51**	**4,390.43**	**4,370.94**	**121.18**	**25.54**	**2.68**	**5.26**	**13,631.37**	**410.57**	**0.50**	**1,209.05**	**15.12**	**57,583.83**	**0.00**	**57,583.83**
For the year	0.00	69.79	0.00	163.17	997.72	414.54	1,114.92	994.88	169.46	3.52	0.18	0.34	0.14	179.68	88.77	0.05	87.18	1.50	**4,285.84**	0.00	**4,285.84**
On Sales/Adjustment	0.00	(57.27)	0.00	0.00	(17.81)	(541.56)	(599.29)	(271.01)	(608.80)	(0.61)	(0.18)	(0.06)	0.02	(1,130.30)	(1.55)	0.00	(45.06)	0.40	**(3,273.08)**	0.00	**(3,273.08)**
Exchange Gain/Loss adjustment	0.00	4.83	0.00	0.00	0.00	0.27	0.70	(0.02)	(0.19)	0.02	0.00	0.00	0.00	0.00	(0.04)	0.00	0.00	0.00	**5.57**	0.00	**5.57**
As at 31.03.2019	**0.00**	**1,837.00**	**0.00**	**3,933.20**	**12,323.48**	**6,583.68**	**10,273.84**	**5,114.28**	**3,931.41**	**124.11**	**25.54**	**2.96**	**5.42**	**12,680.75**	**497.75**	**0.55**	**1,251.17**	**17.02**	**58,602.16**	**0.00**	**58,602.16**
Net Block As at 31.03.2019	**33,516.62**	**1,161.69**	**27,118.21**	**3,713.61**	**60,383.07**	**2,884.77**	**2,352.27**	**3,062.17**	**2,348.22**	**21.51**	**0.39**	**0.77**	**0.19**	**1,632.94**	**211.46**	**0.10**	**162.72**	**1.92**	**138,572.63**	**7,103.14**	**145,675.77**

ANNEXURE - XIX : RESTATED CONSOLIDATED STATEMENT OF CASH AND BAN BALANCES

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
1	Cash (including cheques, drafts and stamps)	12,284.41	33,398.03	27,251.48	62,031.91
2	Bank Balances				
	(a) Deposit Accounts:				
	(aa) Short-term (due within 12 months of the date of Balance Sheet)	34,312.25	32,897.83	9,611.21	22,971.12
	(bb) Others	41,873.02	41,711.33	76,345.35	39,250.15
	(b) Current Accounts	85,448.59	179,713.16	292,636.12	266,829.35
	(c) Others	0.00	14.00	12.50	5.00
3	Money at Call and Short Notice:				
	(a) With Banks	208.03	887.59	1,180.41	6,059.49
	(b) With other Institutions	0.00	0.00	112,000.00	71,500.00
	(c) Others- Repurchasing Option or Repurchase Agreement (REPOS)	0.00	0.00	0.00	0.00
	(d) Collaterised Borrowing and Lending Obligation (CBLO)	44,146.56	68,513.47	108,142.74	207,897.20
4	Others - Remittances in transit	0.00	3,647.77	4,346.47	2,451.06
	Total	**218,272.86**	**360,783.18**	**631,526.28**	**678,995.28**
	Balances with non-scheduled banks included in 2 and 3 above.*				
	CASH & BAN BALANCES				
1	In India	149,718.41	302,320.70	565,702.48	634,819.03
2	Outside India	68,554.45	58,462.48	65,823.80	44,176.25
	TOTAL	**218,272.86**	**360,783.18**	**631,526.28**	**678,995.28**

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

ANNEXURE - XX : RESTATED CONSOLIDATED STATEMENT OF ADVANCES AND OTHER ASSETS

(₹ in million)

	Particulars	**As at**			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
	ADVANCES				
1	Reserve deposits with ceding companies	0.00	0.00	0.00	0.00
2	Advances to ceding companies	0.00	0.00	0.00	0.00
3	Application money for investments	143.75	2,923.58	1,703.29	93.75
4	Prepayments/Prepaid Expenditure	2,496.98	5,622.14	5,900.42	5,259.04
5	Advances to Officer/Directors	15.66	10.86	5.83	2.00
6	Advance tax paid and taxes deducted at source	295,752.05	329,339.65	532,855.49	554,272.10
7(a)	Others:				
i	Advances to employees	11,677.28	10,836.26	10,096.81	9,954.91
ii	Advances to others	970.83	565.60	588.14	690.25
iii	Deposits	824.04	682.24	2,938.50	2,947.83
iv	Other advances	19,100.65	8,539.52	6,650.39	10,901.98
7(b)	*Provision for sundry debtors, advances and deposits*	(2,146.24)	(1,183.76)	(1,109.58)	(964.57)
	TOTAL (A)	**328,835.00**	**357,336.09**	**559,629.29**	**583,157.29**
	OTHER ASSETS				
1	Income outstanding/accrued on investments	669,370.74	679,071.39	658,372.70	615,503.26
	(Provision for doubtful Interest & Dividends)	(122,707.86)	(121,675.79)	(108,334.91)	(96,758.20)
2	Outstanding Premiums	102,169.93	98,557.61	144,153.11	101,380.61
3	Agents' Balances	30,026.47	33,680.29	16,518.55	19,426.77
	Provision for agents doubtful balances	(4.28)	(3.43)	(4.75)	(5.90)
4	Foreign Agencies' Balances	0.00	0.00	0.00	0.00
	Provision for agents doubtful balances	0.00	0.00	0.00	0.00
5	Due from other entities carrying on insurance business	0.22	0.22	0.23	0.21
6	Due from subsidiaries/holding company	0.00	0.00	0.00	2.39
7	Reinsurance claims/balances receivable	49.50	5.65	18.28	18.96
8	Deposit with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)	0.00	0.00	0.00	0.00
9	Others:				
i	Interest on loans outstanding/accrued	273,797.24	249,778.50	247,242.38	218,101.59
ii	Stock of stationery, etc. on hand	573.69	733.83	683.96	716.88
iii	Assets pertaining to Unclaimed amount	212,140.89	185,742.23	158,771.82	141,089.67
iv	Other assets:				
	- Non Banking Assets acquired in satisfaction of claims	0.00	0.00	7,919.89	7,919.89
	- Claims receivable	0.00	0.00	3,348.38	4,313.14
	- Miscellaneous	2,904.26	1,108.64	246,333.42	226,996.50
v	(a) Investments Pending Allotment	1,599.50	1,599.50	1,599.50	1,599.50
	(b) Provision for Sundry Debtors, Advances & Deposits	(345.45)	(345.45)	(345.45)	(345.45)
vii	GST Unutili ed Credit	3,055.29	8,071.72	6,058.54	9,671.33
	TOTAL (B)	**1,172,630.14**	**1,136,324.91**	**1,382,335.65**	**1,249,631.15**
	TOTAL (A + B)	**1,501,465.14**	**1,493,661.00**	**1,941,964.94**	**1,832,788.44**

ANNEXURE - XXI : RESTATED CONSOLIDATED STATEMENT OF CURRENT LIABILITIES

(₹ in million)

	Particulars	As at			
		Dec. 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
1	Agents' Balances	123.63	148.69	113.76	116.34
2	Balances due to other insurance companies	(562.04)	(326.55)	464.34	57.18
3	Advances from Treaty Companies	0.00	0.00	0.00	0.00
4	Deposits held on re-insurance ceded	0.00	0.00	0.00	0.00
5	Premiums received in advance	1,778.81	786.93	781.56	857.22
6	Sundry creditors	69,354.02	162,248.71	155,231.28	105,053.41
7	Due to subsidiaries/holding company	0.00	0.00	0.00	0.00
8	Claims Outstanding	102,684.22	105,026.66	108,616.74	49,869.17
9	Annuities Due	5,470.82	4,253.60	4,185.77	3,582.34
10	Bank Balances	14.59	13.46	7.66	7.48
11	Due to Officers/Directors	17.29	13.56	10.32	9.46
12	Others:				
a	Amounts due to trustees of staff provident & pension fund	90,226.71	96,765.81	75,747.49	45,318.48
b	Outstanding Commission	15,109.87	15,526.55	12,269.01	15,123.50
c	Premium and other deposits	16,781.90	14,460.83	18,677.03	9,700.49
d	Outstanding unclaimed amounts/deposits	183,450.44	160,332.40	140,707.14	124,226.36
e	Interest Accured on Unclaimed amounts	29,917.27	24,620.79	19,819.38	14,210.65
f	Premium received but not allocated	452.26	492.02	23.74	18.94
g	GST Liability	10,769.44	17,208.86	9,149.37	14,897.23
h	Varishtha Pension Bima Yojana Current Account (161)	3,592.44	3,566.24	3,139.83	2,756.72
i	Varishtha Pension Bima Yojana Current Account (828)	464.10	422.85	424.02	351.16
j	Pradhan Mantri Vaya Vandana Yojana (PMVVY) Current Account (842)	(206.10)	1,493.31	1,472.36	1,310.71
k	Pradhan Mantri Vaya Vandana Yojana (PMVVY) Current Account (842 New)	575.90	5,951.48	5,856.97	3,125.86
l	Pradhan Mantri Vaya Vandana Yojana (PMVVY) Current Account (856)	(443.47)	(165.08)	0.00	0.00
m	Social Security Fund Current Account	0.05	(2,915.81)	(2,885.40)	(12.63)
n	Aam Admi Bima Yojana Scholarship Current Account	(436.10)	(0.03)	0.04	0.05
o	Unit Linked Current Account	1,977.84	71,767.72	72,626.61	(38,262.21)
p	Pradhan Mantri an-Dhan Yojana (PM DY) Current Account	0.00	0.00	(223.99)	(226.36)
q	Pradhan Mantri Shram Yogi Maan -Dhan (PMSYM) Current Account	(0.73)	(20.95)	(13.26)	0.05
r	Pradhan Mantri Kishan Maan-Dhan Yojan (PMKMDY) Current Account	(0.39)	(4.75)	(1.56)	0.00
s	Pradhan Mantri Laghu Vyapari Maan-Dhan Yojana (PMLVMDY) Current Account	(0.03)	(0.44)	(0.02)	0.00
t	Others				
	- Bills payable	0.00	0.00	9,560.91	16,765.27
	- Interest accrued	0.00	0.00	7,131.90	9,401.35
	- Miscellaneous	33.99	47.69	7,424.13	24,564.83
	Total	**531,146.73**	**681,714.55**	**650,317.13**	**402,823.05**

ANNEXURE - XXII : RESTATED CONSOLIDATED STATEMENT OF PROVISIONS

(₹ in million)

	Particulars	**As at**			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
1	For taxation (less payments and taxes deducted at source)	0.00	0.00	(25.61)	(23.73)
2	For proposed dividends (5% Valuation Surplus)	0.00	0.00	26,997.34	26,630.99
3	For dividend distribution tax	0.00	6.61	0.00	337.28
4	Bonus payable to the policyholders	0.00	0.00	0.00	0.00
5	Others:				
	Provision for reserve for solvency margin	149,430.56	149,430.56	149,430.56	149,430.56
	Provision for Non-Banking Assets Acquired in Satisfaction of Claim	0.00	0.00	7,136.00	7,136.00
	Other Provisions	45.58	45.66	22,739.63	22,811.97
	Total	**149,476.14**	**149,482.83**	**206,277.92**	**206,323.07**

ANNEXURE - XXIII : RESTATED CONSOLIDATED STATEMENT OF MISCELLANEOUS EXPENDITURE

(₹ in million)

	Particulars	**As at**			
		Dec. 31, 2021	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
1	Discount Allowed in issue of shares/debentures	0.00	0.00	0.00	0.00
2	Others	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00

Annexure XXIV: Significant Accounting Policies and Notes to the Restated Consolidated Financial Information

A. Significant Accounting Policies

A Corporate Information

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

The Restated Consolidated Financial Information relate to Corporation and its subsidiary companies and the Corporation's share of profit/loss in its associate companies (referred as "the Group").

B. Basis of preparation

The Restated Consolidated Financial Information of the Group comprises; the Restated Consolidated Statement of Assets and Liabilities as at December 31,2021, March 31, 2021, March 31, 2020, March 31, 2019 and the Restated Consolidated Statement of Revenue Account (also called the Policyholders' Account or Technical Account), Restated Consolidated Statement of Profit & Loss Account (also called the Shareholders' Account/ Non-Technical Account) and the Restated Consolidated Statement of Receipts and Payments Account (also called the Cash Flow Statement) for the nine months ended on December 31,2021 and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and Significant Accounting Policies and notes to the restated consolidated financial information and other explanatory notes (collectively, the "Restated Consolidated Financial Information").

The Restated Consolidated Financial Information have been prepared by the Management of the Corporation for the purpose of inclusion in the Red Herring Prospectus ("RHP") in connection with the proposed initial public offer of equity shares of the Corporation, in accordance with the requirements of:

i. Section 5 of Chapter II of the Act;

ii. Para 1 & 2 of Schedule I Part (c) of Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 (referred to as the "IRDAI Regulations") issued by the IRDAI;

iii. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by the Securities and Exchange Board of India ("SEBI"), as amended (together referred to as the "SEBI Regulations");

iv. Guidance note on reports in Company Prospectuses (Revised 2019) as issued by the Institute of Chartered Accounts of India ("ICAI"), as amended ("Guidance Note")

These Restated Consolidated Financial Information have been compiled by the Management from:

i. the audited special purpose consolidated interim financial statements of the Group as at and for the nine months ended December 31,2021, prepared in accordance with the recognition and measurement principles of accounting standard (referred to as "AS") 25 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 to the extent applicable and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on February 25, 2022; and;

ii. the audited consolidated financial statements of the Group as at and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the AS as prescribed under Section 133 of the Companies Act, 2013, to the extent applicable and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 20, 2022.

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

The accounting policies have been consistently applied by the Corporation in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the nine months ended December 31,2021.

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

The Restated Consolidated Financial Information have been prepared:

- after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping / classifications followed as at and for the nine -month period ended December 31,2021;
- after incorporating adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Corporation as at and for the nine months ended December 31,2021
- in accordance with the Act, ICDR Regulations and the Guidance Note.
- do not require adjustment for any modification, as there is no modification of opinion in the underlying audit reports.

The Restated Consolidated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR or Rs. millions, except for share data and where otherwise indicated.

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

The accounting policies, notes and disclosures made by the Corporation on a standalone basis are best viewed in its standalone financial statements.

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

1) **Where the corporation is categorized as Promoter:** The Corporation has nominee directors on the board of directors of some of these companies. However, the Corporation does not have any control or significant influence on these companies. The board seat of the Corporation in these investees is 1 out of total strength of the respective board of directors of the investee companies ranging from 6 to 15. The promoter status is by way of investment at the time of formation of these companies.
2) **Shareholding of Corporation is more than 20%:** Legacy investments by the Corporation without any representation on the board of directors and/or any involvement in the management/administration of the investee companies. As such, the Corporation does not have any management control or significant influence in these entities.
3) **Corporation has Board position through agreement or nominee directors:** In such cases the shareholding of the Corporation is below 20% and the Corporation has nominee directors on the board of directors of these investee companies. The investments in these companies are at par with other companies and shares are bought and sold depending upon market conditions. The board seat is 1 out of total strength of the respective board of directors of the investee companies ranging from 6 to 15. As such, the Corporation does not have control or significant influence on these companies.

C. Basis of Consolidation

a) The financial information of the Corporation and its subsidiaries have been combined on a line-by-line basis by adding together similar items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and resulting unrealized profits or losses (unless cost cannot be recovered). The Policyholders' account specifically dealing with direct insurance business governed by IRDAI Regulations has retained its distinct independent form in these restated consolidated financial statements.

b) The excess of costs to the Corporation of its investment in the subsidiaries over its share of equity of the subsidiaries at the dates on which the investments in subsidiaries are made, is recognised as 'Goodwill' being an asset in the restated consolidated financial statements. Alternatively, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investment of the Corporation, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the restated consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary.

c) The Restated Consolidated Financial Information include the share of profit / loss of the associate companies which have been accounted for using 'Equity Method' in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements" and accordingly, the share of profit/ loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments. The carrying value is reduced for the distributions received from the associates.

d) The Corporation accounts for its share in the change in the net assets of the associate, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Corporation and its associate to the extent of its share, through its statement of Profit and Loss Account (Shareholders' Account or Non-Technical Account) / Revenue Account - Policyholders' Account or (Technical

Account) based on the source of investment made through respective fund to the extent such change is attributable to the associates' statement of profit and loss.

e) Minority interest in the net assets of subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Corporation in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.

f) The financial statements of the foreign subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Corporation, i.e., 31st March or up to 31st December, in case where the subsidiaries or associates close their financial year on that date. The foreign subsidiaries have prepared their accounts in accordance with International Financial Reporting Standards (IFRS) / Generally Accepted Accounting Principles (GAAP) as per the required local laws of the respective country, resulting in some variations as compared to Indian GAAP followed by the Corporation. For the purpose of preparing the consolidated financial statements of the Group, accounting adjustments have not been made to align the accounts of these entities to confirm with the accounting polices followed by the Corporation. The impact of difference in accounting policy will not be material.

g) Financial statements of foreign subsidiaries, being non-integral operations, have been converted into Indian Rupees at following exchange rates: Revenue and Expenses: at the average of the year/period; Assets and Liabilities: closing rate at the end of the financial year/period. The resultant translation exchange difference is transferred to "Exchange Fluctuation Reserve"".

D. Use of Estimates

The preparation of Restated Consolidated Financial Information is in conformity with Indian GAAP, which requires that the Group's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year/period, reported balances of assets and liabilities and disclosures relating to contingent liabilities as on the date of the Restated Consolidated Financial Information. The estimates and assumptions used in the accompanying Restated Consolidated Financial Information are based upon management's evaluation of the relevant facts and circumstances up to and as on the date of the Restated Consolidated Financial Information. Actual results could differ from the estimates. Any revision to the accounting estimates is accounted for prospectively.

E. Significant Accounting Policies:

1 Revenue Recognition

1.1 For Life Insurance Business

Premium Income

a) Premiums are recognized as income when due, for which grace period has not expired and the previous instalments have been paid. In case of linked business, the due date for payment is taken as the date when the associated units are created.

b) Income from linked funds, which includes fund management charges, policy administration charges, mortality charges, etc., are recovered from linked funds in accordance with terms and conditions and recognized when due.

c) Premium ceded on re-insurance is accounted in accordance with the terms of the re-insurance treaty or in-principle arrangement with the re-insurer.

Investment Income:

a) Interest income in respect of all government securities, debt securities including loans, debentures and bonds, Pass Through Certificate (PTC), mortgage loans is taken credit to the Revenue Account as per the guidelines issued by Insurance Regulatory and Development Authority.

b) In respect of purchase or sale of Government and other approved securities from secondary market, interest for the broken period is paid / received on cash basis.

c) Interest, Dividend, Rent, etc. are accounted at gross value (before deduction of Income Tax)

d) In respect of loans, debentures and bonds, accrued interest as at the date of the balance sheet is calculated as per method of calculation of simple interest mentioned in the loan document/information memorandum or such other document. In respect of Government and other approved securities and mortgage loans, accrued interest as at the date of balance sheet is calculated based on 360 days a year.

e) Profit or Loss on sale of Securities/Equities/ Mutual Fund is taken to Revenue only in the year/period of sale.

f) Dividend on quoted equity where right to receive the same has fallen due on or before 31st March (i.e., dividend declared by the company) is taken as income though received subsequently. Dividend on unquoted equity is taken as income only on receipt.

g) Interest on policy loans is accounted for on accrual basis.

h) Rental income is recognized as income when due and rent/license fees which is in arrear for more than 6 months is not recognized as income. Upfront premium is accounted on cash basis.

i) Outstanding interest on NPA's as at Balance Sheet date is provided as interest suspense.

j) Dividend on Preference shares/Mutual Fund is taken as income only on receipt.

k) Interest on application Money on purchase of debentures/bonds is accounted on cash basis.

l) Income on venture capital investment is accounted on cash basis.

m) Income from zero coupon bonds is accounted on accrual basis.

n) Premium on redemption/maturity is recognized as income on redemption/maturity

o) Processing fee is accounted on receipt basis.

1.2 For Banking Business

a) Interest income is recognized on accrual basis except in the case of non-performing assets where it is recognized upon realization as per the prudential norms of the Reserve Bank of India (RBI).

b) Commissions on Letter of Credit (LC)/ Bank Guarantee (BG) are accrued over the period of LC/ BG.

c) Fee based income is accrued on certainty of receipt and is based on milestones achieved as per terms of agreement with the client.

d) Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis.

e) For listed companies, dividend is booked on accrual basis when the right to receive is established. For unlisted companies, dividend is booked as and when received.

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

2 Investments:

2.1 For life Insurance Business

A] Non-Linked Business

a) Debt Securities including Government Securities and Redeemable Preference Shares are considered as 'held to maturity' and the value is disclosed at historical cost subject to amortization as follows:

   i. Debt Securities including Government Securities, where the book value is more than the face value, the premium will be amortized on straight line basis over the balance period of holding/maturity. Where face value is greater than book value, discount is accounted on maturity.

   ii. Listed Redeemable Preference Shares, where the book value is more than the face value, the premium is amortized on a straight-line basis over the balance period of holding/maturity and are valued at amortised cost if last quoted price (not later than 30 days prior to valuation date), is higher than amortised cost. Provision for diminution is made if market value is lower than amortised cost.

Unlisted Redeemable Preference Shares where the book value is more than the face value, the premium is amortized on a straight-line basis over the balance period of holding/maturity and are valued at amortised cost less provision for diminution.

Listed Irredeemable Preference Shares are valued at book value if last quoted price (not later than 30 days prior to valuation date), is higher than book value. In case last quoted price is lower, it is valued at book value less provision for diminution.

Unlisted Irredeemable Preference Shares are valued at book value less provision for diminution.

b) Listed equity securities that are traded in active Markets are measured at fair value on Balance Sheet date and the change in the carrying amount of equity securities is taken to Fair Value Change Account

c) Unlisted equity securities and thinly traded equity securities are measured at historical cost less provision for diminution in the value of such investments. Such diminution is assessed and accounted for in accordance with the Impairment Policy of the Corporation. A security shall be considered as being thinly traded as per guidelines governing mutual funds laid down from time to time by SEBI.

d) All Investments are accounted on cash basis except for purchase or sale of equity shares & government securities from the secondary market

e) The value of Investment Properties is disclosed at the Revalued amounts and the change in the carrying amount of the investment property is taken to Revaluation Reserve. Investment property is revalued at least once in every three years. The basis adopted for revaluation of property is as under:

    i. The valuation of investment property is carried out by Rent Capitalization Method considering the market rent.
    ii. Investment properties having land alone without any building/structure is revalued as per current market value.

f) Mutual fund and Exchange Traded Fund (ETF) investments are valued on fair value basis as at the Balance Sheet date and change in the carrying amount of mutual fund/ETF is taken to Fair Value Change Account.

g) Investments in Venture fund/ Alternative Investment Fund (AIF) is valued at cost wherever NAV is greater than the book value. Wherever, NAV is lower than book value the difference is accounted as diminution.

h) Money Market Instruments are measured at book value.

B] Linked Business:

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

2.2 For Banking Business

A. Classification:

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

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

B. Basis of Classification:

a) Investments that the Bank intends to hold till maturity are classified as 'Held to Maturity.'

b) Investments that are held principally for sale within 90 days from the date of purchase are classified as 'Held for Trading.'

c) Investments, which are not classified in the above two categories, are classified as 'Available for Sale.'

d) An investment is classified as 'Held to Maturity,' 'Available for Sale' or 'Held for Trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.

e) Investment in subsidiaries and joint venture are normally classified as 'Held to Maturity' except in case, on need-based reviews, which are shifted to 'Available for Sale' category as per RBI guidelines. The classification of investment in associates is done at the time of its acquisition.

C. Investment Valuation:

a) In determining the acquisition cost of an investment:

   i. Brokerage, commission, stamp duty, and other taxes paid are included in cost of acquisition in respect of acquisition of equity instruments from the secondary market whereas in respect of other investments, including treasury investments, such expenses are charged to Profit and Loss Account.

   ii. Broken period interest paid/ received is excluded from the cost of acquisition/ sale and treated as interest expense/ income.

   iii. Cost is determined on the weighted average cost method.

b) Investments 'Held to Maturity' are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized on straight line basis over the remaining period of maturity. Diminution, other than temporary, in the value of investments, including those in Subsidiaries, Joint Ventures and Associates, under this category is provided for each investment individually.

c) Investments 'Held for Trading' and 'Available for Sale' are marked to market scrip-wise and the resultant net depreciation, if any, in each category is recognised in the Profit and Loss Account, while the net appreciation, if any, is ignored.

d) Treasury Bills, Commercial Papers and Certificates of Deposit being discounted instruments are valued at carrying cost.

e) In respect of traded/ quoted investments, the market price is taken from the trades/ quotes available on the stock exchanges.

f) The quoted Government Securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Pvt Ltd (FBIL)

g) The unquoted shares are valued at break-up value or at Net Asset Value if the latest Balance Sheet is available, else, at Rs 1/- per company and units of mutual fund are valued at repurchase price as per relevant RBI guidelines.

h) The unquoted fixed income securities (other than government securities) are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by Fixed Income Money Market and Derivative Association of India (FIMMDA)/FBIL

i) Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the net asset value obtained from the asset reconstruction company from time to time, for valuation of such investments at the end of each reporting period.

j) Quoted Preference shares are valued at market rates and unquoted/non- traded preference shares are valued at appropriate yield to maturity basis, not exceeding redemption value as per RBI guidelines

k) Investment in Stressed Assets Stabilisation Fund (SASF) is categorized as Held to Maturity and valued at cost. Provision is made for estimated shortfall in eventual recovery by September 2024

l) VCF investments held in HTM category are valued at Carrying Cost and those held in AFS category are valued on NAVs received from Fund Houses.

m) PTC investments are presently held only under AFS category and are valued on Yield to Maturity (YTM) basis with appropriate mark-up over the YTM rates for Central Government securities of equivalent maturity and the spreads applicable are that of NBFC bonds. Such mark-up and YTM rates applied are as per the relevant rates published by Fixed Income Money Market and Derivative Association of India (FIMMDA)/ FBIL. MTM Provision is done on monthly basis.

n) Profit or Loss on sale of investments is credited/ debited to Profit and Loss Account. However, profits on sale of investments in 'Held to Maturity' category is first credited to Profit and Loss Account and thereafter appropriated, net of applicable taxes to the Capital Reserve Account at the year/period end. Loss on sale is recognized in the Profit and Loss Account

o) Investments are stated net of provisions

p) Repo and reverse repo transactions: In accordance with the RBI guidelines repo and reverse repo transactions in government securities and corporate debt securities (including transactions conducted under Liquidity Adjustment Facility ('LAF') and Marginal Standby Facility ('MSF') with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income

3 Acquisition Costs

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

4 Claims

a) Claims costs consist of the policy benefit amount and claims settlement costs, wherever applicable.

b) The date of recognition of claim shall be the date of receipt of intimation of death or surrender by the policy holder. The date of recognition of claims in case of Maturity, Survival benefits, Annuity etc. shall be as per the terms and condition of the policies.

c) Repudiated claims disputed before judicial authorities are treated as contingent liability based on management prudence.

d) The provision is made for disputed legal cases pertaining to repudiated claims where decision is given against the Corporation by Lower Forum/Court to the extent of entire amount awarded by the Forum/Court against LIC, pending the Appeal/Writ/Revision filed by LIC.

5 Loans and Provisions

5.1 For Life Insurance Business

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

a) As per the guidelines issued to Insurance Companies by Insurance Regulatory and Development Authority of India. Assets representing Loans, Debentures and Bonds and Mortgage Loans against House Property are classified based on record of recovery as:

i. Standard
ii. Sub-standard
iii. Doubtful and
iv. Loss Assets

b) Provisioning for Non-Performing loans, debentures and bonds and Mortgage Loans against House Property is made as per the guidelines issued by Insurance Regulatory and Development Authority of India.

5.2 For Banking Business

a) Advances are classified into Standard, Sub-standard, Doubtful and Loss assets and provisions are made in accordance with the prudential norms prescribed by RBI. Advances are stated net of provisions towards non-performing advances.

b) Advances are classified as `Secured by Tangible Assets' when security of at least 10% of the advance has been stipulated/ created against tangible security including book debts. Security in the nature of escrow, guarantee, comfort letter, charge on brand, license, patent, copyright, etc. are not considered as `Tangible Assets.'

c) Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognized as income in the Profit and Loss Account.

d) The Bank does not make any floating provision for bad and doubtful advances and investments.

e) Provision on loans and advances restructured/rescheduled is made in accordance with the applicable RBI guidelines on restructuring of loans and advances by Banks.

f) The Bank had made countercyclical provisioning buffer as required by RBI guidelines, in earlier years, with the approval of the Board, which can be utilized within the limits and in the circumstances permitted by Reserve Bank of India (RBI).

6. Fixed Assets

6.1 For Life Insurance Business

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

6.2 Depreciation / Amortisation:

6.2.1 For Life Insurance Business

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

Asset	Rate of Depreciation
Furniture and fittings	
Furniture and fittings	10%
Refrigerators and water coolers, etc.	13.91%
Electric fittings and ceiling fans in rented premises	10%
Fans(table/pedestal) in rented/ owned premises	10%
Information Technology Equipment	

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

6.2.2 For Banking Business

a) Fixed assets other than Premises are stated at cost less accumulated depreciation. Premises are revalued in accordance with the Bank’s policy and RBI guidelines and the same are stated at revalued amount less accumulated depreciation.

b) Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets which have been put to useis capitalized only when it increases the future benefits from such assets or their functioning capability.

c) The appreciation on revaluation, if any, is credited to Revaluation Reserve.

d) Depreciation in respect of fixed assets is calculated on Straight Line Method with reference to cost or revalued amounts, in case of assets revalued.

e) In respect of revalued assets, the additional depreciation consequent to revaluation is transferred from Revaluation Reserve to General Reserve in the Balance Sheet.

f) Fixed assets individually costing less than Rs.5000 are fully depreciated in the year of addition.

g) Depreciation on tangible assets is allocated over useful life of the asset as prescribed under Part C of Schedule II of the Companies Act 2013. The useful lives and residual values are reviewed periodically. If the management estimate of the useful life of an asset at the time of acquisition of the asset or of remaining useful life on subsequent review is shorter, depreciation is provided at a higher rate based on the management’s estimate of useful life / remaining useful life.

h) Depreciation on additions/ sale of fixed assets during the year is provided for the period for which assets areactually held.

i) Leasehold land is amortized over the period of lease.

j) Computer Software individually costing more than Rs.2.50 Lacs is Capitalized and depreciated over its useful life, not exceeding 6 years.

k) The useful lives of Fixed assets are as follows:

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

7. Impairment of assets

a) The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment is recognised, wherever necessary.

b) Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated current realizable value and value in use. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds estimated current realizable value of the asset or value in use.

c) The impairment for unlisted/thinly traded equity shares, preference shares and equity under affiliated investments as assessed and accounted for in accordance with the Impairment Policy of the Corporation.

8. Liability for Life Policies

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

9. Effect of changes in the foreign exchange rate

9.1 For Life Insurance Business

i. Foreign Currency Transactions

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

ii. Non-Integral Foreign Operations

a) Life Fund relating to foreign business/foreign subsidiary has been invested according to the statutory regulations of the respective countries.

b) Financial Statements of branches in foreign countries are prepared in accordance with local laws and are translated at appropriate rates of exchange except for Suva (Fiji) branch, for which the conversion is done at appropriate rates, from the financial statement as at 31st December, each year, since the accounts of the branch are prepared on calendar year basis.

c) Exchange gains or losses arising on such conversions are recognised in the period in which they arise in the Revenue Account.

d) Operations carried out in Fiji, Mauritius and U.K. are of non-integral nature. The Revenue A/c items are translated at the average exchange rate and Balance Sheet item at closing rate. Revaluation Exchange difference is accumulated in Exchange Fluctuation Reserve under shareholders or policyholders accountbased on the source of investment from the respective fund.

e) Investments made outside India by remittances sent from India are accounted for at original rupee cost or at the earliest recorded rupee cost, where original cost is not available.

9.2 For Banking Business

a) Foreign currency transactions, on initial recognition are recorded at the exchange rate prevailing on the date of transaction. Monetary foreign currency assets and liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) and the resultant gain or loss is recognized in the Profit and Loss account. Exchange differences arising on the settlement of monetary items are recognized as income or expense in the period in which they arise.

b) Premium or discount arising at the inception of Forward Exchange Contracts which are not intended for trading is amortized as expense or income over the life of the contract. Premium or discount on other Forward Exchange Contracts is not recognized.

c) Outstanding Forward Exchange Contracts which are not intended for trading are revalued at closing FEDAI rates. Other outstanding Forward Exchange Contracts are valued at rates of exchange notified by FEDAI for specified maturities or at interpolated rates for in-between maturities. The resultant profits/ losses are recognized in the Profit and Loss Account.

d) Profits/ losses arising on premature termination of Forward Exchange Contracts, together with unamortized premium or discount, if any, are recognized on the date of termination.

e) Contingent liabilities in respect of outstanding forward exchange contracts are calculated at the contracted rates of exchange and those in respect of guarantees, acceptances, endorsements and other obligations are calculated at the closing FEDAI rates.

f) Operations of foreign branch are classified as `Integral Foreign Operations'. Assets and Liabilities are translated at the closing rates prescribed by Foreign Exchange Dealers Association of India (FEDAI) Income and Expenditure items are translated at quarterly average rates. The resultant gain or loss is recognized in the Profit and Loss Account.

10. Employee benefits

10.1 For Life Insurance Business

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

b) In respect of employees who have opted for Provident Fund Scheme, matching contribution is made to the Provident Fund Trust formed under Life Insurance Corporation Act 1956.

c) In case of Defined Contribution Pension Scheme, the contributions are made when due and charged to Revenue account during the period when related services are rendered.

d) In case of Defined Benefit Plan for employees who have opted for Pension Scheme, in lieu of Provident Fund Scheme, the Corporation's contribution is made to the Pension Fund Trust, in accordance with the Pension Rules notified by the Government of India and the said contribution including past service contribution is made on the basis of Actuarial calculation.

e) Leave Encashment Benefits on retirement are provided for (on the basis of Actuarial Valuation) through a Group Leave Encashment Insurance Policy issued by the Corporation and as such, the liability in respect thereof, forms part of the Life Fund.

10.2 For Banking Business

a) Payments to defined contribution schemes are charged to Profit and Loss Account of the year when contribution are due.

b) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in the Profit and Loss Account for the period in which they occur.

c) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

11. Provisions, Contingent Liabilities and Contingent Assets.

a) A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities (other than policies), if material, are disclosed by way of notes.

b) Contingent assets are not recognized or disclosed in the financial statements

12. Receipts and Payments Account:

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

13. Taxation

13.1 For Life Insurance Business

a) **Direct Taxation:** Provision for income tax is made in accordance with the provisions of Section 44 of the Income Tax Act, 1961 read with Rules contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable for life insurance business

b) **Indirect Taxation:** The Corporation claims credit of goods and services tax on input services, which are set off against goods and services tax on output services. As a matter of prudence, unutilized credits towards goods and services tax on input services are carried forward under 'Schedule 12 -Advances and Other Assets' in the consolidated Balance Sheet, wherever there is reasonable certainty of utilization.

c) In Consolidated Financial Statements, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the Corporation and its subsidiaries, as per their applicable laws.

13.2 In case of Banking Business

a) Current tax is the amount of income tax determined to be payable (recoverable) in respect of taxable income (tax loss) for a period calculated in accordance with the provisions of the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS).

b) Deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

c) Deferred tax assets in case of unabsorbed depreciation/ losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

d) Disputed taxes not provided for including departmental appeals are included under Contingent Liabilities.

e) In respect of certain subsidiaries, tax credit is recognized in respect of Minimum Alternate Tax (MAT) as per the provisions of Section 115JAA of the Income tax Act, 1961 based on convincing evidence that it will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

f) IDBI Bank has opted for the lower tax rate as per Section 115BAA of the Income Tax Act, 1961 through Taxation Laws (Amendments) Act, 2019 which provides, inter alia, that MAT would not be applicable for the domestic companies opting for the lower tax.

g) In the consolidated financial statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

14. Leases

i. **Operating Lease:** Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense over the lease period on a straight-line basis. Where the Corporation/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 Corporation/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.

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15. Borrowing Costs

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

16. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss after tax attributable to equity shareholders by weighted average number of equities shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares

17. Securitisation Transactions

For Banking Business

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

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

For Banking Business

a) Sale of financial assets to Securitisation Companies (SCs) / Reconstruction Companies (RCs) is reckoned at the lower of the redemption value of Security Receipts (SRs)/ Pass Through Certificates (PTCs) received and the net book value of the financial asset.

b) In case of sale of assets which are fully provided and Technically Written off, the Security Receipts (SRs) are reckoned at Rupee one in the investment book of the Bank.

c) In case the sale value is at a price below the Net Book Value(NBV) (i.e., book value less provision held), the shortfall is be debited to the profit and loss account of that year. The Bank also uses, with permission of RBI, countercyclical/floating provisions for meeting any shortfall on sale of NPAs i.e., when the sale is at a price below the NBV.

d) In case, sale value is higher than the NBV, the excess provision is reversed to the profit and loss account in the year in which cash amounts are received. However, such reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

19. Derivative Transactions

For Banking Business

i. In Transactions designated as 'Hedge'

a) Net interest payable/ receivable on derivative transactions is accounted on accrual basis.

b) On premature termination of Hedge swaps, any profit/ losses are recognised over the remaining contractual life of the swap or the residual life of the asset/ liability whichever is lesser.

c) Re designation of hedge swaps by change of underlying liability is accounted as the termination of one hedge and acquisition of another.

d) Hedge contracts are not marked to market unless the underlying is also marked to market. In respect of hedge contracts that are marked to market, changes in the market value are recognised in the Profit and Loss Account.

ii. In Transactions designated as 'Trading':

a) Outstanding derivative transactions designated as 'Trading,' which includes interest rate swaps, cross currency swaps, cross currency options and credit default swaps, are measured at their fair value. The resulting profits/ losses are included in the Profit and Loss Account. Premium on options is recorded as a Balance Sheet item and transferred to Profit and Loss Account on maturity/ cancellation.

b) Derivative Transactions in Exchange Traded Currency Futures (ETCF's) segments designated as trading includes Currency Futures, Currency Options and Interest Rate Futures which are measured at their fair value and are cash settled on T+1 basis. The resulting profits / losses on these transactions are transferred to Profit and Loss Account on the month end settlement date stipulated by Respective Exchanges**.**

iii. Transactions in Futures and Options:

a) Initial Margin payable at the time of entering into futures contract / sale of options is adjusted against the deposits with the exchanges in the form of fixed deposits, cash deposits and securities.

b) Transactions in Future contracts are accounted as Purchase and Sales at the notional trade value of the contract. The open interest in futures as at the Balance Sheet date is netted by its notional value.

c) The difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange is treated as Mark to Market Margin. The balance in the Mark to Market Margin Account represents the net amount paid or received on the basis of movement in the prices of open interest in futures contracts till the balance sheet date. Net debit balance in the Mark to Market Margin Account is charged off to revenue whereas net credit balance is shown under current liabilities.

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

20. Segmental Reporting:

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 ('the Regulations') read with AS17 on "segmental reporting" notified under section 133 of the Companies Act 2013 and rules thereunder, the Corporation has classified and disclosed segmental information for policyholders'. Within policyholders', the businesses are further segmented into participating and non-participating policies and linked and non-linked business. Further, for non-linked business, separate statements are prepared for ordinary life, general annuity, pension, variable and health insurance.

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

21. Funds for future appropriations:

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 Corporation'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.

B. Notes to Restated Consolidated Financial Information

1. List of Subsidiaries/ Associates considered for preparation of Restated Consolidated Financial Information.

(A) Subsidiary Companies

Sr. No.	Name of Subsidiary	Country of Incorporation	LICI's Direct Stake			
			As at December 31, 2021	As at March 31,		
				2021	2020	2019
1	LIC Pension Fund Ltd	India	100.00%	100.00%	100.00%	100.00%
2	LIC Cards Services Ltd.	India	100.00%	100.00%	100.00%	100.00%
3	Life Insurance Corporation (Singapore) Pte. Ltd	Singapore	100.00%	100.00%	100.00%	100.00%
4	Life Insurance Corporation (LIC) of Bangladesh Ltd.	Bangladesh	83.33%	83.33%	83.33%	83.33%
5	Life Insurance Corporation (Nepal) Ltd.	Nepal	55.00%	55.00%	55.00%	55.00%
6	Life Insurance Corporation (International) B.S.C. (c)	Bahrain	99.66%	98.90%	98.90%	98.90%
7	Life Insurance Corporation (Lanka) Ltd.	Sri Lanka	80.00%	80.00%	80.00%	80.00%
8	IDBI Trusteeship Services Ltd.	India	N.A.*	N.A.*	29.84%*	29.84%*
9	IDBI Bank Limited (1)	India	N.A.*	N.A.*	51.00%*	51.00%*

(B) Associates Companies

Sr. No.	Name of Associates	Country of Incorporation	LICI's Direct Stake			
			As at December 31, 2021	As at March 31,		
				2021	2020	2019
1	LIC Housing Finance Ltd.	India	45.24%	40.31%	40.31%	40.31%
2	LICHFL Asset Management Company Ltd.	India	5.38%**	5.38%**	5.38%**	5.38%**
3	LIC Mutual Fund Asset Management Ltd.	India	45.00%	45.00%	45.00%	45.00%
4	LIC Mutual Fund Trustee Pvt. Ltd.	India	49.00%	49.00%	49.00%	49.00%
5	IDBI Trusteeship Services Ltd.	India	29.84%	29.84%	N.A.*	N.A.*
6	IDBI Bank Limited (1)	India	49.24%	49.24%	N.A.*	N.A. *

Notes: -

1. *In case of IDBI Bank Limited, the proportion of voting power held by LICI is 26% as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019.*
2. **IDBI Bank became our subsidiary in January 2019 on LICI's acquisition of 51% shareholding in IDBI Bank. IDBI Trusteeship Services Ltd. is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares. LICI also holds 29.84% of the outstanding shares in IDBI Trusteeship Services Ltd. directly, so from an associate, it became a subsidiary of LICI in January 2019, with LICI's direct and indirect interest in IDBI Trusteeship Services Ltd. being 57.74% of the outstanding shares. In December 2020, IDBI Bank was reclassified as an Associate due to the reduction of LICI's shareholding in IDBI Bank to 49.24% following the issuance of additional equity shares by IDBI Bank through a qualified institutions placement. Consequently, IDBI Trusteeship Services Ltd. was also reclassified from a Subsidiary to an Associate on such date. Thus, the financial statements of IDBI Bank and IDBI Trusteeship Services Ltd were consolidated as our subsidiaries for the three months ended March 31, 2019, the year ended March 31, 2020 and the nine months ended December 31, 2020 and as our associate company for the three months ended March 31, 2021 and for the nine months ended December 31, 2021. Further, prior to January 2019 (for nine months ended December 31, 2018) IDBI Trusteeship Services Ltd. was consolidated as our associate company.*
3. ***LIC Housing Finance Ltd. holds 94.62% of the outstanding shares in LICHFL Asset Management Company Ltd. Therefore, LICI's direct and indirect interest in LICHFL Asset Management Company Ltd, is 43.52% of the outstanding shares as at March 31, 2019, 2020 and 2021. However, due to increase in LICI's shareholding in LIC Housing Finance Ltd., LICI's direct and indirect interest in LICHFL Asset Management Company Ltd, increased to 48.19% of the outstanding shares*

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

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

(Amount in ₹ Millions, except as otherwise stated)

Name of the company	As at December 31, 2021		As at March 31,					
			2021		2020		2019	
	LICI's Direct Stake%	Book Value	LICI's Direct Stake %	Book Value	LICI's Direct Stake%	Book Value	LICI's Direct Stake%	Book Value
UTI Asset Management Co. Ltd. (LICI is a sponsor alongwith State Bank of India, Bank of Baroda & Punjab National Bank)	9.98	1,253.82	9.99	1,253.82	9.99	1,253.82	18.31	2,306.84
UTI Trustee Co(P) Ltd. (LICI is a sponsor alongwith State Bank of India, Bank of Baroda & Punjab National Bank)	9.99	0.09	9.99	0.09	9.99	0.09	18.50	0.17
National E-Governance Services Ltd.	6.00	45.00	6.00	45.00	6.00	45.00	6.00	45.00
North Eastern Development Finance Corporation Ltd.	15.00	150.00	15.00	150.00	15.00	150.00	15.00	150.00
Stock Holding Corporation of India Limited	14.96	39.38	14.96	39.38	14.96	39.38	14.96	39.38
J&K Development Finance Corporation Ltd.	12.50	100.00	12.50	100.00	12.50	100.00	12.50	100.00
Clearing Corporation of India Ltd.	10.00	50.00	10.00	50.00	10.00	50.00	10.00	50.00
ASREC (I) Ltd.	9.18	90.00	9.18	90.00	9.18	90.00	9.18	90.00
Axis Bank Limited	7.98	49,218.80	7.99	48,990.19	9.02	52,764.73	10.52	56,276.16
Tourism Finance Corporation of India	3.28	66.33	3.67	66.33	3.67	66.33	3.73	67.51
Gujarat State Financial Corporation Ltd.	0.11	0.94	0.10	0.94	0.10	0.94	0.10	0.94
Investor Services of India (under liquidation)	12.50	0.00	12.50	0.00	12.50	0.00	12.50	0.00
OTC Exchange of India (under liquidation)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Burrakur Coal Co Ltd(under liquidation)	28.78	4.45	28.78	4.45	28.78	4.45	28.78	4.45

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

(Amount in ₹ Millions, except as otherwise stated)

Name of Company	As at December 31, 2021		As at March 31,					
			2021		2020		2019	
	LICI's Direct Stake%	Book Value	LICI's Direct Stake %	Book Value	LICI's Direct Stake %	Book Value	LICI's Direct Stake %	Book Value
Borrea Coal Co Ltd	20.03	0.45	20.03	0.45	20.03	0.45	20.03	0.45
Braithwaite & Co. Ltd.	28.29	2.48	28.29	2.48	28.29	2.48	28.29	2.48
Burrakur Coal Co Ltd.	28.78	4.45	28.78	4.45	28.78	4.45	28.78	4.45
Er Textiles Limited	23.23	11.61	23.23	11.61	23.23	11.61	23.23	11.61
H G I Industries Ltd.	25.29	31.79	25.29	31.79	25.29	31.79	25.29	31.79
Hanuman Tea Co. Ltd.	22.02	43.20	22.02	43.20	22.02	43.20	22.02	43.20
Infrastructure Leasing & Financial Services Ltd.	25.34	8,291.72	25.34	8,291.72	25.34	8,291.72	25.34	8,291.72
Katakhal Lala Bazar Railway Co	23.47	0.19	23.47	0.19	23.47	0.19	23.47	0.19
Modi Spinning &Weaving Mills Co. Ltd.	23.44	8.63	23.44	8.63	23.44	8.63	23.44	8.63
Patna Electric Supply Co Ltd.	30.66	0.60	30.66	0.60	30.66	0.60	30.66	0.60
Standard Batteries Ltd.	20.07	45.20	20.80	46.82	20.89	47.04	20.89	47.04
T C M Ltd.	23.47	6.78	23.62	6.83	23.69	6.85	23.72	6.86
Simplex Realty Ltd	NA*	NA*	NA*	NA*	NA*	NA*	20.02	9.55

** LICI's direct stake% has fallen below 20% during FY 2020.*

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

Sr. No.	Companies where LICI officials are Nominee Director	LICI Direct Stake %				No. of Board Members representing LICI			
		As at December 31, 2021	As at March 31,			As at December 31, 2021	As at March 31,		
			2021	2020	2019		2021	2020	2019
1	ACC Limited	5.74	5.86	5.19	6.64	1	1	1	1
2	Ambuja Cements Limited	6.17	4.62	3.92	4.87	1	1	1	1
3	Amtek Auto Limited	NA	NA	NA	3.39	None	None	None	1
4	Asset Care Enterprise Limited	NA	NA	NA	2.02	None	None	None	1
5	Axis Bank Limited	7.98	7.99	NA	10.52	1	1	None	1
6	Bharat Bijlee Limited	4.91	6.23	6.23	7.96	1	1	1	1
7	BSE Limited	5.61	5.61	5.61	4.88	1	1	1	1
8	CARE Limited	9.71	9.85	9.85	9.85	1	1	1	2

Sr. No.	Companies where LICI officials are Nominee Director	LICI Direct Stake %				No. of Board Members representing LICI			
		As at December 31, 2021	As at March 31,			As at December 31, 2021	As at March 31,		
			2021	2020	2019		2021	2020	2019
9	Central Depository Services Limited	4.40	4.40	4.15	NA	1	1	1	None
10	Clearing Corporation of India Limited	10.00	10.00	NA	10.00	1	1	None	1
11	DCM Ltd.	NA	NA	6.07	6.15	None	None	1	1
12	DCM Shriram industries Limited	6.68	6.68	6.68	7.13	1	1	1	1
13	DCM Shriram Limited	6.74	6.74	6.74	7.29	1	1	1	1
14	Excel Industries Limited	NA	7.07	7.07	7.66	None	1	1	1
15	Gloster Limited	12.85	13.10	15.36	16.84	1	1	1	1
16	Grasim Industries Limited	8.65	10.27	11.33	9.25	1	1	1	1
17	HEG LIMITED	NA	NA	NA	8.37	None	None	None	1
18	High Energy Batteries(I) Limited	7.08	7.08	9.69	13.33	1	1	1	1
19	Himadri Speciality Chemicals Limited*	NA	NA	NA	NA	None	None	None	1
20	IFCI Limited	2.89	3.12	3.65	3.65	1	1	1	1
21	India Cements Limited	4.42	4.42	4.71	NA	1	1	1	None
22	Industrial Investment Trust Limited	5.07	5.07	5.07	5.29	1	1	1	1
23	ITC Limited	16.22	16.23	16.25	16.17	1	1	1	1
24	Jaiprakash Associates Limited	NA	NA	NA	3.61	None	None	None	1
25	Kesoram Industries Limited	NA	NA	3.50	3.50	None	None	1	1
26	Kirloskar Electric Co. Limited	NA	NA	NA	3.88	None	None	None	1
27	Lakshmi Machine Works Limited	5.56	5.89	6.58	7.94	1	1	1	1
28	Larsen & Toubro Limited	11.97	13.70	14.90	17.53	1	2	2	2
29	Mahindra & Mahindra Limited	7.19	8.22	10.80	9.92	1	1	1	1
30	National Cooperative Housing Federation of India*	NA	NA	NA	NA	1	1	1	1
31	National Egovernance Services Limited	6.00	6.00	6.00	6.00	1	1	1	1
32	National Stock Exchange	10.72	10.72	12.51	12.51	1	1	1	1
33	NCDEX Limited	11.10	11.10	11.10	11.10	1	1	1	1
34	North Eastern Development Finance Corporation Ltd.	15.00	15.00	15.00	15.00	1	1	1	1
35	Oriental Carbon & Chemicals Limited	2.82	2.82	3.15	3.69	1	1	1	1
36	Orissa Mineral Development Corporation Limited	8.68	10.68	13.05	15.42	1	1	1	1
37	Reliance Infrastructure Limited	NA	NA	NA	2.80	None	None	None	1
38	Small Industries Development Bank of India	14.25	14.25	14.25	14.25	1	1	1	1
39	Simplex Realty Limited	12.76	13.90	16.97	NA	1	1	1	None
40	Stockholding Corporation of India Limited	14.96	14.96	14.96	14.96	1	1	1	1
41	Tamil Nadu Newsprint and Papers	7.09	7.09	7.82	9.11	1	1	1	1

Sr. No.	Companies where LICI officials are Nominee Director	LICI Direct Stake %				No. of Board Members representing LICI			
		As at December 31, 2021	As at March 31,			As at December 31, 2021	As at March 31,		
			2021	2020	2019		2021	2020	2019
	Limited								
42	Tata Power Company Limited	6.52	5.14	6.34	7.75	1	1	1	1
43	Tata Steel Limited	6.20	8.37	9.11	9.00	1	1	1	1
44	Tidel Park Limited	6.25	6.25	6.25	6.25	1	1	1	1
45	TIL Limited	10.37	10.38	10.38	10.38	1	1	1	1
46	Tourism Finance Corporation of India Ltd.	3.28	3.67	3.67	3.73	1	1	1	1
47	Vakrangee Limited	6.22	6.22	6.22	6.34	1	1	1	1
48	Voltas Limited	NA	4.82	4.55	4.98	None	1	1	1
49	Jammu and Kashmir Development Finance Corporation Ltd.	12.50	12.50	12.50	12.50	1	1	1	1
50	KenIndia Assurance Company Ltd	10.21	10.21	10.21	10.21	1	1	1	1
	PSU Banks where LICI Officials are Shareholders Director								
51	Bank of Maharashtra	3.07	1.85	2.55	5.51	1	1	1	1
52	Central Bank of India	2.62	3.86	4.32	6.50	1	1	1	1
53	Corporation Bank	NA	NA	NA	3.62	None	None	None	1
54	Indian Overseas Bank	1.21	1.39	1.48	2.87	1	1	1	1
55	Oriental Bank of Commerce	NA	NA	NA	3.40	None	None	None	1
56	Punjab & Sind Bank	1.04	NA	5.99	7.44	1	None	1	1
57	State Bank of India	8.24	9.14	9.13	9.21	1	1	1	1
58	UCO Bank	1.24	1.54	2.28	4.17	1	1	1	1
59	Union Bank of India	NA	3.09	3.31	6.43	None	1	1	1

Note: -

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

iv. **Where the corporation has control but no economic benefits are available to the corporation: -** As per the Para 10 of AS 21 where the objective of control over entities is not to obtain economic benefits from their activities, these are not considered for the purpose of preparation of consolidated financial statements. As the Corporation does not obtain any economic benefits from LIC Golden Jubilee Foundation and Life Insurance Corporation of India Provident Fund Trust hence the same has been excluded from consolidation as per the provisions of Accounting Standard 21 issued by ICAI.

v. **Where the corporation has control but there exists long term restriction: -** As per para 38 of AS 27, entities that operate under severe long-term restrictions which significantly impair its ability to transfer funds to the parent should be excluded from consolidation. Saudi Indian Company for Co-operative Insurance (SICCI) or Wafa Insurance is a Saudi Joint Stock Company established on 7th August 2007. LIC of India and Life Insurance Corporation (International) B.S.C.(c), currently holds 4.98% share each in SICCI, and the balance is held by New India Assurance Company, others, and the public from the Kingdom of Saudi Arabia. Due to non-viability in its business operations, SICCI is considering financial re-organization as per the local laws and the financial statements for the past years are also not available with Corporation. SICCI has been suspended from issuing insurance policies as it has failed to meet the solvency margin requirements. Accordingly, provision for permanent diminution in value of investment has been made in the Corporation's books of accounts and hence excluded from consolidation.

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

Sr. No.	Name of Entity	As at Nine months ended		As at Financial Year ended	
		Subsidiary Reporting Date (b)	LICI Reporting Date	Subsidiary Reporting Date (a)	LICI Reporting Date
1	Life Insurance Corporation (LIC) of Bangladesh Ltd.	As at September 30, 2021	As at December 31, 2021	As at December 31	As at March 31
2	Life Insurance Corporation (Singapore) Pte. Ltd	As at September 30, 2021	As at December 31, 2021	As at December 31	As at March 31
3	Life Insurance Corporation (International) B.S.C. (c)	As at September 30, 2021	As at December 31, 2021	As at December 31	As at March 31
4	Life Insurance Corporation (Lanka) Ltd.	As at September 30, 2021	As at December 31, 2021	As at December 31	As at March 31

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

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

(Amount in ₹ Millions, except as otherwise stated)

Particulars	For Nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
IDBI Bank Limited	-	-	47,430.00	219,740.04
Life Insurance Corporation (Lanka) Ltd.	-	-	60.54	-
Life Insurance Corporation (Singapore) Pte. Ltd	-	-	523.50	529.20
LIC Housing Finance Ltd.	23,355.12	-	-	-
Life Insurance Corporation (International) B.S.C. (c)	8,804.06	-	-	-
LIC Pension Fund Ltd	200.00*			
Total	**32,359.18**	**-**	**48,014.04**	**220,269.24**

**As on December 31, 2021, the amount is in form of Application Money.*

(F) **<u>Goodwill/ (Capital Reserve)</u>**:

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

(Amount in ₹ Millions, except as otherwise stated)

Name of the Associates Company	**Goodwill/ (Capital Reserve) as at March 31,**			
	As at December 31, 2021	**2021**	**2020**	**2019**
LIC Mutual Fund Asset Management Ltd.	(0.03)	(0.03)	(0.03)	-
LIC Housing Finance Ltd.	72.74	(13,045.06)	(13,045.06)	(13,045.06)
LICHFL Asset Management Company Ltd.	4.44	4.44	4.44	4.44
IDBI Trusteeship Services Ltd.	(15.64)	(15.64)	-	-
IDBI Bank Limited	34,006.33	34,006.33	-	-

Disclosures as per IRDAI Regulations &Applicable Accounting Standards.

2. Contingent Liabilities:

A. LICI

(Amount in ₹ Millions, except as otherwise stated)

Sr. No.	Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
A	Partly paid-up investments	6,049.61	23,369.6	2.0	2.0
B	Claims against the Corporation not acknowledged as Debts	143.91	138.9	71.3	58.8
C	Underwriting commitments outstanding	-	-	-	-
D	Guarantees given by or on behalf of the Corporation	0.79	0.81	-	-
E	Statutory demands/liabilities in dispute, not provided for *	280,797.91	247,614.0	226,523.2	190,881.0
F	Reinsurance obligations to the extent not provided for	-	-	-	-
G	Others				
	- Policy related claims under litigation	4,440.60	3,774.4	3,955.3	3,776.1
	- Claims under litigation other than policy holders	2,634.69	1,006.8	521.2	849.8

**This only includes tax litigations where our Corporation has filed an appeal before the Department of Income Tax against an adverse order of an assessing officer.*

B. IDBI Bank Ltd. (the "Bank")

(Amount in ₹ Millions, except as otherwise stated)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
I	Claims not acknowledged as debts	1,742.22	1,756.12
II	Liability on account of outstanding forward exchange contracts	443,593.72	556,358.29
III	Guarantees given on behalf of constituents		
	a) In India	408,936.22	417,445.57
	b) Outside India	9,468.44	7,281.28
IV	Acceptances, endorsements and other obligations	74,290.49	133,249.55
V	Liability in respect of interest rate and currency swaps and credit default swaps	202,250.78	232,782.86
VI	Liability in respect of other Derivative contracts	6,961.07	15,142.65
VII	Capital commitment	1.56	0.00
VIII	On account of disputed Income tax, Interest tax, penalty and interest demands	22,504.59	43,431.71
IX	Others	1,853.13	1,602.97
	Total	**1,171,602.20**	**1,409,051.00**

i. Claims against the Bank not acknowledged as debts: This item represents certain demands made in legal matters against the Bank in the normal course of business and customer claims arising in operational issues and fraud cases. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.

ii. Liability on account of outstanding forward exchange contracts: The Bank enters into foreign exchange contracts in its normal course of business, to exchange currencies at a pre-fixed price at a future date. This item represents the notional principal amount of such contracts, which are derivative instruments. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions and hence a large value of gross notional principal of the portfolio, while the net market risk is lower.

iii. Guarantees given on behalf of constituents in India and outside India: As a part of its banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfil its financial or performance obligations.

iv. Acceptances, endorsements and other obligations: This item represents the documentary credits issued by the Bank in favour of third parties on behalf of its customers, as part of its trade finance banking activities with a view to augment the customer's credit standing. Through these instruments, the Bank undertakes to make payments for its customer's obligations, either directly or in case the customer fails to fulfil their financial or performance obligations.

v. Liability in respect of interest rate and currency swaps and credit default swaps: This item represents the notional principal amount of various derivative instruments which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to transfer, modify or reduce their foreign exchange and interest rate risks. The Bank also undertakes these contracts to manage its own interest rate and foreign exchange positions. With respect to the transactions entered into with its customers, the Bank generally enters into off- setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions and hence a large value of gross notional principal of the portfolio, while the net market risk is lower. The Bank underwrites Credit Default Swap (CDS) transaction for managing credit risks associated with Indian Corporate Bonds.

vi. Liability in respect of other derivative contracts: This item represents the notional principal amount of various currency options which the Bank undertakes in its normal course of business. The Bank offers these products to its customers to enable them to reduce their foreign exchange risks. With respect to the transactions entered into with its customers, the Bank generally enters into off-setting transactions in the inter-bank market. This results in generation of a higher number of outstanding transactions, while the net market risk is lower.

vii. Liability on account of disputed Income Tax, Interest Tax, Penalty and Interest Demands: The Bank is a party to various taxation matters in respect of which appeals are pending. The Bank expects the outcome of the appeals to be favourable based on decisions on similar issues in the previous years by the Appellate Authorities, based on the facts of the case and the provisions of Income Tax Act, 1961.

viii. Others items for which the Bank is contingently liable. This item represents the following:

   a. the guarantees issued by the Bank in favour of statutory authorities and others on its own behalf, as part of normal business activity and

   b. the amount transferred to Depositor Education and Awareness Fund (DEAF)-In terms of guidelines of Depositor Education and Awareness Fund (DEAF) Scheme 2014, the Bank transfers unclaimed amounts including interest accrued pertaining to customers whose accounts were not operated or amounts were not claimed for more than 10years to 'RBI DEAF Fund'.

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

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

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

(Amount in ₹ Millions)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Loans and Investment	145,709.65	106,682.40	106,962.40	112,138.90
Fixed Assets	6,951.04	5,104.98	890.44	604.26

4. Actuarial Assumptions for valuation of policy liabilities of LICI:

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

The policy liabilities for Individual and Group policies in the books as at respective valuation dates have been determined actuarially for each policy based on applicable Acts, Regulations, Actuarial Professional Standards etc. after allowing for applicable margins for prudence. It is ensured that the reserve for each policy is at least equal to the applicable surrender value. It is also ensured that negative reserve is set to zero while determining policy liabilities. The unit liability in respect of Linked business is the total Net Asset Value of the units as on the date of valuation. The non-unit liability under the linked business is determined using the discounted cash flow method. The policy liabilities are determined based on the valuation assumptions for interest, mortality, morbidity, expenses, inflation and bonuses etc wherever applicable. The liability for Group Cash Accumulation schemes is the fund value of all such schemes at the respective valuation dates. The liability in respect of Group Insurance schemes has been arrived at as unearned risk premium based on period up to next annual renewal date.

Interest rate assumptions:

Rate of Valuation considers and includes variable rate of interest for future periods consistent with the models and liabilities for various products based on the assets backing the respective block of liabilities. The interest rate range used is as under: -.

Particulars	For the nine months ended	For the year ended March 31,		
	December 31, 2021	2021	2020	2019
Interest Rate Range	5.30% to 7.75% p.a.	5.50% to 7.80% p.a.	5.50% to 7.80% p.a.	5.50% to 7.60% p.a.

Mortality assumptions:

The mortality rates used are based on the published Indian Assured Lives Mortality (2012-14) Ultimate mortality table (In case of FY 2018-2019 Indian Assured Lives Mortality (2006-08) modified Ultimate table was used). For annuity, IIAM (2012-15) Ultimate table was used for valuation for nine months ended December 31, 2021 (LIC annuitants' mortality a (1996-98) ultimate mortality table was used for earlier mentioned years) adjusted to reflect expected experience. Morbidity rates used are based on the Critical Illness Base Table (CIBT

93, UK) which has been adopted by IRDAI for use in India. Incidence rates for health plans are based on the reinsurer's incidence rates (Munich Re, RGA and Swiss Re) and these rates have been suitably modified for use.

Expense assumptions:

Expenses which are directly identifiable to the respective lines of business have been allocated to these lines of business on actual basis, and other expenses which are not directly identifiable to the respective lines of business are allocated out of the common pool on the basis of number of policies or total premium income or sum assured or a combination of these. Allocation of common expenses among various lines of business is based on the Board approved expense policy of the Corporation. The expense inflation for valuing policy liabilities has been made consistent with the best estimate assumption has been used.

The renewal per policy expenses used for valuing individual policies vary according to the type of plan and status of the policy in following ranges:

Particulars	For the nine months ended	For the year ended March 31,		
	December 31, 2021	2021	2020	2019
Renewal per Policy Expenses Range	₹ 185 to ₹ 1,400 per Policy	₹ 185 to ₹ 1,240 per Policy	₹ 175 to ₹ 1,090 per Policy	₹ 165 to ₹ 960 per Policy

Renewal Premium related expenses in respect of individual business includes service tax on premium wherever applicable and ranges as mentioned below depending on the type of plan.

Particulars	For the nine months ended	For the year ended March 31,		
	December 31, 2021	2021	2020	2019
Renewal Premium related expenses Range	0.10% to 18.10%	0.10% to 18.10%	0.03% to 18.03%	0.03% to 18.03%

Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 2019 was notified by the Government of India on April 23, 2019 giving one-time pension option to employees who had not opted it before, in accordance the terms and conditions as specified in the said notification. Financial liability arising due to fresh pension to the employees has been amortized over a period of five years w.e.f. FY 2019-20 in accordance with IRDAI letter reference 101/2/F&A-Life/LIC/2018-19/208 dated 06-07-2020 approving amortization over a period not exceeding five years with effect from FY 2019-20 and as specified in the letter. The corresponding impact on expenses has been considered while valuing the policy liability as at December 31, 2021.

Bonus rates: The future reversionary bonus rates are aligned in a manner consistent with the expected future experience on investment returns and valuation rate of interest corresponding to the block of assets backing respective policy liabilities. Terminal Bonus has been largely expensed in the revenue account for current block of respective policies in line with the forbearance by the authority and Board decision in this regard.

While valuing Participating policies, the allowance for taxation and allocation of surplus to shareholders has been made by appropriately rating up future reversionary bonuses reserved for the balance duration of the contract. Additionally, reserves have been provided for liability in respect of premium waiver benefit, double accident benefit including permanent disability benefit, liability in respect of refundable extra premium and refundable double accident benefit premium, revival of paid up policies, reinstatement of policies which have not acquired paid up value, immediate increase in expenses in case the office is closed for new business, additional death strain due to COVID-19 pandemic (applicable for financial year ending March 31, 2021 and nine months ended on December 31, 2021), AIDS/HIV, extra risk in respect of sub-standard lives, incurred but not reported deaths (IBNR), catastrophe and improvement in mortality. The assumptions used for arriving at the reserves for abovementioned items were determined based on a prudent assessment of the future experiences for the outstanding durations of the policies as at the date of valuation allowing for margin for any adverse deviation. Further, in case of linked plans, where there is a guarantee at maturity, cost of such guarantee has been arrived at using stochastic methods. For plans with interest rate guarantee, the cost of interest guarantee has been provided. For plans where there are options which can be exercised by the policyholders, the most onerous option has been taken for valuing these options. Fund for Future Appropriations (FFA) has been provided in case of individual linked policies.

For the last 3 years (FY 2018-19, FY 2019-20 and FY 2020-21), surplus emerging as a result of valuation of life insurance business had been allocated in accordance with the provisions of Section 28 of the LIC Act, 1956 which was amended by Parliament and given effect to by the Government of India vide its Gazette notification dated March 29, 2012. The amended section of the Act provided that 90% or more of such surplus, as the Central Government may approve, shall be allocated to or reserved for the policyholders. The Government of India had allowed the Corporation to continue with the existing surplus distribution pattern of 95:5 by allocating 95% to policyholders while retaining the flexibility to reduce it to 90:10 in future. Various sections of Life Insurance Corporation Act 1956 have been amended vide Part III of the Finance Act, 2021 and by Gazette notification dated June 29, 2021. The provisions of Part III of the Finance Act, 2021 are effective from June 30, 2021. The Board of the Corporation, on January 8, 2022 has approved bifurcation of the Single fund into separate Par and Non-Par funds as mandated under amended section 24 of LIC Act, 1956, and the surplus distribution policy on September 17, 2021 as required under the amended section 28 of LIC Act, 1956. The surplus distribution policy mandates the surplus distribution pattern for par policies as 95:5 for the financial year 2021-22, 92.5:7.5 for the financial years 2022-23 and 2023-24, and 90:10 from financial year 2024-25 onwards and 0:100 for non-par policies from financial year 2021-22 onwards. The same has been incorporated in valuing policy liabilities as at December 31, 2021.

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

Operating expenses relating to life insurance business are allocated to non-linked participating, non-linked non-participating, general annuities, pensions, health, variable, group business, unit linked business, capital redemption and annuity certain business(CRAC) and Varishta Pension Bima Yojana (VPBY) business on the basis of:-

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

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

Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 2019 was notified by the Government of India on April 23, 2019 giving one-time pension option to employees who had not opted it before, in accordance the terms and conditions as specified in the said notification. Financial liability arising due to fresh pension to the employees has been amortized over a period of five years w.e.f. FY 2019-20 in accordance with IRDAI letter reference 101/2/F&A-Life/LIC/2018-19/208 dated 06-07-2020 approving amortization over a period not exceeding five years with effect from FY 2019-20 and as specified in the letter.

The corresponding impact on expenses have been considered while valuing the policy liability as at December 31, 2021, March 31, 2021 and as at March 31, 2020.

The provision for taxation has been allocated under each of the segment based on surplus generated after allocation of all the operating expenses for December 31, 2021.

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

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

7. Basis of Amortisation of LICI:

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

ii. **Redeemable Preference Shares:** Where the book value is more than the face value, the premium has been amortised on the straight-line basis over the balance period of holding/ maturity in all classes of business.

8. Basis of revaluation of investment property

A. <u>LICI:</u>

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

a) The valuation of investment property has been carried out by the rent capitalization method considering the market rent.

b) In cases of mix use properties where the investment portion is less than 25% of the built-up area, the valuation has been done for whole property in Land Building Method (for FY 18-19, 19-20 and 20-21)

c) Revaluation of investment properties having land alone without any building/structure has been revalued as per current market value.

d) The revaluation reserve balance of LICI as on year/period end is as follows: -

(Amount in ₹ Million)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Revaluation Reserve	123,011.18	122,786.48	122,980.62	93,342.85

B. <u>IDBI Bank Ltd. (the Bank):</u>

i. As at the end of the FY 2019, the Bank had re-valued its premises including leasehold / freehold lands & residential/ office buildings based on valuations made by independent valuer. Post revaluation, the net block of premises stands at ₹71,452.80 million as on April 1, 2019.

ii. The balance in Revaluation Reserve as at March 31, 2020 is ₹65,033.66 million and ₹67,276.92 million as at March 31, 2019.

iii. Net Loss arised on account of sale of Residential/Office Buildings and other assets are as under.

(Amount in ₹ Million)

Particulars	For the year ended March 31,		
	2021*	2020	2019**
Profit/(Loss) on sale of land, buildings and other assets (net)	(4.82)	(47.42)	(93.46)

** For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.*
*** For the three months ended March 31, 2019, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.*

iv. During FY 2019, an amount transferred from revaluation reserve to general reserve ₹3,393.1 million includes amount of depreciation on revalued portion ₹1,823.7 million and balance of revaluation reserve on sale of asset by the Bank is ₹1,569.4 million.

9 Prior Period Items of LICI:

The income includes following prior period items:

(Amount in ₹ Million, except as otherwise stated)

Particulars	For Nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Transfer of LIC's Pensioners purchase price from Superannuation to Annuity	42,551.92	27,736.79	-	-
Rent from tenants/licensees	-	-	-	-
Other receipt	-	-	-	-
Profit/Loss on sale of Assets (including loss on other assets & on account of obsolescence)	135.41			
Total	**42,687.33**	**27,736.79**	**-**	**-**

The expenses include following prior period items:

(Amount in ₹ Million, except as otherwise stated)

Particulars	For Nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Repair & Maintenance	-	-	0.26	5.15
Electricity charges	-	-	0.03	0.36
Rent, Rates & taxes	-	-	0.12	1.75
Reinsurance Premium	-	8.73	-	-
Miscellaneous Expenses	-	-	3.90	0.03
Depreciation	2.51	2.28	0.03	5.90
Communication expenses	-	-	0.00	0.11
Service Tax	-	-	4.88	4.81
Policy Stamps	-	(130.00)	-	-
Outstanding and Unclaimed Written Back	-	(6.14)	-	-
Bima Gram Expenses	-	(16.66)	-	-
Postage, Telegram, MO Charges	-	1.38	-	-

Particulars	For Nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Development officers' competition prizes	-	(0.23)	-	4.23
Agent's Club Expenses	-	10.66	0.19	-
Insurance Premium	-	-	0.77	0.01
Investment Management Expenses	-	-	5.72	-
Sponsorship Expenses	-	0.60	-	-
House Property addition, alteration	-	(4.67)	-	-
Motor Car Expenses	-	-	0.03	0.49
Penalties/ interest	-	0.04	1.76	-
Publicity	-	-	0.50	-
Claims Paid	-	-	23.55	-
Transfer of LIC's pensioners purchase price from pension funded to pension non –funded	42,551.92	27,736.79	-	-
Allowances & Commission	-	-	-	3.90
Furniture & Fittings	-	-	-	0.41
Printing & Stationery	-	-	-	0.01
Tea & Coffee Expenses	-	-	-	0.01
Subscription to newspaper	-	-	-	0.01
Commission	-	-	-	212.87
Payment of Gratuity to Financial Services Executives	-	-	-	0.03
Total	**42,554.43**	**27,602.79**	**41.72**	**240.08**

Note: The above-mentioned prior period items have not been disclosed separately in the Restated Consolidated Financial Information of Revenue Account as the impact of the same is not material.

10. Claims for LICI:

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

Particulars	Number				Amount in ₹ Million			
	For Nine months ended December 31, 2021	As at March 31,			For Nine months ended December 31, 2021	As at March 31,		
		2021	2020	2019		2021	2020	2019
Claims by death	-	-	-	4,026	-	-	-	190.28
Claims by maturity	-	-	-	1,890,694	-	-	-	27,024.97

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

(Amount in ₹ Millions, except as otherwise stated))

Particulars	As at	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	36-120 months	More than 120 months*
Claims Settled but not paid to the policyholders/ insured due to any reasons except under litigation from the insured/ policyholders	December 31, 2021	5,424.52	679.24	849.23	555.70	131.57	383.82	291.01	2,533.95	-
	March 31, 2021	5,730.12	175.31	435.54	441.84	697.54	185.82	686.69	3,107.37	-
	March 31, 2020	5,630.33	628.40	1,101.79	861.64	412.21	575.45	194.90	1,855.94	-
	March 31, 2019	4,474.12	534.09	1,416.26	440.84	330.49	109.61	46.99	1,595.86	-
Sum due to the	December 31, 2021	190,137.19	12,496.06	42,820.57	16,999.36	20,720.74	12,421.61	15,373.12	69,305.73	-

Particulars	As at	Total Amount	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	36-120 months	More than 120 months*
	March 31, 2021	162,890.78	8,021.39	14,444.77	15,194.52	15,508.02	13,250.71	15,499.24	80,972.13	-
	March 31, 2020	139,222.32	8,233.48	20,716.67	12,281.13	18,089.03	11,113.81	10,123.43	58,664.77	-
	March 31, 2019	119,310.23	12,593.58	16,015.04	10,940.41	10,274.00	8,467.91	7,625.29	53,394.00	-
Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as per law or as may be directed by the Authority but not refunded so far	December 31, 2021	13,989.91	1,138.08	1,729.35	1,540.20	1,222.05	1,090.27	953.75	6,120.69	195.53
	March 31, 2021	12,869.02	732.05	1,951.01	1,655.29	1,238.60	1,089.83	2,154.03	4,048.21	-
	March 31, 2020	11,745.96	850.45	1,562.91	1,614.30	2,116.68	955.99	756.44	3,889.19	-
	March 31, 2019	10,691.23	637.42	2,185.00	1,687.78	1,059.02	713.02	742.93	3,666.06	-
Cheques issued but not encashed by the policyholder/ insured	December 31, 2021	3,811.17	420.65	10.11	184.20	22.07	48.74	41.23	3,084.17	-
	March 31, 2021	3,458.79	323.15	7.82	141.81	17.90	37.74	31.74	2,898.63	-
	March 31, 2020	3,924.77	399.24	400.97	269.25	343.56	191.77	375.21	1,944.76	-
	March 31, 2019	3,958.06	501.93	354.86	220.70	433.57	327.77	405.12	1,714.11	-

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

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

(Amount in ₹ Millions)

Particulars	As at and for nine months ended December 31, 2021	As at and for the year ended		
		March 31, 2021	March 31, 2020	March 31, 2019
Opening Balance	184,948.71	160,523.38	138,433.64	105,090.16
Add: Amount transferred to Unclaimed Fund	64286.07	19,976.11	35,579.47	70,296.37
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	7.18	7.22	5.54	1,351.67
Add: Investment Income on Unclaimed Fund	5,298.77	24,257.62	19,523.27	7,455.09
Less: Amount of claims paid during the year	41,177.94	16,786.38	31,411.33	42,381.06
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	0.00	3,029.24	1,607.21	3,378.58
Closing Balance of Unclaimed Amount Fund of LICI	**213,362.79**	**184,948.71**	**160,523.38**	**138,433.64**
Add: Subsidiaries, CRAC	4.92	4.48	3.14	3.37
Closing Balance of Unclaimed Amount Fund	**213,367.71**	**184,953.19**	**160,526.52**	**138,437.01**

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

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

(Amortized cost in ₹ Million)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Encumbered Securities (In India)	26,458.08	20,216.00	10,134.39	14,995.56
Encumbered Securities (Outside India)	-	-	-	-

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	Non-Linked Business		Linked Business	
For the year/period	Purchases where deliveries are pending	Sales where payments are overdue	Purchases where deliveries are pending	Sales where payments are overdue
For nine months ended December 31, 2021	24,193.62	10,565.94	266.62	367.47
For year ended March 31, 2021	5,248.90	3,378.94	310.93	628.92
For year ended March 31, 2020	5,817.26	-	274.60	416.25
For year ended March 31, 2019	2,459.00	4,395.34	366.70	3,346.00

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

14. Managerial Remuneration to Chairperson, Managing Directors & Key Managerial persons:

A. <u>LICI</u>

(Amount in ₹ Million, except as otherwise stated)

Particulars	For nine months ended December 31 2021	For the financial year ended March 31,		
		2021	2020	2019
Salaries & Allowances	59.99*	27.82	24.78	29.16
Corporation's contribution to Pension	5.73	3.56	3.18	1.97
Taxable Value of Perquisites	-	19.82	24.31	5.63

** Including arrears of salary*

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

Sitting Fees paid to Non-Executive Director and Independent Directors:

Rule 8 of the LIC Rules, 1956 amended pursuant to GoI Notification dated 14th October, 2015 provide amount to be ₹20,000 and ₹10,000 for attending the meetings of the Board and Committees respectively. The details of Sitting Fees paid to Non-Official Directors on the Board of the Corporation during the year ended March 31, 2019 is as under:

(Amount in ₹ Million, except as otherwise stated)

Sr No	Name of Member / Non-Official Directors	Sitting Fees paid in the year ended March 31, 2019
1	Ashwani Kumar	0.18
2	RavindraNath Chaturvedi	0.19
3	Bimalendu Chakrabarti	0.17
4	R. Chandrasekaran	0.16

Ashwani Kumar was appointed on the Board of the Corporation w.e.f. October 09, 2013, ceased to be a Government Official w.e.f. January 01,2018, but continued in the Board till November 16, 2018, was paid sitting fee from January 01,2018. Ravindra Nath Chaturvedi, Bimalendu Chakrabarti and R. Chandrasekaran were appointed as Non-Official Directors on the Board of the Corporation w.e.f. September29, 2017.

Amendment in Rule 8 of the LIC Rules, 1956 pursuant to GoI Notification dated February 10, 2020 provides amount to be ₹40,000 and ₹20,000 for attending the Meetings of the Board and Committees respectively and additional ₹10,000 and ₹5,000 for chairing the Meetings of the Board and the Committees respectively. The details of Sitting Fees paid to Non-Official Directors on the Board of the Corporation during the year ended March 31,2020 is as under:

(Amount in ₹ Million, except as otherwise stated)

Sr No	Name of Non-Official Directors	Sitting Fees paid in the year ended March 31, 2020
1	Bimalendu Chakrabarti	0.31
2	Ravindra Nath Chaturvedi	0.24
3	R. Chandrasekaran	0.14

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

(Amount in ₹ Million, except as otherwise stated)

Sr No	Name of Non-Official Directors	Sitting Fees paid in the year ended March 31, 2021
1	Bimalendu Chakrabarti	0.15
2	Ravindra Nath Chaturvedi	0.13
3	R. Chandrasekaran	0.16

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

Sitting Fees paid to Non-Executive Director and Independent Directors for the nine months ended December 31, 2021 is as below:

(Amount in ₹ Million, except as otherwise stated)

Sr No	Name of Non-Official Directors	Sitting Fees paid for nine months ended December 31, 2021
1	Dr. Ranjan Sharma	0.06
2	Shri. Vinod Kumar Verma	0.06

B. <u>IDBI Bank Ltd.:</u>

<u>Remuneration Paid to Key Management Personnel: -</u>

(Amount in ₹ Million, except as otherwise stated)

Key Management Personnel	For the Financial Year ended		
	March 31, 2021*	March 31, 2020	March 31, 2019 **
Shri.RakeshSharma, MD& CEO	2.78	3.75	1.02
Shri G.M Yadwadkar, DMD	-	2.82	0.71
Shri.KP. Nair, DMD	-	2.68	0.79
Shri.Samuel Joseph Jebaraj, DMD	2.41	1.81	-
Shri.SureshKhatanhar, DMD	2.27	0.68	-
Shri.AjaySharma, ED & CFO	2.77	4.02	0.77
Shri.Pawan Agrawal, GM & CS	2.36	3.97	0.73
Total	**12.58**	**19.74**	**4.02**

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

** For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.*
*** For the three months ended March 31, 2019, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.*

15. Operating Expense Disclosure of LICI

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

(Amount in ₹ Million, except as otherwise stated)

Particular	For nine months ended December 31, 2021	For the Financial Year ended March 31,		
		2021	2020	2019
Outsourcing Expenses	2,967.42	4,856.37	4,197.41	2,656.21
Business Development	8,140.79	14,999.98	18,016.14	15,969.27
Marketing Support	1,838.91	4,866.04	6,023.91	5,929.07

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

(Amount in ₹ Million, except as otherwise stated)

Financial Year	Particulars	(A) Non-Linked Investments					(B) Linked Investment
		Shareholder's Fund	Life Fund	Pension Fund	P&GS Fund	Unit Linked (Non-Unit Fund)	
As at December 31, 2021	Book Value	14,143.46	4,991,895.27	0.00	701,927.00	45,824.81	162,787.87
	Reported Value	14,682.32	8,659,359.54	0.00	803,479.93	97,989.15	229,233.31
As at March 31, 2021	Book Value	628.25	4,352,893.60	9.80	581,652.91	48,031.59	199,629.69
	Reported Value	985.20	6,979,401.22	1.10	643,454.12	88,439.35	259,567.38
As at March 31, 2020	Book Value	382.11	3,841,717.57	9.80	397,432.73	46,895.76	250,780.24
	Reported Value	557.37	3,919,308.24	0.37	263,837.71	59,504.16	252,269.14
As at March 31, 2019	Book Value	358.16	3,571,405.62	9.80	297,991.72	66,972.60	379,845.82
	Reported Value	598.94	5,716,117.21	1.26	285,131.43	102,914.42	369,740.16

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

LICI:

A) Employees' Gratuity Liability Calculation:

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

B) Group Privilege Leave Encashment Liability:

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

(Amount in ₹ Million, except percentages)

Particulars	**Employees' Gratuity Liability**				**Group Privilege Leave Encashment Liability**			
	For nine months ended/ As at December 31, 2021	**For the year ended/ As at March 31,**			**For nine months ended/ As at December 31, 2021**	**For the year ended/ As at March 31,**		
		2021	**2020**	**2019**		**2021**	**2020**	**2019**
I. Assumptions:								
Discount Rate	7.25%	7.25%	7.75%	8.00%	7.25%	7.25%	7.75%	8.00%
Rate of return on Plan Assets	7.25%	7.25%	7.75%	8.00%	7.25%	7.25%	7.75%	8.00%
Salary Escalation	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Expected Average remaining working lives of employees (years)	11.55	11.7	11.05	10.97	11.55	11.7	11.05	10.97
ii. Changes in Present Value of Obligations								
Present Value of obligation as at the Beginning of the year	127,813.29	122,896.4	115,908.0	110,272.5	51,243.13	46,794.4	41,740.9	38,957.0
Acquisition adjustment	-	-	-	-	-	-	-	-
Interest Cost	6,949.85	9,524.5	9,272.6	8,821.8	2,786.35	3,626.6	3,339.3	3,116.6
Past service Cost	0.00	-	-	-	-	-	-	-
Current service Cost	4,005.00	3,350.2	3,222.3	3,229.4	592.50	611.8	718.3	618.8
Curtailment Cost/ (Credit)	-	-	-	-	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-	-	-	-	-
Benefits paid	(7,000.00)	(8,701.5)	(6,879.9)	(5,489.7)	(1,500.00)	(3,490.0)	(2,383.4)	(1,851.3)
Curtailment of Employees in Plan		-	-	-		-	-	-
Actuarial (gain)/loss on obligations	(2,424.94)	743.7	1,373.3	(926.0)	195.46	3,700.3	3,379.3	899.8
Present Value of obligation as at the end of the year	129,343.20	127,813.29	122,896.4	115,908.0	53,317.44	51,243.1	46,794.4	41,740.9
iii. Changes in the Fair Value of Plan Assets								
Fair Value of Plan Assets at the beginning of the year	127,813.29	122,896.4	115,908.0	110,272.5	51,243.13	46,794.4	41,740.9	38,957.0
Acquisition adjustments	0.00	-	-	-	-	-	-	-
Expected return on Plan Assets	6,949.85	9,524.5	9,272.6	8,821.8	2,786.35	3,626.6	3,339.3	3,116.6
Contributions	1,350.00	4,260.0	5,000.0	2,000.0	640.00	4,300.0	4,195.9	1,400.0

Particulars	Employees' Gratuity Liability				Group Privilege Leave Encashment Liability			
	For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,			For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,		
		2021	2020	2019		2021	2020	2019
Benefits paid	(7,000.00)	(8,701.5)	(6,879.9)	(5,489.7)	(1,500.00)	(3,490.0)	(2,383.4)	(1,851.3)
Actuarial gain/(loss) on Plan Assets	230.06	(166.1)	(404.3)	303.4	147.96	12.2	(98.2)	118.6
Fair Value of Plan Assets at the end of the year	129,343.20	127,813.29	122,896.4	115,908.0	53,317.44	51,243.1	46,794.4	41,740.9
iv. Fair value of Plan Assets								
Fair Value of Plan Assets at the beginning of the year	127,813.29	122,896.4	115,908.0	110,272.5	51,243.13	46,794.4	41,740.9	38,957.0
Acquisition adjustments	0.00	-	-	-	-	-	-	-
Actual return on Plan Assets	7,179.91	9,358.3	8,868.3	9,125.2	2,934.30	3,638.7	3,241.0	3,235.2
Contributions	1,350.00	4,260.0	5,000.0	2,000.0	640.00	4,300.0	4,195.9	1,400.0
Benefits paid	(7,000.00)	(8,701.5)	(6,879.9)	(5,489.7)	(1,500.00)	(3,490.0)	(2,383.4)	(1,851.3)
Fair value of Plan Assets at the end of the year	129,343.20	127,813.29	122,896.4	115,908.0	53,317.44	51,243.1	46,794.4	41,740.9
Funded Status	100.00%	100%	100%	100%	100.00%	100%	100%	100%
Excess of actual over estimated return on Plan Assets	230.06	(166.1)	(404.3)	303.4	147.96	12.2	(98.2)	118.6
v. Actuarial Gain/Loss Recognized								
Actuarial gain/(loss) for the year –Obligation	2,424.94	(743.7)	(1,373.3)	926.0	(195.46)	(3,700.3)	(3,379.3)	(899.8)
Actuarial (gain)/loss for the year – Plan Assets	(230.06)	166.1	404.3	(303.4)	(147.96)	(12.2)	98.2	(118.6)
Total (gain)/loss for the year	(2,655.00)	909.8	1,777.6	(1,229.4)	47.50	3,688.2	3,477.6	781.2
Actuarial (gain)/ loss recognized in the year	(2,655.00)	909.8	1,777.6	(1,229.4)	47.50	3,688.2	3,477.6	781.2
Unrecognized actuarial (gain)/losses at the end of year	-	-	-	-	-	-	-	-
vi. The amounts to be recognised in Restated Consolidated Statement of Asset and Liabilities and Restated Consolidated Statement of Revenue/Profit & Loss								
Present Value of obligation as at the end of the year	129,343.20	127,813.3	122,896.4	115,908.0	53,317.44	51,243.1	46,794.4	41,740.9
Fair value of Plan Assets	129,343.20	127,813.3	122,896.4	115,908.0	53,317.44	51,243.1	46,794.4	41,740.9

Particulars	Employees' Gratuity Liability				Group Privilege Leave Encashment Liability			
	For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,			For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,		
		2021	2020	2019		2021	2020	2019
as at the end of the year								
Funded Status	100.00%	100%	100%	100%	100.00%	100%	100%	100%
Unrecognized Actuarial (gains)/losses	-	-	-	-	-	-	-	-
Net Asset/(Liability) recognised in Balance Sheet	0.00	-	-	-	0.00	-	-	-
Vii. Expense recognised in the Restated Consolidated Statement of Revenue/Profit & Loss								
Current Service Cost	4,005.00	3,350.2	3,222.3	3,229.4	592.50	611.8	718.3	618.8
Past Service Cost	0.00	-	-	-	-	-	-	-
Interest Cost	6,949.85	9,524.5	9,272.6	8,821.8	2,786.35	3,626.6	3,339.3	3,116.6
Expected return on Plan Assets	(6,949.85)	(9,524.5)	(9,272.6)	(8,821.8)	(2,786.35)	(3,626.6)	(3,339.3)	(3,116.6)
Curtailment Cost/ (Credit)	-	-	-	-	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the year	(2,655.00)	909.8	1,777.6	(1,229.4)	47.50	3,688.2	3,477.6	781.2
Expenses recognized in the statement of Restated Consolidated Statement of Revenue/Profit & Loss	1,350.00	4,260.0	5,000.0	2,000.0	640.00	4,300.0	4,195.9	1,400.0

C) Employees Pension Scheme 1995 Liability:

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

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

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

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

(Amount in ₹ Million, except percentages)

Particulars	Employees' Pension Scheme 1995 Liability				Regular Part Time Employees Pension Scheme 1999 Liability			
	For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,			For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,		
		2021	2020	2019		2021	2020	2019
I. Assumptions:								
Discount Rate	7.75%	7.75%	7.90%	8.00%	7.75%	7.75%	7.90%*	8.00%
Rate of increase in salary (Basic+Dearness Allowance)	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Rate of Pension increase	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Rate of return on Plan Assets	7.70%	7.70%	7.60%	8.30%	7.70%	7.70%	7.60%	8.30%
Expected Average remaining working lives of employees (years) (weighted by basic salary)	7.47	7.98	8.13	9.26	7.93**	6.31	8.14	8.71
ii. Changes in Present Value of Obligations								
Present Value of obligation as at the Beginning of the year	819,377.90	705,641.9	611,113.1	539,040	94.00	78.9	65.8	228.8
Acquisition adjustment	-	-	-	-	-	-	-	-
Interest Cost	47,626.34	5,5745.7	48,889	43,123.2	5.46	6.2	5.3	18.3
Past service Cost	-	-	-	-	-	-	-	-
Current service Cost	89,298.70	91,064.8	74,652.4	43,197.4	1,880.98	-	-	-
Curtailment Cost/ (Credit)	-	-	-	-	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-	-	-	-	-
Benefits paid	(13,031.89)	(42,985.7)	(52,731.3)	(21,924.5)	-	-	-	-
Curtailment of Employees in Plan	0.00	-	-	-	0.00	-	-	-
Actuarial (gain)/loss on obligations	(2,520.29)	9,911.2	23,718.7	7,677	204.71	8.9	7.7	(181.3)
Present Value of obligation as at the end of the year	940,750.77	819,377.9	705,641.9	611,113.1	2,185.16	94	78.8	65.8
iii. Changes in the Fair Value of Plan Assets								
Fair Value of Plan Assets at the beginning	819,377.90	705,641.9	611,113.1	539,040	94.00	78.9	65.8	228.8

Particulars	Employees' Pension Scheme 1995 Liability				Regular Part Time Employees Pension Scheme 1999 Liability			
	For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,			For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,		
		2021	2020	2019		2021	2020	2019
of the year								
Acquisition adjustments	-	-	-	-	-	-	-	-
Expected return on Plan Assets	47,626.34	55,745.7	48,889	43,123.2	5.46	6.2	5.3	18.3
Contributions	89,623.02	100,707.4	79,900.7	48,271.8	1,880.98	0.4	0.6	0.5
Benefits paid	(13,031.89)	(42985.7)	(52731.3)	(21924.5)	-	-	-	-
Actuarial gain/(loss) on Plan Assets	(2,844.61)	268.6	18,470.4	2602.6	204.71	8.5	7.1	(181.8)
Fair Value of Plan Assets at the end of the year	940,750.77	819,377.9	705,641.9	611,113.1	2,185.16	94	78.8	65.8
iv. Fair value of Plan Assets								
Fair Value of Plan Assets at the beginning of the year	819,377.90	705,641.9	611,113.1	539,040	94.00	78.9	65.8	228.8
Acquisition adjustments	0.00	-	-	-	0.00	-	-	-
Actuarial gain	33.92	-	-	-	193.53	-	-	-
Actual return on Plan Assets	44,747.81	56,014.3	67,359.4	45,725.8	16.65	14.7	12.4	(163.5)
Contributions	89,623.02	100,707.4	79,900.7	48,271.8	1,880.98	0.4	0.6	0.5
Benefits paid	(13,031.89)	(42985.7)	(52731.3)	(21924.5)	-	0	0	0
Fair value of Plan Assets at the end of the year	940,750.77	819,377.9	705,641.9	611,113.1	2,185.16	94	78.8	65.8
Funded Status	Funded	Funded	Funded	Funded	Funded	Funded	Funded	Funded
Excess of actual over estimated return on Plan Assets	(2,844.61)	268.6	18,470.4	2,602.6	204.71	8.5	7.1	(181.8)
v. Actuarial Gain/Loss Recognized								
Actuarial gain/(loss) for the year –Obligation	(2,520.29)	9,911.2	23,718.7	(7,677)	204.71***	8.9	7.7	181.3
Actuarial (gain)/loss for the year – Plan Assets	(2,844.61)	268.6	18,470.4	(2,602.6)	204.71	8.5	7.1	181.8
Total (gain)/loss for the year	324.32	9,642.6	5,248.3	5,074.4	-	0.4	0.6	0.5
Actuarial (gain)/ loss recognized in the year	324.32	9,642.6	5,248.3	5,074.4	-	0.4	0.6	0.5
Unrecognized actuarial (gain)/losses at the end of year	0.00	-	-	-	-	-	-	-
vi. The amounts to be recognised in Restated Consolidated								

Particulars	Employees' Pension Scheme 1995 Liability				Regular Part Time Employees Pension Scheme 1999 Liability			
	For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,			For nine months ended/ As at December 31, 2021	For the year ended/ As at March 31,		
		2021	2020	2019		2021	2020	2019
Statement of Asset and Liabilities and Restated Consolidated Statement of Revenue/Profit & Loss								
Present Value of obligation as at the end of the year	940,750.77	819,377.9	705,641.9	611,113.1	2,185.16	94	78.8	65.8
Fair value of Plan Assets as at the end of the year	940,750.77	819,377.9	705,641.9	611,113.1	2,185.16	94	78.8	65.8
Funded Status	Funded	Funded	Funded	Funded	Funded	Funded	Funded	Funded
Unrecognized Actuarial (gains)/losses	0.00	-	-	-	-	-	-	-
Net Asset/(Liability) recognised in Balance Sheet	0.00	-	-	-	-	-	-	-
Vii. Expense recognised in the Restated Consolidated Statement of Revenue/Profit & Loss								
Current Service Cost	89,298.70	91,064.8	74,652.4	43,197.4	1,880.98	-	-	-
Past Service Cost	-	-	-	-	-	-	-	-
Interest Cost	47,626.34	55,745.7	48,889	43,123.2	5.46	6.2	5.3	18.3
Expected return on Plan Assets	(47,626.34)	(55,745.7)	(48,889)	(43,123.2)	(5.46)	(6.2)	(5.3)	(18.3)
Curtailment Cost/ (Credit)	-	-	-	-	-	-	-	-
Settlement Cost/ (Credit)	-	-	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the year	324.32	9642.6	5,248.3	5,074.4	-	0.4	0.6	0.5
Expenses recognized in the statement of Revenue/Profit & Loss	89,623.02	100,707.4	79,900.7	48,271.8	1,880.98	0.4	0.6	0.5

Note:
Financial liability for additional contribution of Rs 111,246.60 million arising due to fresh pension option to the employees vide Govt. notification No. G.S.R. 324(E) dated 23.04.2019 has been amortized over a period of five years in accordance with IRDAI letter reference 101/2/F&A-Life/LIC/2018-19/208 dated July 06, 2020. An installment of ₹ 22,249.30 million was recognized in FY 2020 valuation and the second installment of ₹22,249.30 million has been funded in FY 2021 and the half year installment of Rs. 11,124.65 million has been funded in September 30, 2021 valuation and Rs. 5562.32 million has been funded for the quarter ended 31.12.2021. The balance Rs 50,060.93 million is to be funded in maximum in next two years and a quarter.

**Considering the significant reduction in the yield as compared to FY 2019 and considering further the year-end financial impact due to COVID-19, taking a long-term view valuation rate of interest has been reduced to 7.90 % from 8.0%.*

***The data for part time employees who have been converted into full time employees has been separately provided for the first time that has resulted in increase in average balance service.*

****The actuarial gain and loss includes the variation in liability due to lesser number of records in earlier years.*

IDBI Bank Ltd.:

A. Employee Benefit Scheme

i. Defined Contribution Schemes

a. In case of IDBI Bank Limited, the Bank's employees, excluding those who have opted for pension, who have joined Bank before March 31, 2008 are covered by Provident Fund Scheme (PFS). The Bank makes a defined contribution measured as a fixed percentage of basic salary to the PFS. The Provident Fund Scheme is managed by "The Board of Trustees of IDBI Bank Employees' Provident Fund Trust (Trust)". In respect of employees of IDBI Home Finance Limited (IHFL) and IDBI Gilts Limited (IGL), provident fund contributions were made to Regional Provident Fund Commissioner up to May 2011 and thereafter contributions have been made to the aforementioned Fund. During the year ended March 31, 2021 ₹ 55.5 million, March 31, 2020, ₹59.6 million and during the year ended March 31, 2019, ₹135.2 million has been contributed to PFS and charged to profit and loss account.

b. The Bank's employees who have joined after April1, 2008 are covered by IDBI Bank Ltd. New Pension Scheme (IBLNPS) to which Bank makes a defined contribution as a fixed percentage of Pay and Dearness Allowance. During the year ended March 31, 2021 ₹ 1,002.4 million, March 31, 2020, ₹909.9 million and during the year ended March 31, 2019, ₹1,531.6 million has been contributed to IBLNPS and charged to profit and loss account.

ii. Defined Benefit Schemes

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

a. Some of the employees of the Bank are also eligible for pension which is administered by the 'IDBI Pension Fund Trust'.

b. The present value of these defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method by an independent actuary at each balance sheet date.

B. Other Long-Term Benefits

- Present value of Leave Encashment obligation as at March 31, 2021 was ₹ 5,453 million, March 31, 2020 was ₹ 5,252.2 million and as at March 31, 2019 was ₹4,319.9 million.
- Leave Encashment charged to profit and loss account for the year ended March 31, 2021 ₹1, 662.5 million March 31, 2020 was ₹1,346.2 million and for the year ended March 31, 2019 was ₹906.4 million.
- In case of IDBI Bank Ltd., employees of the Bank are entitled to accumulate their earned/privilege leave upto a maximum of 240 days for officers and 300 days for other staff. A maximum of 15 days leave is eligible for encashment in each year.
- Some employees of the Bank are eligible for Voluntary Health Scheme which is borne by the Bank as and when the liability events occur.
- Employees of the Bank are eligible for Disability Assistance which is borne by the Bank as and when the disability events occur.

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

(Amount in ₹ Million, except percentages)

Sr. No.	Particulars	For the year ended/ As at March 31,					
		2021		2020		2019	
		Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
a)	**Change in benefit obligations:**						
	Projected benefit obligation, beginning of the year	29,930.10	9,442.64	23,432.80	8,003.21	21,117.90	7,216.91
	Interest cost	2,032.30	649.69	1,823.10	621.08	1,636.60	564.41
	Current Service cost	364.60	424.11	376.80	378.40	330.60	369.26
	Past Service cost (Vested Benefit) incurred during the year due to increase in limit	-	-	-	-	-	123.1
	Liability Transferred In/ (Out)	-	-	-	-	-	-
	Benefits paid	(1,681.80)	(679.7)	(2,160.10)	(811.05)	(1,389.40)	(826.61)
	Actuarial (Gains)/Losses	2,076.80	(439.12)	-	14.79	5.60	84.10
	Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	-665.00	(10.63)	2,948.50	697.98	(70.70)	26.00
	Actuarial (Gains)/Losses on Obligations - Due to Experience	(152.30)	133.03	3,509.00	562.41	1,802.20	446.00
	Projected benefit/ obligation, end of the year	**31,904.70**	**9,520.02**	**29,930.10**	**9,466.83**	**23,432.80**	**8,003.18**
b)	**Change in plan assets:**						
	Fair value of plan assets, beginning of the year	26,982.10	8,918.37	24,359.10	7,199.94	22,899.80	6,516.58
	Expected return on plan assets	1,832.10	613.99	1,895.10	560.08	1,774.70	510.41
	Employer's contributions	3,376.60	1,320.03	2,746.80	1,941.81	501.7	1,000.78
	Transfer from other company	-	-	-	-	-	-
	Benefits paid	(1,681.80)	(679.7)	(2,160.10)	(811.05)	(1,389.40)	(826.61)
	Actuarial gain / (loss)	411.10	(1.83)	141.20	45.310	572.30	(1.09)
	Fair value of plan assets at the end of the year	**30,920.10**	**10,170.86**	**26,982.10**	**8,936.09**	**24,359.10**	**7,200.07**
c)	**Reconciliation of present value of the obligation and fair value of the plan assets**						
	Present value of benefit obligation at the end of the year	31,904.70	9,494.88	29,930.10	9,466.93	23,432.80	8,003.21
	Transitional (Liability) to be recognized/provided in future	-	-	-	-	-	-
	Net Present value of benefit obligation at the end of the year	31,904.70	9,494.88	29,930.10	9,466.93	23,432.80	8,003.21
	Fair Value of Plan assets at the end of the year	30,920.10	10,155.95	26,982.10	8,936.09	24,359.10	7,200.07
	Surplus/ (Deficit)	**(984.60)**	**661.07**	**(2,948.00)**	**(530.84)**	**926.30**	**(803.15)**
d)	**Net cost for the year**						
	Service cost	364.60	424.11	376.80	378.40	330.60	369.26
	Interest cost	2,032.30	644.62	1,823.10	621.08	1,636.60	564.41
	Expected return on plan assets	(1,832.10)	(608.91)	(1,895.10)	(557.4)	(1,774.70)	(508.1)

Sr. No.	Particulars	For the year ended/ As at March 31,					
		2021		2020		2019	
		Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
	Net Actuarial (gain)/ loss	848.40	(314.90)	6,316.30	1,229.97	1,164.80	557.35
	Past Service Cost (Vested Benefit) recognized during the year due to increase in limit	-	-	-	-	-	123.13
	Transitional liability recognized during the year	-	-	-	-	(237.40)	347.10
	Net cost as per above	**1,413.20**	**144.92**	**6,621.10**	**1,672.05**	**1,119.90**	**1,453.17**
	Excess of fund value over actuarial liability not written back	-	-	-	-	926.30	-
	Excess of fund value over actuarial liability of previous year adjusted in current year	-	-	(926.3)	-	(1,781.90)	
	Increase in Gratuity Fund Value due to increase in rate of interest offered by LIC on investments adjusted in current year	-	-	-	-		-1.70
	Net cost of the year	**1,413.20**	**144.92**	**5,694.80**	**1,672.05**	**264.30**	**1,451.47**
e)	**Category of Assets**						
	State Government securities	1,958.40	2.60	1,962.10	5.91	1,863.80	2.37
	Corporate Bonds	9,760.20	-	8,617.40	1.92	7,248.00	4.46
	Special Deposits Scheme	396.20	-	-	-	-	-
	Insurer Managed Funds	17,367.20	10,157.62	15,090.00	8,890.53	13,420.20	7,168.41
	Others	1,438.10	0.39	1,312.60	29.14	1,827.10	24.45
	Total	**30,920.10**	**10,160.62**	**26,982.10**	**8,927.50**	**24,359.10**	**7,199.69**
f)	**Assumptions used in accounting:**						
	Discount rate	6.97%	From 5.45 % to 6.96%	6.79%	From 5.45 % to 7.00%	7.78%	7.78%
	Rate of return on plan assets	6.97%	From 5.00% to 6.96%	6.79%	From 0.07% to 7.10%	7.78%	7.78%
	Salary escalation rate	5.75%	From 5 % to 12%	5.75%	From 5 % to 12%	5.75%	5.75%
	Attrition Rate	3.60% for service less than 5 years and 2.49% thereafter	3.60% for service less than 5 years and 2.49% thereafter	3.08% for service less than 5 years and 3.5% thereafter	1.90 % for service less than 5 Years and 2.57 % for service more than 4 Years	3.08 % for service less than 5 Years and 3.50% thereafter	3.08 % for service less than 5 Years and 3.50% thereafter
	Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult. (Indian Individual Annuitant's Mortality Table (2012-		Indian Assured Lives Mortality (2006-08) Ultimate		Indian Assured Lives Mortality (2006-2008) Ult.	

Sr. No.	Particulars	For the year ended/ As at March 31,					
		2021		2020		2019	
		Pension	Gratuity	Pension	Gratuity	Pension	Gratuity
		15)- After Employment)					

Experience Adjustments:

(i) Gratuity Plan

(Amount in ₹ Million, except as otherwise stated)

Particulars	As at March 31,		
	2021	2020	2019
Defined benefit obligation	9,507.5	9,455.7	7,993.4
Plan assets	10,163.4	8,929.1	7,193.9
Surplus/(deficit)	656.0	(526.6)	(799.5)
Experience adjustments on plan liabilities [Gain / (Loss)]	(135.6)	(545.2)	(444.4)
Experience adjustments on plan assets [Gain / (Loss)]	(1.8)	45.5	(1.2)

(ii) Pension Plan

(Amount in ₹ Million, except as otherwise stated)

Particulars	As at March 31,		
	2021	2020	2019
Defined benefit obligation	31,904.7	29,930.1	23,432.8
Plan assets	30,920.1	26,982.1	24,359.1
Surplus/(deficit)	(984.6)	(2,948.0)	926.3
Experience adjustments on plan liabilities [Gain / (Loss)]	152.3	(3,509.0)	(1,802.2)
Experience adjustments on plan assets [Gain / (Loss)]	411.1	141.2	572.3

Note: In case of IDBI Bank, the explanation given for Employees Benefits and information given in the tables as at March 31, 2021, March 31, 2020 and March 31, 2019 is given for the full financial year. However, the amount for the nine months ended December 31, 2020 is considered in restated consolidated financial information, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021 and amount for the three months ended March 31, 2019 is considered in restated consolidated financial information, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.

Additional Disclosures:

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

(Amount in ₹ Million, except as otherwise stated)

Branch	Type of Securities	As at December 31, 2021	As at March 31,		
			2021	2020	2019
UK	Fixed Deposit with Union bank @ 1.90%	-	-	-	180.54
Mauritius	FD with Bank of Baroda @3.50%	17.03	17.92	19.32	19.83
Fiji	FGR Stock @12%, 6.50%,12.31%, 7.23%, 13% and 5.46%	555.98	568.49	528.22	519.57

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Life Business				
Performing investments	42,76,603.57	4,161,734.1	4,144,675.5	3,800,094.33
Non-Performing investments	2,88,674.52	351,298.9	384,626.83	265,501.74
CRAC Business				
Performing investments	820.00	820.00	960.00	960.00
Non-Performing investments	-	-	-	-

Note: *The amounts in above tables for FY 2020 and FY2019 have been regrouped to make them comparable with FY 2021.*

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	For nine Months ended December 31, 2021	For the Financial Year ended		
		2021	2020	2019
Total amount of loan assets subject to restructuring	2,452.18	2,403.6	3,013.4	4,010.8
Total amount of standard assets subject to restructuring	96.91	-	1,572.7	-
Total amount of sub-standard assets subject to restructuring	-	2,403.6	-	-
Total amount of doubtful & loss assets subject to restructuring	2,355.27	-	1,440.7	4,010.8

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

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Rural Business	20.76%	21.46%	21.40%	22.18%
Urban Business	79.24%	78.54%	78.60%	77.82%
Social Sector (No. of Lives Insured in %) *	13.19%	11.84%	23.91%	46.28%

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

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

(In %)

Particulars	For Nine months ended December 31, 2021		FY 2020-2021		FY 2019-2020		FY 2018-2019	
	Risk retained %	Risk Reinsured %	Risk retained %	Risk Reinsured %	Risk retained %	Risk Reinsured %	Risk retained %	Risk Reinsured %
First year premium	99.90	0.10	99.91	0.09	99.95	0.05	99.90	0.10
Renewal premium	99.77	0.23	99.81	0.19	99.85	0.15	99.85	0.15
Single premium	100.00	0.00	100	0	100	0.00	100	0.00

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

23. Disclosures relating to discontinued policies:

(Amount in ₹ Million, except as otherwise stated)

	Particulars	As at and for nine months ended December 31, 2021	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
	Fund for Discontinued Policies				
	Opening Balance of Fund for Discontinued Policies	506.57	518.59	517.80	484.43
Add:	Fund of policies discontinued during the year/period	570.34	182.12	132.64	194.22
Less:	Fund of policies revived/Paid during the year/period	365.83	212.94	148.62	171.71
Add:	Net Income/Gains on Investment of the Fund	9.95	18.80	16.77	10.86
	Closing Balance of Fund for Discontinued Policies	721.03	**506.57**	**518.59**	**517.80**

Other Disclosures (LICI):

(Amount in ₹ Million, except as otherwise stated)

Sr. No.	Particulars	Year	Pension Plus	Endowment Plus	Samriddhi Plus	Flexi Plus	New Endowment Plus (835)	New Endowment Plus (935)	SIIP (852)	Nivesh Plus (849)
i)	Number of policies discontinued during the financial year/period	Nine months ended December 31, 2021	-	-	-	-	256	6,884	21,401	3
		FY 2021	-	-	-	-	297	3,332	9,847	-
		FY 2020	2	18	41	1	543	(N.A.)	(N.A.)	-
		FY 2019	26	95	146	7	2,087	(N.A.)	(N.A.)	-
ii)	Percentage of discontinued to total policies during the year/period	Nine months ended December 31, 2021	-	-	-	-	1.18	100.00	100.00	100.00
		FY 2021	-	-	-	-	1.28	100.00	100.00	-
		FY 2020	0.01	0.17	0.3	0.37	1.57	(N.A.)	(N.A.)	-
		FY 2019	0.57	0.98	1.16	2.85	25.88	(N.A.)	(N.A.)	-
iii)	Number of policies revived during the year/period	Nine months ended December 31, 2021	-	-	-	-	10	1,851	9,868	
		FY 2021	-	-	-	-	2	464	2,814	-
		FY 2020	1	-	8	-	101	(N.A.)	(N.A.)	-
		FY 2019	3	4	19	-	552	(N.A.)	(N.A.)	-
iv)	Percentage of policies revived during the year/period	Nine months ended December 31, 2021	-	-	-	-	4.00	27.00	46.00	
		FY 2021	-	-	-	-	1.00	14.00	29.00	-
		FY 2020	50.00	-	19.51	-	18.60	(N.A.)	(N.A.)	-
		FY 2019	11.54	4.21	13.01	-	26.45	(N.A.)	(N.A.)	-
v)	Charges imposed on account of discontinued policies (Rs in million)	Nine months ended December 31, 2021	-	-	-	-	0.18	12.62	42.07	0.006
		FY 2021	-	-	-	-	0.19	4.57	17.91	-
		FY 2020	0.00	0.03	0.03	0.00	0.63	(N.A.)	(N.A.)	-
		FY 2019	0.02	0.08	0.14	0.01	1.63	(N.A.)	(N.A.)	-
vi)	Charges readjusted on	Nine months ended December 31, 2021	-	-	-	-	0.031	4.44	23.20	

Sr. No.	Particulars	Year	Pension Plus	Endowment Plus	Samriddhi Plus	Flexi Plus	New Endowment Plus (835)	New Endowment Plus (935)	SIIP (852)	Nivesh Plus (849)
	account of revival of Policies (Rs in million)	FY 2021	-	-	-	-	0.04	0.71	5.43	-
		FY 2020	Charge shown in (v) above are net of charges imposed and charges readjusted				0.13	NA	NA	
		FY 2019	Charge shown in (v) above are net of charges imposed and charges readjusted				0.00	NA	NA	

24. Related Party Disclosure- LICI:

(Related Party Relationship as identified by the Corporation)

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

A) Joint Venture:

Saudi Indian Company for Co-operative Insurance

B) Associate Companies

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

C) Subsidiary Companies:

LIC Pension Fund Ltd.
LIC Card Services Ltd.
Life Insurance Corporation (Singapore) Pte. Ltd
Life Insurance Corporation (Nepal) Ltd.
Life Insurance Corporation (International) BSC (c)
Life Insurance Corporation (Lanka) Ltd.
Life Insurance Corporation (LIC) of Bangladesh Ltd.

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

D) Board of Directors & Key Persons

a) As on December 31, 2021

Board of Directors		
Shri M.R. Kumar	Chairperson	w.e.f. 14.03.2019
Shri Raj Kumar	Managing Director	w.e.f. 01.11.2019
Shri Siddhartha Mohanty	Managing Director	w.e.f. 01.02.2021

Mrs. Mini Ipe	Managing Director	w.e.f. 02.08.2021
Shri Bishnu Charan Patnaik	Managing Director	w.e.f. 01.10.2021
Shri. Pankaj Jain	Government Nominee	w.e.f. 21.10.2020
Dr. Ranjan Sharma	Independent Director	w.e.f. 29.10.2021
Shri Vinod Kumar Verma	Independent Director	w.e.f. 29.10.2021

Key Persons		
Shri D.P.Mohanty	ED Audit (Chief Internal Audit)	w.e.f. 02.07.2018
Shri S.N. Mokashi	ED Investment (RMR) (Chief Risk Officer)	w.e.f. 05.06.2020
Shri A.K. Anand	ED INV OP (Chief Investment Officer)	w.e.f. 08.06.2020
Shri P. Muraleedharan	ED (Mktg/PDEV/SBA)(Chief Marketing Officer)	w.e.f. 02.11.2020
Smt.Shubhangi S.Soman	Chief (F&A) (Chief Finance Officer) ED (F&A) (Chief Finance Officer)	from 07.05.2018 to 31.05.2020 w.e.f. 01.06.2020
Shri Dinesh Pant	Appointed Actuary	w.e.f. 17.01.2020
Shri. D.P. Pattanaik	Chief (I/C) (Corp. Gov/ RC/GJF)	w.e.f. 03.06.2021

b) As on March 31, 2021

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

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

c) As on March 31, 2020

Board of Directors		
Shri. M.R. Kumar	Chairman	w.e.f. 14.03.2019
Shri. T.C. Suseel Kumar	Managing Director	w.e.f. 14.03.2019
Shri. Vipin Anand	Managing Director	w.e.f. 01.04.2019
Shri. Mukesh Kumar Gupta	Managing Director	w.e.f. 01.11.2019
Shri. Raj Kumar	Managing Director	w.e.f. 01.11.2019
Shri Debasish Panda	Government Nominee	w.e.f. 11.09.2019
Shri Injeti Srinivas	Government Nominee	w.e.f. 27.12.2019
Smt. Padmaja Chunduru	Member	w.e.f 16.11.2018
Shri Devesh Srivastava	Ex-Officio Member	w.e.f. 03.01.2020
Shri. Bimalendu Chakrabarti	Non-Official Director	w.e.f. 29.09.2017
Shri. Ravindra Nath Chaturvedi	Non-Official Director	w.e.f. 29.09.2017
Shri. R. Chandrasekaran	Non-Official Director	w.e.f. 29.09.2017

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

d) As on March 31, 2019

Board of Directors		
Shri. M.R. Kumar	Chairman	w.e.f. 14.03.2019
Shri. Hemant Bhargava	Managing Director	w.e.f. 10.02.2017
Shri. B. Venugopal	Managing Director	w.e.f. 11.04.2017
Shri. TC Suseel Kumar	Managing Director	w.e.f. 14.03.2019
Shri. Subhash Chandra Garg	Government Nominee	w.e.f. 17.07.2017
Shri. Girish Chandra Murmu	Government Nominee	w.e.f. 16.06.2016
Smt. Alice G. Vaidayan	Ex-Officio Member	w.e.f 23.05.2016
Smt. PadmjaChunduru	Member	w.e.f 16.11.2018
Shri. Bimalendu Chakrabarti	Non-Official Member	w.e.f. 29.09.2017
Shri. Ravindranath Chaturvedi	Non-Official Member	w.e.f. 29.09.2017
Shri. R. Chandrasekaran	Non-Official Member	w.e.f. 29.09.2017

Key Persons		
Ms. S.S. Dikhale	ED (Marketing/ PD), Chief Marketing Officer	w.e.f. 20.04.2017
Shri. Praveen Kumar Molri	ED (INVO) & (Chief Investment Officer)	w.e.f. 20.04.2017
Shri D.P. Mohanty	ED (Audit) & (Chief Internal Audit)	w.e.f. 01.07.2018
Shri. Pradeep Kumar Jain	ED (INV-RM & R) & (Chief Risk Officer)	w.e.f. 26.04.2018
Shri. DevkiNadan Joshi	ED (Board Sect/GJF/Comp) & (Chief Compliance Officer)	w.e.f. 24.04.2018
Smt. ShubhangiS. Soman	Chief (F&A) (Chief Finance Officer)	w.e.f. 27.04.2018
Shri Dinesh Pant	Appointed Actuary	w.e.f. 17.01.2017

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

i. As on December 31, 2021

Sr. No.	Name	Description	Profile/Directorship held as on 31st December, 2021
1.	Shri M R Kumar	Chairperson LIC of India	IDBI Bank Ltd LIC Housing Finance Ltd LIC Pension Fund Ltd LIC Cards Services Ltd LIC Mutual Fund Asset Management Ltd Life Insurance Corporation (Nepal) Ltd. Life Insurance Corporation (International) BSC (c) Life Insurance Corporation (Lanka) Ltd. Kenindia Assurance Company Ltd Life Insurance Corporation (Singapore) Pte Ltd ACC Limited.
2.	Shri Raj Kumar	Managing Director LIC of India	LICHFL Ltd LICHFL Asset Management Co Ltd Life Insurance Corporation (Lanka) Ltd Grasim Industries Ltd National Insurance Academy LIC Golden Jubilee Foundation
3.	Shri Siddhartha Mohanty	Managing Director LIC of India	LIC Golden Jubilee Fund LIC Cards Services Limited LIC Pension Fund Limited National Insurance Academy, Pune Life Insurance Corporation (International) BSC (c)
4.	Smt Ipe Mini	Managing Director LIC of India	LICHFL Care Homes Ltd Life Insurance Corporation (LIC) of Bangladesh Ltd. National Insurance Academy, Pune LIC Golden Jubilee Foundation
5.	Shri Bishnu Charan Patnaik	Managing Director LIC of India	Life Insurance Corporation (Nepal) Ltd. LIC Cards Services Ltd LIC MF Trustee Co Pvt Ltd Insurance Institute of India National Insurance Academy
6.	Shri Pankaj Jain	Government Nominee	Small Industries Development Bank of India [SIDBI] National Credit Guarantee Trustee Company Ltd [NCGTC] Punjab National Bank Export Import Bank of India [Exim Bank] National Bank for Financing Infrastructure and Development (NaBFID)

ii. As on March 31, 2021

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

iii. As on March 31, 2020

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

			LIC Pension Fund Ltd. Life Insurance Corporation (Lanka) Ltd. National Insurance Academy
3.	Shri Vipin Anand	Managing Director LIC of India	Life Insurance Corporation (LIC) of Bangladesh Ltd. LIC Cards Services Ltd LIC Housing Finance Limited Life Insurance Corporation (International) BSC (c) National Insurance Academy
4	Shri Mukesh Kumar Gupta	Managing Director LIC of India	LIC Cards Services Ltd Life Insurance Corporation (Nepal) Ltd.
5	Shri Raj Kumar	Managing Director LIC of India	LICHFL Care Homes Life Insurance Corporation (LIC) of Bangladesh Ltd. National Insurance Academy

iv. As on March 31, 2019

Sr. No.	Name	Description	Profile/Directorship held
1.	Shri M.R. Kumar	Chairman LIC of India	LIC Housing Finance Limited
2.	Shri Hemant Bhargava	Managing Director LIC of India	LICHFL Asset Management Co. Ltd. LIC MF Asset management Ltd. Life Insurance Corporation (International) BSC (c) Life Insurance Corporation (Nepal) Ltd. Life Insurance Corporation (LIC) of Bangladesh Ltd. Life Insurance Corporation (Singapore) Pte. Ltd LIC Pension Fund Ltd. Life Insurance Corporation (Lanka) Ltd. Kenindia Assurance Co. Ltd. LIC Card Services Limited LIC Housing Finance Limited Voltas Ltd. ITC Limited. The Tata Power Company Limited Larsen & Toubro Limited
3.	Shri B. Venugopal	Managing Director LIC of India	Life Insurance Corporation (Nepal) Ltd. Life Insurance Corporation (International) BSC (c) LIC Card Services Limited Life Insurance Corporation (LIC) of Bangladesh Ltd. State Bank of India National commodities & Derivatives Exchange Ltd.
4.	Shri T.C. Suseel Kumar	Managing Director LIC of India	NIL

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

(Amount in ₹ Million, except as otherwise stated)

a) Associates

Particulars		Associates					Key Management Personnel
		LIC Housing Finance Ltd.	**LICHFL Asset Management Company Ltd**	**LIC Mutual Fund Asset Management Ltd.**	**IDBI Bank Ltd. ***	**IDBI Trusteeship Services Ltd.***	
Purchase of Equity, Debts, bonds and Mutual Fund	For nine months ended December 31, 2021	23,355.12	-	108,042.30	-	-	-
	FY21	-	-	102,802.02	-	-	-
	FY20	-	4.42	61,174.64	-	-	-
	FY19	-	-	93,455.66	-	-	-
Sale of Mutual Fund	For nine months ended December 31 2021	-	-	93,242.33	-	-	-
	FY21	-	-	106,520.09	-	-	-
	FY20	-	4.78	74,249.85	-	-	-
	FY19	-	-	104,218.11	-	-	-
Redemption on Debts & bonds / Loans	For nine months ended December 31, 2021	15,000.00	-	-	2500.00	-	-
	FY21	20,000.00	-	-	400.00	-	-
	FY20	5,000.00	-	-	-	-	-
	FY19	17,500.00	-	-	-	-	-
Gain Income	For nine months ended December 31, 2021	-	-	385.01	-	-	-
	FY21	-	-	750.53	-	-	-
	FY20	-	-	5,276.23	-	-	-
	FY19	-	-	1,856.75	-	-	-
Application Money	For nine months ended December 31, 2021	-	-	-	-	-	-
	FY21	-	-	2,250.00	-	-	-
	FY20	-	-	-	-	-	-
	FY19						
Income from Investment	For nine months ended December 31, 2021	8,993.45	1.36	4.95	1,581.85	54.00	-
	FY21	15,790.83	1.36	-	2821.74	45.00	-
	FY20	16,967.31	2.56	2.48	-	-	-
	FY19	16,904.16	0.99	4.95	-	-	-
Rent	For nine months ended December 31, 2021	60.67	-	17.25	-	-	-
	FY21	84.35	-	20.97	-	-	-
	FY20	73.37	-	25.13	-	-	-
	FY19	63.19	-	21.39	-	-	-
Reimbursement / payment towards other administrative expenses	For nine months ended December 31, 2021	17.77	1.60	15.28	183.41	-	-
	FY21	18.12	1.03	19.23	12.89	-	-
	FY20	8.48	1.86	2.78	-	-	-
	FY19	10.64	2.61	16.66	-	-	-
Managerial Remuneration	For nine months ended December 31, 2021	-	-	-	-	-	65.72
	FY21	-	-	-	-	-	51.20

Particulars		Associates					Key Management Personnel
		LIC Housing Finance Ltd.	**LICHFL Asset Management Company Ltd**	**LIC Mutual Fund Asset Management Ltd.**	**IDBI Bank Ltd. ***	**IDBI Trusteeship Services Ltd.***	
	FY20	-	-	-	-	-	52.27
	FY19	-	-	-	-	-	33.75
Total	For nine months ended December 31, 2021	**47,427.01**	**2.96**	**201,707.12**	**4,265.27**	**54.00**	**65.72**
	FY21	**35,893.30**	**2.39**	**212,362.85**	**3,234.63**	**45.00**	**51.20**
	FY20	**22,049.16**	**13.62**	**140,731.10**	**-**	**-**	**52.27**
	FY19	**34,477.99**	**3.60**	**199,573.53**	**-**	**-**	**33.75**

b) Subsidiaries

Particulars		**Subsidiaries**								
		LIC Pension Fund Ltd	**LIC Card Services Ltd**	**Life Insurance Corporation (Nepal) Ltd.**	**Life Insurance Corporation (LIC) of Bangladesh Ltd.**	**Life Insurance Corporation (International) BSC (c)**	**Life Insurance Corporation (Lanka) Ltd.**	**Life Insurance Corporation (Singapore) Pte. Ltd**	**IDBI Bank Limited***	**IDBI Trusteeship Services Ltd.***
Purchase of Equity, Debts, bonds and Mutual Fund	For nine months ended December 31, 2021	-	-	-	-	8,804.06	-	-	-	-
	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	-	-	-	-	523.50	47,430.00	-
	FY19	-	-	-	-	-	-	529.20	195,259.59	-
Redemption on Debts & bonds / Loans	For nine months ended December 31, 2021	-	-	-	-	-	-	-	-	-
	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	-	-	-	-	-	10.00	-
	FY19	-	-	-	-	-	-	-	3,740.00	-
Income from Investment	For nine months ended December 31, 2021	-	-	-	-	-	-	-	-	-
	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	164.62	-	-	-	-	2,824.30	45.00
	FY19	-	-	-	-	358.97	8.28	-	1,742.30	-
Rent	For nine months ended December 31, 2021	-	0.39	-	-	-	-	-	-	-
	FY21	-	0.41	-	-	-	-	-	-	-
	FY20	-	0.44	-	-	-	-	-	-	-
	FY19	-	0.34	-	-	-	-	-	-	-
Reimbursement / payment towards other administrative expenses	For nine months ended December 31, 2021	201.42	0.17	-	-	-	-	-	-	-
	FY21	134.59	0.25	-	-	-	-	-	-	-
	FY20	122.55	0.25	-	-	-	-	-	3.35	-
	FY19	97.85	0.38	-	-	-	-	-	-	-
Application	For nine months ended December 31,	200.00	-	-	-	-	-	-	-	-

Particulars		Subsidiaries								
		LIC Pension Fund Ltd	LIC Card Services Ltd	Life Insurance Corporation (Nepal) Ltd.	Life Insurance Corporation (LIC) of Bangladesh Ltd.	Life Insurance Corporation (International) BSC (c)	Life Insurance Corporation (Lanka) Ltd.	Life Insurance Corporation (Singapore) Pte. Ltd	IDBI Bank Limited*	IDBI Trusteeship Services Ltd.*
Money	2021									
	FY21	-	-	-	-	-	-	-	-	-
	FY20	-	-	-	-	-	60.54	-	-	-
	FY19	-	-	-	-	-	-	-	-	-
Annual Technical/ I.T. Solution fees received, Maintenance & Support Service	For nine months ended December 31, 2021	-	-	1.00	1.64	1.40	-	-	-	-
	FY21	-	-	2.00	1.70	-	-	-	-	-
	FY20	-	-	2.00	1.59	7.38	-	-	-	-
	FY19	-	-	2.00	-	29.30	-	-	-	-
Total	**For nine months ended December 31, 2021**	**401.42**	**0.56**	**1.00**	**1.64**	**8,805.46**	-			
	FY21	**134.59**	**0.66**	**2.00**	**1.70**	-	-	-	-	-
	FY20	**122.55**	**0.70**	**166.62**	**1.59**	**7.38**	**60.54**	**523.50**	**50,267.65**	**45.00**
	FY19	**97.85**	**0.72**	**2.00**	-	**388.27**	**8.28**	**529.20**	**200,741.90**	-

c) Outstanding Balances with Related Parties

(Amount in ₹ Million, except as otherwise stated)

Particulars		LIC Housing Finance Ltd.	IDBI Bank Ltd. *	Life Insurance Corporation (LIC) of Bangladesh Ltd.	Life Insurance Corporation (International) BSC (c)	LIC Pension Fund Ltd	LIC Cards Services Ltd.	LIC Mutual Fund Asset Management Ltd.
Debt and Loan	For nine months ended December 31, 2021	130,517.52	27,520.70					
	FY21	145,504.43	30,020.83	-	-	-	-	
	FY20	165,504.44	30,421.10	-	-	-	-	
	FY19	170,504.44	30,431.37	-	-	-	-	
Interest accrued on Non-Convertible Debentures	For nine months ended December 31, 2021	5,716.91	1,269.33					
	FY21	3,990.90	779.17	-	-	-	-	
	FY20	4,528.44	799.15	-	-	-	-	
	FY19	5,332.18	797.31	-	-	-	-	
Other Dues from Subsidiaries / Holding Company	For nine months ended December 31, 2021	21.20	-	13.00	11.61	5.28	204.06	(0.74)
	FY21	10.8	-	12.94	3.50	134.58	143.92	(0.72)
	FY20	23.9	-	13.35	42.37	122.55	109.31	(0.99)

Particulars		LIC Housing Finance Ltd.	IDBI Bank Ltd. *	Life Insurance Corporation (LIC) of Bangladesh Ltd.	Life Insurance Corporation (International) BSC (c)	LIC Pension Fund Ltd	LIC Cards Services Ltd.	LIC Mutual Fund Asset Management Ltd.
	FY19	21.6	-	12.32	1.99	97.85	76.31	(0.70)
Current and Saving Account Balances	For nine months ended December 31, 2021	-	27,638.60	-	-	-	-	
	FY21	-	38,200.00	-	-	-	-	
	FY20	-	25,070.00	-	-	-	-	
	FY19	-	0.85	-	-	-	-	

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

25. Movement of Provisions:

(Amount in ₹ Million, except as otherwise stated)

Particulars	For Nine Months ended December 31, 2021	Financial Year ended		
		2021	2020	2019
For Proposed Dividend (5% Valuation Surplus)				
Opening Balance	-	26,997.34	26,630.99	22,607.96
Addition during the year	-	28,890.10	26,997.34	26,630.99
Amount paid to Government of India	-	-	26,630.99	22,607.96
Amount retained and transfer to Reserves & Surplus	-	55,887.44	-	-
Closing Balance	-	-	26,997.34	26,630.99
Provision for reserve for solvency margin				
Opening Balance	149,430.56	149,430.56	149,430.56	149,430.56
Addition during the year	-	-	-	-
Deduction during the year	-	-	-	-
Closing Balance	149,430.56	149,430.56	149,430.56	149,430.56

26. Expenses of Management of LICI:

The Expenses of Management are in accordance with the IRDAI (Expenses of Management of Insurers transacting life insurance business) Regulation 2016 except in four segments (three segments in FY 2019), which has been ratified by IRDAI upto FY 2019-2020. However, on an overall basis the actual expenses of management are within the limit of aggregate expenses allowable for all the segments. For the F.Y. 2020-2021, the Corporation has sought approval from the IRDAI for the expenses incurred in excess of the limit as per specified regulations.

In respect of UK Business, the expenditure in excess of £ 50 per policy under Life Par Business is borne by shareholders and accordingly an amount of₹47.5 million has been charged to shareholder's Account (FY 2021).

27. Foreign Exchange Reserve:

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

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	**As at December 31, 2021**	**As at March 31,**		
		2021	**2020**	**2019**
As per Annexure XI: Restated Consolidated Statement of Reserves and Surplus (Shareholders)	1,408.35	1,144.66	1,290.44	828.14
As per Annexure XIII: Restated Consolidated Statement of Insurance Reserves (Policyholders)	24,892.68	23,466.60	26,776.22	13,319.86

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

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

(Amount in ₹ Million, except as otherwise stated)

Sr. No.	**Particulars**	**As at December 31, 2021**	**As at March 31, 2021**	**As at March 31, 2020**	**As at March 31, 2019**
1	Principal amount remaining unpaid to Micro, small & medium enterprise.	Nil	Nil	1.40	0.96
2	Interest accrued on principal amount remaining unpaid as per 1 above.	Nil	Nil	Nil	Nil
3	Amount of interest paid during the year along with the payment of principal amount made beyond 15 days or agreed time from the date of delivery /rendering of services.	Nil	Nil	0.44	0.17
4	Interest due but yet to be paid on principal during the year.	Nil	Nil	Nil	Nil
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure.	Nil	Nil	Nil	Nil

29. Penal action taken by various Government Authorities:

A. LICI

(Amount in ₹ Million, except as otherwise stated)

Authority	For Nine months ended December 31, 2021			For the year ended March 31,								
				2021			2020			2019		
	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	-	-	-	-	-	-	-	-	-	-	-	-
GST/Service Tax Authorities	67.07	5.03	-	0.00	0.00	-	68.04	5.99	-	0.52	0.52	-
Income Tax Authorities	1.56	0.83	-	0.64	0.64	-	0.92	0.92	-	1.85	1.85	-
Any other Tax Authorities	0.013	0.013	-	0.02	0.02	-	0.40	0.40	-	0.05	0.05	-
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	-	-	-	-	-	-	-	-	-	-	-	-
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-	-	-	-	-	-	-	-	-	-
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	0.48	0.48	-	0.37	0.37	-	0.22	0.22	-	1.36	1.36	-
Securities and Exchange Board of India	1.00	-	-	-	-	-	-	-	-	-	-	-
Competition Commission of India	-	-	-	-	-	-	-	-	-	-	-	0.00
Any other Central/State/Local Government / Statutory Authority	-	-	-	88.88	0.01	-	-	-	-	0.22	0.22	-
Total	**70.13**	**6.35**	**-**	**89.92**	**1.05**	**-**	**69.57**	**7.52**	**-**	**4.00**	**4.00**	**-**

Details of non-compliance/Violation:	For nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Delay in return filing & late remittance of tax	1.56	0.64	1.24	1.85
Late remittance of professional tax	0.013	0.02	0.07	0.05
Penalty awarded by Court in favour of policyholders	0.46	0.37	0.22	1.36

Penalty awarded by Govt. Authority other than the policyholder matter	1.02	88.88	-	0.22
GST/ Service Tax Authority	67.07	0.00	68.04	0.52
Total	**70.13**	**89.92**	**69.57**	**4.00**

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

(Amount in ₹ Million, except as otherwise stated)

Sr. No.	Particulars	For the year ended March 31,		
		2021*	**2020**	**2019****
1	Penalty for non-compliance of guidelines on cheque collection process.	-	0.12	-
2	Penalty for non-compliance of guidelines on customer service, guidelines in respect of exchange of coins and small denomination notes and mutilated notes	-	0.85	-
3	Penalties imposed by RBI on currency chest in cases of remittances, made by currency chests to RBI	-	0.22	-
4	Penalty of ₹10million imposed by RBI for non-compliance LICI: - Control Point no. 2(b) of RBI's Circular dated Feb 20, 2018. In respect of non-implementation of additional layer of approval as per RBI directions dated February 20, 2018 for transactions exceeding a particular internally decide threshold latest by March, 2018.	-	-	10.00
5	IDBI Bank has received show cause notice dated October 25, 2018 stating the IDBI Bank has not complied with KYC/AML guidelines prescribed by RBI, Bank has been imposed a penalty of ₹2 million vide order dated February 04, 2019 and was paid on February 16, 2019.	-	-	2.00
6	Total amount of all penalties levied by RBI during the period on currency chests	0.04	-	-
7	Total amount of all penalties/compensation levied by RBI / Banking Ombudsman during the period	1.89	-	-
8	Penalties for other reasons	-	0.60	0.60
	Total	**1.93**	**1.79**	**12.60**

** For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.*
*** For the three months ended March 31, 2019, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.*

30. Non-Performing Assets: -

A. LICI (Debt Portfolio):

(Amount in ₹ Million, except as otherwise stated)

Assets	As at December 31, 2021		As at March 31,					
			2021		2020		2019	
	Asset	Provision	Asset	Provision	Asset	Provision	Asset	Provision
Sub Standard	2,508.85	653.91	2,543.65	604.31	128,985.09	96,195.90	13,278.69	3,120.49
Doubtful Assets	84,376.43	84,365.79	203,691.74	203,681.90	127,815.09	127,807.18	168,538.84	168,537.90
Loss assets	201,789.24	201,789.24	145,063.50	145,063.50	127,826.64	127,826.64	83,684.21	83,684.21
Total	**288,674.52**	**286,808.94**	**351,298.89**	**349,349.71**	**384,626.83**	**351,829.72**	**265,501.74**	**255,342.59**
Standard	4,276,603.57	18,182.90	4,161,734.14	24,066.26	4,144,675.50	24,251.47	3,800,094.33	24,857.93
Grand Total	**4,565,278.09**	304,991.83	**4,513,033.03**	**373,415.98**	**4,529,302.33**	**376,081.19**	**4,065,596.07**	**280,200.52**
	Investment	**NPA**	**Investment**	**NPA**	**Investment**	**NPA**	**Investment**	**NPA**
Gross	4,565,278.09	288,674.52	4,513,033.03	351,298.89	4,529,302.33	384,626.83	4,065,596.07	265,501.74
NPA Provision	286,808.94	286,808.94	349,349.71	349,349.71	351,829.72	351,829.72	255,342.59	255,342.59

Net position	4,278,469.15	1,865.58	**4,163,683.32**	**1,949.18**	**4,177,472.61**	**32,797.11**	**3,810,253.48**	**10,159.15**
Gross NPA%	**6.32**		**7.78**		**8.49**		**6.53**	
Net NPA%	**0.04**		**0.05**		**0.79**		**0.27**	

Note:

1. *The amounts in above tables for FY 2020 and FY2019 have been regrouped to make them comparable with FY 2021. Prior to regrouping the gross NPA ratios were 8.17% and 6.15% for FY2020 and FY2019 respectively*
2. *The figures for 'provisions for doubtful investments and other provisions' in FY2019 and FY2020 have been recast due to regrouping of funded folios under Investments (earlier shown under other advances). The amount of provision on funded folios pertaining to FY2020 was reversed to Interest account as per the prevailing accounting practice. The provision for the year FY2021 has been adjusted one time against Interest for proper presentation in Restated Consolidated Statement of Revenue Account for FY2021.*
3. *The assets shown above are presented under various categories in accordance with the formats prescribed by IRDA in Annexure - XV: Restated Consolidated Statement of Investments – Policyholders Schedule, Annexure - XVI: Restated Consolidated Statement of Assets Held to Cover Linked Liabilities and Annexure - XVII: Restated Consolidated Statement of Loan.*

B. IDBI Bank Ltd. (Loans and Advances)

(Amount in ₹ Million, except as otherwise stated)

Assets	**As at March 31,**			
	2020		**2019**	
	Asset	**Provision**	**Asset**	**Provision**
Sub Standard Assets	38,369.45	18,286.76	56,356.05	16,535.79
Doubtful Assets	270,752.31	236,440.12	428,273.82	319,719.67
Loss assets	163,601.96	163,601.96	15,649.48	15,649.48
Total	**472,723.72**	**418,328.84**	**500,279.35**	**351,904.94**
Standard Assets	1,244,210.63	151.72	1,320,693.45	1,163.49
Grand Total	**1,716,934.35**	**418,480.56**	**1,820,972.80**	**353,068.43**
Gross Assets	1,716,934.35		1820,972.80	
NPA Provision	418,480.56		353,068.43	
Net position	**1,298,453.79**		**1,467,904.37**	
Gross NPA%	27.53%		27.47%	
Net NPA%	4.19%		10.11%	

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	**As at March 31,**	
	2020	**2019**
(i) Gross NPAs (%)	27.53%	27.47%
(i) Net NPAs to Net Advances (%)	4.19%	10.11%
(ii) Movement of NPAs (Gross)		
(a) Opening Balance	50,0279.4	555,882.5
(b) Addition during the year	110,219.9	182,082.4
(c) Reduction during the year	137,775.6	237,685.5
(d) Closing balance	472,723.7	500,279.4
(iii) Movement of Net NPAs		
(a) Opening Balance	148,374.4	286,651.4
(b) Addition (FTNPA) during the year	48,253.4	110,491.4
(c) Reduction (net) during the year	142,232.9	248,768.4
(d) Closing balance	54,394.9	148,374.4
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		

Particulars	As at March 31,	
	2020	2019
(a) Opening balance	351,904.9	269,231.2
(b) Provisions made during the year	200,792.9	295,611.0
(c) Transferred to Countercyclical Prov. Buffer	0.00	0.00
(d) Write-off/write back of excess provision	134,368.9	212,937.3
(e) Closing balance	418,328.9	351,904.9
(v) Provisioning Coverage Ratio (including TWO) computed in accordance with the RBI guidelines	93.74%	82.88%

Non-Performing Non SLR Investment of the IDBI Bank Ltd.

(Amount in ₹ Million, except as otherwise stated)

Particulars	As at March 31,	
	2020	2019
Opening balance	12,621.63	25,748.34
Additions during the year	21,237.57	6,828.58
Reductions during the year *	18,682.10	19,955.29
Closing balance	15,177.09	12,621.63
Total provisions held toward NPI	12,233.55	10,136.55

** Includes Investment written down of ₹18,158.9 million during FY 2019-2020 and ₹ 17,456.9 million during FY 2018 -2019 and Investment Redemption including write off / Sale / Settlement of ₹23.2 million during FY 2019-2020 and ₹2,498.4 million during FY 2018 -2019 and Upgradation of Investment of ₹500.0 million during FY 2019-2020 and ₹226.5 million during FY 2018 -2019.*

31. Details of Security executed partially and is under due process is as follows:

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Number of loan accounts	6	7	7	7
Security under loan accounts (Amount in ₹ Million)	24,936.85	30,058.30	30,058.30	30,058.30

32. Impairment of Investments:

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

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

a) LICI:

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

Particulars	For Nine Months ended December 31, 2021	For the Year ended March 31,		
		2021	2020	2019
Listed equity shares	(20,646.35)	42,945.98	-	-
Unlisted, Inactive Equity	5,788.02	(447.20)	4,646.32	13,021.12

Preference Shares	6.33	1,547.41	1,815.85	(5.71)
Security Receipt and Venture Fund	(348.07)	1,271.53	41.07	393.05
Other Approved Security	(0.79)	-	-	-
Total LICI	**(15,200.85)**	**45,317.72**	**6,503.26**	**13,408.46**

b) IDBI Bank Ltd.:

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

Particulars	**For the year ended March 31,**		
	2021*	**2020**	**2019****
Listed equity shares	(749.61)	(7,940.76)	1,165.22
Security Receipt	510.24	298.67	708.99
VCF	145.10	(15.61)	62.13
Unlisted/Inactive equity shares	-	(713.21)	8.99
Preference Share	1,810.48	1,534.33	(4,528.85)
Bonds & Debt.	3,595.89	(498.69)	(79.74)
DIFC (Dubai Branch) & GIFT (IBU- GIFT City Ahmedabad)	0.02	(20.72)	(11.75)
SASF (Stress Assets Stabilization Fund) G-Sec-SASF	0.00	3,000.00	-
Other WD/Write Off	5,792.35	26,368.61	6,681.81
Govt. Securities	-	(5,026.99)	(7,496.69)
Total	**11,104.47**	**16,985.63**	**(3,489.89)**

** For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.*
*** For the three months ended March 31, 2019, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.*

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

Particulars	**For nine months ended December 31, 2021**	**For the Year ended March 31**		
		2021	**2020**	**2019**
Listed equity shares	-	-	58.75	-

33. Earnings Per Share (EPS): -

Particulars	**For Nine Months ended December 31, 2021**	**For the year ended March 31,**		
		2021	**2020**	**2019**
Restated Profit for the Year/period attributable to Shareholders (in ₹ Million)	17,153.12	29,741.39	27,104.78	26,273.78
No. of equity shares for calculation of EPS (Refer Note)	6,324,997,701	6,324,997,701	6,324,997,701	6,324,997,701
Basic EPS (₹)	2.71*	4.70	4.29	4.15
Diluted EPS (₹)	2.71*	4.70	4.29	4.15

Note:
*1. *Earning Per Share is not in annualized form for reporting for the nine months ended December 31, 2021.*
2. Issue and allotment of 100 million Equity Shares of Rs. 10 each in terms of provisions of Section 5(2) of LIC Act 1956 as amended, against Paid-up equity Capital provided by Central Government from time to time, 6,22,49,97,701 bonus shares of Rs. 10 each were

issued and allotted against the available free Reserves, in terms of provisions of section 5(4) of LIC Act 1956 as amended thus the total issued and subscribed equity capital of the Corporation being Rs. 63249.97 million now.

The number of shares was increased without an increase in resources of the corporation, hence the number of equity shares outstanding before September 08, 2021 is adjusted for proportionate change in the number of equity shares outstanding as if the issue of shares has been occurred at the beginning of the earliest period reported and accordingly the earning per share for FY 2021, FY 2020 and FY 2019 is calculated on the basis of the number of equity shares issued on September 08, 2021.

34. Leases

A. LICI:

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

(Amount in ₹ Million)

Particulars	For nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Lease Rentals	2,723.52	3,600.76	3,385.42	3,194.09

B. IDBI Bank Ltd.:

a) The properties taken on lease/ rental basis are renewable/ cancellable at the option of the Bank.

b) The lease entered into by the Bank are for agreed period with an option to terminate the leases even during the tenure of lease period by giving mutually agreed calendar month notice in writing.

c) Lease rent paid for operating leases are recognised as an expense in the Restated Consolidated Statement of Revenue Account in the year to which it relates. The lease rent recognised during the last three fiscals are as follows:

(Amount in ₹ Million)

Particulars	For the year ended March 31,		
	2021*	2020	2019**
Lease Rentals	2,748.60	3,477.31	888.90

** For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.*
*** For the three months ended March 31, 2019, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.*

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	As at	
	March 31, 2020	March 31, 2019
Not Later than One year	12.8	10.4
Later than one year but not later than five years	6.3	14.4

35. Accounting for Taxes on Income

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

(Amount in ₹ Million, except as otherwise stated)

Provision for Taxation: -

Particulars	For nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Charged to Restated Consolidated Statement of Revenue Account	80,021.02	91,705.25	108,255.58	55,567.74
Charged to Restated Consolidated Statement of Profit & loss Account	416.55	62.08	80.38	149.87

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

Particulars	For nine months ended December 31, 2021	For the year ended March 31,		
		2021	2020	2019
Charged to Restated Consolidated Statement of Revenue Account	79,188.89	79,877.60	68,239.33	77,218.38
Charged to Restated Consolidated Statement of Profit & loss Account	416.55	62.08	80.38	149.87
Effective Tax Rates applicable for Life Insurance Business	14.56%	14.56%	14.56%	14.56%

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

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

Particulars	For the year ended March 31,		
	2021*	2020	2019**
Charged to Restated Consolidated Statement of Revenue Account	11,168.87	39,509.05	(22,003.65)
Effective Tax Rates applicable for IDBI Bank	25.168%	25.168%	34.944%

** For the nine months ended December 31, 2020, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2021.*
*** For the three months ended March 31, 2019, being the period for which IDBI Bank was consolidated as Subsidiary in Fiscal 2019.*

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

(Amount in ₹ Million, except as otherwise stated)

Particulars	As At March 31,	
	2020	2019
Deferred Tax Liability		
Depreciation on fixed assets	86.3	197.3
Special Reserve created and maintained u/s 36(1)(viii) of the Income-tax Act, 1961	3,077.1	4,440.8
Total (A)	**3,163.4**	**4,638.1**
Deferred Tax Asset		
Depreciation on fixed assets	1.0	4.4
Disallowance related to provision for NPA and for other provisions not allowed under Income Tax Act, 1961	106,346.40	128,486.50
Provision for Doubtful advances	57.6	43.1
Disallowance u/s. 43B, 40(a)(ia) etc. of the Income Tax Act, 1961	1,606.0	1,965.1
Gratuity/Pension	2.0	4.5
Leave Encashment	5.2	1.3
Business Loss	51,569.8	70,505.80

Particulars	As At March 31,	
	2020	**2019**
Unabsorbed depreciation	1170.8	513.4
Total (B)	**160,758.8**	**201,524.1**
Deferred Tax Liability/ (Asset) (Net) (A) – (B)	**(157,595.5)**	**(196,886.1)**

Note: Bank is recognizing Deferred Tax Asset (DTA) including that on business loss keeping in view the virtual certainty of its reversal. The IDBI Bank has exercised the option of lower tax rate permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 during Q3 of FY 2020. Accordingly, the IDBI Bank has re-measured its net DTA recognized till Sept 30, 2019 based on the tax rate prescribed in the said section, resulting into a One-Time reversal of ₹62730.4 million in Q3 of FY 2020

36. Provision for free-look period of LICI:

Provision for free-look period as at nine months ended December 31, 2021, financial year ended March 31, 2021, 2020 and 2019 has been made on the basis of actual premium refunded during the month of January 2022, April 2021, April 2020 and April 2019 respectively. The provision is made with an assumption that all refund of premium during the month of January 2022, April 2021, April 2020 and April 2019 pertained to the policies completed on or before December 31, 2021, March 31, 2021, 2020 and 2019 respectively.

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

As per the initial roadmap given by Ministry of Corporate Affairs (MCA), insurance companies were required to implement Ind AS from April 2018. Insurance Regulatory & Development Authority of India (IRDAI) deferred the implementation of Ind AS since International Accounting Standard Board (IASB) had taken a considered view to amend IFRS 17. The IASB has amended IFRS 17 and made it effective from annual reporting periods beginning on or after 1st January 2023. Exposure Draft of amendments to Ind AS 117 (Insurance Contracts), consistent with IFRS 17 was issued by the Accounting Standard Board (ASB) of ICAI on 24th December, 2020. On finalization, Ind AS 117 will be notified by MCA.

Core teams to ascertain and evaluate the requirements of new Accounting Standards, for implementation of Ind AS are formed in concerned departments. An integral Actuarial software system “prophet” capable of performing actuarial calculations required under IFRS 17 (Ind AS 117) was purchased in March 2021. Implementation of the system is under process and being done by E&Y actuarial services LLP. E&Y has as on date integrated around 95 products into prophet.

We await guidelines from IRDAI and other professional bodies on implementation of these standards. Appropriate changes in the system and processes will be carried out once these guidelines are in place.

38. Wage Revision of LICI:

Wage revision of the employees of the Corporation is done every five years and the last wage revision, which was due on August 01, 2017, was settled in current financial year 2021-2022. However, provision for the same have been made on an estimated basis for the Financial Year ended March 31, 2021, March 31, 2020 and March 31, 2019.

39. COVID-19

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

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

40. Retention of earnings of LICI:

The Government's share of surplus (including surplus of CRAC business of ₹ 19.92 million) for F.Y. 2019-20, which was lying in the provision for proposed dividend/ valuation surplus amounting to ₹26,997.34 million and the Government's share of surplus (including surplus of CRAC business of ₹25.82million) for the F.Y. 2020-21 amounting to ₹29,031.49 million was retained as reserves, in accordance with approval from Government of India and IRDAI. During the nine months period ended December 31,2021, the said amount has been capitalised on account of bonus issue.

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

(Amount in ₹ Million, except as otherwise stated)

	Minimum outstanding during the year	**Maximum outstanding during the year**	**Daily average outstanding during the year**	**Outstanding as at Year end**
Securities sold under REPO 1. Government Securities 2. Corporate Debt securities	NIL	NIL	NIL	NIL
Securities Purchased under reversed Repo 1. Government Securities				
For Nine months ended December 31, 2021	10,633.51	205,078.29	60,099.72	52,814.97
Financial Year 2021	5,344.0	198,886.1	74,348.7	74,182.5
Financial Year 2020	4,004.3	228,248.2	78,512.7	128,893.9
Financial Year 2019	NIL	79,999.1	1,045.4	NIL
2. Corporate Debt securities	NIL	NIL	NIL	NIL

42. Deposits made under the local laws:

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

(Amount in ₹ Million, except as otherwise stated)

Name of The Foreign Subsidiaries	**As at Nine Months December 31, 2021**	**As at March 31,**		
		2021	**2020**	**2019**
Life Insurance Corporation (Singapore) Pte. Ltd	-	-	531.32	511.44
Life Insurance Corporation (International) BSC (c)	138.84	135.61	138.11	91.31
Life Insurance Corporation (LIC) of Bangladesh Ltd.	13.00	12.95	13.35	12.32
Total	**151.84**	**148.56**	**682.78**	**615.07**

Note: Deposit with respect to foreign branches are covered under Note No.18.

43. Regroupings or reclassification of LICI:

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

(Amount in ₹ Million, except as otherwise stated)

Sr. No.	Regrouped to	Regrouped from	As at/ for the year ended March 31, 2020	As at/ for the year ended March 31, 2019	Reason
1	**Annexure - III: Restated Consolidated Statement of Profit & Loss Account**	**Annexure - III: Restated Consolidated Statement of Profit & Loss Account**	47.60	22.10	Being renewal expenses of policy in excess of GBP 50 per policy contributed from Shareholders' Account to be shown as separate line item on the face of Profit & Loss Account and Revenue Account
	Contribution to Policyholders' Account towards others	(c) (Loss on sale/redemption of investments)			
2	**Annexure - II: Restated Consolidated Statement of Revenue Account**	**Annexure - II: Restated Consolidated Statement of Revenue Account**	47.60	22.10	
	Contribution from Shareholders' Account towards others	(a) Interest, Dividends & Rent - Gross*			
3	**Annexure - VI: Restated Consolidated Statement of Commission Expenses**	**Annexure - VII: Restated Consolidated Statement of Operating Expenses Related to Insurance Business**	3,153.61	9,945.74	This is shown as Separate Line Item as per Point No. 3 of IRDAI circular dated 04th Oct. 2019.
	Line item: Rewards and or remuneration to Intermediaries	Line item: Allowances and commission (other than commission to insurance agents)			
4	**Annexure - XV: Restated Consolidated Statement of Investments – Policyholders**	**Annexure - XX: Restated Consolidated Statement of Advances and Other Assets**			Reclassification of FITL to align with correct accounting procedure.
	A. Long Term Investments	**Line Item: 9**			
	3. Other Investments (d) Debentures/Bonds	Others –iii other assets a) Funded Interest	335.56	279.80	
	4. Investments in Infrastructure and Social Sector	b) Provision for Funded Interest	1,267.80	1,106.56	
	5. Other than Approved Investments			654.37	
	6. Less: Provision for doubtful investments		(1,603.36)	(2,040.72)	
	B. Short Term Investments				
	3. Other Investments (d) Debentures/Bonds		514.86	23.13	
	4. Investments in Infrastructure and Social Sector		297.10		
	5. Other than Approved Investments			449.06	
	6. Less: Provision for doubtful and substandard assets		(811.96)	(472.20)	

Sr. No .	Regrouped to	Regrouped from	As at/ for the year ended March 31, 2020	As at/ for the year ended March 31, 2019	Reason
5	**Annexure - XV: Restated Consolidated Statement of Investments - Policyholders**	**Annexure - XX: Restated Consolidated Statement of Advances and Other Assets**			Reclassification of FITL to align with correct accounting procedure
	A. Long Term Investments	**Line Item: 9**			
	4. Investments in Infrastructure and Social Sector	Others –iii other assets a) Funded Interest b) Provision for Funded Interest	156.80	156.80	
	6. Less: Provision for doubtful investments		(156.80)	(156.80)	
	B. Short Term Investments				
	3. Other Investments (d) Debentures/Bonds		3.27	3.27	
	6. Less: Provision for doubtful investments		(3.27)	(3.27)	
6	**Annexure - XV: Restated Consolidated Statement of Investments - Policyholders (P&GS)**	**Annexure - XX: Restated Consolidated Statement of Advances and Other Assets**			Reclassification of FITL to align with correct accounting procedure
	A. Long Term Investments	**Line Item: 9**			
	3. Other Investments (d) Debentures/Bonds	Others –iii other assets a) Funded Interest	10,202.87	10,202.87	
	4. Investments in Infrastructure and Social Sector	b) Provision for Funded Interest	778.42	778.42	
	6. Less: Provision for doubtful investments		(778.42)	(778.42)	
	B. Short Term Investments				
	3. Other Investments (d) Debentures/Bonds		2.52	2.52	
	6. Less: Provision for doubtful investments		(2.52)	(2.52)	
7	**Annexure - XV: Restated Consolidated Statement of Investments - Policyholders (Linked)**	**Annexure - XVI: Restated Consolidated Statement of Assets Held to Cover Linked Liabilities (Linked)**			Reclassification to align with correct accounting procedure
	A. Long Term Investments	**A. Long Term Investments**			
	1. Government securities and Government guaranteed bonds including Treasury Bills	1.Government securities and Government guaranteed bonds including Treasury Bills	281,449.98	234,441.86	
	2. Other Approved Securities	2.Other Approved Securities	7,171.35	6,494.00	
	3. Other Investments (a) (aa) Equity	3. Other Investments (a) (aa) Equity	29,086.72	46,147.42	
	(d) Debentures/Bonds	(d) Debentures/Bonds	2,360.66	2,858.55	

Sr. No.	Regrouped to	Regrouped from	As at/ for the year ended March 31, 2020	As at/ for the year ended March 31, 2019	Reason
	4. Investments in Infrastructure and Social Sector	4. Investments in Infrastructure and Social Sector	36,698.78	39,661.35	
	5. Other than Approved Investment	5. Other than Approved Investment	2,841.14	6,241.07	
	B. Short Term Investments	**B. Short Term Investments**			
	1. Government securities and Government guaranteed bonds including Treasury Bills	1. Government securities and Government guaranteed bonds including Treasury Bills	12,030.37	14,510.31	
	2. Other Approved Securities	2. Other Approved Securities			
	3. Other Investments (b) Mutual Funds	3. Other Investments (b) Mutual Funds	8,328.91	28,495.33	
	(d)Debentures/Bonds	(d) Debentures/Bonds			
8	**Annexure - XIX: Restated Consolidated Statement of Cash and Bank Balances**	**Annexure - XVI: Restated Consolidated Statement of Assets Held to Cover Linked Liabilities (Linked)**			
	(d) Collaterized Borrowing and Lending Obligation (CBLO)	Other Securities	252.68	59.77	
9	**Annexure - XVII: Restated Consolidated Statement of Loans**	**Annexure - XX: Restated Consolidated Statement of Advances and Other Assets**			Reclassification of FITL to align with correct accounting procedure
	1.SECURITY -WISE CLASSIFICATION	Line Item: 9			
	Secured	Others (iv)– Other assets			
	(a) On Mortgage of Property				
	(aa) In India	a) Funded Interest	19,392.50		
	(d) Other to be (Specified)	b) Provision for Funded Interest			
	(i) Guaranteed by Govt.		3.45		
	(ii)Hypothecation		199.05		
	Unsecured				
	(b) Other to be (Specified)				
	(I) Term Loans & SOS Loans		2,418.93	221,08.93	
	Provision for Doubtful Debts		(22,013.94)	(22,108.93)	
	2.BORROWER - WISE CLASSIFICATION	a) Funded Interest			
	(d) Companies	b) Provision for Funded Interest	1,175.43	1,160.73	
	(f) Other to be (Specified)				
	State Road Transport Corporations		61.60	61.60	

Sr. No .	Regrouped to	Regrouped from	As at/ for the year ended March 31, 2020	As at/ for the year ended March 31, 2019	Reason
	Housing Co-op. Societies		251.22	251.22	
	WSB, SFC, PTR, OTH, LDB ETC		2,0525.69	2,0635.38	
	(g) Provision for Bad & Doubtful Debts		(2,2013.94)	(2,2108.93)	
	3.PERFORMANCE - WISE CLASSIFICATION				
	(a) Loans classified as Standard				
	(aa) In India	a) Funded Interest	5619.43		
	Provision for Standard Loans	b) Provision for Funded Interest	(5,619.43)		
	(b) Non-Standard Loans				
	(aa) In India		16,394.51	22,108.93	
	Provision for Non-standard Loans		(16,394.51)	(22,108.93)	
	4.MATURITY-WISE CLASSIFICATION				
	(a) Short Term	a) Funded Interest	16,557.31	16,275.04	
	Provision for Short term	b) Provision for Funded Interest	(16,557.31)	(16,275.04)	
	(a) Long Term		5,456.63	5,833.88	
	Provision for Long term		(5,456.63)	(5,833.88)	
10	Upto FY 2019-20, in respect of Pension and Group Schemes (P&GS) business, the Corporation has been disclosing both Participating and non – participating polices separately under three segments namely, Superannuation, Annuity and Other P&GS. In the opinion of the management, as the P&GS business covers only non – participating polices, the entire P&GS business has to be disclosed under three segments namely, non – participating Pension Funded, non – participating Pension Non – Funded and non – participating Other P&GS. Accordingly, from FY 2020-21, the Corporation has disclosed the P&GS business as non – participating and previous year's figures have been regrouped to make them comparable with those of FY 2020-21.				

Note: No regrouping required for Financial Year ended March 2021

44. Ratios:

A. For Nine months ended December 31, 2021 for LICI

S.No.	Particular	For the nine months ended December 31, 2021
1	**New Business Premium Growth Rate (Segment wise)**	
	(i) Linked Business:	
	a) Life	317.62%
	b) Pension	NA
	c) Health	NA
	d) Variable Insurance	NA
	(ii) Non-Linked Business:	

S.No.	Particular	For the nine months ended December 31, 2021
	Participating:	
	a) Life	11.07%
	b) Annuity	NA
	c) Pension	-98.58%
	d) Health	NA
	e) Variable Insurance	NA
	Non Participating:	
	a) Life	5.74%
	b) Annuity	-49.07%
	c) Pension	-0.66%
	d) Health	-2.30%
	e) Variable Insurance	NA
2	**Percentage of Single Premium (Individual Business) to Total New Business Premium (Individual Business)**	46.63%
3	**Percentage of Linked New Business Premium (Individual Business) to Total New Business Premium (Individual Business)**	1.30%
4	**Net Retention Ratio**	99.87%
5	**Conservation Ratio (Segment wise)**	
	(i) Linked Business:	
	a) Life	117.52%
	b) Pension	78.43%
	c) Health	85.06%
	d) Variable Insurance	NA
	(ii) Non-Linked Business:	
	Participating:	
	a) Life	93.70%
	b) Annuity	83.65%
	c) Pension	37.07%
	d) Health	NA
	e) Variable Insurance	NA
	Non Participating:	
	a) Life	75.98%
	b) Annuity	63.93%
	c) Pension	23.45%
	d) Health	80.10%
	e) Variable Insurance	42.99%
6	**Expense of Management to Gross Direct Premium Ratio**	14.99%
7	**Commission Ratio (Gross commission and Rewards paid to Gross Premium)**	5.43%
8	**Business Development and Sales Promotion Expenses to New Business Premium**	NA
9	**Brand/Trade Mark usage fee/charges to New Business Premium**	NA
10	**Ratio of Policyholders' Fund to Shareholders' funds**	504.57
11	**Change in net worth (Amount in Rs. Million)**	72813.40
12	**Growth in Networth**	3046.95%

S.No.	Particular	For the nine months ended December 31, 2021
13	**Ratio of Surplus to Policyholders' Fund**	NA
14	**Profit after tax / Total Income**	0.33%
15	**(Total Real Estate + Loans)/(Cash & Invested Assets)**	3.28%
16	**Total Investments/(Capital + Reserves and Surplus)**	496.37
17	**Total Affiliated Investments/(Capital+ Reserves and Surplus)**	6.70
18	**Investment Yield - (Gross and Net) -Fund wise and With/Without realised gain ***	7.26%
19	**Persistency Ratio - Premium Basis (Regular Premium/Limited Premium Payment under Individual category) ****	
	For 13th month	76.84%
	For 25th month	71.70%
	For 37th month	67.84%
	For 49th Month	64.97%
	for 61st month	61.91%
	Persistency Ratio - Premium Basis (Single Premium/Fully paid-up under Individual category)	
	For 13th month	99.62%
	For 25th month	98.71%
	For 37th month	97.37%
	For 49th Month	96.46%
	for 61st month	96.32%
	Persistency Ratio - Number of Policy Basis (Regular Premium/Limited Premium Payment under Individual category)	
	For 13th month	65.47%
	For 25th month	59.00%
	For 37th month	55.60%
	For 49th Month	53.67%
	for 61st month	50.85%
	Persistency Ratio - Number of Policy Basis (Single Premium/Fully paid-up under Individual category)	
	For 13th month	99.45%
	For 25th month	98.40%
	For 37th month	97.06%
	For 49th Month	95.83%
	for 61st month	95.08%
20	**NPA Ratio**	
	Policyholders' Funds	
	Gross NPA Ratio	6.32%
	Net NPA Ratio	0.04%
	Shareholders' Funds	
	Gross NPA Ratio	0
	Net NPA Ratio	0
21	**Solvency Ratio**	1.77
22	**Debt Equity Ratio**	NA
23	**Debt Service Coverage Ratio**	NA

S.No.	Particular	For the nine months ended December 31, 2021
24	**Interest Service Coverage Ratio**	NA
25	**Average ticket size in Rs. - Individual premium (Non-Single)**	15959.76

Note:

1. *Ratios of LICI for nine months ended December 31, 2021 are provided separately in the above table pursuant to the revised instructions on public disclosure for all insurers issued by IRDAI dated 30.09.2021.*
2. *NA: Not Available*

B. Ratios for financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 for LICI:

Sl. No.	Particulars	FY 2020-21	FY 2019-20	FY 2018-19
1	New business premium income growth rate - segment wise			
	Non-Linked			
	Life	(1.55%)	4.51%	3.98%
	Pension	32.92%	(7.55%)	(10.93%)
	Group	0.81%	39.01%	10.13%
	Linked			
	Life	714.71%	148.11%	(38.39%)
	Pension	0.00	0.00	0.00
	Group	N.A.	N.A.	N.A.
2	Net Retention Ratio	99.89%	99.91%	99.91%
3	Expense of Management to Gross Direct Premium Ratio	14.17%	14.66%	14.38%
4	Commission Ratio (Gross commission paid to Gross Premium)	5.50%	5.64%	5.73%
5	Ratio of policy holder's liabilities to shareholder's funds	585.23	4,222.89	4,501.19
6	Growth rate of shareholders' fund	760.10%	8.96%	4.35%
7	Ratio of surplus to policy holders' liability	1.60%	1.64%	1.80%
8	Change in net worth (Amount in million)	56,211.65	608.43	283.11
9	Profit after tax/Total Income	0.004	0.004	0.005
10	(Total real estate + loans)/ (Cash & invested assets)	3.52%	4.22%	4.09%
11	Total investments/ (Capital + Surplus)	572.57	4,183.54	4,481.01
12	Total affiliated investments/ (Capital+ Surplus)	7.78	71.53	73.59
13	Investment Yield *	7.42%	7.54%	7.59%
14	Conservation Ratio	84.48%	88.79%	92.19%
15	Persistency Ratio***			
	For 13th month			
	By no. of policies	67.00%	61.00%	66.00%
	By annualized premium	79.00%	72.00%	77.00%
	For 25th month			
	By no. of policies	58.00%	56.00%	60.00%
	By annualized premium	70.00%	67.00%	71.00%
	For 37th month			

Sl. No.	Particulars	FY 2020-21	FY 2019-20	FY 2018-19
	By no. of policies	55.00%	52.00%	54.00%
	By annualized premium	67.00%	63.00%	65.00%
	For 49th month			
	By no. of policies	52.00%	48.00%	50.00%
	By annualized premium	63.00%	58.00%	60.00%
	For 61st month			
	By no. of policies	48.00%	44.00%	51.00%
	By annualized premium	59.00%	54.00%	63.00%
16	NPA Ratio (of debt portfolio)			
	Gross NPA Ratio **	7.78%	8.17%	6.15%
	Net NPA Ratio	0.05%	0.79%	0.27%
17	Solvency Ratio (Within India Business)	1.76	1.55	1.60

Notes: -

1. *The above ratios are as per the reporting done to IRDAI*
2. *Previous Period's Ratios are worked out on regrouped figures*
3. *** The figures for 'provisions for doubtful investments and other provisions' in FY2019 & FY2020 have been recast due to regrouping of funded folios under Investments (earlier shown under other advances). The amount of provision on funded folios pertaining to FY2020 was reversed to Interest account as per the prevailing accounting practice. The provision for the year FY2021 has been adjusted one time against Interest for proper presentation in Restated Consolidated Statement of Revenue Account for FY2021 and the impact is given in calculation of GNPA Ratio. Post regrouping the ratios are 8.49% and 6.53% for FY20 and FY19 respectively.*
4. *Note: All Ratios are in percentage form except the ratios stated below:*
   a. *Ratio of Policyholder's liabilities to shareholder's funds*
   b. *Profit after tax/ total Income. (For FY ended 21, 20 and 19)*
   c. *Total Investments/ (Capital +Surplus)*
   d. *Total affiliated Investments/ (Capital +Surplus)*
   e. *Average ticket size in Rs. - Individual premium (non-Single)*
   f. *Change in Net Worth is in ₹ Million*
   g. *Solvency Ratio*

** Yield is calculated on Mean Policyholders' Fund.*

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

C. Ratios of the Group (Average Return on Networth and Net Asset Value per Equity Share)

Sl. No.	Particulars	For nine months ended December 31, 2021	FY 2020-21	FY 2019-20	FY 2018-19
1	Average Return on Net-worth	20.84%	45.65%	317.14%	322.25%
2	Net Asset Value Per Equity Share	13.01	10.30	1.35	1.29

Note:

i) *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.*

ii) *Return on Net Worth (RoNW) (%) = Net Profit after tax attributable to owners of our corporation, as restated / Restated net worth at the end of the year/period.*

iii) *'Net worth': Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2019; 2020 and 2021 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations*

iv) *The Networth has not been adjusted for any subsequent changes post the reporting date.*

v) *The Corporation was established by the act of Parliament with initial capital made by Government of India which was not in the form of equity shares. As such the number of shares is not applicable as at 31.03.2019, 31.03.2020 and 31.03.2021 as the allotment of 6,32,49,97,701 equity shares @₹ 10/- each was done in September 2021 in pursuance to Government of India's approval dated 06th September 2021.*

vi) *Net Asset Value per share= Networth / Number of Equity Shares Issued. Number of Equity Shares issued refers to the number of equity shares arrived at after adjusting for subsequent issuances of 6,32,49,97,701 equity shares.*

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

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

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

ii. Actual solvency ratio details vis-à-vis the required solvency ratio:

The solvency ratio of the Corporation (Business within India) as on December 31, 2021 was 1.77 times as on March 31, 2021 was 1.76 times, as on March 31, 2020 was 1.55 times and as on March 31, 2019 was 1.60 times, against the regulatory requirement of a minimum solvency ratio of 1.50 times.

iii. Persistency ratio:

The persistency ratio (13th month) of regular premium /limited premium payment under individual category for the year/ period ended is given as below.

For the Year/Period ended	Persistency ratio based on	
	Premium amount	No. of Polices
December 31, 2021	76.84%	65.47%
March 31, 2021	79%	67%
March 31, 2020	72%	61%
March 31, 2019	77%	66%

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

v. A description of the risk management architecture:

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

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

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

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

Besides, CERM supports the RMCB by supervising some major functions, like, establishing Risk Management Policies, MIS for risk reporting/risk control applicable to Investment Departments, frame accountability and authority for risk management, report to the Risk Management Committee of the Board about key risks arising from strategic initiatives and changes in business environment or regulations, provide risk assessment review reports highlighting significant risks and risk mitigation plans thereof, review of operating risk environment including Business Continuity Plan in line with Corporation's Business Continuity Plan, review the solvency position of the Corporation on a regular basis, review of risk related to IT security and any other issues related to IT and reviews the Fraud Monitoring Report.

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

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

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

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

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

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

vi. **Details of number of Death claims intimated, disposed off and pending with details of duration for Individual Business:**

(Amount in ₹ Million)

Particulars	**For Nine Months ended December 31, 2021**		**As at March 31,**					
			2021		**2020**		**2019**	
	No. of Claims	**₹ In million**	**No. of Claims**	**₹ In million**	**No. of Claims**	**₹ In million**	**No. of Claims**	**₹ In million**
No. of claims outstanding at the beginning of the year	1,725	2,924.26	5,875	3,496.9	791	1,359.2	569	902.8
Add:								
No. of claims reported during the year	1107433	240,679.07	941,101	187,557	758,125	135,584	750,381	1,341,29.2
Less:								
No. of claims settled during the year	1065873	226,682.07	933,889	182,956	733,809	127,979	734,328	1,287,19.2
No. of claims repudiated during the year	3,265	1,531.25	6,531	2,769.3	6,124	2,050.2	3,199	1,930.7
No. of Claims rejected during the year	2,272	52.62	2,934	39.2	2,172	20.8	3,442	84.7
No. of claims written back	2,657	2,143.70	1,897	2,364.9	10,936	3,397	9,190	2,938.2
No. of claims outstanding at the end of the year	**35,091**	**13,193.69**	**1,725**	**2,924.20**	**5,875**	**3,496.9**	**791**	**1,359.2**
Details of duration of outstanding claims								
Less than 3 months	20,500	7,812.91	792	1,342.6	3,144	1,871.4	370	635.8
3 months to 6 months	14,591	5,380.78	933	1,581.6	2,731	1,625.5	285	489.7
6 months to 1 year	0	0.00	0	0	0	0	89	152.9
1 year and above	0	0.00	0	0	0	0	47	80.8
Total	**35,091**	**13,193.69**	**1,725**	**2,924.2**	**5,875**	**3,496.9**	**791**	**1,359.2**

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

vii. Payments made to group entities from Policyholders Funds:

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

viii. Disclosure on additional works given to auditors

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

(Amount in ₹ Million)

Name of the Statutory Central Auditors		Tax Audit Fees				GST Certification/ Audit Fees				Other Certification Fees		
	31-Dec-21	**2020-21**	**2019-20#**	**2018-19**	**31-Dec-21**	**2020-21****	**2019-20*****	**2018-19**	**31-Dec-21**	**2020-21**	**2019-20**	**2018-19**
1. Khandelwal Jain & Co.	-	0.08	0.08	0.07	-	0.02	-	-	0.19	0.08	0.08	0.21
2. Batliboi& Purohit	-	-	-	-	-	0.04	-	-	0.01	-	-	-
3. S.L. Chhajed& Co. LLP	-	0.08	0.1	0.07	-	0.08	-	-	-	-	-	-
4. S.K. Kapoor & Co.	-	0.08	0.1	0.07	-	0.08	0.04	-	-	-	-	-
5. TodiTulsyan& Co.	-	0.08	0.1	-	0.02	0.04	-	-	-	-	-	-
6. R.G.N. Price & Co.	-	0.08	0.1	0.07	-	0.04	-	-	-	-	-	-
7. abm& associates LLP	-	0.08	0.1	0.07	-	0.18	0.05	-	-	-	-	-
8. Umamaheswara Rao & Co.	-	-	0.1	0.07	-	0.04	-	-	-	-	-	-
9. A R & Co.	-	0.08	0.1	-	-	0.04	-	-	-	-	-	-
10. D K Chhajer& Co.	-	-	0.1	-	0.095	0.12	-	-	-	-	-	-
11. Chaturvedi & Shah LLP	-	-	-	-	-	-	-	-	-	-	-	-
12. B. Gupta & Co.	-	-	-	0.07	-	0.04	0.04	-	-	-	-	-
13. A S A & Associates LLP	-	-	-	0.07	-	0.04	0.04	-	-	-	-	-
14. V. Singhi& Associates	-	-	-	0.07	-	0.12	0.12	-	-	-	-	-
15. Ramamoorthy (N) & Co.	-	0.08	-	0	-	-	-	0	-	-	-	0
16. Ray & Ray	-	0.08	-	0	-	-	-	0	-	-	-	0
17.PVAR & Associates	-	-	-	-	0.05	-	-	-	-	-	-	-
18.SUNSVG & Associates	-	-	-	-	0.030*	-	-	-	-	-	-	-
19.L.S. Nalwaya	-	-	-	-	0.024*	-	-	-	-	-	-	-
20.Chhajed & Doshi	-	-	-	-	0.059*	-	-	-	-	-	-	-
21.Akilesh Pandey & Co.	-	-	-	-	0.024*	-	-	-	-	-	-	-
22.Kumar Vijay Gupta & Co.	-	-	-	-	0.024*	-	-	-	-	-	-	-
23.P P Bansal	-	-	-	-	0.024*	-	-	-	-	-	-	-
24.Surender Kr. Singhal & Co.	-	-	-	-	0.059*	-	-	-	-	-	-	-
25. R M Lall & Co.					0.02							
Total	**0.00**	**0.72**	**0.88**	**0.63**	**0.43**	**0.88**	**0.29**	**0.00**	**0.20**	**0.08**	**0.08**	**0.21**

 # Includes the arrears paid for the FY: 17, FY18 and FY19
****represents the fees paid for the period July 2017 to March 2018*
***represents the fees paid for the FY 19 and FY20*
** Inclusive of GST*

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

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

(Amount in ₹ Million)

	As at March 31,		
	2021	**2020**	**2019**
Policyholders' Fund (Life Fund)			
Participating			
Individual Assurance	24,326,484.6	22,329,524.9	20,463,345.2
Annuity Business	12,363.4	14,562.2	16,938.2
Pension Business	280,387.7	274,777.3	267,085.3
Group Assurance	439,367.5	439,367.5	380,861.6
Non-Participating			

	As at March 31,		
	2021	2020	2019
Individual Assurance (Includes Life, Linked- Non-Unit Fund)	502,114.2	460,969.7	420,239.8
Annuity Business	955,033.3	754,855.5	615,121.4
Group Assurance	7,482,173.5	6,510,645.0	5670,359.3
Health Business	5,303.7	4,532.5	3,812.9
Linked			
Individual Assurance	225,547.4	222,829.4	270,846.2
Group Assurance	0.0	0.0	0.0
Individual Pension	84,131.2	85,954.9	127,595.8
Group Superannuation	0.0	0.0	0.0
Group Gratuity	1,192.8	1,017.5	1,077.3
Health Business	17,684.0	14,587.5	15,991.1
Funds for Future Appropriations	33.4	2.1	1.7
Discontinued Fund (Unit)	175.4	121.0	86.4
Total (A)	34,331,992.10	31,113,747.00	28,253,362.20
Shareholders'' Fund			
Paid up Capital	1,000.0	1,000.0	1,000.0
Reserves & Surpluses	59,432.0	3,426.2	2,811.5
Fair Value Change	89.6	0.0	0.0
Total (B)	60,521.6	4,426.2	3,811.5
Misc. expenses not written off	0.0	0.0	0.0
Credit / (Debit) from P&L A/c.	0.0	0.0	0.0
Total (C)	0.0	0.0	0.0
Total shareholders' funds (B+C)	60,521.6	4,426.2	3,811.5
Controlled Fund [Total (A+B-C)]	**34,392,513.7**	**31,118,173.2**	**28,257,173.7**

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

(Amount in ₹ Million)

	As at March 31,		
	2021	2020	2019
Opening Balance of Controlled Fund	31,118,173.2	28,257,173.7	25,820,406.5
Add: Inflow			
Income			
Premium Income	4,028,862.1	3,790,113.4	3,371,275.8
Less: Reinsurance ceded	4,417.6	3,266.9	3,191.3
Net Premium	4,024,444.5	3,786,846.5	3,368,084.5
Investment Income*	2,782,965.6	2,35,1228.2	2,224,964.4
Other Income	5,953.1	14,698.1	8,419.9
Funds transferred from Shareholders' Accounts	0.0	0.0	0.0
Total Income	6,813,363.2	6,152,772.8	5,601,468.8
Less: Outgo			
(i) Benefits paid (Net)	2,842,699.5	2,521,586.9	2,489,045.3
(ii) Interim Bonus Paid	22,253.3	16,708.9	16,493.1

	As at March 31,		
	2021	2020	2019
(iii) Change in Valuation of Liability**	3,218,244.9	2,860,384.8	2,436,676.0
(iv) Commission	221,479.0	210,035.5	192,870.8
(v) Operating Expenses	349,451.9	345,241.1	291,413.9
(vi) Provision for Taxation I.T.	79,442.0	68,218.4	77,096.2
(vii) Provision other than Taxation ***	50,005.9	102,670.1	70,200.2
(vii) Others***	930.7	982.1	1,100.8
Total Outgo	6,784,507.2	6,125,827.8	5,574,896.3
Surplus of the Policyholders' Fund	28,856.0	26,945.0	26,572.5
Less: transferred to Shareholders' Account	28,856.0	26,945.0	26,572.5
Net Flow in Policyholders' account	(0.0)	0.0	0.0
Add: Net income/(expense) in Shareholders' Fund	28,948.5	91.2	91.2
Net In Flow / Outflow	28,948.5	91.2	91.2
Add: change in valuation Liabilities**	3,218,244.9	2,860,384.8	2,436,676.0
Add: Capital infusion to Life Insurance Corporation (Singapore) Pte Ltd	0.0	523.5	0.0
Add: Retention of Government share of surplus for the year 2019-20 and CRAC business for the year 2019-20 and 2020-21	27,057.3	0.0	0.0
Add: Fair value change	89.6	0.0	0.0
Closing Balance of Controlled Fund	34,392,513.5	31,118,173.2	28,257,173.7
As Per Balance Sheet	34,392,513.5	31,118,173.2	28,257,173.7
Difference, if any	0.0	0.0	0.0

**Investment Income includes transfer/gain on revaluation/change in fair value of unit fund of Linked business*
***Change in valuation of liabilities includes transfer to provision for Linked Liabilities, Funds for Future Appropriations and Discontinued fund*
****"Provision other than taxation" and "Others "have been included as separate row items. "Others" include Other Expenses and Service Tax on Fund Management Charges & Other Charges of Linked Business*

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

(Amount in ₹ Million)

	As at March 31,		
	2021	2020	2019
Policyholders' Funds			
Policyholders' Funds - Participating and Non-Participating			
Opening Balance of the Policyholders' Fund	30,789,236.7	27,837,765.5	25,307,977.6
Add: Surplus of the Revenue Account			
Add: Change in valuation Liabilities	3,214,024.4	2,951,471.2	2,529,787.9
Total	34,003,261.1	30,789,236.7	27,837,765.5
As per Balance Sheet	34,003,261.1	30,789,236.7	27,837,765.5
Difference, if any	0.0	0.0	0.0
Policyholders' Funds - Linked			
Opening Balance of the Policyholders' Fund	324,510.3	415,596.7	508,708.5
Add: Surplus of the Revenue Account			
Add: Change in valuation Liabilities	4,220.5	(91,086.4)	(93,111.8)

	As at March 31,		
	2021	2020	2019
Total	328,730.8	324,510.3	415,596.7
As per Balance Sheet*	328,730.8	324,510.3	415,596.7
Difference, if any	0.0	0.0	0.0
Shareholders" Funds			
Opening Balance of Shareholders' Fund	4,426.2	3,811.5	3,720.3
Add: Net income/(expense) in Shareholders' Fund	28,948.5	91.2	91.2
Add: Capital Infusion to Life Insurance Corporation (Singapore) Pte Ltd	0.0	523.5	0.0
Add: Retention of Government share of surplus for the year 2019-20 and CRAC business for the year 2019-20 and 2020-21	27,057.3	0.0	0.0
Add: Fair value change	89.6	0.0	0.0
Closing Balance of the Shareholders' fund	60,521.6	4,426.2	3,811.5
As per Balance Sheet	60,521.6	4,426.2	3,811.5
Difference, if any	0.0	0.0	0.0

** Includes Discontinued Fund (Unit)*

Note: As per Master Circular on Preparation of Financial Statements and filing returns of Life Insurance Business IRDA/F&A/Cir/232/12/2013 dated December11, 2013, the details of the Controlled Fund are required to be furnished as part of the annual financial statements of life insurance companies and thus the above information has not been provided for the nine months ended December 31, 2021.

47. Bifurcation of the Single Fund into Participating and Non-Participating Funds:

The Finance Bill 2021 proposed various amendments to the LIC Act, 1956 ("the Act"). These amendments came into effect from June 30, 2021 vide Gazette Notification ref. S. O. 2616(e) dated June 29, 2021. In exercise of the mandate given under section 24 of the Act and in discharge of this mandate, the board of directors of the Corporation approved in principle, in its meeting held on August 24, 2021, bifurcation of the Single/Unified Policyholder fund into Participating Policyholders' fund and Non-Participating Policyholders' fund with effect from September 30, 2021, taking into account the interest of the various stakeholders, including maintaining Policy Holder Reasonable Expectations.

The policy liability has been aligned with the line of business wise actuarially assessed liability (Life as well as P&GS, including Participating and Non-participating) as at September 30, 2021. The board of directors of the Corporation decided to keep the available solvency margin as at March 31, 2021 and the corresponding assets in the non-participating fund, which would be available to meet the solvency requirement of all the policyholders of the Corporation.

In order to meet the solvency requirement of all the stakeholders, the Corporation has adopted rational approach for realignment of assets and considered those assets which are easily marketable, have good market value and appreciation over their book value and long term in nature with liquidity and lower risk.

48. Disclosure on presentation of segmental reporting: -

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) regulations 2002 ('the Regulations') read with AS 17 on "segmental reporting" notified under section 133 of the Companies Act, 2013 and rules thereunder, the Corporation has classified and disclosed segmental information for policyholders. Within policyholders', the businesses are further segmented into Participating and Non-Participating policies and Linked and Non-Linked business. Further, for Non-Linked business, separate statements are prepared for Ordinary Life, General Annuity, Pension, Variable and Health Insurance. The Corporation operates in various geographical segments. However, since the revenues and assets from the overseas segments are less than 10% of the total revenue and assets, no separate geographical segments have been disclosed.

Restated Consolidated Statement of Segmental Reporting is given as below: -

Restated Consolidated Statement on Segmental Disclosure - Asset and Liabilities as at December 2021

(₹ in Million)

Particulars	Non Linked Business										Linked Business	Total			Subsidiaries/Inter company Adjustments	Total
	Life		Pension		Annuity		Variable	Health	Non-Linked Total							
	Participating	Non Participating	Participating	Non Participating	Participating	Non Participating	Non Participating	Non Participating	Participating	Non Participating	Non-Participating	Participating	Non-Participating	Shareholders Fund		
SOURCES OF FUNDS																
SHAREHOLDERS' FUNDS:																
SHARE CAPITAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,249.98	0.00	63,249.98
RESERVES AND SURPLUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,715.08	8,271.09	24,986.17
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	538.85	869.49	1,408.34
MINORITY INTEREST (Shareholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,018.79	1,018.79
Sub-Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**80,503.91**	**10,159.37**	**90,663.28**
BORROWINGS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36.66	36.66
POLICYHOLDERS' FUNDS:																
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	812,149.95	2,885,018.17	0.00	71,849.08	0.00	0.00	0.00	0.00	812,149.95	2,956,867.25	52,164.34	812,149.95	3,009,031.59	0.00	416.36	3,821,597.90
POLICY LIABILITIES	24,626,905.47	4,441,935.26	396,673.45	5,765,724.27	57,531.08	1,100,338.33	1,409.15	29,421.59	25,081,110.00	11,338,828.60	4,242.07	25,081,110.00	11,343,070.67	0.00	176,513.74	36,600,694.41
MINORITY INTEREST (Policyholders)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42.53	42.53
FUNDS FOR DISCONTINUED POLICIES																
Discontinued on account of non payment of premium	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	552.09	0.00	552.09	0.00	0.00	552.09
Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168.94	0.00	168.94	0.00	0.00	168.94
INSURANCE RESERVES	128,516.59	2.79	0.00	0.00	0.00	(2.28)	0.00	0.00	128,516.59	0.51	2.68	128,516.59	3.19	0.00	20,248.45	148,768.23
PROVISION FOR LINKED LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	234,041.01	0.00	234,041.01	0.00	232.73	234,273.74
Sub-Total	**25,567,572.01**	**7,326,956.22**	**396,673.45**	**5,837,573.35**	**57,531.08**	**1,100,336.05**	**1,409.15**	**29,421.59**	**26,021,776.54**	**14,295,696.36**	**291,171.13**	**26,021,776.54**	**14,586,867.49**	**0.00**	**197,490.47**	**40,806,134.50**
FUNDS FOR FUTURE APPROPRIATIONS	23,059.38	0.00	(9,728.09)	0.00	(2,294.68)	0.00	0.00	0.00	11,036.61	0.00	33.39	11,036.61	33.39	0.00	0.00	11,070.00
TOTAL	**25,590,631.39**	**7,326,956.22**	**386,945.36**	**5,837,573.35**	**55,236.40**	**1,100,336.05**	**1,409.15**	**29,421.59**	**26,032,813.15**	**14,295,696.36**	**291,204.52**	**26,032,813.15**	**14,586,900.88**	**80,503.91**	**207,649.84**	**40,907,867.78**

(₹ in Million)

Particulars	Non Linked Business										Linked Business	Total				Total
	Life		Pension		Annuity		Variable	Health	Non-Linked Total							
	Participating	Non Participating	Participating	Non Participating	Participating	Non Participating	Non Participating	Non Participating	Participating	Non Participating	Non-Participating	Participating	Non-Participating	Shareholders Fund	Subsidiaries /Inter company Adjustments	
APPLICATION OF FUNDS																
INVESTMENTS																
Shareholders'	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,647.99	(11,781.46)	51,866.53
Policyholders'	23,392,245.51	7,409,240.14	270,551.24	5,960,518.30	9,147.60	1,021,210.07	3,322.70	6,032.74	23,671,944.35	14,400,323.95	225,474.59	23,671,944.35	14,625,798.54	0.00	138,430.09	38,436,172.98
ASSETS HELD TO COVER LINKED LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	234,470.50	0.00	234,470.50	0.00	199.72	234,670.22
LOANS	1,097,270.97	1,279.16	0.00	0.00	0.00	2,063.95	41.85	0.00	1,097,270.97	3,384.96	43.25	1,097,270.97	3,428.21	0.00	10,712.30	1,111,411.48
FIXED ASSETS	33,731.52	699.06	0.00	0.00	0.00	0.00	0.00	0.00	33,731.52	699.06	0.00	33,731.52	699.06	0.00	200.86	34,631.44
CURRENT ASSETS:																
Cash and Bank Balances	(281,748.83)	(668,504.67)	2,910.34	817,036.43	41,546.60	223,882.04	6,935.08	7,276.43	(237,291.89)	386,625.31	173.34	(237,291.89)	386,798.65	433.08	68,333.02	218,272.86
Advances and Other Assets	1,106,537.15	264,900.94	7,929.23	97,233.90	284.42	15,852.65	83.81	305.67	1,114,750.80	378,376.97	3,428.51	1,114,750.80	381,805.48	704.18	4,204.68	1,501,465.14
Sub-Total (A)	**824,788.32**	**(403,603.73)**	**10,839.57**	**914,270.33**	**41,831.02**	**239,734.69**	**7,018.89**	**7,582.10**	**877,458.91**	**765,002.28**	**3,601.85**	**877,458.91**	**768,604.13**	**1,137.26**	**72,537.70**	**1,719,738.00**
CURRENT LIABILITIES	(242,373.54)	(434,403.10)	(105,554.55)	986,019.15	(4,257.78)	156,732.40	8,708.58	441.30	(352,185.87)	717,498.33	163,230.48	(352,185.87)	880,728.81	0.00	2,603.79	531,146.73
PROVISIONS	0.00	149,430.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149,430.56	0.00	0.00	149,430.56	0.00	45.58	149,476.14
Sub-Total (B)	**(242,373.54)**	**(284,972.54)**	**(105,554.55)**	**986,019.15**	**(4,257.78)**	**156,732.40**	**8,708.58**	**441.30**	**(352,185.87)**	**866,928.89**	**163,230.48**	**(352,185.87)**	**1,030,159.37**	**0.00**	**2,649.37**	**680,622.87**
NET CURRENT ASSETS (C) = (A - B)	**1,067,161.86**	**(118,631.19)**	**116,394.12**	**(71,748.82)**	**46,088.80**	**83,002.29**	**(1,689.69)**	**7,140.80**	**1,229,644.78**	**(101,926.61)**	**(159,628.63)**	**1,229,644.78**	**(261,555.24)**	**1,137.26**	**69,888.33**	**1,039,115.13**
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	**25,590,409.86**	**7,292,587.17**	**386,945.36**	**5,888,769.48**	**55,236.40**	**1,106,276.31**	**1,674.86**	**13,173.54**	**26,032,591.62**	**14,302,481.36**	**300,359.71**	**26,032,591.62**	**14,602,841.07**	**64,785.25**	**207,649.84**	**40,907,867.78**

Note: As per Accounting Standard 17- Tax assets cannot be allocated. However, in case of LIC, fund was unified till it was segregated on 30.09.2021 and tax expenditure as well as assets under Unified Fund were deemed pertaining to Life Par.

Restated Consolidated Statement on Segmental Disclosure - Asset and Liabilities as at the Year Ended March 31, 2021, March 31, 2020 and March 31, 2019

(₹ in Million)

Particulars	As at March 31, 2021				As at March 31, 2020				As at March 31, 2019			
	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	Total	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	Total	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	Total
SOURCES OF FUNDS												
SHAREHOLDERS' FUNDS:												
SHARE CAPITAL	1,000.00	0.00	0.00	**1,000.00**	1,000.00	0.00	0.00	**1,000.00**	1,000.00	0.00	0.00	**1,000.00**
RESERVES AND SURPLUS	62,249.98	0.00	4,804.73	**67,054.71**	6,220.01	0.00	2,696.57	**8,916.58**	5,546.05	0.00	2,438.30	**7,984.35**
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	356.95	0.00	428.03	**784.97**	175.26	0.00	(73.57)	**101.69**	240.79	0.00	(1,128.40)	**(887.61)**
MINORITY INTEREST (Shareholders)	0.00	0.00	992.76	**992.76**	0.00	0.00	962.84	**962.84**	0.00	0.00	877.61	**877.61**
Sub-Total	**63,606.92**	**0.00**	**6,225.52**	**69,832.44**	**7,395.27**	**0.00**	**3,585.84**	**10,981.11**	**6,786.84**	**0.00**	**2,187.51**	**8,974.35**
BORROWINGS	0.00	0.00	36.65	**36.65**	0.00	0.00	2,534,135.99	**2,534,135.99**	0.00	0.00	2,694,005.95	**2,694,005.95**
POLICYHOLDERS' FUNDS:												
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	2,688,300.14	40,407.76	741.97	**2,729,449.88**	(56,013.77)	12,608.40	239.74	**(43,165.63)**	2,131,842.76	35,941.83	(832.04)	**2,166,952.55**
POLICY LIABILITIES	33,651,192.47	386,317.24	169,760.32	**34,207,270.03**	30,465,854.78	354,127.04	208,173.20	**31,028,155.02**	27,543,125.56	323,994.00	189,811.57	**28,056,931.13**
MINORITY INTEREST (Policyholders)	0.00	0.00	209.48	**209.48**	0.00	0.00	171,331.95	**171,331.95**	0.00	0.00	188,363.61	**188,363.61**
FUNDS FOR DISCONTINUED POLICIES:												
Discontinued on account of non-payment of premium	0.00	336.60	0.00	**336.60**	0.00	333.42	0.00	**333.42**	0.00	327.11	(0.00)	**327.10**
Others	0.00	169.97	(0.00)	**169.97**	0.00	185.17	0.00	**185.17**	0.00	190.70	(0.00)	**190.69**
INSURANCE RESERVES	129,337.66	2.66	(2,225.76)	**127,114.55**	127,853.68	2.17	(13,706.95)	**114,148.90**	97,834.32	1.84	33,123.27	**130,959.43**
PROVISION FOR LINKED LIABILITIES	0.00	329,319.62	272.06	**329,591.68**	0.00	324,976.52	376.47	**325,352.99**	0.00	416,079.91	428.74	**416,508.65**
Sub-Total	**36,468,830.27**	**756,553.85**	**168,794.72**	**37,394,178.84**	**30,537,694.69**	**692,232.72**	**2,900,550.40**	**34,130,477.81**	**29,772,802.64**	**776,535.38**	**3,104,901.09**	**33,654,239.11**
FUNDS FOR FUTURE APPROPRIATIONS	0.00	33.40	0.00	**33.40**	0.00	2.14	284.68	**286.82**	0.00	1.73	130.98	**132.71**
TOTAL	**36,532,437.19**	**756,587.25**	**175,020.24**	**37,464,044.68**	**30,545,089.96**	**692,234.86**	**2,904,420.92**	**34,141,745.74**	**29,779,589.47**	**776,537.11**	**3,107,219.59**	**33,663,346.17**
APPLICATION OF FUNDS												
INVESTMENTS												
Shareholders'	7,135.67	0.00	(2,871.64)	**4,264.03**	6,794.18	0.00	(2,785.78)	**4,008.40**	6,366.19	0.00	(2,672.36)	**3,693.83**
Policyholders'	34,437,215.66	439,332.91	107,858.80	**34,984,407.37**	28,492,870.74	380,220.60	705,986.23	**29,579,077.57**	27,535,494.62	0.00	1,241,372.31	**28,776,866.93**
ASSETS HELD TO COVER LINKED LIABILITIES	0.00	329,495.02	254.55	**329,749.57**	0.00	325,097.50	(3,398.64)	**321,698.86**	0.00	718,551.51	(382,882.80)	**335,668.71**
LOANS	1,077,750.82	82.55	9,803.27	**1,087,636.65**	1,078,081.44	145.28	1,296,120.24	**2,374,346.96**	1,043,077.77	147.73	1,455,577.83	**2,498,803.33**
FIXED ASSETS	34,533.86	0.00	206.40	**34,740.26**	30,138.24	0.00	115,579.54	**145,717.78**	28,840.01	0.00	116,835.76	**145,675.77**
CURRENT ASSETS:												

Particulars	As at March 31, 2021				As at March 31, 2020				As at March 31, 2019			
	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	Total	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	Total	Non-linked Business	Linked Business	Subsidiaries/Inter company Adjustments	Total
Cash and Bank Balances	302,616.72	315.82	57,850.64	**360,783.18**	284,935.05	877.28	345,713.95	**631,526.28**	421,766.76	14.50	257,214.02	**678,995.28**
Advances and Other Assets	1,482,037.63	7,040.12	4,583.25	**1,493,661.00**	1,428,120.85	7,719.00	506,125.09	**1,941,964.94**	1,318,637.14	6,947.64	507,203.66	**1,832,788.44**
Sub-Total (A)-Current Assets	**1,784,654.36**	**7,355.94**	**62,433.89**	**1,854,444.18**	**1,713,055.90**	**8,596.28**	**851,839.04**	**2,573,491.22**	**1,740,403.90**	**6,962.13**	**764,417.68**	**2,511,783.72**
CURRENT LIABILITIES	659,422.62	19,679.16	2,612.77	**681,714.55**	599,442.55	21,824.80	29,049.78	**650,317.13**	398,556.51	(50,875.74)	55,142.27	**402,823.05**
PROVISIONS	149,430.56	0.00	52.27	**149,482.83**	176,407.99	0.00	29,869.93	**206,277.92**	176,036.51	0.00	30,286.56	**206,323.07**
Sub-Total (B)-Current Liabilities	**808,853.18**	**19,679.16**	**2,665.04**	**831,197.38**	**775,850.54**	**21,824.80**	**58,919.71**	**856,595.05**	**574,593.03**	**(50,875.74)**	**85,428.83**	**609,146.12**
NET CURRENT ASSETS (C) = (A - B)	**975,801.18**	**(12,323.23)**	**59,768.85**	**1,023,246.80**	**937,205.36**	**(13,228.52)**	**792,919.33**	**1,716,896.17**	**1,165,810.88**	**57,837.87**	**678,988.85**	**1,902,637.60**
MISCELLANEOUS EXPENDITURE	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	**0.00**
(to the extent not written off or adjusted)												
DEBIT BALANCE IN PROFIT & LOSS	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	**0.00**
ACCOUNT (Shareholders' Account)												
TOTAL	**36,532,437.19**	**756,587.25**	**175,020.24**	**37,464,044.68**	**30,545,089.96**	**692,234.86**	**2,904,420.92**	**34,141,745.74**	**29,779,589.47**	**776,537.11**	**3,107,219.59**	**33,663,346.17**

Restated Consolidated Statement on Segmental Disclosure -Revenue Account for the period ended December 2021, in Respect of Total Business - Policyholders' Account (Technical Account)

(₹ in Million)

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non Participating	**Participating**	**Non-Participating**	Non-Participating	**Participating**	**Non-Participating**		
Premiums earned - net															
(a) Premium	1,766,544.46	272,358.14	3,208.07	686,034.04	19.85	88,764.43	59.10	2,230.89	1,769,772.38	1,049,446.60	21,327.59	1,769,772.38	1,070,774.19	**16,752.98**	**2,857,299.55**
(b) Reinsurance ceded	(740.23)	(2,586.83)	(0.88)	0.00	0.00	0.00	0.00	(417.68)	(741.11)	(3,004.51)	(68.00)	(741.11)	(3,072.51)	**(66.67)**	**(3,880.29)**
(c) Reinsurance accepted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Sub-Total	**1,765,804.23**	**269,771.31**	**3,207.19**	**686,034.04**	**19.85**	**88,764.43**	**59.10**	**1,813.21**	**1,769,031.27**	**1,046,442.09**	**21,259.59**	**1,769,031.27**	**1,067,701.68**	**16,686.31**	**2,853,419.26**
Income from Investments															
(a) Interest, Dividends & Rent - Gross	1,300,753.37	177,057.77	16,834.81	307,579.22	656.31	55,150.34	236.46	340.90	1,318,244.49	540,364.69	24,165.05	1,318,244.49	564,529.74	**8,076.00**	**1,890,850.23**
(b) Profit on sale/redemption of investments***	365,210.80	14,673.53	53.12	29,283.13	128.99	2.06	31.65	0.00	365,392.91	43,990.37	17,473.42	365,392.91	61,463.79	**1,767.04**	**428,623.74**
(c) (Loss on sale/redemption of investments)	(36,398.57)	(9,017.52)	(92.57)	(8,648.83)	(86.58)	(5,745.53)	(54.79)	(2.25)	(36,577.72)	(23,468.92)	(3,323.43)	(36,577.72)	(26,792.35)	**(625.88)**	**(63,995.95)**
(d) Transfer/Gain on revaluation/change in	1,076.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,076.94	0.00	6,625.16	1,076.94	6,625.16	**(642.70)**	**7,059.40**
fair value*															
(e) Other Income															
(i) Amounts written back	1.79	0.00	0.00	(0.09)	0.00	0.00	0.00	0.00	1.79	(0.09)	0.00	1.79	(0.09)	**0.00**	**1.70**
(ii) Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
(iii) Commission, exchange and brokerage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
(iv) Sundry Receipts	1,126.10	3,400.83	0.00	1,293.90	0.07	0.04	(2.13)	(0.07)	1,126.17	4,692.57	(7.99)	1,126.17	4,684.58	**1,022.92**	**6,833.67**
(v) Contribution from Shareholders' Account towards others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
TOTAL (A)	**3,397,574.66**	**455,885.92**	**20,002.55**	**1,015,541.37**	**718.64**	**138,171.34**	**270.29**	**2,151.79**	**3,418,295.85**	**1,612,020.71**	**66,191.80**	**3,418,295.85**	**1,678,212.51**	**26,283.69**	**5,122,792.05**
Commission	150,330.34	1,182.11	77.20	0.67	0.48	1,896.96	1.72	293.99	150,408.02	3,375.45	505.50	150,408.02	3,880.95	**1,092.13**	**155,381.10**
Operating Expenses related to Insurance Business	256,556.50	7,508.27	480.75	2,036.85	44.63	1,903.40	1.33	1,170.12	257,081.88	12,619.97	1,846.13	257,081.88	14,466.10	**1,125.43**	**272,673.41**
Other Expenses:															
- Exchange (Gain)/Loss	0.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.60	0.00	1.89	0.60	1.89	**0.05**	**2.54**
- Interest Expended	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
- Payments to and provisions for employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
- Outsourcing expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
- Rent, taxes and lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**

- Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
- Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
GST on Fund Management charges & other charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	556.81	0.00	556.81	**0.00**	**556.81**
Provisions for doubtful debts	(2,486.10)	(0.38)	0.00	(0.10)	0.00	0.00	0.00	0.00	(2,486.10)	(0.48)	351.37	(2,486.10)	350.89	**0.00**	**(2,135.21)**
Provisions for taxation	32,418.83	5,058.80	0.00	32,084.46	0.00	3,722.74	166.52	0.00	32,418.83	41,032.52	5,737.53	32,418.83	46,770.05	**832.14**	**80,021.02**
Provisions (other than taxation):															
(a) For diminution in the value of investments (Net)	(15,195.59)	2.10	0.00	(37.28)	0.00	0.00	0.00	0.00	(15,195.59)	(35.18)	29.92	(15,195.59)	(5.26)	**0.99**	**(15,199.86)**
(b) Provision for Required Solvency Margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
(c) Others	(38,060.20)	(10,827.50)	(16.90)	(7,076.14)	0.00	(9,445.53)	(100.02)	3.32	(38,077.10)	(27,445.87)	0.00	(38,077.10)	(27,445.87)	**102.04**	**(65,420.93)**
TOTAL (B)	**383,564.38**	**2,923.40**	**541.05**	**27,008.46**	**45.11**	**(1,922.43)**	**69.55**	**1,467.43**	**384,150.54**	**29,546.41**	**9,029.15**	**384,150.54**	**38,575.56**	**3,152.78**	**425,878.88**
Benefits paid (Net)	1,374,057.57	335,499.12	15,984.61	481,972.43	3,160.20	54,349.29	692.94	142.90	1,393,202.38	872,656.68	64,599.90	1,393,202.38	937,256.58	**15,739.71**	**2,346,198.67**
Interim Bonuses Paid	24,692.31	0.00	7.76	0.00	0.00	0.00	0.00	0.00	24,700.07	0.00	0.00	24,700.07	0.00	**0.00**	**24,700.07**
Change in valuation of liability against life policies															
in force															
(a) Gross**	1,592,201.02	151,832.45	13,197.22	455,364.36	(191.99)	79,804.22	(757.92)	16,789.51	1,605,206.25	703,032.62	78,432.08	1,605,206.25	781,464.70	**6,903.27**	**2,393,574.22**
(b) (Amount ceded in Reinsurance)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
(c) Amount accepted in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**
Transfer to Provision for Linked Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(95,278.60)	0.00	(95,278.60)	**0.00**	**(95,278.60)**
Transfer to Funds for Future Appropriations	23,059.38	0.00	(9,728.09)	0.00	(2,294.68)	0.00	0.00	0.00	11,036.61	0.00	0.00	11,036.61	0.00	**0.00**	**11,036.61**
Transfer to Funds for Discontinued Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	254.08	0.00	254.08	**0.00**	**254.08**
TOTAL (C)	3,014,010.28	487,331.57	19,461.50	937,336.79	673.53	**134,153.51**	**(64.98)**	**16,932.41**	**3,034,145.31**	**1,575,689.30**	**48,007.46**	**3,034,145.31**	**1,623,696.76**	**22,642.98**	**4,680,485.05**
SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)	**0.00**	**(34,369.05)**	**0.00**	**51,196.12**	**0.00**	**5,940.26**	**265.72**	**(16,248.05)**	**0.00**	**6,785.00**	**9,155.19**	**0.00**	**15,940.19**	**487.93**	**16,428.12**
Add: Share of Profit in Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,281.16	**22,281.16**
(Less)/Add: Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(29.96)	**(29.96)**
TOTAL SURPLUS/(DEFICIT) (E)	**0.00**	**(34,369.05)**	**0.00**	**51,196.12**	**0.00**	**5,940.26**	**265.72**	**(16,248.05)**	**0.00**	**6,785.00**	**9,155.19**	**0.00**	**15,940.19**	**22,739.13**	**38,679.32**
APPROPRIATIONS															
Transfer to Shareholders' Account	0.00	(34,369.05)	0.00	51,196.12	0.00	5,940.26	265.72	(16,248.05)	0.00	6,785.00	9,155.19	0.00	15,940.19	437.42	**16,377.61**
Transfer to Other Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,301.71	**22,301.71**
Transfer to Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
TOTAL (D)	0.00	(34,369.05)	0.00	51,196.12	0.00	**5,940.26**	**265.72**	**(16,248.05)**	**0.00**	**6,785.00**	**9,155.19**	**0.00**	**15,940.19**	**22,739.13**	**38,679.32**

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

The Breakup of Total Surplus during the period:

(₹ in Million)

Particulars	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non Linked Total		Linked Business	Total (Current Year)		Subsidiaries/Inter company Adjustments	Total
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	**Participating**	**Non-Participating**		
(a) Interim Bonus	24,692.31	0.00	7.76	0.00	0.00	0.00	0.00	0.00	24,700.07	0.00	0.00	24,700.07	0.00	0.00	**24,700.07**
#(b) Allocation of Bonus to policyholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
(c) Surplus shown in Revenue account	0.00	(34,369.05)	0.00	51,196.12	0.00	5,940.26	265.72	(16,248.05)	0.00	6,785.00	9,155.19	0.00	15,940.19	22,739.13	**38,679.32**
Total Surplus [a+b+c]	**24,692.31**	**(34,369.05)**	**7.76**	**51,196.12**	**0.00**	**5,940.26**	**265.72**	**(16,248.05)**	**24,700.07**	**6,785.00**	**9,155.19**	**24,700.07**	**15,940.19**	**22,739.13**	**63,379.39**

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

Restated Consolidated Statement on Segmental Disclosure -Revenue Account for the Year Ended March 31, 2021 in Respect of Total Business - Policyholders' Account (Technical Account)

(₹ in Million)

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/ Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
Premiums earned - net:															
(a) Premium	2,441,953.79	407,219.13	5,806.02	957,235.73	35.06	202,953.20	208.67	3,382.38	2,447,794.87	1,570,999.10	14,071.58	2,447,794.87	1,585,070.68	25,642.47	4,058,508.02
(b) Reinsurance ceded	(1,011.11)	(2,675.94)	(1.38)	0.00	0.00	0.00	0.00	(600.45)	(1,012.50)	(3,276.39)	(133.22)	(1,012.50)	(3,409.61)	(100.93)	(4,523.04)
(c) Reinsurance accepted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total	**2,440,942.67**	**404,543.18**	**5,804.63**	**957,235.73**	**35.06**	**202,953.20**	**208.67**	**2,781.93**	**2,446,782.37**	**1,567,722.71**	**13,938.37**	**2,446,782.37**	**1,581,661.07**	**25,541.54**	**4,053,984.98**
Income from Investments:															
(a) Interest, Dividends & Rent - Gross	1,642,071.87	200,961.78	22,681.31	369,493.05	1,365.88	63,672.75	470.76	404.97	1,666,119.07	635,003.31	43,491.70	1,666,119.07	678,495.01	51,036.11	2,395,650.18
(b) Profit on sale/redemption of investments	351,896.21	20,070.45	7.90	42,553.68	204.76	4.64	139.05	0.06	352,108.87	62,767.88	30,471.53	352,108.87	93,239.41	16,519.23	461,867.51
(c) (Loss on sale/redemption of investments)	(21,344.57)	(10,084.69)	(181.90)	(16,991.95)	(94.58)	(497.68)	(5.52)	(2.75)	(21,621.05)	(27,582.58)	(13,857.12)	(21,621.05)	(41,439.70)	(710.45)	(63,771.20)
(d) Transfer/Gain on revaluation/change in fair value*	2,118.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,118.97	0.00	58,590.88	2,118.97	58,590.88	747.85	61,457.69
Other Income:															
(i) Amounts written back	66.96	(0.02)	(0.32)	(0.12)	0.00	0.00	0.00	0.00	66.64	(0.14)	0.00	66.64	(0.14)	2,788.37	2,854.87
(ii) Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	102,000.36	102,000.36
(iii) Commission, exchange and brokerage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,950.96	12,950.96
(iv) Sundry Receipts	(272.69)	4,931.87	0.00	1,240.50	0.59	0.00	(7.83)	0.08	(272.10)	6,164.62	(11.56)	(272.10)	6,153.06	4,170.55	10,051.50
(v) Contribution from Shareholders' Account towards others	47.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47.60	0.00	0.00	47.60	0.00	0.00	47.60
TOTAL (A)	**4,415,527.02**	**620,422.58**	**28,311.62**	**1,353,530.88**	**1,511.72**	**266,132.91**	**805.14**	**3,184.28**	**4,445,350.35**	**2,244,075.79**	**132,623.80**	**4,445,350.35**	**2,376,699.59**	**215,044.51**	**7,037,094.45**
Commission	214,939.60	1,180.92	88.76	1.71	0.87	4,559.35	6.20	515.10	215,029.22	6,263.28	406.67	215,029.22	6,669.95	1,882.44	223,581.61
Operating Expenses related to Insurance Business	329,996.90	8,965.10	647.69	2,453.13	57.01	4,283.29	5.09	1,706.25	330,701.60	17,412.86	1,780.77	330,701.60	19,193.63	1,726.92	351,622.15
Other Expenses:															
- Exchange (Gain)/Loss	(1.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1.50)	0.00	(49.33)	(1.50)	(49.33)	1.08	(49.74)
- Interest Expended	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88,674.42	88,674.42
- Payments to and provisions for employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,549.18	24,549.18
- Outsourcing expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,001.18	4,001.18
- Rent, taxes and lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,569.76	3,569.76
- Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,020.73	3,020.73

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/ Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
- Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**10,796.11**	**10,796.11**
GST on Fund Management charges & other charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	932.22	**0.00**	**932.22**	**(0.00)**	**932.22**
Provisions for doubtful debts	89,039.69	(0.35)	0.00	(0.14)	(7.50)	0.00	0.00	0.00	**89,032.19**	**(0.49)**	553.61	**89,032.19**	**553.12**	**12,233.79**	**101,819.10**
Provision for taxation	79,875.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**79,875.31**	**0.00**	2.29	**79,875.31**	**2.29**	**11,827.65**	**91,705.25**
Provisions (other than taxation):															
(a) For diminution in the value of investments (Net)	45,798.65	33.19	0.00	45.81	0.00	0.00	0.00	0.00	**45,798.65**	**79.00**	(559.94)	**45,798.65**	**(480.94)**	**11,302.65**	**56,620.36**
(b) Provision for Required Solvency Margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
(c) Others	(91,131.64)	5,711.06	(68.37)	608.40	(112.73)	103.33	(1.80)	0.46	**(91,312.75)**	**6,421.45**	0.00	**(91,312.75)**	**6,421.45**	**(425.24)**	**(85,316.54)**
TOTAL (B)	**668,517.01**	**15,889.92**	**668.07**	**3,108.91**	**(62.36)**	**8,945.96**	**9.49**	**2,221.81**	**669,122.73**	**30,176.09**	**3,066.30**	**669,122.73**	**33,242.39**	**173,160.67**	**875,525.79**
Benefits paid (net)	1,695,451.51	390,141.52	22,027.12	582,629.33	3,772.88	57,016.10	2,379.04	191.31	**1,721,251.52**	**1,032,357.30**	92,938.52	**1,721,251.52**	**1,125,295.82**	**38,343.18**	**2,884,890.51**
Interim Bonuses Paid	22,284.72	0.00	6.01	0.00	0.00	0.00	0.00	0.00	**22,290.73**	**0.00**	0.00	**22,290.73**	**0.00**	**0.00**	**22,290.73**
Change in valuation of liability in respect of life policies															
(a) Gross**	2,000,383.68	214,391.14	5,610.41	767,792.64	(2,198.81)	200,170.85	(1,583.39)	771.16	**2,003,795.28**	**1,181,542.40**	32,190.21	**2,003,795.28**	**1,213,732.61**	**(6,187.41)**	**3,211,340.48**
(b) Amount ceded in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
(c) Amount accepted in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
Transfer to/(from) Provision for Linked Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	4,343.10	**0.00**	**4,343.10**	**0.00**	**4,343.10**
Transfer to Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	31.26	**0.00**	**31.26**	**0.00**	**31.26**
Transfer to Funds for Discontinued Policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	54.41	**0.00**	**54.41**	**0.00**	**54.41**
TOTAL (C)	**3,718,119.91**	**604,532.65**	**27,643.55**	**1,350,421.97**	**1,574.07**	**257,186.95**	**795.65**	**962.47**	**3,747,337.53**	**2,213,899.70**	**129,557.50**	**3,747,337.53**	**2,343,457.19**	**32,155.77**	**6,122,950.49**
SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)	**28,890.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28,890.10**	**0.00**	**0.00**	**28,890.10**	**0.00**	**9,728.07**	**38,618.17**
Add: Share of Profit in Associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,633.54	11,633.54
(Less)/Add: Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,465.25)	(4,465.25)
TOTAL SURPLUS/(DEFICIT) (E)	**28,890.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28,890.10**	**0.00**	**0.00**	**28,890.10**	**0.00**	**16,896.36**	**45,786.46**
APPROPRIATIONS															
Transfer to Shareholders' Account	28,890.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,890.10	0.00	0.00	28,890.10	0.00	735.72	29,625.82
Transfer to Other Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,160.64	16,160.64
Balance being Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (E)	**28,890.10**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**28,890.10**	**0.00**	**0.00**	**28,890.10**	**0.00**	**16,896.36**	**45,786.46**

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

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

The Breakup of Total Surplus during the year:

	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total		Linked Business	Total (Current Year)		Subsidiaries /Inter company Adjustments	Total
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
(a) Interim Bonus	22,284.72	0.00	6.01	0.00	0.00	0.00	0.00	0.00	22,290.73	0.00	0.00	**22,290.73**	**0.00**	0.00	**22,290.73**
#(b) Allocation of Bonus to policyholders	547,088.15	0.00	1,812.07	0.00	11.70	0.00	0.00	0.00	548,911.92	0.00	0.00	**548,911.92**	**0.00**	0.00	**548,911.92**
(c) Surplus shown in Revenue account	28,890.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,890.10	0.00	0.00	**28,890.10**	**0.00**	16,896.36	**45,786.46**
Total Surplus [a+b+c]	**598,262.97**	**0.00**	**1,818.08**	**0.00**	**11.70**	**0.00**	**0.00**	**0.00**	**600,092.75**	**0.00**	**0.00**	**600,092.75**	**0.00**	**16,896.36**	**616,989.11**

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

Restated Consolidated Statement on Segmental Disclosure -Revenue Account for The Year Ended March 31, 2020 in Respect of Total Business - Policyholders' Account (Technical Account)

(₹ in Million)

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
Premiums earned - net:															
(a) Premium	2,275,201.16	331,479.35	6,507.03	1,017,114.44	44.91	152,407.93	376.54	3,148.80	**2,281,753.11**	**1,504,527.06**	7,615.83	**2,281,753.11**	**1,512,142.88**	**34,218.51**	**3,828,114.50**
(b) Reinsurance ceded	(1,069.85)	(1,564.64)	(1.58)	0.00	0.00	0.00	0.00	(509.50)	**(1,071.43)**	**(2,074.14)**	(124.85)	**(1,071.43)**	**(2,198.99)**	**(88.90)**	**(3,359.32)**
(c) Reinsurance accepted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
Sub-Total	**2,274,131.32**	**329,914.71**	**6,505.45**	**1,017,114.44**	**44.91**	**152,407.93**	**376.54**	**2,639.29**	**2,280,681.67**	**1,502,452.92**	**7,490.98**	**2,280,681.67**	**1,509,943.90**	**34,129.61**	**3,824,755.18**
Income from Investments:															
(a) Interest, Dividends & Rent - Gross	1,520,707.73	195,185.53	21,896.78	323,932.64	1,111.33	52,804.49	457.14	326.14	**1,543,715.85**	**572,705.94**	41,427.81	**1,543,715.85**	**614,133.75**	**62,651.43**	**2,220,501.02**
(b) Profit on sale/redemption of investments	264,306.78	5,379.75	9.97	8,587.95	22.01	0.25	9.84	0.00	**264,338.75**	**13,977.79**	25,414.49	**264,338.75**	**39,392.28**	**9,885.67**	**313,616.70**
(c) (Loss on sale/redemption of investments)	(19,316.33)	(1,279.44)	(130.13)	(3,864.71)	(2.99)	(310.82)	(1.96)	(2.40)	**(19,449.45)**	**(5,459.33)**	(94,859.87)	**(19,449.45)**	**(100,319.20)**	**26.77**	**(119,741.88)**
(d) Transfer/Gain on revaluation/change in fair value*	35.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**35.68**	**0.00**	11,605.22	**35.68**	**11,605.22**	**2,346.39**	**13,987.30**
Other Income:															
(i) Amounts written back	(54.62)	(31.54)	(2.54)	(0.18)	(0.48)	(1.32)	(0.24)	0.00	**(57.64)**	**(33.28)**	0.00	**(57.64)**	**(33.28)**	**8,280.64**	**8,189.73**
(ii) Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**150,660.97**	**150,660.97**
(iii) Commission, exchange and brokerage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**20,105.65**	**20,105.65**
(iv) Sundry Receipts	9,581.21	4,416.49	0.00	802.89	0.07	0.06	(9.48)	0.14	**9,581.28**	**5,210.11**	(10.71)	**9,581.28**	**5,199.40**	**9,138.21**	**23,918.90**
(v) Contribution from Shareholders' Account towards others	61.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**61.15**	**0.00**	0.00	**61.15**	**0.00**	**0.00**	**61.15**
TOTAL (A)	**4,049,452.92**	**533,585.50**	**28,279.53**	**1,346,573.03**	**1,174.85**	**204,900.59**	**831.85**	**2,963.18**	**4,078,907.30**	**2,088,854.15**	**(8,932.08)**	**4,078,907.30**	**2,079,922.07**	**297,225.35**	**6,456,054.72**
Commission	207,921.17	1,059.95	167.73	0.92	1.01	3,477.06	9.49	496.48	**208,089.91**	**5,043.90**	249.59	**208,089.91**	**5,293.49**	**2,099.18**	**215,482.58**
Operating Expenses related to Insurance Business	322,464.60	9,408.81	675.23	2,986.39	58.17	3,355.72	8.63	1,553.64	**323,198.00**	**17,313.19**	2,057.14	**323,198.00**	**19,370.33**	**1,690.51**	**344,258.84**
Other Expenses:															
- Exchange (Gain)/Loss	(0.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**(0.70)**	**0.00**	(22.14)	**(0.70)**	**(22.14)**	**(1.47)**	**(24.31)**
- Interest Expended	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**132,874.87**	**132,874.87**
- Payments to and provisions for employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**33,637.13**	**33,637.13**
- Outsourcing expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**6,183.52**	**6,183.52**
- Rent, taxes and lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**4,559.18**	**4,559.18**

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
- Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**3,991.56**	**3,991.56**
- Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**16,095.51**	**16,095.51**
GST on Fund Management charges & other charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	982.75	**0.00**	**982.75**	**0.00**	**982.75**
Provisions for doubtful debts	(4,476.20)	6.74	0.00	(0.14)	0.00	0.00	0.00	0.00	**(4,476.20)**	**6.60**	131.32	**(4,476.20)**	**137.92**	**113,219.93**	**108,881.65**
Provision for taxation	68,237.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**68,237.75**	**0.00**	1.58	**68,237.75**	**1.58**	**40,016.25**	**108,255.58**
Provisions (other than taxation):															
(a) For diminution in the value of investments (Net)	5,222.92	0.00	0.00	37.61	0.00	0.00	0.00	0.00	**5,222.92**	**37.61**	1,242.73	**5,222.92**	**1,280.34**	**17,401.90**	**23,905.16**
(b) Provision for Required Solvency Margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
(c) Others	61,461.95	19,250.02	35.47	10,025.81	(7.67)	9,651.05	98.98	3.82	**61,489.76**	**39,029.68**	0.00	**61,489.76**	**39,029.68**	**11,196.55**	**111,715.98**
TOTAL (B)	**660,831.47**	**29,725.52**	**878.44**	**13,050.58**	**51.51**	**16,483.82**	**117.11**	**2,053.94**	**661,761.43**	**61,430.97**	**4,642.99**	**661,761.43**	**66,073.96**	**382,964.62**	**1,110,800.00**
Benefits paid (net)	1,477,443.41	411,096.86	19,703.29	516,854.64	3,499.35	48,689.86	651.61	189.68	**1,500,646.06**	**977,482.64**	47,360.25	**1,500,646.06**	**1,024,842.89**	**29,305.94**	**2,554,794.89**
Interim Bonuses Paid	16,727.87	0.00	5.83	0.00	0.00	0.00	0.00	0.00	**16,733.70**	**0.00**	0.00	**16,733.70**	**0.00**	**(0.00)**	**16,733.70**
Change in valuation of liability in respect of life policies															
(a) Gross**	1,867,472.73	92,763.13	7,691.98	816,667.81	(2,376.02)	139,726.91	63.14	719.56	**1,872,788.69**	**1,049,940.54**	30,133.04	**1,872,788.69**	**1,080,073.58**	**13,421.55**	**2,966,283.81**
(b) Amount ceded in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
(c) Amount accepted in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
Transfer to/(from) Provision for Linked Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	(91,103.40)	**0.00**	**(91,103.40)**	**(0.00)**	**(91,103.40)**
Transfer to Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.41	**0.00**	**0.41**	**0.00**	**0.41**
Transfer to Funds for Discontinued Policies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	34.63	**0.00**	**34.63**	**0.00**	**34.63**
TOTAL (C)	**3,361,644.02**	**503,859.98**	**27,401.09**	**1,333,522.45**	**1,123.33**	**188,416.77**	**714.74**	**909.23**	**3,390,168.45**	**2,027,423.18**	**(13,575.07)**	**3,390,168.45**	**2,013,848.11**	**42,727.48**	**5,446,744.04**
SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)	**26,977.43**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**26,977.43**	**0.00**	**0.00**	**26,977.43**	**0.00**	**(128,466.75)**	**(101,489.32)**
Add: Share of Profit in Associates	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**5,744.42**	**5,744.42**
(Less)/Add: Minority Interest	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**63,726.72**	**63,726.72**
TOTAL SURPLUS/(DEFICIT) (E)	**26,977.43**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**26,977.43**	**0.00**	**0.00**	**26,977.43**	**0.00**	**(58,995.61)**	**(32,018.18)**
APPROPRIATIONS															
Transfer to Shareholders' Account	26,977.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**26,977.43**	**0.00**	0.00	**26,977.43**	**0.00**	**(22.30)**	**26,955.13**
Transfer to Other Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**(59,109.78)**	**(59,109.78)**
Balance being Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**136.47**	**136.47**
TOTAL (E)	**26,977.43**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**26,977.43**	**0.00**	**0.00**	**26,977.43**	**0.00**	**(58,995.61)**	**(32,018.18)**

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

The Breakup of Total Surplus during the year:

	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total		Linked Business	Total (Current Year)		Subsidiaries/ Inter company Adjustments	Total
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
(a) Interim Bonus	16,727.87	0.00	5.83	0.00	0.00	0.00	0.00	0.00	**16,733.70**	**0.00**	0.00	**16,733.70**	**0.00**	**0.00**	**16,733.70**
#(b) Allocation of Bonus to policyholders	510,813.73	0.00	1,744.62	0.00	12.81	0.00	0.00	0.00	**512,571.16**	**0.00**	0.00	**512,571.16**	**0.00**	**0.00**	**512,571.16**
(c) Surplus shown in Revenue account	26,977.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**26,977.43**	**0.00**	0.00	**26,977.43**	**0.00**	**(58,995.61)**	**(32,018.18)**
Total Surplus [a+b+c]	554,519.03	0.00	1,750.45	0.00	12.81	0.00	0.00	0.00	**556,282.29**	**0.00**	**0.00**	**556,282.29**	**0.00**	**(58,995.61)**	**497,286.68**

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

Restated Consolidated Statement on Segmental Disclosure -Revenue Account for The Year Ended March 31, 2019 in Respect of Total Business - Policyholders' Account (Technical Account)

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/ Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
Premiums earned - net															
(a) Premium	2,197,692.01	434,762.20	7,113.73	435,714.26	51,290.07	236,892.97	472.15	2,978.36	**2,256,095.81**	**1,110,819.93**	8,134.97	**2,256,095.81**	**1,118,954.91**	**27,895.44**	**3,402,946.15**
(b) Reinsurance ceded	(1,100.04)	(1,424.20)	(1.74)	0.00	0.00	0.00	0.00	(543.70)	**(1,101.78)**	**(1,967.90)**	(127.07)	**(1,101.78)**	**(2,094.97)**	**(33.06)**	**(3,229.81)**
(c) Reinsurance accepted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
Sub-Total	**2,196,591.97**	**433,337.99**	**7,111.99**	**435,714.26**	**51,290.07**	**236,892.97**	**472.15**	**2,434.66**	**2,254,994.03**	**1,108,852.03**	**8,007.91**	**2,254,994.03**	**1,116,859.94**	**27,862.38**	**3,399,716.34**
Income from Investments															
(a) Interest, Dividends & Rent - Gross	1,415,873.61	182,269.27	21,756.80	228,403.38	28,731.67	59,692.19	483.05	246.13	**1,466,362.08**	**471,094.01**	41,457.86	**1,466,362.08**	**512,551.87**	**21,296.38**	**2,000,210.33**
(b) Profit on sale/redemption of investments	223,995.31	13,019.36	161.48	8,619.05	3,987.46	2,949.34	26.81	0.12	**228,144.25**	**24,614.68**	46,807.39	**228,144.25**	**71,422.07**	**2,845.87**	**302,412.19**
(c) (Loss on sale/redemption of investments)	(13,662.73)	(1,360.88)	(137.31)	(3,094.08)	(110.24)	(279.76)	(0.10)	(0.63)	**(13,910.28)**	**(4,735.25)**	(44,119.63)	**(13,910.28)**	**(48,854.88)**	**(674.95)**	**(63,440.11)**
(d) Transfer/Gain on revaluation/change in fair value*	247.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**247.64**	**0.00**	11,592.51	**247.64**	**11,592.51**	**(587.16)**	**11,252.99**
Other Income															
(i) Amounts written back	639.52	(3.52)	(0.27)	0.00	(0.14)	(0.53)	0.00	0.00	**639.11**	**(4.05)**	0.00	**639.11**	**(4.05)**	**2,047.90**	**2,682.96**
(ii) Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**38,477.51**	**38,477.51**
(iii) Commission, exchange and brokerage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**6,129.35**	**6,129.35**
(iv) Sundry Receipts	2,989.04	4,184.23	0.01	622.41	0.07	0.02	(11.32)	0.17	**2,989.12**	**4,795.50**	(7.06)	**2,989.12**	**4,788.44**	**2,854.48**	**10,632.04**
(v) Contribution from Shareholders' Account towards others	22.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**22.10**	**0.00**	0.00	**22.10**	**0.00**	**0.00**	**22.10**
TOTAL (A)	**3,826,696.46**	**631,446.44**	**28,892.70**	**670,265.01**	**83,898.89**	**299,254.23**	**970.59**	**2,680.45**	**3,939,488.05**	**1,604,616.92**	**63,738.97**	**3,939,488.05**	**1,668,355.89**	**100,251.76**	**5,708,095.70**
Commission	194,560.65	1,080.97	170.72	0.23	2.76	3,365.98	11.18	485.87	**194,734.13**	**4,944.23**	284.25	**194,734.13**	**5,228.48**	**4,863.48**	**204,826.09**
Operating Expenses related to Insurance Business	266,847.07	8,671.80	641.43	528.77	554.20	4,403.16	8.68	1,229.84	**268,042.70**	**14,842.25**	2,084.55	**268,042.70**	**16,926.80**	**(1,653.47)**	**283,316.03**
Other Expenses:															
- Exchange (Gain)/Loss	2.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**2.99**	**0.00**	7.91	**2.99**	**7.91**	**2.59**	**13.49**
- Interest Expended	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**34,314.94**	**34,314.94**
- Payments to and provisions for employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**6,501.28**	**6,501.28**
- Outsourcing expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**1,522.01**	**1,522.01**
- Rent, taxes and lighting	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**1,085.17**	**1,085.17**
- Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**921.79**	**921.79**
- Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**3,965.08**	**3,965.08**

Particulars	Non-Linked Business										Linked Business (B)	Total (C)=(A)+(B)		Subsidiaries/ Inter company Adjustments (D)	Total (C) + (D)
	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total (A)						
	Participating	Non-Participating	Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Non-Participating	Participating	Non-Participating	Non-Participating	Participating	Non-Participating		
GST on Fund Management charges & other charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	1,097.81	**0.00**	**1,097.81**	**0.00**	**1,097.81**
Provisions for doubtful debts	34,391.40	4.94	2.07	(0.30)	(0.34)	(0.13)	0.00	0.00	**34,393.14**	**4.51**	317.30	**34,393.14**	**321.81**	**79,805.14**	**114,520.09**
Provision for taxation	77,217.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**77,217.43**	**0.00**	0.95	**77,217.43**	**0.95**	**(21,650.64)**	**55,567.74**
Provisions (other than taxation):															
(a) For diminution in the value of investments (Net)	13,117.04	0.00	(0.02)	(37.37)	0.00	0.00	0.00	0.00	**13,117.02**	**(37.37)**	328.81	**13,117.02**	**291.44**	**(3,315.84)**	**10,092.62**
(b) Provision for Required Solvency Margin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
(c) Others	3,946.33	17,176.05	(72.28)	990.14	(9.59)	59.05	(8.48)	0.80	**3,864.46**	**18,217.55**	0.00	**3,864.46**	**18,217.55**	**9,316.60**	**31,398.61**
TOTAL (B)	**590,082.91**	**26,933.76**	**741.92**	**1,481.47**	**547.03**	**7,828.05**	**11.38**	**1,716.51**	**591,371.87**	**37,971.17**	**4,121.58**	**591,371.87**	**42,092.75**	**115,678.13**	**749,142.75**
Benefits paid (Net)	1,495,365.28	339,937.00	18,165.17	404,126.37	31,061.91	77,382.45	2,296.02	173.95	**1,544,592.37**	**823,915.79**	124,340.46	**1,544,592.37**	**948,256.25**	**30,959.72**	**2,523,808.34**
Interim Bonuses Paid	16,511.30	0.00	2.40	0.00	0.00	0.00	0.00	0.00	**16,513.70**	**0.00**	0.00	**16,513.70**	**0.00**	**0.00**	**16,513.70**
Change in valuation of liability in respect of life policies															
(a) Gross**	1,698,131.01	264,575.88	9,983.21	264,657.18	52,289.94	214,043.73	(1,336.81)	789.98	**1,760,404.16**	**742,729.96**	28,339.67	**1,760,404.16**	**771,069.63**	**4,380.81**	**2,535,854.60**
(b) Amount ceded in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
(c) Amount accepted in Reinsurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**0.00**	**0.00**
Transfer to/(from) Provision for Linked Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	(93,122.82)	**0.00**	**(93,122.82)**	**0.00**	**(93,122.82)**
Transfer to Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.95	**0.00**	**0.95**	**0.00**	**0.95**
Transfer to Funds for Discontinued Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	59.13	**0.00**	**59.13**	**0.00**	**59.13**
TOTAL (C)	**3,210,007.59**	**604,512.88**	**28,150.78**	**668,783.55**	**83,351.86**	**291,426.18**	**959.21**	**963.94**	**3,321,510.22**	**1,566,645.75**	**59,617.39**	**3,321,510.22**	**1,626,263.14**	**35,340.53**	**4,983,113.90**
SURPLUS/(DEFICIT) (D) = (A)-(B)-(C)	**26,605.95**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**26,605.95**	**0.00**	**0.00**	**26,605.95**	**0.00**	**(50,766.90)**	**(24,160.95)**
Add: Share of Profit in Associates	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6,683.97**	**6,683.97**
(Less)/Add: Minority Interest	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**25,162.06**	**25,162.06**
TOTAL SURPLUS/(DEFICIT) (E)	**26,605.95**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**26,605.95**	**0.00**	**0.00**	**26,605.95**	**0.00**	**(18,920.87)**	**7,685.08**
APPROPRIATIONS															
Transfer to Shareholders' Account	26,605.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**26,605.95**	**0.00**	0.00	**26,605.95**	**0.00**	**(611.18)**	**25,994.77**
Transfer to Other Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**(18,323.35)**	**(18,323.35)**
Balance being Funds for Future Appropriations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	0.00	**0.00**	**0.00**	**13.66**	**13.66**
TOTAL (E)	**26,605.95**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**		**0.00**	**26,605.95**	**0.00**	**0.00**	**26,605.95**	**0.00**	**(18,920.87)**	**7,685.08**

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

The Breakup of Total Surplus during the year:

	Life Business		Pension Business		Annuity Business		Variable Business	Health Business	Non-Linked Total		Linked Business	Total (Current Year)		Subsidiaries/Inter company Adjustments	Total
	Participating	**Non-Participating**	**Participating**	**Non-Participating**	**Participating**	**Non-Participating**	**Non-Participating**	**Non-Participating**	**Participating**	**Non-Participating**	**Non-Participating**	**Participating**	**Non-Participating**		
(a) Interim Bonus	16,511.30	0.00	2.40	0.00	0.00	0.00	0.00	0.00	**16,513.70**	**0.00**	0.00	**16,513.70**	**0.00**	**0.00**	**16,513.70**
#(b) Allocation of Bonus to policyholders	503,651.45	0.00	1,846.78	0.00	14.91	0.00	0.00	0.00	**505,513.14**	**0.00**	0.00	**505,513.14**	**0.00**	**0.00**	**505,513.14**
(c) Surplus shown in Revenue account	26,605.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**26,605.95**	**0.00**	0.00	**26,605.95**	**0.00**	**(18,920.87)**	**7,685.08**
Total Surplus [a+b+c]	546,768.70	0.00	1,849.18	0.00	14.91	0.00	0.00	0.00	**548,632.79**	**0.00**	**0.00**	**548,632.79**	**0.00**	**(18,920.87)**	**529,711.91**

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

49. Summary of Restatement Adjustments to Audited Consolidated Financial Statement

1. Adjustments for Audit Qualifications, adverse opinion or disclaimer of opinion: There are no audit qualification, adverse opinion or disclaimer of opinion in auditor's report on the special purpose consolidated interim financial statement for nine months ended December 31,2021 and audited consolidated financial statements for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 which requires any adjustments in the Restated Financial Information
2. Other Material Adjustments: No restatement adjustments are to be made to the audited consolidated financial statements for the years ended March 31, 2021, 2020 and 2019 to bring conformity with the audited special purpose consolidated interim financial statements for the nine months ended December 31, 2021 and, accordingly, no reconciliation between audited equity and profit &loss and restated equity and profit & loss has been provided.
3. Material Regrouping: Figures for FY 2018-19 and FY 2019-20 have been re-grouped wherever necessary, to reflect the same accounting treatment and grouping / classifications followed as at and for the nine -month period ended December 31, 2021. There were no regroupings required to be done for FY 2020-21.For further details on regrouping, please refer to Note: 43 above.
4. Changes in accounting policies: There have been no changes in accounting policies during the nine -month period ended December 31, 2021and accordingly, no adjustment is required to the audited consolidated financial statement for FY 2018-19,FY 2019-20 and FY 2020-21.

As per our report of even date

For Batliboi & Purohit
Chartered Accountants
FRN: 101048W

Raman Hangekar (Partner)
M.No. 030615

Place : Mumbai
Date: 25-02-2022

On behalf of the Board

M.R. Kumar
Chairperson

Raj Kumar
Managing Director

V S Parthasarathy
Independent Director

Shubhangi. S. Soman
Executive Director (F&A) & CFO

Dinesh Pant
Appointed Actuary

Pawan Agrawal
Company Secretary

OTHER FINANCIAL INFORMATION

The accounting ratios (on a consolidated basis) required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As on December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Basic earnings per Equity Share (₹)*(1)	2.71	4.70	4.29	4.15
Diluted earnings per Equity Share (₹)*(1)	2.71	4.70	4.29	4.15
Return on net worth (%)(2)	20.84%	45.65%	317.14%	322.25%
NAV per Equity Share (₹)*(3)	13.01	10.30	1.35	1.29
EBITDA (₹ in million) (4)	17,569.67	29,803.47	27,185.16	26,423.65

#Not Annualised

** The earnings per share and net asset value (NAV) for the years ended March 31, 2019, March 31, 2020 and March 31, 2021, respectively, has been computed on the basis of Equity Shares issued on September 8, 2021. For details, see "Capital Structure - Equity Share Capital History of our Corporation" beginning on page 92.*

Notes:
(1) Basic earnings per share and Diluted earnings per share:

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$$

(2) Return on Net Worth (%) = Net Profit after tax attributable to owners of our Corporation, as restated / Restated net worth at the end of the year/period.
(3) NAV per Equity Share = Net worth as per the Restated Consolidated Financial Statements / Number of Equity Shares.
(4) EBITDA is calculated as restated profit/ loss for the period / year, adjusted to exclude (i) depreciation and amortization expenses, (ii) finance costs and (iii) tax expense.

In accordance with the SEBI ICDR Regulations, the audited standalone financial information of our Corporation for Fiscals 2019, 2020 and 2021 ("**Standalone Financial Statements**") are available on our Corporation's website at https://licindia.in/Investor-Relations/Financial-Details. Further, the audited standalone financial information of our Material Subsidiaries, i.e., (i) Life Insurance Corporation (International) B.S.C. (c); and (ii) Life Insurance Corporation (Singapore) Pte. Ltd. in terms of Paragraph (11)(I)(A)(ii) of Part A of Schedule VI of the SEBI ICDR Regulations, are available on our Corporation's website at https://licindia.in/Investor-Relations/Financial-Details. Our Corporation is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations and those financial statements do not constitute a part of this Prospectus.

Related Party Transactions

For details of the related party transactions, see "*Financial Statements – Annexure XXIV – B. Notes to Restated Consolidated Financial Information – 24. Related Party Disclosure- LICI*" on page 391.

CAPITALISATION STATEMENT

The following table sets forth our Corporation's capitalization as at December 31, 2021, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 452, 308 and 24, respectively.

(in ₹ million)

Particulars	Pre-Offer as at December 31, 2021	As adjusted for the proposed Offer*
Total borrowings		
Short term borrowings	-	-
Long term borrowings	36.66	-
Total borrowings (A)	36.66	-
Total equity		
Share capital*	63,249.98	-
Reserves and surplus*	24,986.17	-
Total Equity (B)	88,236.15	-
Total Capital (A) + (B)	88,272.81	-
Ratio: Total borrowings/ total equity (A)/(B)	0.04%	-

**There will be no change in capital structure post Offer, as the Offer is an initial public offering by way of an Offer for Sale by existing Shareholder of our Corporation.*

ADDITIONAL DISCLOSURES OF FINANCIAL STATEMENTS UNDER IRDAI ISSUANCE OF CAPITAL REGULATIONS

1. Awards given by insurance ombudsmen against our Corporation during the last three years: See *"Outstanding Litigation and Material Developments - Awards given by the Insurance Ombudsman against our Corporation*" on page 521.

2. Persistency ratio: For further details, please see *"Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 452.

3. Cross selling: See "*Our Business – Our Strategies*" on page 192.

4. Distribution network: See "*Our Business – Distribution Network"* on page 205.

5. Expenses of management ratio:

(₹ in million, except ratios)

Particulars	Management Expenses	Total Gross Direct Premium	Management Expense Ratio
December 31, 2021	425,836.95	2,840,546.58	14.99
Fiscal 2021	571,594.40	4,032,865.55	14.17
Fiscal 2020	555,951.73	3,793,895.99	14.65
Fiscal 2019	484,932.11	3,375,050.71	14.37

6. Investment yield: See "*Our Business – Investment Performance*" on page 231.

7. Investment in equity and bonds: See *"Our Business – Investments – Investment Composition"* on page 229.

8. Reinsurance and reinsurance strategy:

Statement as on December 31, 2021

(₹ in million)

S. No.	Reinsurance Placements	Number of Reinsurers	Premium ceded to reinsurers								
			Proportional Treaties			Non-Proportional Treaties				Facultative	
			Obligatory (In India)	Others (In India)	Others (Outside India)	Obligatory (In India)	Excess of Loss (Outside India)	Stop Loss (In India)	Stop Loss (Outside India)	Others (In India)	Others (Outside India)
			Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1	No. of Reinsurers with rating of AA+ (Standard and poor)	1	NIL	NIL	NIL	6.00	NIL	NIL	NIL	NIL	NIL
2	No. of Reinsurers with rating of AA- (Standard and poor)	3	NIL	NIL	NIL	1,406.76	NIL	NIL	NIL	42.70	2.72
3	No. of Reinsurers with rating B++ (A M Best)	1	NIL	NIL	NIL	605.84	NIL	NIL	NIL	1748.29	NIL
	Total	**5**	**NIL**	**NIL**	**NIL**	**2,018.60**	**NIL**	**NIL**	**NIL**	**1,790.99**	**2.72**

Statement as on March 31, 2021

(₹ in million)

S. No.	Reinsurance Placements	Number of Reinsurers	Premium ceded to reinsurers								
			Proportional Treaties			Non-Proportional Treaties				Facultative	
			Obligatory (In India)	Others (In India)	Others (Outside India)	Obligatory (In India)	Excess of Loss (Outside India)	Stop Loss (In India)	Stop Loss (Outside India)	Others (In India)	Others (Outside India)
			Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1	No. of Reinsurers with rating of AA+ (Standard & Poor)	1	Nil	Nil	Nil	2.91	Nil	Nil	Nil	Nil	Nil
2	No. of Reinsurers with rating of AA- (Standard & Poor)	3	Nil	Nil	Nil	1,942.11	Nil	Nil	Nil	153.05	1.40
3	No. of Reinsurers with rating of A- (A M Best)	1	Nil	Nil	Nil	703.04	Nil	Nil	Nil	1,615.09	Nil
	Total	**5**	**Nil**	**Nil**	**Nil**	**2,648.06**	**Nil**	**Nil**	**Nil**	**1,768.14**	**1.40**

Statement as on March 31, 2020

(₹ in million)

S.No.	Reinsurance Placements	Number of Reinsurers	Premium ceded to reinsurers								
			Proportional Treaties			Non-Proportional Treaties				Facultative	
			Obligatory (In India)	Others (In India)	Others (Outside India)	Obligatory (In India)	Excess of Loss (Outside India)	Stop Loss (In India)	Stop Loss (Outside India)	Others (In India)	Others (Outside India)
			Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1	No. of Reinsurers with rating of AA+ (Standard & Poor)	1	Nil	Nil	Nil	2.03	Nil	Nil	Nil	Nil	Nil
2	No. of Reinsurers with rating of AA- (Standard & Poor)	3	Nil	Nil	Nil	2,018.02	Nil	Nil	Nil	113.51	1.31
3	No. of Reinsurers with rating of B++ (A M Best)	1	Nil	Nil	Nil	444.81	Nil	Nil	Nil	687.19	Nil
	Total	**5**	**Nil**	**Nil**	**Nil**	**2,464.86**	**Nil**	**Nil**	**Nil**	**800.72**	**1.31**

Statement as on March 31, 2019

(₹ in million)

S. No.	Reinsurance Placements	Number of Reinsurers	Premium ceded to reinsurers								
			Proportional Treaties			Non-Proportional Treaties				Facultative	
			Obligatory (In India)	Others (In India)	Others (Outside India)	Obligatory (In India)	Excess of Loss (Outside India)	Stop Loss (In India)	Stop Loss (Outside India)	Others (In India)	Others (Outside India)
			Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1	No. of Reinsurers with rating of AA+ (Standard & Poor)	1	Nil	Nil	Nil	1.43	Nil	Nil	Nil	Nil	Nil
2	No. of Reinsurers with rating of AA- (Standard & Poor)	3	Nil	Nil	Nil	2,091.67	Nil	Nil	Nil	98.46	0.84
3	No. of Reinsurers with rating of B++ (A M Best)	1	Nil	Nil	Nil	360.82	Nil	Nil	Nil	638.06	Nil
	Total	**5**	**Nil**	**Nil**	**Nil**	**2,453.92**	**Nil**	**Nil**	**Nil**	**736.52**	**0.84**

10. Interest rate sensitivity:

Our Corporation's policy liabilities are mostly long-term in nature. As the majority of the portfolio consists of savings related products the interest rate risk on the portfolio is significant.

11. Liability for future policy benefits and Policyholders' Account balances:

The liabilities for business of our Corporation within India for:

- *par*: as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021 was ₹21,128,230 million, ₹23,058,232 million, ₹24,619,236 million and ₹25,044,392.45 million, respectively.
- *non-par*: as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021 was ₹7,125,044 million, ₹8,055,911 million and ₹9,713,054 million and ₹11,576,827.88 million, respectively.

The policyholder's account balance of life funds which are as follows:

As at	Value (₹ in million)
March 31, 2019	28,283,201.20
March 31, 2020	31,144,960.48
March 31, 2021	34,366,862.73
Nine-month period ended December 31, 2021	25,092,146.61^
	11,577,145.07#

^ Participating policyholder's fund
 # Non-participating policyholder's fund

12. Manner of arriving at unrealized gain/losses:

The unrealized gains/ losses for listed equity and mutual funds of non-linked business and non-unit portion of linked business are computed in accordance with Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("**IRDAI 2002 Regulations**"). In accordance with the IRDAI 2002 Regulations, listed equity securities that are traded in active markets are measured at fair value on the balance sheet date and the unrealized gains/ losses are accounted under fair value change account.

For the purpose of calculation of such fair value, the last quoted closing price on NSE (primary exchange) is taken. If such fair value price is not available on NSE, then price on BSE (secondary exchange) is considered. Mutual funds and exchange traded fund investments are valued at closing NAV at the balance sheet date & the unrealized gains/ losses are accounted under fair value change account.

13. Solvency ratio: See "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 452.

14. Certification by the appointed actuary confirming the adequacy of mathematical reserves to meet our Corporation's future commitments under the contracts and the policyholders' reasonable expectations: See "*Material Contracts and Documents for Inspection*" beginning on page 641.

15. Segment-wise lapsation of the policies for the last three years and contribution of such lapses to the profitability of our Corporation:

Lapsation ratio being ratio of pure lapses net of reinstatement to average in force business for "*Within India Individual Non-Linked Assurance*" policies is 2.22%, 2.59% and 2.66% for the financial years ended March 2019, March 2020 and March 2021, respectively.

About 97.66% of our Corporation's individual portfolio is under assurance business. A substantial portion of this business is under regular premium business where acquisition expenses are incurred upfront which are met by level premiums. In general, early lapses tend to reduce profitability due to the inability to recoup the initial acquisition expenses.

16. Embedded value calculated by an independent actuary: See "*Embedded Value Reports*" beginning on page 592.

17. Accounting and other ratios: See "*Financial Statements - Annexure XXIV – B. Notes to Restated Consolidated Financial Information: 44. Ratios*" on page 414.

18. Agent productivity:

Particulars	Premium (₹ in million)	Number of agents	Productivity (in ₹)
December 31, 2021	358,258.50	1,329,448	269,479
Fiscal 2021	565,266.85	1,353,808	417,538
Fiscal 2020	514,026.23	1,208,826	425,228
Fiscal 2019	510,261.10	1,179,229	432,707

Productivity = Premium divided by number of agents

19. Value of new business: For further details, please see *"Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 452.

20. Gross premium along with geographical segmentation:

The following table sets forth information on gross premium generated in each state and region in India through our pan-India distribution network for the periods indicated:

(₹ in million)

State / Union Territory	As on March 31, 2019	As on March 31, 2020	As on March 31, 2021	For the period ended December 31, 2021
NORTH				
Chhattisgarh	45,041.19	45,385.20	50,710.09	33,333.92
Haryana	51,247.98	55,781.30	52,039.57	43,181.59
Himachal Pradesh	19,254.94	20,416.86	23,066.87	16,959.35
Jammu & Kashmir	19,612.81	20,274.20	23,660.76	21,058.12
Madhya Pradesh	88,853.04	93,678.31	97,654.36	71,155.9
Punjab	55,665.10	56,424.98	56,796.66	44,847.6
Rajasthan	122,606.38	129,681.58	122,844.52	101,683.12
Uttar Pradesh	208,107.61	219,068.48	229,313.41	201,233.43
Uttarakhand	82,039.85	86,331.92	97,630.82	25,307.09
Chandigarh	10,452.03	10,516.95	9,568.22	7,819.99
Delhi	286,779.39	285,977.61	350,933.87	206,662.03
Ladakh	-	1,706.90	1,804.50	75.17
Total (A)	**989,660.32**	**1025,244.27**	**1,116,023.65**	**773,317.31**
EAST				
Arunachal Pradesh	1,062.12	1,168.64	893.29	965.53

State / Union Territory	As on March 31, 2019	As on March 31, 2020	As on March 31, 2021	For the period ended December 31, 2021
Assam	68,198.02	75,239.39	89,316.22	60,739.45
Bihar	122,457.31	125,313.20	131,673.43	93,832.66
Jharkhand	71,410.81	63,842.20	64,671.29	57,666.18
Manipur	2,250.14	2,111.39	2,382.72	1,640.24
Meghalaya	1,897.30	1,829.21	2,341.39	1,437
Mizoram	407.83	443.80	412.83	379.53
Nagaland	1,273.90	1,345.04	1,406.44	977.73
Orissa	88,880.65	92,969.91	99,752.10	74,182.15
Sikkim	1,460.50	1,688.61	939.63	1,297.24
Tripura	8,484.60	7,961.03	8,921.51	6,132.6
West Bengal	314,176.92	340,926.49	398,349.88	223,103.28
Andaman & Nicobar Islands	788.80	828.07	616.86	675.84
Total (B)	**682,748.91**	**715,666.98**	**801,677.59**	**523,029.43**
WEST				
Goa	12,202.42	12,665.15	15,099.67	11,029.52
Gujarat	189,447.66	201,471.74	254,897.68	152,004.54
Maharashtra	646,423.35	697,233.57	771,445.93	616,432.48
Dadra & Nagrahaveli	77.97	107.90	721.27	581.35
Daman & Diu	402.54	497.58	0.00	0.00
Total (C)	**848,553.94**	**911,975.95**	**1,042,164.55**	**780,047.89**
SOUTH				
Andhra Pradesh	124,991.02	127,811.16	129,790.90	109,351.68
Karnataka	274,118.55	290,694.76	392,043.65	242,387.62
Kerala	107,109.24	113,995.22	117,767.07	86,860.20
Tamil Nadu	224,361.25	473,780.61	287,299.58	223,182.19
Telangana	118,469.31	129,735.46	141,079.12	98,245.50
Lakshadweep	15.61	21.13	5.54	17.00
Puducherry	3,676.31	3,684.72	3,643.04	3,035.54
Total (D)	**852,741.29**	**1,139,723.06**	**1,071,628.90**	763,079.73
TOTAL (A+B+C+D)	**3,373,704.46**	**3,792,610.27**	**4,031,494.69**	**2,839,474.35**

FINANCIAL INDEBTEDNESS

As at December 31, 2021, our Corporation had nil outstanding borrowings. For details on the borrowing powers of our Board of Directors, see *"Our Management – Borrowing powers of our Board"* on page 291.

As at December 31, 2021, none of the Subsidiaries had any outstanding borrowings, except for Life Insurance Corporation (Lanka) Limited ("**LIC Lanka**"), which issued 10,000,000 non-voting non-cumulative redeemable Class C preference shares to Lanka Island Resort Limited at a subscription price of LKR 10 per share, amounting to an aggregate consideration of LKR 100,000,000 ("**Preference Share Issue**"). Upon the expiry of one year from the date of the Preference Share Issue, the holders of the Class C preference shares are entitled to require LIC Lanka to redeem all or a part of the outstanding Class C preference shares at the subscription price. The terms of the Preference Share Issue also include, among other things, the right to receive a non-cumulative preferential dividend at the rate of 10% per annum on the subscription price of LKR 10 per share as well as the right to be paid out of the assets of LIC Lanka in preference to holders of ordinary equity shares in the event of liquidation. On December 1, 2021, 5,000,000 Class C preference shares were redeemed by Lanka Island Resort Limited at a consideration amounting to LKR 50,000,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless indicated otherwise or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statements as at and for the years ended March 31, 2019, March 31, 2020, March 31, 2021, and the nine months ended December 31, 2021 included in "Financial Statements" beginning on page 308. You should read the following discussion and analysis of our financial condition and results of operations together with the Restated Consolidated Financial Statements. Our fiscal year commences on April 1 and ends on March 31 of the subsequent year. Accordingly, all references to a particular Fiscal Year, or "Fiscal", are to the 12 months ended March 31 of that year.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "– Significant Factors Affecting Our Results of Operations and Financial Condition", "Forward-Looking Statements" and "Risk Factors" on pages 452, 23 and 24, respectively.

We have included various operational and financial performance indicators in this Prospectus, including certain non-GAAP financial measures, some of which may not be derived from our Restated Consolidated Financial Statements or otherwise subjected to an audit or review by the Statutory Auditor to the Offer. VNB, VNB margin, Indian Embedded Value, Indian Embedded Value operating earnings and operating return on Indian Embedded Value are non-GAAP financial measures and should be read in conjunction with the context and assumptions set out in the Embedded Value Reports on page 592. See "Risk Factors – Internal Risk Factors – Risks Related to our Business – There is significant technical complexity involved in embedded value calculations and the estimates used in the Embedded Value Reports could vary materially if key assumptions are changed or if our experience differs from our assumptions used to calculate our Indian Embedded Value. In addition, regardless of the appropriateness of the assumptions, there may be a risk that the model used to calculate Indian Embedded Value itself may not be appropriate despite taking due care to ensure that models are appropriate. Our VNB may vary as future experience may be different from the assumptions used in calculating our VNB. The inclusion of these values should not be regarded as a representation of our future profitability by us, the Independent Actuary, the BRLMs or any other person" on page 38.

Our financial statements and the presentation of our performance metrics differ significantly from those of non-insurance and may differ from other insurance companies. See "Risk Factors – Internal Risk Factors – Risks Relating to Our Business – Our financial statements differ significantly from financial statements prepared by non-insurance companies" and "Risk Factors – Internal Risk Factors – Risks Relating to Our Business – We have included certain non-GAAP financial measures and certain other selected statistical information related to our business, financial condition, results of operations and cash flows in this Prospectus. These non-GAAP financial measures and statistical information may vary from any standard methodology that is applicable across the life insurance segment, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other life insurance players" on pages 62 and 36, respectively.

Certain industry and market data used in this section have been derived from the CRISIL Report, which has been exclusively prepared for the purpose of the Offer. Our Corporation commissioned and paid for the CRISIL Report pursuant to an engagement letter dated September 24, 2021, CRISIL Research is not related in any manner to our Corporation or any of our Directors or our Promoter. The CRISIL Report was prepared using publicly available financial information. As we have not publicly disclosed consolidated financial statements prior to the filing of this Prospectus, the CRISIL Report was prepared using our Corporation's standalone financial statements and filings made with the IRDAI. For more details, see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 22.

Overview

Our Corporation has been providing life insurance in India for more than 65 years and is the largest life insurer in India, with a 61.6% market share in terms of premiums (or GWP), a 61.4% market share in terms of New Business Premium (or NBP), a 71.8% market share in terms of number of individual policies issued, a 88.8% market share in terms of number of group policies issued for the nine months ended December 31, 2021, as well as by the number of individual agents, which comprised 55% of all individual agents in India as at December 31, 2021. (*Source: the CRISIL Report*). Our Corporation's market share in the Indian life insurance industry for Fiscal 2021 was 64.1% in terms of GWP, 66.2% in terms of NBP, 74.6% in terms of number of individual policies issued, and 81.1% in terms of number of group policies issued. (*Source the CRISIL Report*). Our Corporation had the highest gap in market share by life insurance GWP relative to the second-largest life insurer in India as compared to the market leaders in the top seven markets globally (in 2020 for the other players and in Fiscal 2021 for our Corporation). (*Source: the CRISIL Report)*. According to CRISIL, this is owing to our enormous agent network, strong track record, immense trust in the brand 'LIC' and our Corporation's 65 years of lineage. (*Source: the CRISIL Report*). Our Corporation is ranked fifth globally by life insurance GWP (comparing our Corporation's life insurance premium for Fiscal 2021 to our global peers' life insurance premium for 2020) and 10th globally in terms of total assets (comparing our Corporation's assets as at March 31, 2021 with other life insurers' assets as at December 31, 2020). (*Source: the CRISIL Report*).

Our Corporation is the largest asset manager in India as at December 31, 2021, with AUM (comprising policyholders' investment, shareholders' investment and assets held to cover linked liabilities) of ₹40.1 trillion on a standalone basis, which was (i) more than 3.2 times the total AUM of all private life insurers in India, (ii) approximately 15.6 times more than the AUM of the second-largest player in the Indian life insurance industry in terms of AUM, (iii) more than 1.1 times the entire Indian mutual fund industry's AUM and (iv) 17.0% of India's estimated GDP for Fiscal 2022. (*Source: the CRISIL Report*). As per the CRISIL Report, as at December 31, 2021, our Corporation's investments in listed equity represented around 4% of the total market capitalisation of NSE as at that date. (*Source: the CRISIL Report*).

Our Corporation was formed by merging and nationalizing 245 private life insurance companies in India on September 1, 1956, with an initial capital of ₹50.00 million. From our Corporation's incorporation until 2000, we were the only life insurer in India. Our Corporation was identified by IRDAI as a Domestic Systemically Important Insurer ("**D-SII**") on the basis of size, market importance and domestic and global inter-connectedness in September 2020.

Our Corporation's brand, LIC, was recognised as the third strongest and 10th most valuable global insurance brand as per the "*Insurance 100 2021 report*" released by Brand Finance. The strength of a brand means the efficacy of a brand's performance on intangible measures relative to its competitors and is determined by looking at the brand's marketing investment, stakeholder equity and impact of those on business performance. The value of a brand is the present value of earnings specifically related to brand reputation. The brand 'LIC' was also recognised by WPP Kantar as the second most valuable brand in India in the report "*BrandZ™ Top 75 Most Valuable Indian Brands*" for 2018, 2019 and 2020. Our Corporation has a broad, diversified product portfolio covering various segments across individual products and group products. Our individual products comprise (i) participating insurance products and (ii) non-participating products, which include (a) savings insurance products; (b) term insurance products; (c) health insurance products; (d) annuity and pension products; and (e) unit linked insurance products. Our individual products include specially designed products for specific segments, such as special products for women and children and Micro Insurance products. In addition, we offer riders that provide additional benefits along with the base product to cover for additional risks, such as accidental disability, death, critical illness and premium waiver on the death of the proposer. Our Corporation's individual product portfolio in India comprises 32 individual products (16 participating products and 16 non-participating products) and seven individual riders. Our group products comprise (i) group term insurance products, (ii) group savings insurance products; (iii) group savings pension products; and (iv) group annuity products. Our Corporation's group product portfolio in India comprises 11 group products.

Our Corporation's omni-channel distribution platform for individual products currently comprises (i) individual agents, (ii) bancassurance partners, (iii) alternate channels (corporate agents, brokers and insurance marketing firms), (iv) digital sales (through a portal on our Corporation's website), (v) Micro Insurance agents and (vi) Point of Sales Persons-Life Insurance scheme. Our Corporation's individual policies are primarily distributed by our individual agents. In Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our individual agents were responsible for sourcing 96.69%, 95.73%, 94.78% and 96.20% of our Corporation's NBP for our individual products in India, respectively. Our Corporation has the largest individual agent network among life insurance entities in India, comprising approximately 1.33 million individual agents as at December 31, 2021, which was 6.8 times the number of individual agents of the second largest life insurer. (*Source: the CRISIL Report*). Customers can also approach our branch offices and satellite offices and purchase products through our intermediaries. As at December 31, 2021, our Corporation had 2,048 branch offices and 1,559 satellite offices in India, covering 91% of all districts in India. Our Corporation's multichannel distribution platform for group products comprises (i) our employees in the sales team for group products, (ii) individual agents, (iii) bancassurance partners and (iv) alternate channel partners (other corporate agents and brokers).

In addition to our Corporation's life insurance operations in India, our Corporation has one branch in each of Fiji, Mauritius and the United Kingdom and Subsidiaries in Bahrain (with operations in Qatar, Kuwait, Oman and the United Arab Emirates), Bangladesh, Nepal, Singapore and Sri Lanka in the life insurance industry. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, on a consolidated basis, our premium from outside India represented 0.93%, 0.99%, 0.73% and 0.69%, respectively, of our total premium.

In addition, our Corporation's other subsidiaries include LIC Pension Fund Limited, which is one of the three companies appointed as a pension fund sponsor under the Indian Government's New Pension System, and LIC Cards Services Limited, which operates a credit card business.

Our profit after tax (Shareholders' Account) on a consolidated basis for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 was ₹26,273.78 million, ₹27,104.78 million, ₹29,741.39 million and ₹17,153.12 million, respectively.

Significant Factors Affecting Our Results of Operations and Financial Condition

Our results of operations and financial condition on a consolidated basis primarily reflect our Corporation's results of operations and financial condition on a standalone basis. These results are significantly affected by a number of factors, including the macroeconomic and regulatory environment in India, competition, variance between actual experience and actuarial assumptions, our Corporation's product mix, fluctuations in interest rates and equity markets in India, as well as our

Corporation's ability to grow its business while controlling costs and improving productivity.

Macroeconomic Environment in India

Our business, financial condition, results of operations and cash flows are significantly affected by macroeconomic conditions in India, where we conduct the vast majority of our business and generate substantially all of our income. While our business tends to benefit from increased consumer confidence in the overall economy and the life insurance sector in particular, adverse macroeconomic conditions in India may reduce the demand for our products, increase the number of policy surrenders and withdrawals, reduce the returns from our investment activities and otherwise adversely affect our results of operations.

Key macroeconomic factors affecting the performance of the growing but underpenetrated life insurance industry in India include India's population growth trajectory and favourable demographics, urbanisation, overall economic growth rates, household income growth rate and consumer attitudes towards financial savings. These factors affect the proportion of household savings invested in insurance products relative to other competing products ranging from physical assets, such as real estate and gold, to financial savings instruments, such as bank deposits, provident and mutual funds. Macroeconomic conditions also affect the mix of our investments across various asset classes. For more details, see *"Risk Factors—External Risk Factors—Risks Related to India—Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows*" on page 63.

Fiscal 2020 was volatile for the global economy. The first three quarters were ensnared in trade protectionist policies and disputes among major trading partners, volatile commodity and energy prices, and economic uncertainties arising from Brexit. Hopes of broad-based recovery in the fourth quarter were dashed by the COVID-19 pandemic, which has infected more than 424 million people in 228 countries (as at February 20, 2022), leading to considerable human suffering and economic disruption. (*Source: the CRISIL Report*). The COVID-19 pandemic sharply slowed the Indian economy in the first quarter of Fiscal 2021, but the huge economic costs that it extracted forced the economy to open up and get back on its feet in the second quarter of Fiscal 2021. (*Source: the CRISIL Report*). What also helped was a sharp cutback in operating costs for companies due to job and salary cuts, employees exercising work from home, low input costs due to benign interest rates, crude and commodity prices. (*Source: the CRISIL Report*).

The second wave of the COVID-19 pandemic took the healthcare ecosystem to the brink and beyond in the first quarter of Fiscal 2022, but it did not hit economic activity as hard as the first wave. (*Source: the CRISIL Report*). The main reason for this was decentralised and less stringent lockdowns, which reflect the 'learning to live with the virus attitude' that authorities have adopted. Many states also permitted construction and manufacturing activities to continue during the lockdown. (*Source: the CRISIL Report*). The number of active COVID-19 cases in India increased from 75,456 as at December 27, 2021 to 723,619 as at January 9, 2022. Further, as at January 9, 2022, India reported 4,033 Omicron cases. The mortality rate during December 27, 2021 to January 9, 2022, however, has been much lower than that witnessed in the second wave. Furthermore, the number of patients being admitted to intensive care units of hospitals and needing ventilators or oxygen support was lower than in the second wave. Going forward, in the scenario of a significant rise in COVID-19 cases for a sustained period of time due to the Omicron variant and a rise in mortality rates, the performance of the life insurance industry may be impacted over the short run, as witnessed by the industry during the second wave of COVID-19 in the first quarter of Fiscal 2022. (*Source: the CRISIL Report*).

Having said that, CRISIL Research foresees growth rebounding in Fiscal 2022, on the back of a very weak base, a counter-cyclical Union Budget for Fiscal 2022 pushing investments and some benefit from a rising-global-tide-lifting-all-boats effect. Rapid urbanisation, rising consumer aspiration and increasing digitisation coupled with government support in the form of reforms and policies are expected to support growth. For example, the government has recently announced production-linked incentives across identified sectors with an aim to propel the growth of India as a manufacturing destination. (*Source: the CRISIL Report*). At a macro level, digitalization has led to various benefits such as linkage to Aadhaar identity cards, direct benefit transfer and various other government benefits. The NSO, in its advance GDP estimates released in January 2022, has forecasted India's GDP to grow by 9.2% in Fiscal 2022. CRISIL Research forecasts India's GDP for Fiscal 2022 to grow by around 7.8% to 9.2% for Fiscal 2023, assuming the ongoing surge in COVID-19 cases due to the Omicron variant does not have a material impact as the number of people vaccinated against COVID-19 continues to grow at a robust pace in India. (*Source: the CRISIL Report*).

Effects of COVID-19

The COVID-19 pandemic has had, and we expect it to continue to have, a material adverse effect on our business, financial condition, results of operations and cash flows.

Our first-year premiums decreased by 41.24% from ₹584,464.99 million for Fiscal 2020 to ₹343,409.95 million for Fiscal 2021 on a consolidated basis. While the primary reason for this decrease was because of a higher base in Fiscal 2020 due to a first-year premium of ₹231,600 million from a superannuation scheme with one of the state governments completed in May 2019, COVID-19 also adversely affected our distribution partners' ability to distribute our products due to lockdowns and social distancing measures limiting in-person interactions. In addition, the pandemic caused a deferral of exams by the IRDAI for individual agents and corporate agents, which prevented us from adding as many new agents as we would have liked to. As a result, the number of our active (which means they had sold at least one policy in the prior 12 months) individual agents decreased by 3.60% from 1,086,000 as at March 31, 2021 to 1,046,856 as at December 31, 2021. Our individual policies are primarily distributed by our individual agents. Our individual agents procured 96.69%, 95.73%, 94.78% and 96.20% of our NBP in India for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively. In addition, the average productivity of our individual agents in India fell from 18.11 policies sold per year in Fiscal 2020 to 15.49 policies sold per year during Fiscal 2021 due to the impact of COVID-19.

Our Persistency Ratios decreased as at March 31, 2020 compared to as at March 31, 2019 but had generally recovered as at March 31, 2021 and December 31, 2021. For example, our Persistency Ratio by individual business in terms of amount of premium by regular premium and limited premium in India in the 13th month was 77%, 72%, 79% and 77% as at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, respectively. For more details on our Persistency Ratios in India, see "*–Persistency Ratios*" on page 465.

Our insurance claims by death (net) increased during the pandemic. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our insurance claims by death (net) (i.e., claims paid by death less amount ceded in reinsurance for claims by death) were ₹169,637.70 million, ₹173,418.17 million, ₹234,833.35 million and ₹293,107.37 million, respectively, on a consolidated basis, which were 6.72%, 6.79%, 8.14% and 12.49% of our total benefits paid (net), respectively, on a consolidated basis.

For Fiscal 2021 and the nine months ended December 31, 2021, a separate mortality reserve of ₹23,445.99 million and ₹74,195.61 million was provided for the COVID-19 pandemic on a consolidated basis, respectively. We will continue to review this mortality reserve as the pandemic evolves. Currently, we believe the mortality loading in premium rates is adequate for the long term due to the expected duration of the pandemic. The uncertainties related to the pandemic are currently being addressed through our COVID-19 reserve and we are observing the impact of COVID-19 as it unfolds by comparing the actual to expected claims experience.

The extent to which the pandemic will continue to affect our business, financial condition, results of operations and cash flows in the future will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic. For more information on the effects of COVID-19 and the lockdown and restrictions on our business, see *"Risk Factors – Internal Risk Factors – Risks Related to Our Business – The ongoing COVID-19 pandemic could adversely affect all aspects of our business, including: (i) restricting the ability of our agents to sell our products; (ii) significantly increasing our expenses due to changes in laws and regulations and investing in new methodologies to overcome the restrictions brought in to address the spread of COVID-19 and the adverse changes in population mortality/morbidity or utilization behaviours; (iii) adversely affecting our investment portfolio; (iv) adversely affecting our operational effectiveness; and (v) heightening the risks we face in our business, including those discussed in this Prospectus"* on page 24.

Regulatory Environment in India

Our business is highly regulated in India. Insurance regulations and the Life Insurance Corporation Act cover a variety of aspects that affect our business, including product design, new product approvals, capital requirements, investment guidelines, distribution of surplus, expense management and arrangements with distributors. Certain insurance laws, rules and regulations restrict our investment activities, which may limit our ability to diversify investment risks and improve returns on our investment portfolio, thereby affecting our results of operations. The regulatory and policy environment in which we operate is subject to change from time to time.

IRDAI Regulations

The key new regulations promulgated by the IRDAI between April 1, 2018 and December 31, 2021 are summarised below. Importantly, the IRDAI had introduced new product regulations in 2019, consisting of the IRDAI (Linked Insurance Products) Regulations, 2019 and the IRDAI (Non-Linked Insurance Products) Regulations, 2019 (collectively, the "**IRDAI Product Regulations 2019**"). The IRDAI Product Regulations 2019 supersede the IRDAI (Linked Insurance Products) Regulations, 2013 and the IRDAI (Non-Linked Insurance Products) Regulations, 2013 (collectively the "**IRDAI Product Regulations 2013**"). Some of the salient provisions under the IRDAI Product Regulations 2019 include:

- Increase in surrender value to policyholders, which may come at the cost of reduction in variable benefits to the policyholders continuing until maturity. This change was effective from February 1, 2020.

- Increase in revival period for non-linked policies from two years to five years and that for linked policies from two years to three years. This change was effective from November 4, 2019 and was made applicable to all existing policies sold after implementation of the IRDAI Product Regulations 2013. These changes encourage the revivals of lapsed insurance policies. Nonetheless, all policies sold prior to the introduction of the IRDAI Product Regulations in 2013 were already subject to a five-year revival period.

- Enabling insurers to declare the interest on funded schemes, in advance or in arrears, with a frequency of quarterly, half yearly or yearly intervals. Interest rate credited to each fund and expenses charged to each fund shall be in accordance with the Board-approved policy of the insurer. However, the IRDAI Product Regulations 2013 were more prescriptive in that group fund-based products could only be filed under Variable Insurance Platform, wherein the interest has to be declared in advance and the declaration was required to be in form of three rates:

    - Guaranteed non-negative interest rate, referred to as the minimum floor rate;
    - Non-negative additional interest rate, to be declared over and above the minimum floor rate; and
    - Non-negative residual additions, in order to meet the maximum reduction in yield provisions in the regulation at the end of each year starting from policy year five. The provision of non-negative residual additions required insurers to maintain shadow policy accounts at policy level along with the Policyholders' Account. This led to difficulty in the administration of schemes. As per the IRDAI Product Regulations 2019, the product structure has been made simpler by removing various restrictions related to Variable Insurance Platform introduced under the IRDAI Product Regulations 2013. This change was effective March 20, 2020.

In addition, in relation to funds forming part of the pension and group and life annuity funds, our Corporation is subject to Regulation 6 of the IRDAI Master Circular on Investments version two issued in May 2017, which prescribe that our Corporation invests the pension and group and life annuity funds in "Approved Investments" (as defined under the IRDAI Investment Regulations), which include Central Government securities, state government securities and other approved securities. If investments no longer meet the criteria laid out for being considered Approved Investments, they are re-classified as "other investments" and the insurer is required to ensure that such downgraded securities do not continue to be part of the pension and group and life annuity funds within a period of 90 days of such re-classification. After expiry of such 90-day period, if such downgraded securities continue to be categorised as other investments, the value of such securities is required to be made good by transfer to the insurer's shareholders' funds at the amortised cost of such securities in the books of such insurer.

As at December 31, 2021, our Corporation had other investments of ₹121,431.58 million (₹8,785.65 million in equity and ₹112,645.94 million in debt instruments) forming part of the pension and group and life annuity funds that had not been transferred after 90 days of becoming other investments. The market value of the equity investments of ₹8,785.65 million was ₹2,009.64 million. Out of the debt investments of ₹112,645.94 million, ₹59,140.37 million was standard debt in respect of which all dues are paid. The remaining ₹53,505.57 million comprises non-performing assets, which stands fully provisioned in the policyholders' funds as at December 31, 2021. The loss that would have accrued in the profit and loss account (Shareholders' Account) had these investments been transferred to the Shareholders' funds at amortised cost was ₹60,281.58 million as at December 31, 2021. While our Corporation undertook reasonable efforts to dispose of securities that were re-classified as other investments, such securities could not be sold in a commercially reasonable manner due to the inadequate appetite of the secondary market to acquire the securities offered in large quantities, which resulted in the market values of such securities being highly compressed. Our Corporation is hence required to ensure that these investments are transferred to the Shareholders' funds at amortised cost, which our Corporation has yet to undertake. The market value of the applicable other investments may decrease and the loss that will accrue in the profit and loss account (Shareholders' Account) when these investments are transferred to the Shareholders' funds at amortised cost may be more than the loss noted above and to such extent Shareholders' funds would stand reduced. For further details, see "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Certain investments of our Corporation's pension and group and life annuity funds, which had previously been invested in Approved Investments, have been re-classified as other investment and as such other investments have not been transferred to the Shareholders' funds at amortised cost after 90 days, our Corporation is not in compliance with the IRDAI Master Circular on Investments version two issued in May 2017. The loss that would have accrued in the profit and loss account (Shareholders Account) had these investments been transferred to the Shareholders' funds at amortised cost was ₹60,281.58 million as at December 31, 2021*" on page 29.

General Fiscal and Corporate Tax Laws

Any adverse development in fiscal laws applicable to insurance companies in India, discontinuance of tax exemptions in relation to pension income, dividend income, tax free bonds, change in applicability of minimum alternate tax rates and any discontinuance of tax benefits to customers on the purchase of insurance products in India may materially and adversely affect our results of operations and financial condition.

With effect from April 2021, income earned on contributions beyond ₹0.25 million per annum in ULIPs are taxable. In case of ULIPs having an annual premium of more than ₹0.25 million, the income/return on maturity shall be treated as a capital gain and charged accordingly under Section 112A of the Income Tax Act. The cap of ₹0.25 million on the annual premium of ULIP is applicable only for the policies taken on or after February 1, 2021. This change did not have a material adverse effect on our results of operations for the nine months ended December 31, 2021 as ULIPs are a small percentage of our product portfolio and there was still demand for ULIPs. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, our NBP from ULIPs in India was ₹342.53 million, ₹911.38 million, ₹7,558.50 million and ₹16,388.05 million, respectively, which represented 0.07%, 0.18%, 1.34% and 4.57% of our NBP in India, respectively. One of our strategies is to increase our NBP from non-participating products, including ULIPs. However, the successful execution of such strategies will be subject to regulations, such as the aforementioned tax laws. See "*Our Business – Our Strategies – Further diversify our product mix by increasing the contribution of the non-participating portfolio*" and "*Key Regulations and Policies*" on pages 192 and 253, respectively.

LIC-Specific Regulatory and Compliance Measures

Up until March 31, 2021, our Corporation had one fund and the valuation surplus from both the participating and non-participating businesses was distributed between policyholders and the Shareholders in the proportion of 95:5. The Finance Act, 2021 amended the Life Insurance Corporation Act and enabled our Corporation to have a participating fund and non-participating fund. The bifurcation was effective as at September 30, 2021. In accordance with our Corporation's approved surplus distribution policy, the surplus in respect of the participating fund will be allocated between policyholders and Shareholders in the ratio of 95:5 for Fiscal 2022, 92.5:7.5 for each of Fiscal 2023 and Fiscal 2024 and then 90:10 from Fiscal 2025 onwards. Life insurance companies regulated under the Insurance Act are permitted to maintain a surplus allocation of 90:10. The Shareholders have a 100% allocation in the non-participating fund. Our Corporation's Indian Embedded Value ("**IEV**") increased in the six months ended September 30, 2021 due to economic variants and Shareholder's interest increasing to 100% in the non-par fund following the bifurcation of the policyholder fund as at September 30, 2021, following changes in the surplus distribution policy in line with the amended Section 28 of the Life Insurance Corporation Act.

For further details, see "*Risk Factors—Internal Risk Factors—Risks Related to Our Business—Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" and "*Key Regulations and Policies*" on pages 54 and 253, respectively.

Transfer of LIC's Pensioners Premiums from the Superannuation Fund to the Group Annuity Fund

The LIC Pension Scheme was introduced during Fiscal 1996. During 2006, our Corporation decided to adopt the superannuation policy for our employees and started funding the liability under the scheme based on actuarial valuations. However, since the adoption of the policy, pensions under the scheme were directly disbursed to our eligible employees at the divisional office level, although the annuities were purchased from the pension and group schemes department ("**P&GS**"). Ideally, on each employee's retirement, our employee's pension should have been paid out from the superannuation fund (the "**Superannuation Fund**") maintained by the P&GS department, consisting of the accumulated premiums. However, due to a lack of proper management information systems, our Corporation continued to release the pension immediately on retirement and shared the data annually for annuitisation. This aberration was only realised in 2018 and our Corporation began to initiate a "purification process", where the pensions that were supposed to have been paid from the Superannuation Fund (but were directly disbursed by our divisional offices) were transferred to our group annuity fund and recorded as premium. From Fiscal 2019, for pensions that were paid out to our retiring employees under the scheme, an equivalent amount was transferred from the Superannuation Fund to the annuity fund during the respective Fiscal Years. However, for employees that had retired prior to Fiscal 2019, the premium that had been paid under the LIC Pension Scheme were only moved to the group annuity fund after the P&GS department was able to obtain the data in relation to the premium that had been paid under the scheme and also the pension amount that had been disbursed to such employees. The purification process was complete as at August 31, 2021.

Due to this purification process, we recognised an additional ₹11,821.10 million, ₹18,818.81 million, ₹27,736.79 million and ₹42,551.92 million of premium for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively. As annuity products constitute non-participating policies, 5% of the additional income recognised was transferred to the Shareholders' Account during Fiscal 2019, Fiscal 2020 and Fiscal 2021. Due to the bifurcation of the fund as at September 30, 2021, 100% of the additional income arising from the increase in net earned premium during the nine months ended December 31, 2021 (i.e., ₹42,551.92 million) will be transferred to the Shareholders' Account at the end of Fiscal 2022.

Competition

As at March 31, 2021, our Corporation's competitors in India were the 23 private insurance companies in India. (*Source: the CRISIL Report*). On April 1, 2021, the Insurance Laws (Amendment) Act, 2021 came into force, raising the limit of foreign investment in an Indian insurance company from 49% to 74%, subject to certain safeguards. We expect this to lead to new entrants in the industry, better capitalisation of existing competitors and generally increase the level of competition. While increased competition may lead to overall growth in customer participation for the underpenetrated insurance industry in India, prompt additional reforms for the sector and improved industry practices, it may also adversely impact our market share, margins, growth in new business premiums and customer acquisition. See *"Risk Factors—Internal Risk Factors—Risks Relating to Our Business—We face significant competition and our business, financial condition, results of operations and cash flows could be materially harmed if we are not able to compete effectively"* on page 43.

The table below shows our Corporation's market share in India in terms of premium, NBP, number of individual policies issued and number of group policies issued for the period and Fiscal Years indicated.

Particulars	**Year Ended March 31,**			**Nine months ended December 31, 2021**
	2019	**2020**	**2021**	
	Our Corporation's Market Share in India (%)			
Premium	66.4	66.2	64.1	61.6
NBP	66.2	68.7	66.2	61.4
Number of individual policies issued	74.7	75.9	74.6	71.8
Number of group policies issued	80.2	78.4	81.1	88.8

(*Source: the CRISIL Report*).

Our Corporation's other competitors include non-life insurance companies (to the extent such companies offer health insurance products), standalone health insurance companies, pension funds, mutual funds companies, and other financial services providers offering a variety of financial investment products. For more details on competition, see "*Our Business—Competition*" on page 240.

Introduction of New Products

We have increased our premium by, among other things, introducing new products. The table below sets forth the new insurance products we have introduced in India in Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 and premium for such products in India for the period and Fiscal Years presented.

Particulars	**Nine months ended December 31, 2021**		**Year Ended March 31,**					
			2021		**2020**		**2019**	
	Premium (₹ in million)	**% of total premium**	**Premium (₹ in million)**	**% of total premium**	**Premium (₹ in million)**	**% of total premium**	**Premium (₹ in million)**	**% of total premium**
New products introduced in the nine months ended December 31, 2021:								
LIC's Saral Jeevan Bima	8.08	0.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
LIC's Saral Pension	901.48	0.03	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
LIC's Arogya Rakshak	123.25	0.00	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
LIC's Dhan Rekha	360.17	0.01	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
New products introduced in Fiscal 2021:								
LIC's Jeevan Akshay -VII	49,922.11	1.75	26,575.75	0.66	N.A.	N.A.	N.A.	N.A.
LIC's New Jeevan Shanti(1)	35,528.60	1.24	23,394.06	0.58	N.A.	N.A.	N.A.	N.A.
LIC's Bima Jyoti	956.39	0.03	463.21	0.01	N.A.	N.A.	N.A.	N.A.
LIC's Bachat Plus(2)	8,648.77	0.30	563.48	0.01	N.A.	N.A.	N.A.	N.A.
New products introduced in Fiscal 2020:								
LIC's Jeevan Amar	2,436.20	0.09	2,274.30	0.06	949.92	0.03	N.A.	N.A.
LIC's Tech-Term	387.86	0.01	415.77	0.01	137.22	0.00	N.A.	N.A.
LIC's Nivesh Plus	14,734.05	0.52	6,772.63	0.17	378.68	0.01	N.A.	N.A.
LIC's SIIP	1,913.70	0.07	975.17	0.02	52.56	0.00	N.A.	N.A.
LIC's One Year Renewable Group Micro Term Assurance Plan	572.45	0.02	1,145.26	0.03	345.51	0.01	N.A.	N.A.
New products introduced in Fiscal 2019:								
LIC's Jeevan Shanti(1)	0.00	0.00	147,939.39	3.67	135,766.53	3.58	104,887.12	3.11
LIC's Micro Bachat	86.26	0.00	136.49	0.00	1,413.43	0.04	8.14	0.00
LIC's Navjeevan(3)	748.46	0.03	1,075.17	0.03	1,788.03	0.05	738.36	0.02
Total of new products	**117,327.82**	**4.11**	**211,730.68**	**5.26**	**140,831.88**	**3.72**	**105,633.62**	**3.13**
Total of all products	**2,857,299.55**	**100.00**	**4,028,881.36**	**100.00**	**3,790,135.63**	**100.00**	**3,371,300.19**	**100.00**

Notes:

(1) LIC's Jeevan Shanti was a single premium annuity policy, which was withdrawn during Fiscal 2021, and another similar deferred annuity plan "LIC's New Jeevan Shanti" was introduced.

(2) LIC's Bachat Plus was withdrawn with effect from April 1, 2022 as the product was as a close ended plan available for sale only up to March 31, 2022.

(3) LIC's Navjeevan was withdrawn with effect from August 15, 2019 due to changes in the prevailing market interest rates during the period, which led us to conclude that the product was not sustainable in the long run.

See *"Our Business—Product Strategy and Development" and "Risk Factors—Internal Risk Factors—Risks Related to Our Business—We may be unable to implement our growth strategies, which could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on pages 204 and 48, respectively.

Variance Between Actual Experience and Actuarial Assumptions

Our results of operations and financial condition are affected by, among others, our claims, persistency, surrender experience, interest and expense experience, etc., which may vary from the assumptions made when we priced our products and calculated our insurance contract liabilities.

Our claims experience varies over time, differs across product types and may be impacted by specific events that affect mortality and morbidity. Our life and health insurance business is exposed to the risk of catastrophic mortality and illness, such as an epidemic or pandemic, such as the COVID-19 pandemic, or other events that may cause a large number of mortality and/or morbidity claims. Claims by death (net) increased by 35.41% from ₹173,418.17 million in Fiscal 2020 to ₹234,833.35 million in Fiscal 2021, which increase was primarily due to deaths caused by COVID-19. However, claims for health and treatment benefits (which includes hospitalisation benefits, major surgical benefits, domiciliary treatment benefits and day care benefits) decreased by 13.44% from ₹482.31 million in Fiscal 2020 to ₹417.48 million in Fiscal 2021.

The best-estimate mortality assumptions for assured lives are set based on our own experience during the two-year period to December 31, 2020. Our Corporation's experience analysis does not capture the impact of the ongoing COVID-19 pandemic. However, it is assumed that any additional deaths arising due to the pandemic will have a one-off impact and may not affect the long-term best-estimate mortality rates of our Corporation. For Fiscal 2021 and the nine months ended December 31, 2021, a separate mortality reserve of ₹23,445.99 million and ₹74,195.61 million was provided for the COVID-19 pandemic on a consolidated basis, respectively, and our results of operations assume no value arising from this reserve. For more information regarding these assumptions, see "*Embedded Value Reports*" on page 592.

Set forth below is a table showing claims by death, the amount ceded in reinsurance for claims by death and claims by death (net) for the period/Fiscal Years presented.

Particulars	**Nine months ended December 31, 2021**	**Year Ended March 31,**		
		2021	**2020**	**2019**
	(₹ in million)			
Claims by death	299,039.45	239,268.94	175,279.87	171,288.42
Claims by death – (amount ceded in reinsurance)	(5,932.08)	(4,435.59)	(1,861.70)	(1,650.72)
Claims by death (net)	**293,107.37**	**234,833.35**	**173,418.17**	**169,637.70**

Our results of operations are also affected by our persistency and surrender experience, which may differ from the assumptions that we make both when we design and price our products and when we calculate our insurance contract liabilities. Maintaining a high level of persistency is important to our results of operations, as a large block of in-force policies provides us with regular revenue in the form of renewal premiums. In addition, our ability to convert first year premiums into renewal premiums – thereby increasing the number of in-force policies – is an important factor affecting our financial condition and results of operations, as well as the long-term growth of our revenue and profitability. Persistency and surrender experience varies over time and from one type of product to another and may be affected by events such as changes in macroeconomic conditions, changes in consumer sentiment or policyholder behaviour, relative competitiveness of our products, claims experience, investment performance of our funds and other factors.

Our Corporation performs a high-level analysis of policyholder persistency when making our assumptions. The best-estimate lapse/surrender/reduced paid-up and revival/reinstatement rates specific to different products and durations in-force, are set based on a combination of our own experience (where statistically credible) and our understanding of the experience of/assumptions set by other insurers in the market where relevant (otherwise).

Accordingly, when evaluating our results of operations, we use certain assumed policy discontinuance rates for a total of 10 products, covering the top five products (by contribution to present value of future profits as at March 31, 2021 in respect of in-force business) and top five products (by contribution to present value of future profits in respect of new business sold during Fiscal 2021). In addition to the assumed rates of discontinuance, our results of operations are also assessed assuming that 15% of policies in reduced paid-up status, and 4% of policies in lapsed status as at the applicable valuation date, will revive.

For details on our Persistency Ratios in India, see "*—Persistency Ratios*" on page 465.

Also see "*Risk Factors—Internal Risk Factors—Risks Related to Our Business—If actual claims experienced and other parameters are different from the assumptions used in pricing our products and setting reserves for our products, it could have a material adverse effect on our business, financial condition and results of operations*" on page 34.

Fluctuations in Market Interest Rates

The profitability of certain of our products and our investment returns can be sensitive to interest rate fluctuations. Interest rates are highly sensitive to many factors, including monetary and tax policies, domestic and international economic and political considerations, inflationary factors, fiscal deficits, trade surpluses or deficits and regulatory requirements.

Our interest rate sensitivity varies across the different product lines, based on the nature of the returns due to our policyholders. In general, the investment risk in respect of investments made for unit-linked contracts is borne by policyholders of such products, whereas the investment risk associated with investments backing participating products is shared between our policyholders and Shareholders, and the investment risk associated with non-participating products post bifurcation of the fund and Shareholders' funds is completely borne by the Shareholders. A significant portion of our investment portfolio is held in debt securities, particularly fixed income government securities. Our Corporation's investments in debt instruments include investments in (i) Government securities and Government guaranteed bonds including treasury bills; (ii) debentures/bonds & pass-through certificates; (iii) money market instruments; and (iv) other fixed income securities, which was ₹25,010,679.63 million, ₹3,343,170.36 million, ₹59,221.86 million and ₹148,732.04 million as at December 31, 2021, respectively, and represented 62.34%, 8.33%, 0.15% and 0.37% of our Corporation's standalone AUM as at December 31, 2021, respectively.

Some of our insurance and investment contracts have guaranteed features. These contracts carry the risk that interest income from the financial assets backing such liabilities may be insufficient to fund the guaranteed benefits payable as interest rates fall. During periods of declining interest rates, we may not be able to fully meet the guaranteed liabilities of our non-participating contracts. Declining interest rates generally have the effect of increasing the proportion of policyholders who elect to continue with products that have guaranteed benefits. While this may improve our persistency, it also increases the overall cost of providing such guarantees and therefore affects our financial results. Our Corporation does not have hedging arrangements in place to mitigate this risk. For participating contracts, a decline in interest rates may result in lower bonus rates for policyholders, which may lead to policyholders' dissatisfaction and therefore increased surrenders and decreased new business sales.

In addition, our insurance contracts' liabilities tend to have a longer duration than our investment assets, which may result in the re-investment returns of our maturing investments being lower than the average guaranteed pricing rate for our insurance policies in a declining interest rate environment.

Rising interest rates could lead to higher levels of surrenders and withdrawals of existing policies as policyholders seek to buy products with perceived higher returns, which may require us to sell our invested assets and make cash payments to policyholders at a time when the prices of those assets are declining, which may result in realised losses.

See "*Risk Factors—Internal Risk Factors—Risks Related to Our Business—Interest rate fluctuations may materially and adversely affect our profitability. In addition, the limited amounts and types of long-term fixed income products in the Indian capital markets and the legal and regulatory requirements on the types of investment and amount of investment assets that insurance entities are permitted to make could severely limit our ability to closely match the duration of our assets and liabilities and thereby decrease our interest rate risk*" and "*Embedded Value Reports*" on pages 36 and 592, respectively.

Fluctuations in Equity Markets

Fluctuations in equity markets may affect our investment returns and sales of our unit-linked and participating products.

Sales of unit-linked insurance products typically decrease in periods of protracted or steep declines in equity markets and increase in periods of rising equity markets. Policy loans, surrenders and withdrawals may increase at times of declining equity markets as customers shift to other products, although some customers may continue to hold on to the investments for future gains. In addition, lower investment returns for our unit-linked insurance products would also reduce the asset management and other fees we earn. Policy surrenders and withdrawals may also increase with rising equity markets because customers may exit their policies to realise their gains and invest directly in the equity markets.

A decline in the equity markets reduces our investment income and also reduces the fair value of investments held towards non-linked policyholder funds and Shareholders' funds, which could adversely affect our results of operations. Lower equity returns could also lead to higher levels of surrenders of existing non-linked policies as policyholders seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments to policyholders requiring the sale of our equity investments at a time when the prices of those assets are adversely affected by market movements, potentially resulting in realised investment losses. These would impact our financial condition and our results of operations.

For additional details regarding sensitivity to equity markets, see "*Embedded Value Reports*" on page 592.

Ability to Grow our Business While Controlling Costs and Improving Productivity

Our profitability is affected by our growth in new business and our ability to control costs. The table below sets forth our commission, operating expenses related to insurance business, NBP and premium on a consolidated basis and the foregoing as a percentage of premium for the period and Fiscal Years indicated.

Particulars	**Nine months ended December 31, 2021**		**Year Ended March 31,**					
			2021		**2020**		**2019**	
	(₹ in million)	**% of total premium**	**(₹ in million)**	**% of total premium**	**(₹ in million)**	**% of total premium**	**(₹ in million)**	**% of total premium**
Commission	155,381.10	5.44	223,581.61	5.51	215,482.58	5.63	204,826.09	6.02
Operating expenses related to insurance business	272,673.41	9.54	351,622.15	8.66	344,258.84	8.99	283,316.03	8.33
Of which: Employees' remuneration & welfare benefits	217,852.85	7.62	267,962.72	6.60	251,278.96	6.56	199,045.39	5.85
Operating expenses related to insurance business less operating expenses of LIC Pension Fund Limited and LIC Cards Services Limited [(1)]	272,314.16	9.53	351,406.76	8.66	344,034.23	8.99	283,153.77	8.32
NBP	1,267,777.05	44.37	1,855,232.15	45.71	1,802,742.06	47.09	1,440,379.58	42.33
Premium	2,857,299.55	100.00	4,058,508.02	100.00	3,828,114.50	100.00	3,402,946.15	100.00

Note: (1) The consolidation of Subsidiaries is done on a line-by-line basis in accordance with the requirement of Accounting Standard 21. Indian Subsidiary companies of our Corporation operate under different lines of business as compared to our Corporation and are also governed by different regulators in India. Accordingly, line-by-line consolidation of their respective profit and loss account in our Corporation's restated consolidated financial statements is carried out through the revenue account. If such investment in a Subsidiary is made through the Shareholders' fund, any surplus/deficit for such Subsidiary included in the consolidated revenue account is transferred to the profit and loss account (Shareholders' Account).

The commissions paid to agents are based on the percentage of premium (first year and renewal). The rates vary between single/regular premium/group policies and also vary depending on the term of the policies and the segment. The capping is limited to the percentages as specified by the IRDAI and varies from 2% to 40%.

We strive to effectively control operating expenses related to insurance business by improving our operational efficiencies, investing in information technology (including our digital sales channel) and undertaking various initiatives with our distribution partners and employees to increase productivity levels.

Employees' remuneration & welfare benefits are the largest expense in our operating expenses related to insurance business. As at March 31, 2019, March 31, 2020, March 31, 2021 and December 31, 2021, we had 108,684, 114,498, 108,987 and 105,164 full-time employees in India, respectively. Financial liability for additional contribution of ₹111,246.6 million arising due to a fresh pension option to the employees *vide* Govt. notification No. G.S.R. 324I dated April 23, 2019 is being amortised over a period of five years up to March 31, 2024. As per the Accounting Standard 15 (Revised 2005), an entity can charge additional liability arising upon the first application of the standard as an expense over five years, with disclosure of the unrecognised amount. An entity is allowed to exercise this option only during the first accounting year commencing on or after December 1, 2006. Our Corporation amortised the cost of past service liability under the employees' pension scheme over five years, commencing from Fiscal 2007 onwards. The final pension option notified by *vide* Govt. notification No. G.S.R. 324I dated April 23, 2019 resulted in the past service liability for those employees who opted for the pension for the first time. Therefore, approval for similar treatment of the one-time cost for the final pension liability for the one-time pension option being amortised over five years commencing from Fiscal 2020, on recommendation of the Board, was sought from the IRDAI. The IRDAI approved the amortisation of this expense over a five-year period *vide* its letter no. 101/2/F&A-Life/LIC/2018-2019/208 dated July 6, 2020. Accordingly, instalments of ₹22,249.3 million were recognized in each of Fiscal 2020 and Fiscal 2021 and an instalment of ₹16,687 million was recognized in the nine months ended December 31, 2021 and the balance ₹50,061 million is to be recognized over the periods up to March 31, 2024.

See "*Risk Factors—Internal Risk Factors—Higher than expected operating expenses related to our insurance business could have a material adverse effect on our results of operations*" on page 48.

IDBI Bank Becoming a Subsidiary in January 2019 and Then Becoming an Associate in December 2020

IDBI Bank became a subsidiary with effect from January 21, 2019 following our Corporation's acquisition of an additional 827,590,885 of the outstanding equity shares in IDBI Bank, which resulted in our Corporation owning 51% of the outstanding shares in IDBI Bank. IDBI Trusteeship Services Limited is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares, so IDBI Trusteeship Services Limited also became our Corporation's subsidiary with effect from January 21, 2019. On December 19, 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutions placement. Consequently, IDBI Trusteeship Services Limited was also reclassified from a subsidiary to an associate on that date. Our Corporation used policyholders' funds to acquire all of its equity shares in both IDBI Trusteeship Services Limited and IDBI Bank.

IDBI Bank results of operations on a consolidated basis were consolidated as a subsidiary for the following periods in the respective Fiscal Years: (i) for Fiscal 2019, the three months from January 1, 2019 to March 31, 2019; (ii) for Fiscal 2020, the entirety of the Fiscal Year; and (iii) for Fiscal 2021, the nine months from April 1, 2020 to December 31, 2020. IDBI Bank's results of operations on a consolidated basis were subsequently recognised on an associate company basis for the three months from January 1, 2021 to March 31, 2021.

The following table sets forth IDBI Bank's results of operations on a consolidated basis for Fiscal 2019, Fiscal 2020 and Fiscal 2021, which have been consolidated on a line-by-line basis in our Restated Consolidated Statement of Revenue Account for Fiscal 2019, Fiscal 2020 and Fiscal 2021, respectively, in accordance with the requirement of Accounting Standard 21. The following table does not include the effects of any inter-company adjustments on consolidation in our Restated Consolidated Statement of Revenue Account.

Particulars	**Fiscal 2021(1)**	**Fiscal 2020**	**Fiscal 2019(2)**
	(₹ in million)		
Income			
Interest earned	102,000.37	150,660.97	38,477.51
Commission, exchange and brokerage	12,950.96	20,105.65	6,129.35
Income from investments	56,203.13	67,217.13	17,647.01
Other income	6,360.07	16,870.69	5,006.39
Total income (A)	**177,514.53**	**254,854.44**	**67,260.26**
Expenses			
Interest expended	88,674.42	138,411.19	38,526.47
Payments to and provisions for employees	24,549.19	33,637.13	6,501.28
Other expenses	31,880.21	58,551.16	13,254.94
Provisions for doubtful debts	12,234.35	113,219.93	79,806.72
Provision for taxation	11,168.87	39,509.05	(22,003.65)
Total expenses (B)	**168,507.04**	**383,328.46**	**116,085.01**
Surplus/(deficit) = (A)-(B)	**9,007.49**	**(128,474.02)**	**(48,824.75)**

Note:

(1) IDBI Bank's results of operations on a consolidated basis was only consolidated for nine months (from April 1, 2020 to December 31, 2020) in our Restated Consolidated Statement of Revenue Account in Fiscal 2021, as opposed to the full Fiscal Year.

(2) IDBI Bank's results of operations on a consolidated basis was only consolidated for three months (from January 1, 2019 to March 31, 2019) in our Restated Consolidated Statement of Revenue Account in Fiscal 2019, as opposed to the full Fiscal Year.

The following table sets forth the financial condition of IDBI Bank on a consolidated basis as at March 31, 2020 and March 31, 2019, which has been consolidated on a line-by-line basis in our Restated Consolidated Statement of Assets and Liabilities as at March 31, 2020 and March 31, 2019, respectively, in accordance with the requirement of Accounting Standard 21. IDBI Bank was not our Corporation's subsidiary as at March 31, 2021. The following table does not include the effects of any inter-company adjustments on consolidation in our Restated Consolidated Statement of Assets and Liabilities.

Particulars	As at March 31,	
	2019	2020
	(₹ in million)	
Sources of funds:		
Borrowings	2,724,778.31	2,589,627.08
Policy liabilities	26,584.77	32,257.78
Minority interest	188,868.65	171,730.84
Reserves	(14,639.41)	(79,975.43)
Sub-total	**2,925,592.32**	**2,713,640.27**
Funds for future appropriations	130.98	284.69
Total	**2,925,723.30**	**2,713,924.96**
Application of funds:		
Investments	714,563.55	559,641.34
Loans	1,449,063.00	1,286,857.80
Fixed assets[1]	118,320.91	117,289.42
Current assets:		
Cash and bank balances	213,039.22	304,949.65
Advances and other assets	513,775.27	501,703.97
Total current assets (A)	**726,814.49**	**806,653.62**
Current liabilities:		
Current liabilities (excluding provisions)	53,165.08	26,693.94
Provisions	29,873.57	29,823.28
Total current liabilities (B)	**83,038.65**	**56,517.22**
Net current assets (C) = (A)-(B)	**643,775.84**	**750,136.40**
Total	**2,925,723.30**	**2,713,924.96**

Note: (1) Goodwill of ₹35,221.83 million is included in fixed assets as at March 31, 2020 and March 31, 2019.

Seasonality

We are subject to seasonal fluctuations in results of operations and cash flow. Insurance volumes for individual products typically increase significantly in the last quarter of each Fiscal Year, which coincides with the end of the tax year in India, due to customers capitalising on income tax advantages that life insurance products offer. For the same reason, we typically experience lower business volumes in the first three quarters of each Fiscal Year.

Key Performance Indicators

In evaluating our business, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below, as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures and key performance indicators is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Statements included in this Prospectus. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance and formulate business plans.

These non-GAAP financial measures are not defined under Indian GAAP and are not presented in accordance with Indian GAAP. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Further, these non-GAAP financial measures and key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to profit before tax, surplus before tax, premiums earned – net or any other measure of performance or as an indicator of our operating performance, liquidity, profitability or results of operations.

The following table sets forth certain key performance indicators for our life insurance segment/business on a consolidated basis (unless indicated otherwise).

Particulars	As at and for the Nine Months Ended December 31, 2021	As at and for the Year Ended March 31,		
		2021	2020	2019
	(₹ in million, except ratios and percentages)			
APE of individual business in India	209,044.00	322,705.91	352,974.11	314,476.64
APE of group business in India	90,189.16	133,173.28	126,749.25	91,179.11
Individual new business sum assured	3,903,461.18	5,860,838.86	6,453,988.09	5,751,317.13
Operating expenses related to insurance business to premium income ratio (as a % of premium)	9.54%	8.66%	8.99%	8.33%
13^{th} month Persistency Ratio in India for individual products (%)(1)				
(i) regular premium and limited premium	77%	79%	72%	77%
(ii) single premium and fully paid-up premium	100%	100%	100%	100%
(iii) total premium	88%	87%	85%	88%
49^{th} month Persistency Ratio in India for individual products (%)(1)				
(i) regular premium and limited premium	65%	63%	58%	60%
(ii) single premium and fully paid-up premium	96%	97%	96%	95%
(iii) total premium	80%	79%	72%	73%
61^{st} month Persistency Ratio in India for individual products (%)(1)				
(i) regular premium and limited premium	62%	59%	54%	63%
(ii) single premium and fully paid-up premium	96%	95%	94%	92%
(iii) total premium	79%	72%	70%	72%
Net premium	2,853,419.26	4,053,984.98	3,824,755.18	3,399,716.34
AUM (consolidated)	40,321,700.46	36,929,672.66	33,381,079.43	32,710,327.25
Solvency Ratio (within India Business)	1.77	1.76	1.55	1.60

Note: (1) The Persistency Ratios are based on regular premium/limited premium/single premium/fully paid up combined under individual business. For more details, see "– Key Performance Indicators – Persistency Ratios" on page 465.

Annualised Premium Equivalent

Annualised Premium Equivalent ("**APE**") is the sum of annualized first year individual and group premiums on regular premium policies, and 10% of single premiums of individual and group business written by us. Regular premium policies are policies issued in yearly/half yearly/quarterly/monthly basis as opposed to single premium policies. The regular premium policies are annualized by taking the premium amount and multiplying it by the frequency of payments in the billing cycle.

For the purposes of calculating APE, we considered all new premiums received in our individual and group business and any top-up premiums as single premiums. The premiums received in our individual and group business have been classified into new and renewal business for the purpose of calculating APE, based on IRDAI guidelines. Our APE does not include renewal premiums paid after the initial policy term.

APE#	For the Nine Months Ended December 31, 2021			For the Year Ended March 31,								
				2021			2020			2019		
	(₹ in million)											
	In India (Individual)	In India (Group)(3)	Total	In India (Individual)	In India (Group)(3)	Total	In India (Individual)	In India (Group)(3)	Total	In India (Individual)	In India (Group)(3)	Total
Annualized first year premium (A)(1)	192,526.84	–	192,526.84	298,273.88	–	298,273.88	330,990.79	–	330,990.79	290,083.23	–	290,083.23
10% single premium (B)(2)	16,517.15	90,189.16	106,706.31	24,432.03	133,173.28	157,605.31	21,983.32	126,749.25	148,732.57	24,393.41	91,179.11	115,572.52
APE (C) = (A+B)	**209,044.00**	**90,189.16**	**299,233.16**	**322,705.91**	**133,173.28**	**455,879.19**	**352,974.11**	**126,749.25**	**479,723.36**	**314,476.64**	**91,179.11**	**405,655.75**

Notes:
- *# Premium also includes the net premium refunded during the cooling period and premium cheques dishonoured.*
- *(1) Does not include renewal premiums paid after the initial policy term.*
- *(2) Includes all new premiums in group business and top-up premiums.*
- *(3) For group business, all new business premiums are considered as single premiums and therefore first year premiums are appearing as zero.*

Our total APE in India increased by 18.26% from ₹405,655.75 million in Fiscal 2019 to ₹479,723.36 million in Fiscal 2020 primarily due to the increase in our APE for individual businesses in India by 12.24% from ₹314,476.64 million in Fiscal 2019 to ₹352,974.11 million in Fiscal 2020 which was on account of the increase in volume of single premium annuity sales, increased persistency leading to increased volume of regular premium and increased new business sales leading to growth in non-single. Our total APE in India decreased by 4.97% from ₹479,723.36 million in Fiscal 2020 to ₹455,879.19 million in Fiscal 2021 primarily due to the decrease in our APE for individual businesses in India by 8.58% from ₹352,974.11 million in Fiscal 2020 to ₹322,705.91 million in Fiscal 2021, which was on account of the decrease in sales of our participating business. Our total APE in India was ₹299,233.16 million for the nine months ended December 31, 2021.

Individual New Business Sum Assured

Individual new business sum assured represents the total sum insured by us for mortality and morbidity risks on the individual new business written in a given period. This is a useful indicator of the level of insurance protection provided by us on the individual new business written.

Our individual new business sum assured increased from ₹5,751,317.13 million in Fiscal 2019 to ₹6,453,988.09 million in Fiscal 2020, and subsequently decreased to ₹5,860,838.86 million in Fiscal 2021, primarily due to an increase in sales of high-ticket size policies mainly under the LIC's Jeevan Shiromani and LIC's Bima Shree products and increased volumes of sales covering the high-net-worth segment, and the subsequent impact of COVID-19 during Fiscal 2021. Bridging the protection gap among our existing customer base also paved the way for an increased sum assured.

Our individual new business sum assured was ₹3,903,461.18 million for the nine months ended December 31, 2021.

Total Operating Cost Ratio for the Life Insurance Segment

Total operating cost ratio is the ratio of total operating expenses for the life insurance segment (excluding commissions) to the total gross premium reported for a period.

Our total operating cost ratio increased from 8.33% in Fiscal 2019 to 8.66% in Fiscal 2021, primarily due to the increase in our employee remuneration and welfare benefits. Our total operating cost ratio was 9.54% for the nine months ended December 31, 2021. Our total operating cost ratio for the nine months ended December 31, 2021 is not directly comparable to the corresponding values for full Fiscal Years due to our lower business volumes during the first half of each Fiscal Year as a result of the seasonal nature of premium received, while costs are partially of a fixed nature and partially variable. See "*–Seasonality*" on page 463.

Persistency Ratios

Persistency Ratio measures the percentage of the issued business that remains in force and premium paying after a certain period of time. The Persistency Ratios provided by us pertain to individual business within India and includes both regular premium and single premium business. Our Corporation's Persistency Ratios have been calculated as per the guidelines issued by the IRDAI from time to time. The IRDAI's circular dated September 30, 2021 on public disclosures requires Persistency Ratios in public disclosures to be shown separately on a premium basis and number of policies basis, further subdivided for individual products based on (i) regular premium and limited premium and (ii) single premium and fully paid-up premium with effect from the six months ended September 30, 2021. The Persistency Ratios in this Prospectus may differ from similar information presented in public disclosures, as the Persistency Ratios provided in this Prospectus include segregation of Persistency Ratios on the basis of (i) regular premium and limited premium and (ii) single premium and fully paid-up premium, while the Persistency Ratios provided in public disclosures until June 30, 2021 were for regular premium and limited premium under individual business only.

Maintaining a high level of persistency is important for our results of operations, as a large block of in-force policies provides us with regular revenue in the form of renewal premiums. We believe that the 13th month Persistency Ratio is an important metric to assess the quality of our sales because it is the first opportunity for us to assess the likelihood of premiums being paid beyond the first year, thereby reaffirming the policyholder's decision to buy the insurance policy and thus reflecting the quality of business written. A high level of 49th month and 61st month Persistency Ratios reflects the success of products with a long-term horizon. A focus on this metric helps in averting high surrenders and retaining customers by reaffirming the insurance decision made at the time of sale of the policy.

The following table sets forth our Persistency Ratios in terms of amount of premium by (i) regular premium and limited premium ("**RP & LP**"), (ii) single premium and fully paid-up premium ("**SP & FP**") and (iii) total premium ("**TP**") in India for our individual products as at the dates indicated.

Individual Products	As at March 31,									As at December 31, 2021		
	2019			2020			2021					
	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)	RP & LP (%)	SP & FP (%)	TP (%)
	Amount of premium											
13th month	77	100	88	72	100	85	79	100	87	77	100	88
25th month	71	99	84	67	99	83	70	99	83	72	99	83
37th month	65	97	76	63	98	80	67	98	82	68	97	80
49th month	60	95	73	58	96	72	63	97	79	65	96	80
61st month	63	92	72	54	94	70	59	95	72	62	96	79

Although there was a decrease in our 13th month Persistency Ratio for individual business in terms of total premium from 88% in Fiscal 2019 to 85% in Fiscal 2020, which was primarily due to the fallout of the COVID-19 pandemic, it increased to 87% in Fiscal 2021 and 88% for the nine months ended December 31, 2021.

Our 49th month Persistency Ratio for individual business in terms of total premium decreased from 73% in Fiscal 2019 to 72% in Fiscal 2020, which was primarily due to the fallout of the COVID-19 pandemic, it increased to 79% in Fiscal 2021 and increased further to 80% for the nine months ended December 31, 2021.

Our 61st month Persistency Ratio for individual business in terms of total premium decreased from 72% in Fiscal 2019 to 70% in Fiscal 2020, which was primarily due to the fallout of the COVID-19 pandemic, it increased to 72% in Fiscal 2021 and improved to 79% for the nine months ended December 31, 2021.

Our continued efforts to improve the quality of our new business, focus on need-based selling, and the inclusion of Persistency Ratio as one of the important metrics for our sales channels have resulted in increasing persistency trends in Fiscal 2021 and the nine months ended December 31, 2021. Additionally, we have introduced a number of initiatives to further improve persistency in our existing policies, including (i) use of data analytics to improve renewal collection, (ii) revival campaigns from time to time and (iii) encouraging the use of eNACH for payment of premiums.

Net Premium

Net premium during any period represents the gross premiums earned by us less reinsurance. We believe that net premium is an important metric as it reflects the net funds retained by us.

Net premium increased by 12.50% from ₹3,399,716.34 million in Fiscal 2019 to ₹3,824,755.18 million in Fiscal 2020 and increased by 5.99% from ₹3,824,755.18 million in Fiscal 2020 to ₹4,053,984.98 million in Fiscal 2021. Net premium was ₹2,853,419.26 million for the nine months ended December 31, 2021.

Consolidated AUM

Our consolidated AUM increased by 2.05% from ₹32,710,327.25 million as at March 31, 2019 to ₹33,381,079.43 million as at March 31, 2020. It further increased by 10.63% to ₹36,929,672.66 million as at March 31, 2021 and further increased by 9.19% to ₹40,321,700.46 million as at December 31, 2021. The increase in our AUM as at March 31, 2020 was relatively lower as compared to as at March 31, 2021 given the reduction in the mark to market of the equity component of our AUM as at March 31, 2020, which was largely due to adverse market conditions. Our AUM increased as at March 31, 2021 and December 31, 2021 primarily due to increases in policyholders' investments, which was primarily due to conducive market conditions, coupled with the net premium, investment income from fixed income securities and realised gains for Fiscal 2021 and the nine months ended December 31, 2021, respectively.

Solvency Ratio (within India Business)

Solvency Ratio is a regulatory measure of capital adequacy for Indian insurance companies and is calculated by dividing an insurer's available solvency margin by its required solvency margin, each as calculated in accordance with IRDAI guidelines. The available solvency margin represents the capital available to meet regulatory solvency capital and is the excess of admissible assets over liabilities. The required solvency margin is computed by using factors specified by IRDAI for different lines of business, the factors being applicable on the reserves and the sum at risk. The minimum Solvency Ratio required to be maintained is the control limit of 1.50, as set by the IRDAI.

Our Solvency Ratio (within India business) decreased from 1.60 as at March 31, 2019 to 1.55 as at March 31, 2020, primarily due to a debit balance in the fair value change account of ₹43,165.63 million as at March 31, 2020. Our Solvency Ratio (within India business) increased from 1.55 as at March 31, 2020 to 1.76 as at March 31, 2021, primarily due to increased capital gains and retention of Shareholder's dividends of ₹55,939.22 million.

Our Solvency Ratio (within India business) was 1.77 as at December 31, 2021, which is higher than the control limit of 1.50 set by IRDAI as at such date. As at December 31, 2021, our available solvency margin (within India business) was ₹1,990,958.24 million. We believe that our Solvency Ratio positions us to withstand situations such as significant variance between actual experience and actuarial assumptions, and provides for increased capital requirements associated with high growth and an efficient use of capital.

Indian Embedded Value

The following tables set forth our VNB, VNB margin, Indian Embedded Value, Indian Embedded Value operating earnings and operating return on Indian Embedded Value on a consolidated basis as at the dates and for the periods indicated.

Particulars	As at and for the Six Months Ended September 30, 2021	As at and for the Year Ended March 31,		
		2021	2020	2019
	(₹ in million, except ratios and percentages)			
VNB (consolidated)(1)	15,830	41,670	N.C.	N.C.
VNB margin (consolidated)(2)	9.3%	9.9%	N.C.	N.C.
Indian Embedded Value (consolidated)(3)	5,396,860	956,050	464,970	N.C.
Indian Embedded Value operating earnings (consolidated) ("**IEVOE**")(4)	N.C.	171,510	N.C.	N.C.
Operating return on Indian Embedded Value (consolidated) ("**ORIEV**")(5)	N.C.	36.89%	N.C.	N.C.

Notes:

(1) VNB represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. The "covered business" is all life insurance and pensions business, accident and health insurance business across both individual and group segments: (a) that has been written by our Corporation in India; and (b) that has been written by our Corporation's entities outside of India, either through its branches, subsidiaries or joint ventures. For more details, see "Embedded Value Reports" on page 592.

(2) VNB margin is the ratio of VNB to APE (as set forth in the Embedded Value Reports) for the relevant period and is a measure of the expected profitability of new business in percentage terms.

*(3) Indian Embedded Value is derived from the Embedded Value Reports. Indian Embedded Value consists of our Adjusted Net Worth ("**ANW**") (consisting of our free surplus and required capital) and the value of in-force business ("**VIF**"). The free surplus is the market value of assets allocated to, but not required to support, the in-force covered business as at the applicable valuation date. The required capital is determined as the amount of assets attributed to the covered business over and above that required to back liabilities for covered business, the distribution of which to shareholders is restricted. The VIF is a measure of the value of the Shareholders' interest in our "covered business". The VIF represents the present value of the Shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable. For more details, see "Embedded Value Reports" on page 592. Indian Embedded Value was not calculated as at March 31, 2019 as there is no requirement for it be calculated.*

(4) IEVOE is the summation of our (i) VNB added during the year; (ii) expected return on existing business; and (iii) variances in operating experience.

(5) ORIEV is the ratio of IEVOE for any given period to the IEV at the beginning of that period.

VNB and VNB Margin

VNB is an important metric of profitability as it reflects the additional value generated through the activity of writing new policies during any given period. VNB set forth in the Embedded Value Reports were not based on all policies. For more details, see "*Embedded Value Reports*" on page 592. VNB margin is the ratio of VNB to APE (as set forth in the Embedded Value Reports) for the relevant period and is a measure of the expected profitability of new business in percentage terms.

Our VNB and VNB margin were ₹41,670 million and 9.9% for Fiscal 2021, respectively. Our VNB and VNB margin were ₹15,830 million and 9.3% for the six months ended September 30, 2021, respectively.

IEV, IEVOE and ORIEV

The increase in IEV by 105.62% from ₹464,970 million as at March 31, 2020 to ₹956,050 million as at March 31, 2021 was due to an increase in (i) VIF by 95.07% from ₹457,510 million as at March 31, 2020 to ₹892,450 million as at March 31, 2021; and (ii) ANW by 752.68% from ₹7,460 million as at March 31, 2020 to ₹63,610 million as at March 31, 2021.

Our IEV increased from ₹956,050 million as at March 31, 2021 to ₹5,396,860 million as at September 30, 2021 mainly due to:

- an increase in VIF from ₹892,450 million as at March 31, 2021 to ₹5,314,830 million as at September 30, 2021 due to the increase in the present value of future profits (which is the present value of projected distributable profits to Shareholders arising from the in-force covered business) from ₹1,047,720 million as at March 31, 2021 to ₹5,469,920 million as at September 30, 2021, which was mainly on account of the segregation of the Life Fund into the participating policyholders' fund and the non-participating policyholders' fund effective September 30, 2021, resulting in the Shareholders' share of the surplus in the non-participating fund and the projected value of surplus from the non-participating global reserves increasing from the assumed allocation of 10% previously to 100% from September 30, 2021 onwards; and

- an increase in ANW from ₹63,610 million as at March 31, 2021 to ₹82,030 million as at September 30, 2021 due to an increase in free surplus (which represents the market value of assets allocated to, but not required to support, the in-force covered business).

Our IEVOE of ₹171,510 million for Fiscal 2021, which was 36.96% of our IEV total earnings, was mainly due to:

- Our expected return on existing business of ₹94,740 million for Fiscal 2021 which consists of (i) an expected return of ₹38,010 million based on the opening reference rates as at March 31, 2020; and (ii) the impact of expected excess of 'real-world' best-estimate investment return during the year over the opening reference rates amounting to ₹56,730 million in Fiscal 2021;

- our VNB amounting to ₹41,670 million in Fiscal 2021; and

- a positive operating variance of ₹35,110 million, reflecting a better experience vis-à-vis assumptions on most key parameters including persistency, mortality and morbidity in Fiscal 2021.

Our ORIEV, which represents the ratio of IEVOE for any given period to the IEV at the beginning of that period, stood at 36.89% in Fiscal 2021. This is primarily attributed to:

- our IEVOE of ₹171,510 million for Fiscal 2021; and

- IEV of ₹464,970 million at the beginning of Fiscal 2021.

Recent Developments in Accounting Standards

We currently prepare our statutory financial statements in accordance with Indian GAAP, the Companies Act and IRDAI regulations. The IRDAI issued a circular dated March 1, 2016 regarding the implementation of Ind AS in the insurance sector, requiring all insurance companies to comply with Ind AS for the preparation and presentation of financial statements for the accounting period beginning on or after April 1, 2018, with comparative for the Fiscal Year ended March 31, 2018. The IRDAI subsequently issued a further circular dated June 28, 2017, deferring the implementation of Ind AS in insurance sector in India for a period of two years to be effective from Fiscal 2021, and requiring all insurance companies to continue the submission of proforma Ind AS financial statements on a quarterly basis until such future date. However, on January 21, 2020, the IRDAI issued a circular on Implementation of Ind AS in the Insurance Sector whereby it withdrew its circular dated June 28, 2017, deferred the implementation for Ind AS and dispensed with the requirement to submit the proforma financial statements. It has been decided to implement Ind AS 109 and Ind AS equivalent of IFRS 17 simultaneously, along with all other applicable Ind AS, and the effective date of implementation shall be decided after the finalization of IFRS 17 by the International Accounting Standards Board and subsequent notification of the standard equivalent to IFRS 17 in India.

This is an indicative analysis of significant developments in accounting standards and is provided for convenience only. It is not intended to be an exhaustive list. Investors should seek specific advice from their advisors in relation to the impact on our financial statements due to any amendment to the accounting standards rules. Also see "*Risk Factors—Internal Risk Factors—Risks Relating to our Business—Changes in the accounting standards used in the reporting of our Restated Consolidated Financial Statements due to new pronouncements, such as Ind AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial condition and results of operations*" on page 62.

List of Subsidiaries and Associates Considered for Preparation of the Restated Consolidated Financial Statements

Subsidiary Companies

Name of Subsidiary[#]	Country of Incorporation	Our Corporation's Direct Shareholding %			
		As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
LIC Pension Fund Limited	India	100.00%	100.00%	100.00%	100.00%
LIC Cards Services Limited	India	100.00%	100.00%	100.00%	100.00%
Life Insurance Corporation (Singapore) Pte. Ltd.	Singapore	100.00%	100.00%	100.00%	100.00%
Life Insurance Corporation (LIC) of Bangladesh Limited	Bangladesh	83.33%	83.33%	83.33%	83.33%

Name of Subsidiary[#]	Country of Incorporation	Our Corporation's Direct Shareholding %			
		As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Life Insurance Corporation (Nepal) Ltd.	Nepal	55.00%	55.00%	55.00%	55.00%
Life Insurance Corporation (International) B.S.C.(c)	Bahrain	99.66%	98.90%	98.90%	98.90%
Life Insurance Corporation (Lanka) Limited	Sri Lanka	80.00%	80.00%	80.00%	80.00%
IDBI Trusteeship Services Ltd.	India	N.A.[(1)]	N.A.[(1)]	29.84%[(1)]	29.84%[(1)]
IDBI Bank	India	N.A.[(1)]	N.A.[(1)]	51.00%[(1)]	51.00%[(1)]

Notes: (1) IDBI Bank became a subsidiary with effect from January 21, 2019 following our Corporation's acquisition of an additional 827,590,885 of the outstanding shares in IDBI Bank, which resulted in our Corporation owning 51% of the outstanding shares in IDBI Bank. IDBI Trusteeship Services Limited is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares, so IDBI Trusteeship Services Limited also became our Corporation's subsidiary with effect from January 21, 2019. On December 19, 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutions placement. Consequently, IDBI Trusteeship Services Limited was also reclassified from a subsidiary to an associate on that date. Our Corporation used policyholders' funds to acquire all of its shares in both IDBI Trusteeship Services Limited and IDBI Bank. IDBI Bank and IDBI Trusteeship Services Limited's results of operations were consolidated as subsidiaries for the following periods in the respective Fiscal Years: (i) for Fiscal 2019, the three months from January 1, 2019 to March 31, 2019; (ii) for Fiscal 2020, the entirety of the Fiscal Year; and (iii) for Fiscal 2021, the nine months from April 1, 2020 to December 31, 2020.

Associate Companies

Name of Associate[(1)]	Country of Incorporation	Our Corporation's Direct Shareholding %			
		As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
LIC Housing Finance Limited	India	45.24%	40.31%	40.31%	40.31%
LICHFL Asset Management Company Limited	India	5.38%[(2)]	5.38%[(2)]	5.38%[(2)]	5.38%[(2)]
LIC Mutual Fund Asset Management Limited	India	45.00%	45.00%	45.00%	45.00%
LIC Mutual Fund Trustee Company Private Limited	India	49.00%	49.00%	49.00%	49.00%
IDBI Trusteeship Services Limited	India	29.84%[(3)]	29.84%[(3)]	N.A.[(3)]	N.A.[(3)]
IDBI Bank	India	49.24%[(3)]	49.24%[(3)]	N.A.[(3)]	N.A.[(3)]

Notes:

(1) All of our Corporation's shares in the associate companies were purchased using policyholders' funds.

(2) LIC Housing Finance Limited holds 94.62% of the outstanding shares in LICHFL Asset Management Company Limited.

IDBI Bank became a subsidiary with effect from January 21, 2019 following our Corporation's acquisition of an additional 827,590,885 of the outstanding shares in IDBI Bank, which resulted in our Corporation owning 51% of the outstanding shares in IDBI Bank. IDBI Trusteeship Services Limited is a subsidiary of IDBI Bank, with IDBI Bank holding 54.70% of the outstanding shares, so IDBI Trusteeship Services Ltd. also became our Corporation's subsidiary with effect from January 21, 2019. On December 19, 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutions placement. Consequently, IDBI Trusteeship Services Limited was also reclassified from a subsidiary to an associate on that date. IDBI Bank and IDBI Trusteeship Services Limited's results of operations were recognised on an associate company basis for the three months from January 1, 2021 to March 31, 2021 and the nine months ended December 31, 2021.

Certain companies in which our Corporation had a 20% or more equity interest, including Infrastructure Leasing & Financial Services Limited ("**ILFS**"), were not considered as associate companies for the purposes of consolidation, as investments in those entities are considered as legacy investments where our Corporation does not have any Board representation and/or any involvement in the management/administration of the investee companies. As such, our Corporation does not have any management control or significant influence in these entities. For more details, see "*Financial Statements – Annexure XXIV – B. Notes to Restated Consolidated Financial Information – 1. List of Subsidiaries/Associates considered for preparation of Restated Consolidated Financial Information – Investments in companies, not considered for consolidation*" on page 361. For more details on why IL&FS was not considered as an associate company for the purposes of consolidation, see "*Risk Factors– Internal Risk Factors–As at the date of this Prospectus, our Corporation holds 25.34% of the paid-up equity share capital of Infrastructure Leasing and Financial Services Limited ("IL&FS"). However, IL&FS has not been considered as an associate for the purpose of consolidation in our Corporation's consolidated financial statements*" on page 32.

Basis of Preparation

The Restated Consolidated Financial Information comprises; the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and the Restated Consolidated Statement of Revenue Account (also called the Policyholders' Account or Technical Account), Restated Consolidated Statement of Profit and Loss Account (also called the Shareholders' Account/Non-Technical Account) and the Restated Consolidated Statement of Receipts and Payments Account (also called the Cash Flow Statement) for the nine months ended December 31, 2021 and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and Significant Accounting Policies and notes to the Restated Consolidated Financial Information and other explanatory notes (collectively, the "**Restated Consolidated Financial Information**" or the "**Restated Consolidated Financial Statements**").

The Restated Consolidated Financial Information have been prepared by the Management of the Corporation for the purpose of inclusion in the Red Herring Prospectus in connection with the proposed initial public offer of Equity Shares, in accordance with the requirements of:

i. Section 5 of Chapter II of the Act;
ii. Para 1 & 2 of Schedule I Part (c) of Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015 (referred to as the "**IRDAI Regulations**") issued by the IRDAI;
iii. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by the Securities and Exchange Board of India ("**SEBI**"), as amended (together referred to as the "**SEBI Regulations**");
iv. Guidance note on reports in Company Prospectuses (Revised 2019) as issued by the Institute of Chartered Accounts of India ("**ICAI**"), as amended ("**Guidance Note**").

a) The Restated Consolidated Financial Information have been compiled by the Management from:

i. the audited special purpose consolidated interim financial statements of the Group as at and for the nine months ended December 31, 2021, prepared in accordance with the recognition and measurement principles of accounting standard (referred to as "**AS**") 25 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 to the extent applicable and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on February 25, 2022; and
ii. the audited consolidated financial statements of the Group as at and for each of the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, prepared in accordance with the AS as prescribed under Section 133 of the Companies Act, 2013, to the extent applicable and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on January 20, 2022.

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

The accounting policies have been consistently applied by the Corporation in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the nine months ended December 31, 2021.

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

The Restated Consolidated Financial Information have been prepared:

- after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the nine-month period ended December 31, 2021;
- after incorporating adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited consolidated financial statements of the Corporation as at and for the nine months ended December 31, 2021;
- in accordance with the Act, ICDR Regulations and the Guidance Note; and
- do not require adjustment for any modification, as there is no modification of opinion in the underlying audit reports.

The Restated Consolidated Financial Information are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR or Rs. millions, except for share data and where otherwise indicated.

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

The accounting policies, notes and disclosures made by the Corporation on a standalone basis are best viewed in its standalone financial statements.

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

- **Where the Corporation is categorised as Promoter:**

  The Corporation has nominee directors on the board of directors of some of these companies. However, the Corporation does not have any control or significant influence on these companies. The board seat of the Corporation in these investees is one out of total strength of the respective board of directors of the investee companies ranging from six to 15. The promoter status is by way of investment at the time of formation of these companies.

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

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

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

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

Basis of Consolidation

a) The financial information of the Corporation and its subsidiaries have been combined on a line-by-line basis by adding together similar items of assets, liabilities, income and expenses after eliminating intra-group balances, transactions and resulting unrealized profits or losses (unless cost cannot be recovered). The Policyholders' Account specifically dealing with direct insurance business governed by IRDAI Regulations has retained its distinct independent form in the Restated Consolidated Financial Statements.

b) The excess of costs to the Corporation of its investment in the subsidiaries over its share of equity of the subsidiaries at the dates on which the investments in subsidiaries are made, is recognised as 'Goodwill' being an asset in the Restated Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investment of the Corporation, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Restated Consolidated Financial Statements. The 'Goodwill'/'Capital Reserve' is determined separately for each subsidiary.

c) The Restated Consolidated Financial Information include the share of profit/loss of the associate companies, which have been accounted for using 'Equity Method' in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements" and accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments. The carrying value is reduced for the distributions received from the associates.

d) The Corporation accounts for its share in the change in the net assets of the associate, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Corporation and its associate to the extent of its share, through its statement of Profit and Loss Account (Shareholders' Account or Non-Technical Account)/Revenue Account (Policyholders' Account or Technical Account) based on the source of investment made through respective fund to the extent such change is attributable to the associates' statement of profit and loss.

e) Minority interest in the net assets of subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Corporation in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.

f) The financial statements of the foreign subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Corporation, i.e., 31st March or up to 31st December, in case where the subsidiaries or associates close their financial year on that date. The foreign subsidiaries have prepared their accounts in accordance with International Financial Reporting Standards ("**IFRS**")/Generally Accepted Accounting Principles ("**GAAP**") as per the required local laws of the respective country, resulting in some variations as compared to Indian GAAP followed by the Corporation. For the purpose of preparing the consolidated financial statements of the Group, accounting adjustments have not been made to align the accounts of these entities to confirm with the accounting polices followed by the Corporation. The impact of difference in accounting policy will not be material.

g) Financial statements of foreign subsidiaries, being non-integral operations, have been converted into Indian Rupees at following exchange rates: Revenue and Expenses: at the average of the year/period; Assets and Liabilities: closing rate at the end of the financial year/period. The resultant translation exchange difference is transferred to "Exchange Fluctuation Reserve".

Use of Estimates

The preparation of Restated Consolidated Financial Statements is in conformity with Indian GAAP, which requires that the Group's management makes estimates and assumptions that affect the reported amounts of income and expenses for the year/period, reported balances of assets and liabilities and disclosures relating to contingent liabilities as on the date of the Restated Consolidated Financial Information. The estimates and assumptions used in the accompanying Restated Consolidated Financial Information are based upon management's evaluation of the relevant facts and circumstances up to and as on the date of the Restated Consolidated Financial Information. Actual results could differ from the estimates. Any revision to the accounting estimates is accounted for prospectively.

Significant Accounting Policies

1. Revenue Recognition

A. For Life Insurance Business:

a. Premium Income

i. Premiums are recognized as income when due, for which grace period has not expired and the previous instalments have been paid. In case of linked business, the due date for payment is taken as the date when the associated units are created.

ii. Income from linked funds, which includes fund management charges, policy administration charges, mortality charges, etc., are recovered from linked funds in accordance with terms and conditions and recognized when due.

iii. 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.

b. Investment Income

i. Interest income in respect of all government securities, debt securities including loans, debentures and bonds, pass through certificate ("**PTC**"), mortgage loans is taken credit to the Revenue Account as per the guidelines issued by the IRDAI.

ii. In respect of purchase or sale of government and other approved securities from secondary market, interest for the broken period is paid/received on cash basis.

iii. Interest, dividend, rent, etc. are accounted at gross value (before deduction of Income Tax).

iv. In respect of loans, debentures and bonds, accrued interest as at the date of the balance sheet is calculated as per method of calculation of simple interest mentioned in the loan document/information memorandum or such other document. In respect of government and other approved securities and mortgage loans, accrued interest as at the date of balance sheet is calculated based on 360 days a year.

v. Profit or loss on sale of securities/equities/mutual fund is taken to revenue only in the year/period of sale.

vi. Dividend on quoted equity where right to receive the same has fallen due on or before March 31 (i.e., dividend declared by the company) is taken as income though received subsequently. Dividend on unquoted equity is taken as income only on receipt.

vii. Interest on policy loans is accounted for on accrual basis.

viii. Rental income is recognized as income when due and rent/license fees which is in arrear for more than six months is not recognized as income. Upfront premium is accounted on cash basis.
ix. Outstanding interest on NPAs as at balance sheet date is provided as interest suspense.
x. Dividend on preference shares/mutual fund is taken as income only on receipt.
xi. Interest on application money on purchase of debentures/bonds is accounted on cash basis.
xii. Income on venture capital investment is accounted on cash basis.
xiii. Income from zero coupon bonds is accounted on accrual basis.
xiv. Premium on redemption/maturity is recognized as income on redemption/maturity.
xv. Processing fee is accounted on receipt basis.

B. For Banking Business:

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

2. Investments

A. For Life Insurance Business:

a. Non-Linked Business:

i. Debt securities including government securities and redeemable preference shares are considered as 'held to maturity' and the value is disclosed at historical cost subject to amortization as follows:

(a) Debt securities including government securities, where the book value is more than the face value, the premium will be amortized on straight line basis over the balance period of holding/maturity. Where face value is greater than book value, discount is accounted on maturity.
(b) Listed redeemable preference shares, where the book value is more than the face value, the premium is amortized on a straight-line basis over the balance period of holding/maturity and are valued at amortised cost if last quoted price (not later than 30 days prior to valuation date), is higher than amortised cost. Provision for diminution is made if market value is lower than amortised cost.

Unlisted redeemable preference shares where the book value is more than the face value, the premium is amortized on a straight-line basis over the balance period of holding/maturity and are valued at amortised cost less provision for diminution.

Listed irredeemable preference shares are valued at book value if last quoted price (not later than 30 days prior to valuation date), is higher than book value. In case last quoted price is lower, it is valued at book value less provision for diminution.

Unlisted irredeemable preference shares are valued at book value less provision for diminution.

ii. Listed equity securities that are traded in active markets are measured at fair value on balance sheet date and the change in the carrying amount of equity securities is taken to fair value change account.
iii. Unlisted equity securities and thinly traded equity securities are measured at historical cost less provision for diminution in the value of such investments. Such diminution is assessed and accounted for in accordance with the impairment policy of the corporation. A security

shall be considered as being thinly traded as per guidelines governing mutual funds laid down from time to time by SEBI.

iv. All investments are accounted on cash basis except for purchase or sale of equity shares and government securities from the secondary market.

v. The value of investment properties is disclosed at the revalued amounts and the change in the carrying amount of the investment property is taken to Revaluation Reserves. Investment property is revalued at least once in every three years. The basis adopted for revaluation of property is as under:

(a) The valuation of investment property is carried out by rent capitalization method considering the market rent.

(b) Investment properties having land alone without any building/structure is revalued as per current market value.

vi. Mutual fund and exchange traded fund ("**ETF**") investments are valued on fair value basis as at the balance sheet date and change in the carrying amount of mutual fund/ETF is taken to fair value change account.

vii. Investments in venture fund/alternative investment fund ("**AIF**") is valued at cost wherever NAV is greater than the book value. Wherever, NAV is lower than book value the difference is accounted as diminution.

viii. Money market instruments are measured at book value.

b. Linked Business:

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

B. For Banking Business:

a. Classification:

In terms of extant guidelines of the RBI on investment classification and valuation, the entire investment portfolio is categorized into held to maturity, available for sale and held for trading. Investments under each category are further classified as:

i. Government securities
ii. Other approved securities
iii. Shares
iv. Debentures and bonds
v. Subsidiaries/ joint ventures
vi. Others (Commercial paper, mutual fund units, security receipts, PTC).

b. Basis of Classification:

i. Investments that the Bank intends to hold till maturity are classified as 'held to maturity.'

ii. Investments that are held principally for sale within 90 days from the date of purchase are classified as 'held for trading.'

iii. Investments, which are not classified in the above two categories, are classified as 'available for sale.'

iv. An investment is classified as 'held to maturity,' 'available for sale' or 'held for trading' at the time of its purchase and subsequent shifting amongst categories and its valuation is done in conformity with RBI guidelines.

v. Investment in subsidiaries and joint venture are normally classified as 'held to maturity' except in case, on need-based reviews, which are shifted to 'available for sale' category as per RBI guidelines. The classification of investment in associates is done at the time of its acquisition.

c. Investment Valuation:

i. In determining the acquisition cost of an investment:

(a) Brokerage, commission, stamp duty, and other taxes paid are included in cost of acquisition in respect of acquisition of equity instruments from the secondary market whereas in respect of other investments, including treasury investments, such expenses are charged to profit and loss account.

(b) Broken period interest paid/ received is excluded from the cost of acquisition/ sale and treated as interest expense/ income.

(c) Cost is determined on the weighted average cost method.

ii. Investments 'held to maturity' are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized on straight line basis over the remaining period of maturity. Diminution, other than temporary, in the value of investments, including those in Subsidiaries, joint ventures and Associates, under this category is provided for each investment individually.

iii. Investments 'held for trading' and 'available for sale' are marked to market scrip-wise and the resultant net depreciation, if any, in each category is recognised in the profit and loss account, while the net appreciation, if any, is ignored.

iv. Treasury bills, commercial papers and certificates of deposit being discounted instruments are valued at carrying cost.

v. In respect of traded/quoted investments, the market price is taken from the trades/quotes available on the stock exchanges.

vi. The quoted government securities are valued at market prices and unquoted/non-traded government securities are valued at prices declared by Financial Benchmark India Private Limited ("**FBIL**").

vii. The unquoted shares are valued at break-up value or at NAV if the latest balance sheet is available, else, at Rs. 1/- per company and units of mutual fund are valued at repurchase price as per relevant RBI guidelines.

viii. The unquoted fixed income securities (other than government securities) are valued on yield to maturity ("**YTM**") basis with appropriate mark-up over the YTM rates for central government securities of equivalent maturity. Such mark-up and YTM rates applied are as per the relevant rates published by Fixed Income Money Market and Derivative Association of India ("**FIMMDA**")/FBIL.

ix. Security receipts issued by the asset reconstruction companies are valued in accordance with the guidelines applicable to such instruments, prescribed by RBI from time to time. Accordingly, in cases where the cash flows from security receipts issued by the asset reconstruction companies are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Bank reckons the NAV obtained from the asset reconstruction company from time to time, for valuation of such investments at the end of each reporting period.

x. Quoted preference shares are valued at market rates and unquoted/non-traded preference shares are valued at appropriate yield to maturity basis, not exceeding redemption value as per RBI guidelines.

xi. Investment in stressed assets stabilisation fund ("**SASF**") is categorized as held to maturity and valued at cost. Provision is made for estimated shortfall in eventual recovery by September 2024.

xii. VCF investments held in HTM category are valued at carrying cost and those held in AFS category are valued on NAVs received from fund houses.

xiii. PTC investments are presently held only under AFS category and are valued on YTM basis with appropriate mark-up over the YTM rates for central government securities of equivalent maturity and the spreads applicable are that of NBFC bonds. Such mark-up and YTM rates applied are as per the relevant rates published by FIMMDA/FBIL. Mark to market ("**MTM**") provision is done on monthly basis.

xiv. Profit or loss on sale of investments is credited/ debited to profit and loss Account. However, profits on sale of investments in 'held to maturity' category is first credited to profit and loss account and thereafter appropriated, net of applicable taxes to the capital reserve account at the year/period end. Loss on sale is recognized in the profit and loss account.

xv. Investments are stated net of provisions.

xvi. Repo and reverse repo transactions: In accordance with the RBI guidelines repo and reverse repo transactions in government securities and corporate debt securities (including transactions conducted under Liquidity Adjustment Facility ("**LAF**") and Marginal Standby Facility ("**MSF**") with RBI) are reflected as borrowing and lending transactions respectively. Borrowing cost on repo transactions is accounted as interest expense and revenue on reverse repo transactions is accounted as interest income.

3. Acquisition Costs

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

4. Claims

i. Claims costs consist of the policy benefit amount and claims settlement costs, wherever applicable.
ii. The date of recognition of claim shall be the date of receipt of intimation of death or surrender by the policy holder. The date of recognition of claims in case of maturity, survival benefits, annuity, etc., shall be as per the terms and condition of the policies.
iii. Repudiated claims disputed before judicial authorities are treated as contingent liability based on management prudence.
iv. The provision is made for disputed legal cases pertaining to repudiated claims where decision is given against the Corporation by Lower Forum/Court to the extent of entire amount awarded by the Forum/Court against LIC, pending the appeal/writ/revision filed by LIC.

5. Loans and Provisions

A. For Life Insurance Business:

Loans are measured at historical cost subject to impairment provisions. Asset Classification and Provisioning for NPAs are as follows:

i. As per the guidelines issued to insurance companies by the IRDAI. Assets representing loans, debentures and bonds and mortgage loans against house property are classified based on record of recovery as:

(a) standard;
(b) sub-standard;
(c) doubtful; and
(d) loss assets.

ii. Provisioning for non-performing loans, debentures and bonds and mortgage loans against house property is made as per the guidelines issued by the IRDAI.

B. For Banking Business:

i. Advances are classified into standard, sub-standard, doubtful and loss assets and provisions are made in accordance with the prudential norms prescribed by RBI. Advances are stated net of provisions towards non-performing advances.
ii. Advances are classified as ‘secured by tangible assets’ when security of at least 10% of the advance has been stipulated/created against tangible security including book debts. Security in the nature of escrow, guarantee, comfort letter, charge on brand, license, patent, copyright, etc., are not considered as ‘tangible assets’.
iii. Amounts recovered against debts written-off in earlier years and provisions no longer considered necessary in the context of the current status of the borrower are recognized as income in the profit and loss account.
iv. The bank does not make any floating provision for bad and doubtful advances and investments.
v. Provision on loans and advances restructured/rescheduled is made in accordance with the applicable RBI guidelines on restructuring of loans and advances by Banks.
vi. The bank had made countercyclical provisioning buffer as required by RBI guidelines, in earlier years, with the approval of the Board, which can be utilized within the limits and in the circumstances permitted by RBI.

6. Fixed Assets

A. For Life Insurance Business:

Values of the fixed assets are stated at cost (inclusive of taxes) less depreciation. Property under construction and amounts paid for the properties taken in possession, pending documentation, are accounted under ‘house property and land’.

B. Depreciation/Amortisation:

1. For Life Insurance Business:

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

Asset	Rate of Depreciation
Furniture and fittings:	
Furniture and fittings	10%
Refrigerators and water coolers, etc.	13.91%
Electric fittings and ceiling fans in rented premises	10%
Fans(table/pedestal) in rented/owned premises	10%
Information Technology Equipment:	
Electronic computers/microprocessors printers	30%
Software for microprocessors	30%
Cartridge tapes, cartridge discs	30%
Vehicles:	
Cycles	15%
Mobile publicity vans	20%
Staff cars	20%
Jeeps	20%
Office cars-scheme VI	20%
Office Equipment:	
Canteen equipment	10%
Accounting machines	30%
Addressograph, Adrema and Bradma machines, etc.	10%
Typewriters	10%
Duplicators	20%
Cheque writers	10%
Franking machines	10%
Weighing machines	10%
Comptometers, adding and calculating machines	20%
Others:	
Telephones	10%
Fax/Epabx	10%
Mobile phones and other communication equipment	30%
Library books	20%
Miscellaneous capital equipment	10%
Audio visual and other allied equipment	30%
Neon signs, glow signs, hoardings and other publicity materials	20%
Engineering department’s equipment costing over Rs. 5000/-	12.50%
Voltage stabilizers and UPS	30%
Generators, DG sets in rented premises	30%
Land and Building:	
House property and land (Freehold)	2%
House property and land (Leasehold)	Pro rata based on lease period
Ownership flats purchased in co-op societies	2%
Electrical installations, fans, lifts and generators in house property (freehold and leasehold)	10%

2. For Banking Business:

i. Fixed assets other than premises are stated at cost less accumulated depreciation. Premises are revalued in accordance with the bank’s policy and RBI guidelines and the same are stated at revalued amount less accumulated depreciation.

ii. Cost of asset includes purchase cost and all expenditure incurred on the asset before put to use. Subsequent expenditure incurred on assets which have been put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.

iii. The appreciation on revaluation, if any, is credited to the Revaluation Reserves.

iv. Depreciation in respect of fixed assets is calculated on straight line method with reference to cost or revalued amounts, in case of assets revalued.

v. In respect of revalued assets, the additional depreciation consequent to revaluation is transferred from the Revaluation Reserves to general reserve in the balance sheet.

vi. Fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of addition.

vii. Depreciation on tangible assets is allocated over useful life of the asset as prescribed under Part C of Schedule II of the Companies Act, 2013. The useful lives and residual values are reviewed periodically. If the management estimate of the useful life of an asset at the time of acquisition of the asset or of remaining useful life on subsequent review is shorter, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining useful life.

viii. Depreciation on additions/sale of fixed assets during the year is provided for the period for which assets are actually held.

ix. Leasehold land is amortized over the period of lease.

x. Computer software individually costing more than Rs. 0.25 million is capitalized and depreciated over its useful life, not exceeding six years.

xi. The useful lives of fixed assets are as follows:

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

7. Impairment of assets

i. The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment is recognised, wherever necessary.

ii. Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated current realizable value and value in use. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds estimated current realizable value of the asset or value in use.

iii. The impairment for unlisted/thinly traded equity shares, preference shares and equity under affiliated investments as assessed and accounted for in accordance with the impairment policy of the Corporation.

8. Liability for Life Policies

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

9. Effect of Changes in the Foreign Exchange Rate

A. For Life Insurance Business:

a. Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Monetary items in foreign currency, if any, are translated at the year-end closing rates.

The resultant exchange gain or loss arising on settlement/translation is recognized in the revenue or profit and loss account as applicable.

b. Non-Integral Foreign Operations:

i. Life fund relating to foreign business/foreign subsidiary has been invested according to the statutory regulations of the respective countries.
ii. Financial statements of branches in foreign countries are prepared in accordance with local laws and are translated at appropriate rates of exchange except for Suva (Fiji) branch, for which the conversion is done at appropriate rates, from the financial statement as at December 31, each year, since the accounts of the branch are prepared on calendar year basis.
iii. Exchange gains or losses arising on such conversions are recognised in the period in which they arise in the revenue account.
iv. Operations carried out in Fiji, Mauritius and U.K. are of non-integral nature. The revenue account items are translated at the average exchange rate and balance sheet item at closing rate. Revaluation exchange difference is accumulated in exchange fluctuation reserve under shareholders or policyholders account based on the source of investment from the respective fund.
v. Investments made outside India by remittances sent from India are accounted for at original rupee cost or at the earliest recorded rupee cost, where original cost is not available.

B. For Banking Business:

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

10. Employee Benefits

A. For Life Insurance Business:

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

v. Leave encashment benefits on retirement are provided for (on the basis of actuarial valuation) through a Group Leave Encashment Insurance Policy issued by the Corporation and as such, the liability in respect thereof, forms part of the Life Fund.

B. For Banking Business:

i. Payments to defined contribution schemes are charged to profit and loss account of the year when contribution are due.
ii. For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains or losses are recognized in the profit and loss account for the period in which they occur.
iii. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the period when the employee renders the service.

11. Provisions, Contingent Liabilities and Contingent Assets

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

12. Receipts and Payments Account

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

13. Taxation

A. For Life Insurance Business:

i. Direct Taxation: Provision for income tax is made in accordance with the provisions of Section 44 of the Income Tax Act, 1961 read with rules contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable for life insurance business.
ii. Indirect Taxation: The Corporation claims credit of goods and services tax on input services, which are set off against goods and services tax on output services. As a matter of prudence, unutilized credits towards goods and services tax on input services are carried forward under 'Schedule 12 – Advances and Other Assets' in the balance sheet, wherever there is reasonable certainty of utilization.
iii. In the Restated Consolidated Financial Statements, income tax expenses are the aggregate of the amounts of tax expense appearing in the separate financial statements of the Corporation and its Subsidiaries, as per their applicable laws.

B. For Banking Business:

i. Current tax is the amount of income tax determined to be payable (recoverable) in respect of taxable income (tax loss) for a period calculated in accordance with the provisions of the Income Tax Act, 1961 and the Income Computation and Disclosure Standards ("**ICDS**").
ii. Deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.
iii. Deferred tax assets in case of unabsorbed depreciation/ losses are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.
iv. Disputed taxes not provided for including departmental appeals are included under contingent liabilities.
v. In respect of certain subsidiaries, tax credit is recognized in respect of Minimum Alternate Tax ("**MAT**") as per the provisions of Section 115JAA of the IncomeTax Act, 1961 based on convincing

evidence that it will pay normal income tax within the statutory time frame and is reviewed at each balance sheet date.

vi. IDBI Bank has opted for the lower tax rate as per Section 115BAA of the Income Tax Act, 1961 through Taxation Laws (Amendments) Act, 2019 which provides, inter alia, that MAT would not be applicable for the domestic companies opting for the lower tax.

vii. In the Restated Consolidated Financial Statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

14. Leases

i. **Operating Lease:** Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense over the lease period on a straight-line basis. Where our Corporation 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 our Corporation assumes substantially all the risk and rewards of ownership of the asset are classified as finance leases. Such leased asset acquired are capitalised at fair value of the asset or present value of the minimum lease rental payments at the inception of the lease, whichever is lower.

15. Borrowing Costs

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

16. Earnings per Share

Basic earnings per share is computed by dividing the net profit or loss after tax attributable to equity shareholders by weighted average number of equities shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

17. Securitisation Transactions

a. For Banking Business:

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

18. Sale of Financial Assets to Securitisation Companies/Reconstruction Companies

i. Sale of financial assets to Securitisation Companies ("**SCs**")/Reconstruction Companies ("**RCs**") is reckoned at the lower of the redemption value of Security Receipts ("**SRs**")/PTCs received and the net book value of the financial asset.

ii. In case of sale of assets which are fully provided and technically written off, the SRs are reckoned at Rupee one in the investment book of the Bank.

iii. In case the sale value is at a price below the Net Book Value ("**NBV**") (i.e., book value less provision held), the shortfall is be debited to the profit and loss account of that year. The Bank also uses, with permission of RBI, countercyclical/floating provisions for meeting any shortfall on sale of NPAs i.e., when the sale is at a price below the NBV.

iv. In case, sale value is higher than the NBV, the excess provision is reversed to the profit and loss account in the year in which cash amounts are received. However, such reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

19. Derivative Transactions

a. In transactions designated as ‘Hedge’:

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

b. In transactions designated as ‘Trading’:

i. Outstanding derivative transactions designated as ‘Trading,’ which includes interest rate swaps, cross currency swaps, cross currency options and credit default swaps, are measured at their fair value. The resulting profits/ losses are included in the profit and loss account. Premium on options is recorded as a balance sheet item and transferred to profit and loss account on maturity/ cancellation.
ii. Derivative Transactions in Exchange Traded Currency Futures (“**ETCFs**”) segments designated as trading includes currency futures, currency options and interest rate futures which are measured at their fair value and are cash settled on T+1 basis. The resulting profits / losses on these transactions are transferred to profit and loss account on the month end settlement date stipulated by respective exchanges.

c. Transactions in Futures and Options:

i. Initial margin payable at the time of entering into futures contract / sale of options is adjusted against the deposits with the exchanges in the form of fixed deposits, cash deposits and securities.
ii. Transactions in future contracts are accounted as purchase and sales at the notional trade value of the contract. The open interest in futures as at the balance sheet date is netted by its notional value.
iii. The difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange is treated as MTM Margin. The balance in the MTM Margin Account represents the net amount paid or received on the basis of movement in the prices of open interest in futures contracts till the balance sheet date. Net debit balance in the MTM Margin Account is charged off to revenue whereas net credit balance is shown under current liabilities.
iv. Premium paid or received on purchase and sale of options and the difference paid or received on exercise of options is accounted as purchases or sales. In case of open interest in options sold as on the balance sheet date, provision is made for the amount by which premium prevailing on the balance sheet date exceeds the premium received for those options. The excess of premium received over the premium prevailing on the balance sheet date is not recognized. Similarly, in case of options bought, provision is made for the amount by which the premium paid for the option exceeds the premium prevailing on the balance sheet date and the excess of premium prevailing on the balance sheet date over the premium paid is ignored. In case of multiple open positions, provision is made or excess premiums are ignored after netting off the balances in buy as well as sell positions.

20. Segmental Reporting:

Based on the primary segments identified under IRDA (Preparation of the Financial Statements and Auditors Report of Insurance Companies) Regulations 2002 (the Regulation) read with AS 17 on “Segment Reporting” notified under Section 133 of the Companies Act, 2013 and rules thereunder, our Corporation has classified and disclosed segmental information for policyholders. Within policyholders, the businesses are further segmented into participating and non-participating policies and linked and non-linked business. Further, for non-linked business, separate statements are prepared for ordinary life, general annuity, pension, variable and health insurance.

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

21. **Funds for future appropriations:**

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 Corporation'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 until the point at which a policyholder can no longer revive their policy.

Principal Components of our Revenue Account – Policyholders' Account (Technical Account)

Net Earned Premiums

Premium income includes premiums received by us on all individual and group business and is classified into first year, renewal and single premium. First year premium refers to premiums received during the first year of the policy. Renewal premium refers to premiums received during the years after the first year of the policy, until premium payment term is over or the policy lapses, whichever is earlier. Single premium refers to premiums received on single premium policies and also includes top-up premiums, which are additional amounts of premiums that can be paid over and above basic premiums for unit-linked policies. Premium is always accounted exclusive of GST.

Reinsurance Ceded

Reinsurance ceded refers to the amount of reinsurance premium paid/payable to reinsurers in respect of the risk underwritten by them. Reinsurance ceded is shown as a deduction from premium.

Income from Investments

Income from investments refers to the investment income earned by policyholders' funds on investments made in the Policyholders' Account in accordance with IRDAI regulations and includes interest and dividend income, profit/loss on sale of investments, amortisation of premium on investments and income on unclaimed amounts of policyholders. Any changes in the fair value of unit-linked investments during the relevant Fiscal Year/period are reflected in our income from investments.

Income on unclaimed amount of policyholders is credited to unclaimed funds and is accounted for on an accrual basis. Amount payable for unclaimed amount of policyholders is accounted for on an accrual basis and is disclosed net of fund management charges. Unclaimed amount of policyholders' liability is determined on the basis of value of assets outstanding as at the valuation date.

Investment income from unit-linked policyholder investments is linked to market changes and can be quite volatile. The investment income from unit-linked policyholder investments is directly attributable to policyholders and is reflected as a corresponding change in the unit reserves. Investment income from non-participating and participating policyholder investments is relatively stable as it is mainly based on income of debt securities, which are not market-linked. Realisation of gains/losses in equity investments from participating policyholder investments can affect investment income. For both non-participating and participating policyholder investments, investment income is reflected in an increase in policy liabilities.

Other Income

Other income mainly comprises interest and charges collected on revival of policies for the period during which the policy has lapsed, and other miscellaneous charges. It also includes other income of our non-insurance Subsidiary companies, mainly IDBI Bank (during the periods it was a subsidiary), as well IDBI Trusteeship Services Limited (during the periods it was a subsidiary), LIC Pension Fund Limited and LIC Pension Fund.

Commission

This includes commission paid to intermediaries and our distributions partners for the purposes of sourcing new business. As with premiums, commissions are classified into first year, renewal and single premium commissions.

Operating Expenses Related to Insurance Business

Operating expenses related to insurance business includes all expenses that are incurred for the purposes of sourcing new business and expenses incurred for policy servicing (which are known as maintenance costs). Our operating expenses include employee-related costs, computer, marketing, professional and infrastructure costs, as well as variable costs based on our volume of new business, including sales staff incentives, stamp duty, policy printing and medical fees.

In addition, operating expenses related to insurance business include the expenses of LIC Cards Services Limited and LIC Pension Fund Limited. Although LIC Cards Services Limited and LIC Pension Fund Limited do not operate an insurance business, their expenses have been included in this line item as per the audited financial statements submitted by LIC Pension Fund Limited and LIC Cards Services Limited. The consolidation of Subsidiaries is done on a line-by-line basis in accordance with the requirement of Accounting Standard 21. Indian Subsidiary companies of our Corporation operate under different lines of business as compared to our Corporation and are also governed by different regulators in India. Accordingly, line-by-line consolidation of their respective profit and loss account in our Corporation's Restated Consolidated Financial Statements is carried out through the revenue account and further if such investment in a Subsidiary is made through the Shareholders fund, any surplus/deficit shown under the consolidated revenue account is transferred to the profit and loss account of our Corporation, resulting in an impact to our Shareholders' fund in the restated consolidated balance sheet.

Other Expenses

Other expenses relate to expenses incurred by IDBI Bank on a consolidated basis (during the periods it was a subsidiary), which included expenses incurred by IDBI Trusteeship Services Limited (during the periods it was a subsidiary), and comprise costs incurred in relation to (i) exchange fees, (ii) interest expended, (iii) payments to and provisions for employees, (iv) outsourcing expenses, (v) rent, taxes and lighting, (vi) depreciation and (vii) others.

GST on Fund Management Charges and Other Charges

GST on fund management charges and other charges includes GST recovered on all charges from our unit-linked business. These charges relate to policy administration fees, mortality charges, reinstatement fees, fund management charges, lapse charges, surrender charges and other miscellaneous charges. GST on these charges is recovered either by way of deallocation of units or reduction of the NAV of the relevant unit-linked fund based on the amount of GST payable.

Provisions

Provisions include provisions for (i) doubtful debts, (ii) taxation and (iii) provisions (other than taxation).

Provision for taxation comprises provision for tax on our Corporation's life insurance business and provision for tax of each of the Subsidiaries. Provision for tax on our Corporation's life insurance business is computed on the actuarial valuation surplus as provided in Section 44 of the Income Tax Act, 1961 read with the rules contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable to a life insurance business. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the income tax rate for a life insurance business in India as prescribed under section 115B(1)(i) of the Income Tax Act, 1961 was 12.5% plus a surcharge of 12% and a cess of 4% (a total of 14.56%).

Provisions (other than taxation) comprise (a) provisions for diminution in the value of investments (net) and (b) provisions for others. Provisions for diminution in the value of investments (net) represent the difference between the remeasured fair value of non-linked policyholders' equity investments and its weighted average acquisition cost. Such assessment for impairment is carried out at each balance sheet date, using data from internal and external sources based on our impairment policy, to assess whether there is any indication of impairment to investments. Provisions for others primarily comprises provisions made to cover amounts outstanding in respect of all standard and non-standard assets in accordance with the "Guidelines on prudential norms for income recognition, asset classification, provisioning and other matters in respect of debt portfolio" notified by the IRDAI.

Benefits Paid (Net)

Benefits paid include the pay-outs made by us against death claims, policy maturity, surrenders and withdrawals, discontinuance termination, as well as interest on unclaimed amounts by policyholders. Benefits paid are disclosed net of amounts recoverable from reinsurers.

Interim Bonus

Interim bonus is the reversionary bonus payable for eligible policies exiting during the period for which the results of valuation are yet to be declared.

Change in Valuation of Liability in Respect of Life Policies

Change in valuation of liability in respect of life policies represents the increase/decrease in policyholders' liabilities during the relevant period. Policyholders' liabilities are calculated based on reports provided by the Appointed Actuary, using actuarial principles for all policies where a liability exists on valuation date or where a liability could arise in the future.

Policy liabilities are assessed differently for the interim periods. This is because the provisions of the amended Life Insurance Corporation Act do not require valuation exercise to be done for interim periods. However, to be in line with the market practices in India, the Corporation will be assessing the liabilities within the applicable provisions of Life Insurance Corporation Act, Insurance Act, guidelines and norms issued by the IRDAI. The results of the year end exercise is expected to be different from that of the quarterly exercise due to various factors such as experience changing over a period of time and the passage of time itself that has an impact on discounting.

Transfer to/(from) Provision for Linked Liabilities

Transfer to/(from) provision for linked liabilities is the excess of income over expenses in respect of the unit fund of our linked business.

Transfer to 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. 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.

Share of Profits in Associates

Share of profits in associates represents the parent share of profit / loss in the associate company for the Fiscal Year.

Minority Interest

Minority interest consists of the minority share in revenue, profit/loss of the respective Subsidiary company consolidated for the Fiscal Year.

Transfer to Shareholders' Account

For Fiscal 2019, Fiscal 2020 and Fiscal 2021, transfer to Shareholders' Account represents transfers from the participating policyholders' fund and non-participating policyholders' fund (including unit-linked non-participating segments), as per the Board-approved policies governing surplus and dividend distribution and reserves/appropriations of the Subsidiary companies in which investment have been made from Shareholders' funds.

For the nine months ended December 31, 2021, transfer to Shareholders' Account represents transfers from the non-participating policyholders' fund (including unit-linked non-participating segments), as per the Board-approved policies governing surplus and dividend distribution and reserves/appropriations of the Subsidiary companies in which investments have been made from Shareholders' funds.

Transfer to Other Reserve

Transfer to other reserve represents transfers made by respective Subsidiary companies.

Principal Components of our Profit and Loss Account – Shareholders' Account (Non-Technical Account)

Income includes (i) amount transferred from the Revenue Account – Policyholders' Account (Technical Account) and (ii) income generated from investments of Shareholders' funds.

Expenses primarily comprise contribution to the Policyholders' Account towards others, which is to meet the deficit in any segment of the Policyholders' Account.

Provision for taxation is made on the profit before taxation excluding the amount transferred from the Policyholders' Account (the Shareholders do not pay any tax on the amount transferred from the Policyholders' Account since the valuation surplus has already been subject to tax in the Policyholders' Account). This amount is not considered as income from life insurance business and hence is subject to income tax rate at the normal rate as provided under section 115(B)(1)(ii) of the Income Tax Act, 1961. For Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, the income tax rate was 30% plus a surcharge of 12% and a cess of 4% (a total of 34.94%).

Our Results of Operations

The following table shows a breakdown of our results of operations from our Restated Consolidated Statement of Revenue Account (Policyholders' Account) and our Restated Consolidated Statement of Profit and Loss Account (Shareholders' Account) for the period and Fiscal Years indicated.

Revenue Account (Policyholders' Account)	**Nine Months Ended December 31, 2021**	**Year Ended March 31,**		
		2021	**2020**	**2019**
	(₹ in million)			
Income:				
Premiums earned - net:				
Premium	2,857,299.55	4,058,508.02	3,828,114.50	3,402,946.15
Reinsurance ceded	(3,880.29)	(4,523.04)	(3,359.32)	(3,229.81)
Reinsurance accepted	–	–	–	–
Net earned premiums	**2,853,419.26**	**4,053,984.98**	**3,824,755.18**	**3,399,716.34**
Income from investments:				
Interest, dividends and rent - gross	1,890,850.23	2,395,650.18	2,220,501.02	2,000,210.33
Profit on sale/redemption of investments	428,623.74	461,867.51	313,616.70	302,412.19
(Loss on sale/redemption of investments)	(63,995.95)	(63,771.20)	(119,741.88)	(63,440.11)
Transfer/gain on revaluation/change in fair value(1)	7,059.40	61,457.69	13,987.30	11,252.99
Income from investments	**2,262,537.42**	**2,855,204.18**	**2,428,363.14**	**2,250,435.40**
Other income:				
Amounts written back	1.70	2,854.87	8,189.73	2,682.96
Interest earned	–	102,000.36	150,660.97	38,477.51
Commission, exchange and brokerage	–	12,950.96	20,105.65	6,129.35
Sundry receipts	6,833.67	10,051.50	23,918.90	10,632.04
Contribution from Shareholders' account towards others	–	47.60	61.15	22.10
Other income	**6,835.37**	**127,905.29**	**202,936.40**	**57,943.96**
Total income (A)	**5,122,792.05**	**7,037,094.45**	**6,456,054.72**	**5,708,095.70**
Expenses:				
Commission	155,381.10	223,581.61	215,482.58	204,826.09
Operating expenses related to insurance business	272,673.41	351,622.15	344,258.84	283,316.03
Other expenses:				
Exchange loss/(gain)	2.54	(49.74)	(24.31)	13.49
Interest expended	–	88,674.42	132,874.87	34,314.94
Payments to and provisions for employees	–	24,549.18	33,637.13	6,501.28
Outsourcing expenses	–	4,001.18	6,183.52	1,522.02
Rent, taxes and lighting	–	3,569.76	4,559.18	1,085.17
Depreciation	–	3,020.73	3,991.56	921.79
Others	–	10,796.11	16,095.51	3,965.08
Total of other expenses	**2.54**	**134,561.64**	**197,317.46**	**48,323.77**
GST on fund management charges and other charges	556.81	932.22	982.75	1,097.81
Provision/(write back of provision) for doubtful debts	(2,135.21)	101,819.10	108,881.65	114,520.09
Provision for taxation	80,021.02	91,705.25	108,255.58	55,567.74
Provisions/(write back of provision) (other than taxation):				
For diminution in the value of investments (net)	(15,199.86)	56,620.36	23,905.16	10,092.62
Provision for required solvency margin	–	–	–	–
Others	(65,420.93)	(85,316.54)	111,715.98	31,398.61
Sub-Total (B)	**425,878.88**	**875,525.79**	**1,110,800.00**	**749,142.76**

Revenue Account (Policyholders' Account)	Nine Months Ended December 31, 2021	Year Ended March 31, 2021	2020	2019
	(₹ in million)			
Benefits paid (net)	2,346,198.67	2,884,890.51	2,554,794.89	2,523,808.34
Interim bonuses paid	24,700.07	22,290.73	16,733.70	16,513.70
Change in valuation of liability in respect of life policies:				
Gross(2)	2,393,574.22	3,211,340.48	2,966,283.81	2,535,854.60
Amount ceded in reinsurance	–	–	–	–
Amount accepted in reinsurance	–	–	–	–
Transfer to/(from) provision for linked liabilities	(95,278.60)	4,343.10	(91,103.40)	(93,122.82)
Transfer to funds for future appropriation	11,036.61	31.26	0.41	0.95
Transfer to funds for discontinued policies	254.08	54.41	34.63	59.13
Sub-Total (C)	**4,680,485.05**	**6,122,950.49**	**5,446,744.04**	**4,983,113.90**
Surplus/(deficit) (D) = (A)-(B)-(C)	**16,428.12**	**38,618.17**	**(101,489.32)**	**(24,160.96)**
Add: Share of profit in associates	22,281.16	11,633.54	5,744.42	6,683.97
(Less)/Add: Minority interest	(29.96)	(4,465.25)	63,726.72	25,162.06
Adjusted surplus/(deficit)	**38,679.32**	**45,786.46**	**(32,018.18)**	**7,685.07**
Appropriations:				
Transfer to Shareholders' Account	16,377.61	29,625.82	26,955.13	25,994.77
Transfer to other reserve	22,301.71	16,160.64	(59,109.78)	(18,323.36)
Proposed dividend paid	–	–	136.47	13.66
Total appropriations (E)	**38,679.32**	**45,786.46**	**(32,018.18)**	**7,685.07**
Total surplus during the period/year:				
Interim bonus	24,700.07	22,290.73	16,733.70	16,513.70
Allocation of bonus to policyholders(3)	–	548,911.92	512,571.16	505,513.14
Surplus shown in revenue account	38,679.32	45,786.46	(32,018.18)	7,685.07
Total surplus	**63,379.39**	**616,989.11**	**497,286.68**	**529,711.91**

Notes:

(1) *Represents the deemed realised gain as per norms specified by the IRDAI.*

(2) *Represents mathematical reserves after allocation of bonus.*

(3) *The details of allocation to bonus to policyholders pertain only to our Corporation and do not include the details of the foreign subsidiary insurance companies as they are not required to provide such details as per their local laws or regulations. Allocation of bonus to policyholders is conducted only at the Fiscal Year end.*

Profit and Loss Account (Shareholders' Account)	Nine Months Ended December 31, 2021	Year Ended March 31, 2021	2020	2019
	(₹ in million)			
Amount transferred from/to Policyholders' Account (technical account)	16,377.61	29,625.82	26,955.13	25,994.77
Income from investments:				
Interest, dividends and rent – gross	974.73	177.77	352.01	373.75
Profit on sale/redemption of investments	226.74	61.22	21.21	126.00
(Loss on sale/redemption of investments)	(5.59)	(9.10)	(18.79)	(44.56)
Other income	–	–	–	–
Income from investments	**1,195.88**	**229.89**	**354.43**	**455.19**
Total revenue (A)	**17,573.49**	**29,855.71**	**27,309.56**	**26,449.96**
Expenses other than those directly related to the insurance business	3.82	4.64	4.50	4.21
Contribution to Policyholders' Account towards others	–	47.60	61.15	22.10
Provisions (other than taxation):				
For diminution in the value of investments (net)	–	–	58.75	–
Provision for doubtful debts	–	–	–	–
Others	–	–	–	–
Total expenses (B)	**3.82**	**52.24**	**124.40**	**26.31**
Profit/(loss) before tax (C) = (A)-(B)	**17,569.67**	**29,803.47**	**27,185.16**	**26,423.65**
Provision for taxation	416.55	62.08	80.38	149.87

Profit and Loss Account (Shareholders' Account)	Nine Months Ended December 31, 2021	Year Ended March 31,		
		2021	2020	2019
	(₹ in million)			
Profit/(loss) after tax	**17,153.12**	**29,741.39**	**27,104.78**	**26,273.78**
Appropriations:				
Balance at the beginning of the period/year	1,128.55	632.57	685.89	2,073.57
Interim dividends paid during the period/year (5% valuation surplus paid to Central Government)	–	–	–	–
Proposed final dividend	–	151.44	26,997.35	27,254.37
Dividend distribution on tax	–	6.61	–	32.70
Transfer to general reserve	287.88	29,005.67	149.65	279.01
Transfer to other reserve	5.90	81.69	11.10	95.38
Profit carried forward to the balance sheet	17,987.89	1,128.55	632.57	685.89

Nine Months Ended December 31, 2021

Additional Significant Factors Affecting our Results of Operations

Seasonality of Premiums and the Allocation of Bonus to Participating Policyholders and the Transfer of the Remaining Surplus from Participating Policies to the Shareholders' Account Being Conducted only at the Fiscal Year End

Life insurance volumes typically increase significantly in the last quarter of each Fiscal Year, which coincides with the end of the tax year in India, due to customers capitalising on income tax advantages that life insurance products offer. As such, a major part of our total income in our Policyholders' Account is usually generated during the last quarter of the Fiscal Year. In addition, the allocation of bonus to participating policyholders and the transfer of the remaining surplus from participating policies to the Shareholders' Account is conducted only at the Fiscal Year end. As such, the financial results for the nine months ended December 31, 2021 are not comparable with our financial results for Fiscal 2021 and may not be indicative of our financial results for Fiscal 2022.

Increased Transfer of Surplus to Shareholders' Account Due to Bifurcation of Funds

Up until March 31, 2021, our Corporation had one fund and the valuation surplus from both the participating and non-participating businesses was distributed between policyholders and the Shareholders in the proportion of 95:5. The Finance Act, 2021 amended the Life Insurance Corporation Act and enabled our Corporation to have a participating fund and non-participating fund. The bifurcation was effective as at September 30, 2021. In accordance with our Corporation's approved surplus distribution policy, the surplus in respect of the participating fund will be allocated between policyholders and Shareholders in the ratio of 95:5 for Fiscal 2022, 92.5:7.5 for each of Fiscal 2023 and Fiscal 2024 and then 90:10 from Fiscal 2025 onwards. Life insurance companies regulated under the Insurance Act are permitted to maintain a surplus allocation of 90:10. The Shareholders have a 100% allocation in the non-participating fund.

Due to the bifurcation of funds, 100% of the surplus from non-participating policies (as opposed to 5% prior to the amendment) amounting to ₹16,377.61 million was transferred from the Policyholders' Account to the Shareholders' Account for the nine months ended December 31, 2021, while the remaining surplus from participating policies was transferred to our funds for future appropriation.

Calculation of Surplus/(Deficit)

Our surplus for the nine months ended December 31, 2021 does not include the surplus from the participating funds for the various business segments as the amounts have not been allocated to the policyholders and Shareholders in their respective proportions. The figures would be made available in the financial statements for Fiscal 2022. Hence, the surplus amounts for the nine months ended December 31, 2021 would not be comparable to the corresponding figures for total surplus shown for the Fiscal Years.

In addition, the total surplus shown in our Policyholders' Account for the nine months ended December 31, 2021 does not include bonuses paid to our policyholders, which is usually handed out at the end of the Fiscal Year. Hence, amounts presented for total surplus for the nine months ended December 31, 2021 would not be comparable to the corresponding figures for total surplus shown for the Fiscal Years.

Premiums Earned – Net (Revenue Account)

For the nine months ended December 31, 2021, our premium was ₹2,857,299.55 million, our reinsurance ceded was ₹3,880.29 million and our premiums earned - net was ₹2,853,419.26 million.

Premium

For the nine months ended December 31, 2021, our total premium was ₹2,857,299.55 million and our premium in India and outside India was ₹2,837,532.82 million and ₹19,766.73 million, respectively. The following table sets forth the breakdown of our premium in India and premium outside India for the nine months ended December 31, 2021.

Particulars	**Nine Months Ended December 31, 2021**			
	First year premiums	**Renewal premiums**	**Single premiums & CAG[(1)]**	**Total**
	(₹ in million)			
Non-Linked Business				
Of which:				
-Life Par	186,583.72	1,513,866.01	63,110.90	1,763,560.63
-Life Non-Par	2,439.63	9,219.32	413.54	12,072.49
-Annuity Par	–	19.84	–	19.84
-Annuity Non-Par	–	38.56	88,743.98	88,782.54
-Pension Par	0.55	3,207.53	–	3,208.08
-Health Non-Par	578.13	1,652.76	–	2,230.89
-Variable Non-Par	–	59.10	–	59.10
-Group Non-Par	28,575.65	44,421.49	873,315.99	946,313.13
Linked				
-Life Non-Par	1,943.80	3,628.67	14,444.20	20,016.67
-Pension Non-Par	–	734.32	–	734.32
-Health Non-Par	–	513.09	–	513.09
-Group Non-Par	–	22.04	–	22.04
Total in India	**220,121.48**	**1,577,382.73**	**1,040,028.61**	**2,837,532.82**
Outside India including Subsidiaries	**2,031.79**	**12,139.77**	**5,595.17**	**19,766.73**
Gross Premium	**222,153.27**	**1,589,522.50**	**1,045,623.78**	**2,857,299.55**

Note(s): (1) CAG is the abbreviation for consideration for annuity granted.

For more details on our premium in India, see "*Our Business – Our Product Breakdown in Numbers*" on page 200.

Reinsurance Ceded (Revenue Account)

Our reinsurance ceded was ₹3,880.29 million for the nine months ended December 31, 2021.

Income from Investments (Revenue Account)

The following table sets forth our income from investments for the period indicated.

Particulars	**Nine months ended December 31, 2021 (₹ in million)**
Income from Investments:	
Interest, dividends & rent – gross	1,890,850.23
Of which:	
Interest (standalone)	1,745,800.11
Dividends (standalone)	133,824.73
Rent income (standalone)	3,283.33
Subsidiaries' interest, dividends & rent – gross	7,942.06
Profit on sale/redemption of investments	428,623.74
(Loss on sale/redemption of investments)	(63,995.95)
Transfer/gain on revaluation/change in fair value	7,059.40
Total income from investments	**2,262,537.42**

Our income from investments was ₹2,262,537.42 million for the nine months ended December 31, 2021, which was primarily due to (i) income from interest, dividends & rent – gross of ₹1,890,850.23 million, which largely consisted of interest (standalone) of ₹1,745,800.11 million and dividends (standalone) of ₹133,824.73 million; and (ii) profit on sale/redemption of investments of ₹428,623.74 million, which was partially offset by a loss on sale/redemption of investments of ₹63,995.95 million. Our income from interest, dividends & rent – gross was negatively affected by the average yield on interest earning assets decreasing from 8.35% for Fiscal 2021 to 8.18% for the nine months ended December 31, 2021 and was positively affected by the average yield on equity investments on a standalone basis from 2.63% for Fiscal 2021 to 3.23% for the nine months ended December 31, 2021.

Other Income (Revenue Account)

Our other income was ₹6,835.37 million for the nine months ended December 31, 2021.

Total Expenses (Revenue Account)

Commissions (Revenue Account)

The following table sets forth the split of commissions paid across first year premiums, renewal premiums, single premiums, other commissions as well as our total commission paid for the nine months ended December 31, 2021.

Particulars	Nine months ended December 31, 2021 (₹ in million)
Commission paid:	
Direct – First year premiums	62,327.68
– Renewal premiums	82,685.19
– Single premiums	3,394.49
– Other commission	4.33
Sub-total	**148,411.69**
Add: Commission on Re-insurance Accepted	–
Less: Commission on Re-insurance Ceded	6.33
Net Commission	**148,405.36**
Rewards and Remuneration to Intermediaries	6,975.74
Total	**155,381.10**

Our total commissions paid to our distributors was ₹155,381.10 million for the nine months ended December 31, 2021. As a percentage of total premium, our total commission was 5.44% for the nine months ended December 31, 2021.

Our commission paid for first year premiums was ₹62,327.68 million for the nine months ended December 31, 2021. As a percentage of first year premiums, our commission for first year premiums was 28.06% for the nine months ended December 31, 2021.

Our commission paid for renewal premiums was ₹82,685.19 million for the nine months ended December 31, 2021. As a percentage of renewal premiums, our commission for renewal premiums was 5.20% for the nine months ended December 31, 2021.

Our commission paid for single premiums was ₹3,394.49 million for the nine months ended December 31, 2021. As a percentage of single premiums, our commission for single premiums was 0.32% for the nine months ended December 31, 2021.

Operating Expenses Related to Insurance Business (Revenue Account)

Operating expenses related to insurance business were ₹272,673.41 million for the nine months ended December 31, 2021, which represented 9.54% of our premiums. These mainly comprised (i) employees' remuneration and welfare benefits of ₹217,852.85 million; (ii) GST on premium, etc. of ₹17,715.51 million; (iii) allowances and commission (other than commission to insurance agents) of ₹10,027.23 million; and (iv) rents, rates & taxes of ₹4,819.84 million. Employees' remuneration and welfare benefits of ₹217,852.85 million included the contribution towards the employee pension fund of ₹89,298.70 million, which included an expense of ₹16,687 million arising from our employees electing to participate in our Corporation's fresh pension scheme for the first time in Fiscal 2020. Our Corporation was permitted to amortise ₹111,246.6 million of expenses incurred in relation to the pension scheme over a period of five years, pursuant to the approval granted by IRDAI vide its letter no. 101/2/F&A-Life/LIC/2018-2019/208 dated July 6, 2020.

Other Expenses (Revenue Account)

Other expenses were ₹2.54 million for the nine months ended December 31, 2021, which was due to an exchange loss of ₹2.54 million incurred by our branches outside India and our foreign Subsidiaries.

Provisions for Doubtful Debts (Revenue Account)

We wrote back ₹2,135.21 million of provisions for doubtful debts for the nine months ended December 31, 2021, which was primarily due to repayments received on loans extended.

Provision for Taxation (Revenue Account)

Our provision for taxation was ₹80,021.02 million for the nine months ended December 31, 2021. It comprised provision for taxation for our Corporation on a standalone basis amounting to ₹79,188.89 million and provision for taxation for our Subsidiaries amounting to ₹832.13 million.

Provisions (Other than Taxation) (Revenue Account)

We wrote back ₹80,620.79 million of provisions (other than taxation) for the nine months ended December 31, 2021. This comprised (i) ₹15,199.86 million of provisions written back for diminution in the value of investments (net), which was primarily due to the write back of provision on our equity holdings in IDBI Bank; and (ii) a write back of ₹65,420.93 million for other provisions, which was primarily due to the settlement of some debt cases under the National Company Law Tribunal other channels.

Benefits Paid (Net) (Revenue Account)

The following table sets forth the benefits paid (net) for the nine months ended December 31, 2021.

Particulars	Nine Months Ended December 31, 2021 (₹ in million)
Insurance claims:	
Claims by death	299,039.45
Claims by maturity	1,244,677.03
Annuities/pensions payment	121,712.73
Other benefits:	
Surrenders[(1)]	680,614.88
Bonuses in cash	–
Hospitalisation benefits	109.39
Major surgical benefits	87.20
Domiciliary treatment benefits	99.74
Day care benefits	15.12
Lump sum benefit/income benefit (by installment)	150.60
Other claims cost:	
Interest on unclaimed costs	5,709.08
Others	133.42
(Amount ceded in reinsurance):	
Claims by death	(5,932.08)
Claims by maturity	–
Annuities/Pensions payment	–
Other benefits	(217.89)
Amount accepted in reinsurance:	
Claims by death	–
Claims by maturity	–
Annuities/Pensions payment	–
Other benefits	–
Total	**2,346,198.67**

Note(s): (1) Includes partial surrender and switches.

Our benefits paid to policyholders was ₹2,346,198.67 million for the nine months ended December 31, 2021.

Interim Bonuses Paid (Revenue Account)

Interim bonuses paid were ₹24,700.07 million for the nine months ended December 31, 2021.

Change in Valuation of Liability in Respect of Life Policies (Revenue Account)

The gross change in valuation of liability in respect of life policies was ₹2,393,574.22 million for the nine months ended December 31, 2021. Policyholder’s liability depends upon the business profile and assumptions made about future mortality/morbidity, interest, expenses, etc., at each point of time. The change in business profile happens due to policies exiting and policies entering mainly due to new business and existing policies getting closer to maturity.

Transfer to/(from) Provision for Linked Liabilities (Revenue Account)

There was a transfer from provision for linked liabilities of ₹95,278.60 million for the nine months ended December 31, 2021. This was primarily due to the greater number of claims payments arising from the maturity of the Endowment Plus plan and Samrudhi plan, compared to the premium for the nine months ended December 31, 2021.

Transfer to Funds for Future Appropriation (Revenue Account)

There was a transfer to funds for future appropriation of ₹11,036.61 million for the nine months ended December 31, 2021. 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.

Surplus/Deficit (Revenue Account)

Primarily due to the factors discussed above, our total surplus was ₹16,428.12 million for the nine months ended December 31, 2021.

Share of Profit in Associates (Revenue Account)

Our share of profits in associates was ₹22,281.16 million for the nine months ended December 31, 2021.

Minority Interest (Revenue Account)

Minority interest was ₹(29.96) million for the nine months ended December 31, 2021.

Amount Transferred from Policyholders' Account (Profit and Loss Account – Shareholders' Account)

Amount transferred from Policyholders' Account was ₹16,377.61 million for the nine months ended December 31, 2021, arising mainly from surplus generated in our unit-linked life, unit-linked pension, unit-linked health, unit-linked group and non-participating segments.

Income from Investments (Profit and Loss Account – Shareholders' Account)

Income from investments was ₹1,195.88 million for the nine months ended December 31, 2021, arising mainly from interest, dividends & rent – gross of ₹974.73 million and a profit on sale/redemption of investments of ₹226.74 million.

Total Expenses (Profit and Loss Account – Shareholders' Account)

Our total expenses were ₹3.82 million for the nine months ended December 31, 2021.

Profit Before/After Tax (Profit and Loss Account – Shareholders' Account)

As a result of the above, profits before tax were ₹17,569.67 million for the nine months ended December 31, 2021. Provisions for taxation, which are made on profit before taxation excluding the amount transferred from the Policyholders' Account, were ₹416.55 million for the nine months ended December 31, 2021.

As a result of all the factors mentioned above, profit after tax was ₹17,153.12 million for the nine months ended December 31, 2021.

Fiscal 2021 Compared to Fiscal 2020

Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 2019 was notified by the Government on April 23, 2019 giving one-time pension option to employees who had not opted it before, in accordance the terms and conditions as specified in the said notification. Financial liability of ₹111,246.6 million arising due to the fresh pension given to the employees is being amortized over a period of five years with effect from Fiscal 2020. The IRDAI approved the amortization of this expense over a five-year period *vide* its letter no. 101/2/F&A-Life/LIC/2018-2019/208 dated July 6, 2020. Accordingly, an instalment of ₹22,249.3 million was expensed in Fiscal 2020 and the second instalment of ₹22,249.3 million was expensed in Fiscal 2021. If the approval from the IRDAI had not been granted, our Corporation would have recorded much higher expenses and a lower surplus in our Policyholders' Account in Fiscal 2020.

Premium Earned - Net (Revenue Account)

<u>Premium</u>

Particulars	**Year Ended March 31,**							
	2021				**2020**			
	First year premiums	**Renewal premiums**	**Single premiums & CAG[(1)]**	**Total**	**First year premiums**	**Renewal premiums**	**Single premiums & CAG**	**Total**
	(₹ in million)							
Non-Linked Business								
Of which:								
-Life Par	272,562.10	2,086,960.52	78,625.83	**2,438,148.45**	290,806.50	1,913,971.93	66,818.58	**2,271,597.00**
-Life Non-Par	2,144.03	10,899.77	402.56	**13,446.36**	1,577.12	10,432.42	174.60	**12,184.13**
-Annuity Par	–	35.06	–	**35.06**	–	44.91	–	**44.91**
-Annuity Non Par	–	59.23	202,913.18	**202,972.41**	–	61.36	152,368.80	**152,430.16**
-Pension Par	39.64	5,766.37	–	**5,806.02**	237.06	6,185.15	84.82	**6,507.03**
-Health Non-Par	1,021.00	2,361.37	–	**3,382.38**	1,047.37	2,101.42	–	**3,148.80**
-Variable Non Par	–	208.67	–	**208.67**	–	376.54	–	**376.54**
-Group Non-Par	61,999.87	73,192.19	1,215,694.50	**1,350,886.56**	285,015.67	68,797.18	982,476.88	**1,336,289.73**
Linked								
-Life Non-Par	1,223.33	3,980.02	6,335.17	**11,538.52**	524.98	3,685.83	386.40	**4,597.22**
-Pension Non-Par	–	1,360.61	–	**1,360.61**	–	1,797.64	–	**1,797.64**
-Health Non-Par	–	1,068.85	–	**1,068.85**	–	1,089.45	–	**1,089.45**
-Group Non-Par	–	27.47	–	**27.47**	–	73.02	–	**73.02**
Total in India	**338,989.97**	**2,185,920.13**	**1,503,971.24**	**4,028,881.36**	**579,208.70**	**2,008,616.85**	**1,202,310.08**	**3,790,135.63**
Outside India including Subsidiaries	**4,419.98**	**17,355.74**	**7,850.96**	**29,626.66**	**5,256.29**	**16,755.59**	**15,966.99**	**37,978.87**
Gross Premium	**343,409.95**	**2,203,275.87**	**1,511,822.20**	**4,058,508.02**	**584,464.99**	**2,025,372.44**	**1,218,277.07**	**3,828,114.50**

Note(s): (1) CAG is the abbreviation for consideration for annuity granted.

Our total premium increased by ₹230,393.52 million, or 6.02%, from ₹3,828,114.50 million in Fiscal 2020 to ₹4,058,508.02 million in Fiscal 2021. This increase was primarily due to an increase in our premiums from India, which increased by ₹238,745.73 million, or 6.30%, from ₹3,790,135.63 million for Fiscal 2020 to ₹4,028,881.36 million for Fiscal 2021. The following table sets forth our premium by type, product type and customer type in India and outside India for Fiscal 2020 and Fiscal 2021.

Our first-year premiums decreased by 41.24% from ₹584,464.99 million in Fiscal 2020 to ₹343,409.95 million in Fiscal 2021, primarily due to the decrease in first-year premiums earned in India by 41.47% from ₹579,208.70 million in Fiscal 2020 to ₹338,989.97 million in Fiscal 2021. The decrease in first year premium in India was primarily due to the decrease in our first year premiums earned from the group non-participating business by 78.25% from ₹285,015.67 million in Fiscal 2020 to ₹61,999.87 million in Fiscal 2021, which decrease was because of higher base of Fiscal 2020 in which a superannuation scheme with one of the state governments was completed in May 2019 and a premium of ₹231,600 million was classified as first year premium. In addition, the decrease was also due to restrictions on our distribution partners' ability to distribute our products being adversely affected due to lockdowns and social distancing measures. Further, the pandemic caused a deferral of exams by the IRDAI for individual agents and corporate agents, which prevented us from adding as many new agents as we would have liked to. Our individual policies are primarily distributed by our individual agents. Our individual agents procured 96.69%, 95.73%, 94.78% and 96.20% of our NBP in India for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021, respectively. In addition, the average productivity of our individual agents in India fell from 18.11 policies sold per year in Fiscal 2020 to 15.49 policies sold per year during Fiscal 2021 due to the impact of COVID-19.

Our renewal premiums increased by 8.78% from ₹2,025,372.44 million in Fiscal 2020 to ₹2,203,275.87 million in Fiscal 2021, primarily due to the increase in renewal premiums earned in India by 8.83% from ₹2,008,616.85 million in Fiscal 2020 to

₹2,185,920.13 million in Fiscal 2021 on account of the increase in premiums earned from the life participating business by 9.04% from ₹1,913,971.93 million in Fiscal 2020 to ₹2,086,960.52 million in Fiscal 2021, reflecting an increase in insurance awareness due to the COVID-19 pandemic, resulting in an increase in our Persistency Ratio for total premiums in India across all periods, with the 13th month Persistency Ratio increasing from 85% for Fiscal 2020 to 87% in Fiscal 2021 and the 61st month Persistency Ratio increasing from 70% in Fiscal 2020 to 72% in Fiscal 2021.

Our single premiums & CAG increased by 24.10% from ₹1,218,277.07 million in Fiscal 2020 to ₹1,511,822.20 million in Fiscal 2021, primarily due to the increase in single premiums & CAG earned in India by 25.09% from ₹1,202,310.08 million in Fiscal 2020 to ₹1,503,971.24 million in Fiscal 2021 on account of the increase in our (i) group non-participating business by 23.74% from ₹982,476.88 million in Fiscal 2020 to ₹1,215,694.50 million in Fiscal 2021 primarily due to the increase in our premiums earned under-funded schemes; and (ii) annuity non-participating business by 33.17% from ₹152,368.80 million in Fiscal 2020 to ₹202,913.18 million in Fiscal 2021 primarily due to an increase in volume of single premium annuity sales because of the closure of LIC's Jeevan Shanti and introduction of LIC's New Jeevan Shanti with revised annuity rates.

For more details on our premium in India, see "*Our Business – Our Product Breakdown in Numbers*" on page 200.

Reinsurance Ceded (Revenue Account)

Our reinsurance ceded increased by 34.64% from ₹3,359.32 million in Fiscal 2020 to ₹4,523.04 million in Fiscal 2021, mainly due to the increased sum assured in LIC Employees Group Insurance Scheme during Fiscal 2021.

Income from Investments (Revenue Account)

The following table sets forth our income from investments for the Fiscal Years indicated.

Particulars	**Year Ended March 31,**	
	2021	**2020**
	(₹ in million)	
Income from Investments:		
Interest, dividends & rent – gross	2,395,650.18	2,220,501.02
Of which:		
Interest (standalone)	2,212,235.59	2,039,594.81
Dividends (standalone)	128,184.57	114,171.18
Rent income (standalone)	4,370.67	4,253.12
Subsidiaries' interest, dividends & rent – gross	50,859.35	62,481.91
Profit on sale/redemption of investments	461,867.51	313,616.70
(Loss on sale/redemption of investments)	(63,771.20)	(119,741.88)
Transfer/gain on revaluation/change in fair value(1)	61,457.69	13,987.30
Total income from investments	**2,855,204.18**	**2,428,363.14**

Notes:
(1) Represents the deemed realised gain as per norms specified by the Authority.

The table below sets forth the average yield on our Corporation's (i) interest earning assets and (ii) equity investments on a standalone basis for the Fiscal Years indicated:

Particulars	**Year ended March 31,**	
	2021	**2020**
Average yield on interest earning assets (%)	8.35	8.53
Average yield on equity investments (%)	2.63	2.56

Our total income from investments increased by 17.58% from ₹2,428,363.14 million in Fiscal 2020 to ₹2,855,204.18 million in Fiscal 2021, which was primarily due to:

(i) increases in interest, dividends, rent – gross by 7.89% from ₹2,220,501.02 million in Fiscal 2020 to ₹2,395,650.18 million in Fiscal 2021, which was primarily due to (a) a ₹172,640.78 million, or 8.46%, increase in interest (standalone) from ₹2,039,594.81 million in Fiscal 2020 to ₹2,212,235.59 million in Fiscal 2021, which was primarily due an increase in investment in interest-bearing securities, which increase was partially offset by a decrease in the average yield on interest earning assets on a standalone basis from 8.53% for Fiscal 2020 to 8.35% for Fiscal 2021, and (b) a ₹14,013.39 million, or 12.27%, increase in dividends (standalone) from ₹114,171.18 million in Fiscal 2020 to ₹128,184.57 million in Fiscal 2021, which was primarily due to the increase in our equity portfolio in Fiscal 2021, declaration of lesser dividends by companies in Fiscal 2020 and an increase in the average yield on equity investments on a standalone basis from 2.56% for Fiscal 2020 to 2.63% for Fiscal 2021;

(ii) an increase in profit on sale/redemption of investments by 47.27% from ₹313,616.70 million in Fiscal 2020 to ₹461,867.51 million in Fiscal 2021, which was on account of realised profits on the sale of equity; and
(iii) a decrease in loss on sale/redemption of investments by 46.74% from ₹119,741.88 million in Fiscal 2020 to ₹63,771.20 million in Fiscal 2021.

Other Income (Revenue Account)

Our other income decreased by 36.97% from ₹202,936.40 million in Fiscal 2020 to ₹127,905.29 million in Fiscal 2021, which decrease was primarily due to IDBI Bank being our subsidiary for 12 months in Fiscal 2020 and nine months in Fiscal 2021 which led to a decrease in (i) interest earned by 32.30% from ₹150,660.97 million in Fiscal 2020 to ₹102,000.36 million in Fiscal 2021; (ii) sundry receipts by 57.98% from ₹23,918.90 million in Fiscal 2020 to ₹10,051.50 million in Fiscal 2021; and (iii) commission, exchange and brokerage by 35.59% from ₹20,105.65 million in Fiscal 2020 to ₹12,950.96 million in Fiscal 2021.

Total Expenses (Revenue Account)

Commissions (Revenue Account)

The following table sets forth the split of commissions paid across first year premiums, renewal premiums, single premiums, other commissions as well as our total commission paid for the Fiscal Years indicated.

Particulars	**Year Ended March 31,**	
	2021	**2020**
	(₹ in million)	
Commission paid:		
Direct – First year premiums	90,614.73	98,113.81
– Renewal premiums	115,143.90	104,127.94
– Single premiums	5,830.39	4,796.69
– Other commission	5.62	3.98
Sub-total	**211,594.64**	**207,042.42**
Add: Commission on Re-insurance Accepted	–	–
Less: Commission on Re-insurance Ceded	(27.73)	(441.29)
Net Commission	**211,566.91**	**206,601.13**
Rewards and Remuneration to Intermediaries	12,014.70	8,881.45
Total	**223,581.61**	**215,482.58**

Our total commission increased by 3.76% from ₹215,482.58 million in Fiscal 2020 to ₹223,581.61 million in Fiscal 2021, generally in line with the increase in premium of 6.02% over the same period. As a percentage of total premium, our total commission decreased by 0.12% from 5.63% in Fiscal 2020 to 5.51% in Fiscal 2021.

Our commission paid for first year premiums decreased by 7.64% from ₹98,113.81 million in Fiscal 2020 to ₹90,614.73 million in Fiscal 2021, generally in line with the decrease in first year premiums of 41.24% over the same period. As a percentage of first year premiums, our commission paid for first year premiums increased by 9.60% from 16.79% in Fiscal 2020 to 26.39% in Fiscal 2021.

Our commission paid for renewal premiums increased by 10.58% from ₹104,127.94 million in Fiscal 2020 to ₹115,143.90 million in Fiscal 2021, generally in line with the increase in renewal premiums of 8.78% over the same period. As a percentage of renewal premiums, our commission paid for renewal premiums increased by 0.09% from 5.14% in Fiscal 2020 to 5.23% in Fiscal 2021.

Our commission paid for single premiums increased by 21.55% from ₹4,796.69 million in Fiscal 2020 to ₹5,830.39 million in Fiscal 2021, generally in line with the increase in single premiums of 24.10% over the same period. As a percentage of single premiums, our commission paid for single premiums was 0.39% in Fiscal 2020 and remained at 0.39% in Fiscal 2021.

Operating Expenses Related to Insurance Business (Revenue Account)

Our operating expenses related to insurance business increased by 2.14% from ₹344,258.84 million in Fiscal 2020 to ₹351,622.15 million in Fiscal 2021. This increase was primarily due to a 6.64% increase in employees' remuneration & welfare benefits from ₹251,278.96 million in Fiscal 2020 to ₹267,962.72 million in Fiscal 2021, mainly due to the provision towards additional contribution to the pension fund, which increased by 21.99% from ₹74,652.40 million in Fiscal 2020 to ₹91,064.80 million Fiscal 2021.

The increase in employees' remuneration & welfare benefits was partially offset by, among other things, a decrease in:

(i) allowances and commission (other than commission to insurance agents) by 13.77% from ₹22,365.32 million in Fiscal 2020 to ₹19,285.80 million in Fiscal 2021, which was primarily due to a decrease in volume of new business; and

(ii) GST on premium etc. by 11.53% from ₹33,051.69 million in Fiscal 2020 to ₹29,242.09 million in Fiscal 2021, which was primarily due to a reduction in the portion of GST borne by us on plans issued prior to 2012 in India and a rectification entry of ineligible input tax credit.

Other Expenses (Revenue Account)

Other expenses decreased by 31.80% from ₹197,317.46 million in Fiscal 2020 to ₹134,561.64 million in Fiscal 2021. The primary reasons for this decrease in other expenses were the decreases in:

(i) interest expended by 33.26% from ₹132,874.87 million in Fiscal 2020 to ₹88,674.42 million in Fiscal 2021, which decrease was mainly due to a decrease in IDBI Bank's interest expended on a consolidated basis by 35.93% from ₹138,411.19 million in Fiscal 2020 to ₹88,674.42 million in Fiscal 2021 as IDBI Bank's interest expended was only consolidated for the nine months ended December 31, 2020 in Fiscal 2021 compared to all of Fiscal 2020; and

(ii) payments to and provisions for employees by 27.02% from ₹33,637.13 million in Fiscal 2020 to ₹24,549.18 million in Fiscal 2021, which decrease was mainly due to the decrease in IDBI Bank's payments to and provisions for employees, which was only consolidated for the nine months ended December 31, 2020 in Fiscal 2021 compared to all of Fiscal 2020.

Provisions for Doubtful Debts (Revenue Account)

Provisions for doubtful debts decreased by 6.49% from ₹108,881.65 million in Fiscal 2020 to ₹101,819.10 million in Fiscal 2021, primarily due to the decrease in IDBI Bank's provisions for doubtful debts on a consolidated basis, which decreased by 88.19% from ₹113,219.93 million in Fiscal 2020 to ₹12,234.35 million in Fiscal 2021 as IDBI Bank's financial results were only consolidated as a subsidiary for the nine months ended December 31, 2020 in Fiscal 2021 compared to its financial results being consolidated as a subsidiary for all of Fiscal 2020.

Provision for Taxation (Revenue Account)

Provision for taxation decreased by 15.29% from ₹108,255.58 million in Fiscal 2020 to ₹91,705.25 million in Fiscal 2021, primarily due to a decrease in provision for taxation for our Subsidiaries, mostly relating to IDBI Bank for which the provision for taxation on a consolidated basis declined from ₹39,509.05 million in Fiscal 2020 to ₹11,168.87 million in Fiscal 2021. However, the provision for taxation increased from ₹68,239.33 million in Fiscal 2020 to ₹79,877.60 million in Fiscal 2021 for our Corporation on a standalone basis due to the increase in valuation surplus by 7.09% from ₹539,548.59 million in Fiscal 2020 to ₹577,802.02 million in Fiscal 2021.

Provisions (Other than Taxation) (Revenue Account)

Provisions (other than taxation) decreased by ₹164,317.32 million from ₹135,621.14 million in Fiscal 2020 to ₹(28,696.18) million in Fiscal 2021, which decrease was primarily due to the decrease in provision for others from ₹111,715.98 million in Fiscal 2020 to ₹(85,316.54) million in Fiscal 2021, which was primarily due to recoveries and reduction in provision under non-performing assets. This decrease was partially offset by the increase in provisions for diminution in the value of investments (net) by 136.85% from ₹23,905.16 million in Fiscal 2020 to ₹56,620.36 million in Fiscal 2021.

Benefits Paid (Net) (Revenue Account)

The following table sets forth the benefits paid (net) for the Fiscal Years indicated.

Particulars	**Year Ended March 31,**	
	2021	**2020**
	(₹ in million)	
Insurance claims:		
Claims by death	239,268.94	175,279.87
Claims by maturity	1,691,763.97	1,539,186.03
Annuities/pensions payment	145,804.00	130,212.52
Other benefits:		
Surrenders[(1)]	803,475.51	702,642.72
Bonuses in cash	–	0.01
Hospitalisation benefits	124.68	154.10
Major surgical benefits	154.98	162.18

Particulars	Year Ended March 31,	
	2021	2020
	(₹ in million)	
Domiciliary treatment benefits	116.16	134.99
Day care benefits	21.66	31.04
Lump sum benefit/income benefit (by installment)	137.99	79.75
Other claims cost:		
Interest on unclaimed costs	8,505.79	8,767.39
Others	217.46	284.34
(Amount ceded in reinsurance):		
Claims by death	(4,435.59)	(1,861.70)
Claims by maturity	–	–
Annuities/Pensions payment	–	–
Other benefits	(265.04)	(273.69)
Amount accepted in reinsurance:		
Claims by death	–	–
Claims by maturity	–	–
Annuities/Pensions payment	–	–
Other benefits	–	(4.66)
Total	**2,884,890.51**	**2,554,794.89**

Note(s): (1) Includes partial surrender and switches.

Our benefits paid to policyholders increased by 12.92% from ₹2,554,794.89 million for Fiscal 2020 to ₹2,884,890.51 million in Fiscal 2021, primary due to increases in (i) claims by maturity by 9.91% from ₹1,539,186.03 million for Fiscal 2020 to ₹1,691,763.97 million in Fiscal 2021; (ii) surrenders by 14.35% from ₹702,642.72 million for Fiscal 2020 to ₹803,475.51 million in Fiscal 2021; and (iii) claims by death by 36.51% from ₹175,279.87 million for Fiscal 2020 to ₹239,268.94 million in Fiscal 2021, which increase was primarily due to deaths caused by COVID-19.

The above increases were partially offset by an increase in amount ceded in reinsurance – claims by death, which increased by 138.25% from ₹1,861.70 million for Fiscal 2020 to ₹4,435.59 million in Fiscal 2021.

Interim Bonuses Paid (Revenue Account)

Interim bonuses paid increased by 33.21% from ₹16,733.70 million for Fiscal 2020 to ₹22,290.73 million in Fiscal 2021.

Change in Valuation of Liability in Respect of Life Policies (Revenue Account)

The gross change in valuation of liability in respect of life policies increased by 8.26% from ₹2,966,283.81 million in Fiscal 2020 to ₹3,211,340.48 million in Fiscal 2021. Policyholder's liability depends upon the business profile and assumptions made about future mortality/morbidity, interest, expenses, etc., at each point of time. The change in business profile happens due to policies exiting and policies entering mainly due to new business and existing policies getting closer to maturity.

Transfer to/(from) Provision for Linked Liabilities (Revenue Account)

There was a transfer to provision for linked liabilities of ₹4,343.10 million in Fiscal 2021 compared to a transfer from provision for linked liabilities of ₹91,103.40 million in Fiscal 2020. This change was primarily due to the loss on sale of redemption of investments of unit fund of linked business in Fiscal 2020 as compared to Fiscal 2021.

Surplus/Deficit (Revenue Account)

Primarily due to the loss incurred by IDBI Bank on a consolidated basis amounting to ₹128,474.02 million in Fiscal 2020, we experienced a deficit of ₹101,489.32 million in Fiscal 2020 compared to a surplus of ₹38,618.17 million in Fiscal 2021.

Share of Profit in Associates (Revenue Account)

Our share of profits in associates increased by 102.52% from ₹5,744.42 million in Fiscal 2020 to ₹11,633.54 million in Fiscal 2021, which increase was primarily due to our share of profit in associates including ₹3,201.97 million for our share of profit in IDBI Bank for the three months ended March 31, 2021 and our share in profit in LIC Housing Finance Ltd increasing from ₹5,468.91 million in Fiscal 2020 to ₹8,340.50 million in Fiscal 2021.

Minority Interest (Revenue Account)

The minority share of loss during Fiscal 2020 was ₹63,726.72 million compared to the minority share of profit of ₹4,465.25 million in Fiscal 2021. The primary reason for the change was due to IDBI Bank's loss of ₹128,474.02 million in Fiscal 2020 on a consolidated basis compared to IDBI Bank's profit of ₹9,007.49 million in Fiscal 2021 on a consolidated basis.

Amount Transferred from Policyholders' Account (Profit and Loss Account – Shareholders' Account)

Amount transferred from Policyholders' Account increased by 9.91% from ₹26,955.13 million in Fiscal 2020 to ₹29,625.82 million in Fiscal 2021, arising mainly from an increase in the surplus payable to the Shareholders and an increase in the earnings retained by our Subsidiaries.

Income from Investments (Profit and Loss Account – Shareholders' Account)

Income from investments decreased by 35.14% from ₹354.43 million in Fiscal 2020 to ₹229.89 million in Fiscal 2021, mainly due to a decrease in dividends by 49.50% from ₹352.01 million in Fiscal 2020 to ₹177.77 million in Fiscal 2021 resulting from the reduction in dividend received from some Subsidiaries.

Total Expenses (Profit and Loss Account – Shareholders' Account)

Our total expenses decreased by 58.01% from ₹124.40 million in Fiscal 2020 to ₹52.24 million in Fiscal 2021, primarily due to the decreases in (i) provisions (other than taxation) from ₹58.75 million in Fiscal 2020 to nil in Fiscal 2021 on account of the provision for diminution in the value of equity investment in Saudi Indian Company for Cooperative Insurance; and (ii) contribution to Policyholders' Account towards others by 22.16% from ₹61.15 million in Fiscal 2020 to ₹47.60 million in Fiscal 2021. This was because during Fiscal 2019, the Shareholder's subsidy contribution was under-provisioned, and it was detected while doing the actuarial valuation for Fiscal 2020. It was corrected then and the balance amount belonging to the previous year was taken in Fiscal 2020, which means that the total amount in Fiscal 2020 included the subsidy for Fiscal 2019 and also a portion belonging to the previous year, i.e., Fiscal 2018.

Profit Before/After Tax (Profit and Loss Account)

As a result of the above, profit before tax increased by 9.63% from ₹27,185.16 million in Fiscal 2020 to ₹29,803.47 million in Fiscal 2021.

Provision for taxation, which is made on profit before taxation excluding the amount transferred from the Policyholders' Account, decreased by 22.77% from ₹80.38 million in Fiscal 2020 to ₹62.08 million in Fiscal 2021. The decrease was primarily due to the decrease in income from investments in our profit and loss account by 35.14% from ₹354.43 million in Fiscal 2020 to ₹229.89 million in Fiscal 2021.

Primarily as a result of the factors mentioned above, profit after tax increased by 9.73% from ₹27,104.78 million in Fiscal 2020 to ₹29,741.39 million in Fiscal 2021.

Fiscal 2020 Compared to Fiscal 2019

Additional Significant Factors Affecting our Results of Operations

Life Insurance Corporation of India (Employees) Pension (Amendment) Rules, 2019 were notified by the Government on April 23, 2019 giving one-time pension option to employees who had not opted it before, in accordance with the terms and conditions as specified in the said notification. Financial liability of ₹111,246.6 million arising due to the fresh pension given to employees is being amortized over a period of five years with effect from Fiscal 2020. The IRDAI approved the amortization of this expense over a five-year period *vide* its letter no. 101/2/F&A-Life/LIC/2018-2019/208 dated July 6, 2020. Accordingly, an instalment of ₹22,249.3 million was expensed in Fiscal 2020. If the approval from the IRDAI had not been granted, our Corporation would have recorded much higher expenses and a lower surplus in our Policyholders' Account in Fiscal 2020.

Premium Earned - Net (Revenue Account)

<u>Premium</u>

The following table sets forth our premium by type, product type and customer type in India and outside India for Fiscal 2019 and Fiscal 2020.

Particulars	Year Ended March 31,							
	2020				2019			
	First year premiums	Renewal premiums	Single premiums & CAG[1]	Total	First year premiums	Renewal premiums	Single premiums & CAG	Total
	(₹ in million)							
Non-Linked Business:								
-Life Participating	290,806.50	1,913,971.93	66,818.58	**2,271,597.00**	262,872.09	1,852,297.47	78,958.09	**2,194,127.65**
-Life Non-Participating	1,577.12	10,432.42	174.60	**12,184.13**	1,764.79	9,916.22	36.81	**11,717.82**
-Annuity Participating	–	44.91	–	**44.91**	–	48.74	–	**48.74**
-Annuity Non-Participating	–	61.36	152,368.80	**152,430.16**	–	70.69	164,850.02	**164,920.71**
-Pension Participating	237.06	6,185.15	84.82	**6,507.03**	221.52	6,768.24	89.22	**7,078.98**
-Health Non-Participating	1,047.37	2,101.42	–	**3,148.80**	1,126.04	1,852.33	–	**2,978.37**
-Variable Non-Participating	–	376.54	–	**376.54**	–	472.15	–	**472.15**
-Group Non-Participating	285,015.67	68,797.18	982,476.88	**1,336,289.73**	46,521.02	70,101.92	865,270.10	**981,893.04**
Linked Business:								
-Life Non-Participating	524.98	3,685.83	386.40	**4,597.22**	342.53	4,081.15	–	**4,423.68**
-Pension Non-Participating	–	1,797.64	–	**1,797.64**	–	2,269.21	–	**2,269.21**
-Health Non-Participating	–	1,089.45	–	**1,089.45**	–	1,273.82	–	**1,273.82**
-Group Non-Participating	–	73.02	–	**73.02**	–	96.02	–	**96.02**
Total in India	**579,208.70**	**2,008,616.85**	**1,202,310.08**	**3,790,135.63**	**312,847.99**	**1,949,247.96**	**1,109,204.24**	**3,371,300.20**
Outside India including Subsidiaries	**5,256.29**	**16,755.59**	**15,966.99**	**37,978.87**	**3,917.62**	**13,318.61**	**14,409.73**	**31,645.95**
Total Premium	**584,464.99**	**2,025,372.44**	**1,218,277.07**	**3,828,114.50**	**316,765.61**	**1,962,566.57**	**1,123,613.97**	**3,402,946.15**

Note(s): (1) CAG is the abbreviation for consideration for annuity granted.

Our total premium increased by 12.49% from ₹3,402,946.15 million in Fiscal 2019 to ₹3,828,114.50 million in Fiscal 2020, primarily due to the increase in premium in India by ₹418,835.44 million, or 12.42%, from ₹3,371,300.19 million in Fiscal 2019 to ₹3,790,135.63 million in Fiscal 2020 on account of the strong growth in new business written under our individual and group business in participating, non-participating and unit-linked life segments and stable renewal premiums.

Our first-year premiums increased by 84.51% from ₹316,765.61 million in Fiscal 2019 to ₹584,464.99 million in Fiscal 2020, primarily due to the increase in our (i) premiums earned from the group non-participating business by 512.66% from ₹46,521.02 million in Fiscal 2019 to ₹285,015.67 million in Fiscal 2020 primarily due to the contributions by the government of Tamil Nadu towards the defined contribution schemes for its employees; and (ii) premiums earned from the individual life participating business by 10.63% from ₹262,872.09 million in Fiscal 2019 to ₹290,806.50 million in Fiscal 2020, which was primarily due to the introduction of our modified plans.

Our renewal premiums increased by 3.20% from ₹1,962,566.57 million in Fiscal 2019 to ₹2,025,372.44 million in Fiscal 2020, primarily due to the increase in renewal premiums earned in India by 3.05% from ₹1,949,247.96 million in Fiscal 2019 to ₹2,008,616.85 million in Fiscal 2020, on account of the increase in premiums earned from the individual life participating business by 3.33% from ₹1,852,297.47 million in Fiscal 2019 to ₹1,913,971.93 million in Fiscal 2020, reflecting the continued impact of the sales of our regular premium products during previous years, as well as the customer initiatives we have undertaken in improving renewal premium collection.

Our single premiums & CAG increased by 8.42% from ₹1,123,613.97 million in Fiscal 2019 to ₹1,218,277.07 million in Fiscal 2020, primarily due to the increase in single premiums & CAG earned in India by 8.39% from ₹1,109,204.24 million in Fiscal

2019 to ₹1,202,310.08 million in Fiscal 2020 on account of the increase in premiums earned from our group non-participating business by 13.55% from ₹865,270.10 million in Fiscal 2019 to ₹982,476.88 million in Fiscal 2020, which was primarily due to the increase in our premiums earned under gratuity schemes.

For more details on our premium in India, see "*Our Business – Our Product Breakdown in Numbers*" on page 200.

Income from Investments (Revenue Account)

The following table sets forth our income from investments for the Fiscal Years indicated.

Particulars	**Year Ended March 31,**	
	2020	**2019**
	(₹ in million)	
Income from Investments:		
Interest, dividends & rent – gross	2,220,501.02	2,000,210.33
Of which:		
Interest (standalone)	2,039,594.81	1,863,401.49
Dividends (standalone)	114,171.18	111,715.17
Rent income (standalone)	4,253.12	3,964.85
Subsidiaries' interest, dividends & rent – gross	62,481.91	21,128.82
Profit on sale/redemption of investments	313,616.70	302,412.19
(Loss on sale/redemption of investments)	(119,741.88)	(63,440.11)
Transfer/gain on revaluation/change in fair value(1)	13,987.30	11,252.99
Total income from investments	**2,428,363.14**	**2,250,435.40**

Notes: (1)Represents the deemed realised gain as per norms specified by the Authority.

The table below sets forth the average yield on our Corporation's interest earning assets and equity investments on a standalone basis for the Fiscal Years indicated:

Particulars	**Year ended March 31,**	
	2020	**2019**
Average yield on interest earning assets (%)	8.53	8.61
Average yield on equity investments (%)	2.56	2.69

Our total income from investments increased by 7.91% from ₹2,250,435.40 million in Fiscal 2019 to ₹2,428,363.14 million in Fiscal 2020, primarily due to:

(i) increases in interest, dividends, rent – gross by 11.01% from ₹2,000,210.33 million in Fiscal 2019 to ₹2,220,501.02 million in Fiscal 2020, which was primarily due to (a) a ₹176,193.32 million, or 9.46%, increase in interest (standalone) from ₹1,863,401.49 million in Fiscal 2019 to ₹2,039,594.81 million in Fiscal 2020, which was primarily on account of the increase in investment in interest bearing securities, which increase was partially offset by a decrease in the average yield on interest earning assets on a standalone basis from 8.61% for Fiscal 2019 to 8.53% for Fiscal 2020 and (b) a ₹41,353.09 million, or 195.72%, increase in Subsidiaries' interest, dividends & rent – gross, which increase was mainly due to IDBI Bank's consolidated financial results being consolidated as a subsidiary for 12 months in Fiscal 2020 compared with only three months in Fiscal 2019; and

(ii) profit on sale/redemption of investments by 3.71% from ₹302,412.19 million in Fiscal 2019 to ₹313,616.70 million in Fiscal 2020, which was on account of the realised profit on sale of equity under our non-linked portfolio.

The aforementioned increases were partially offset by an increase in loss on sale/redemption of investments by ₹56,301.77 million, or 88.75%, from ₹63,440.11 million in Fiscal 2019 to ₹119,741.88 million in Fiscal 2020, which was on account of losses under our linked portfolio resulting from turbulent market conditions.

Other Income (Revenue Account)

Our other income increased by 250.23% from ₹57,943.96 million in Fiscal 2019 to ₹202,936.40 million in Fiscal 2020 primarily due to IDBI Bank, which was our subsidiary for 12 months in Fiscal 2020 and three months in Fiscal 2019, which led to an increase (i) interest earned by 291.56% from ₹38,477.51 million in Fiscal 2019 to ₹150,660.97 million in Fiscal 2020; (ii) sundry receipts by 124.97% from ₹10,632.04 million in Fiscal 2019 to ₹23,918.90 million in Fiscal 2020; and (iii) commission, exchange and brokerage by 228.02% from ₹6,129.35 million in Fiscal 2019 to ₹20,105.65 million in Fiscal 2020.

Total Expenses (Revenue Account)

Commissions (Revenue Account)

The following table sets forth the split of commissions paid across first year premiums, renewal premiums and single premiums and the corresponding ratios of commissions paid to premiums received excluding GST for the Fiscal Years indicated.

Particulars	**Year Ended March 31,**	
	2020	**2019**
	(₹ in million)	
Commission paid:		
Direct – First year premiums	98,113.81	88,882.68
– Renewal premiums	104,127.94	101,117.27
– Single premiums	4,796.69	5,224.95
– Other commission	3.98	2.99
Sub-total	**207,042.42**	**195,227.89**
Add: Commission on Re-insurance Accepted	–	–
Less: Commission on Re-insurance Ceded	(441.29)	(350.66)
Net Commission	**206,601.13**	**194,877.23**
Rewards and Remuneration to Intermediaries	8,881.45	9,948.86
Total Commission	**215,482.58**	**204,826.09**

Our total commission increased by 5.20% from ₹204,826.09 million in Fiscal 2019 to ₹215,482.58 million in Fiscal 2020, which was primarily due to the increased volumes of new business and renewal premiums, and was generally in line with the increase in premium of 12.49% over the same period. As a percentage of total premium, our total commission decreased by 0.39% from 6.02% in Fiscal 2019 to 5.63% in Fiscal 2020.

Our commission paid for first year premiums increased by 10.39% from ₹88,882.68 million in Fiscal 2019 to ₹98,113.81 million in Fiscal 2020, generally in line with the increase in first year premiums of 84.51% over the same period. As a percentage of first year premiums, our commission paid for first year premiums decreased by 11.27% from 28.06% in Fiscal 2019 to 16.79% in Fiscal 2020.

Our commission paid for renewal premiums increased by 2.98% from ₹101,117.27 million in Fiscal 2019 to ₹104,127.94 million in Fiscal 2020, generally in line with the increase in renewal premiums of 3.20% over the same period. As a percentage of renewal premiums, our commission paid for renewal premiums decreased by 0.01% from 5.15% in Fiscal 2019 to 5.14% in Fiscal 2020.

Our commission paid for single premiums decreased by 8.20% from ₹5,224.95 million in Fiscal 2019 to ₹4,796.69 million in Fiscal 2020, generally in line with the increase in single premiums of 8.42% over the same period. As a percentage of single premiums, our commission paid for single premiums decreased by 0.08% from 0.47% in Fiscal 2019 to 0.39% in Fiscal 2020.

Operating Expenses Related to Insurance Business (Revenue Account)

Our operating expenses related to insurance business increased by 21.51% from ₹283,316.03 million in Fiscal 2019 to ₹344,258.84 million in Fiscal 2020, driven by increases in:

(i) employees' remuneration & welfare benefits by 26.24% from ₹199,045.39 million in Fiscal 2019 to ₹251,278.96 million in Fiscal 2020, which increase was primarily due to (i) an increase in salaries; and (ii) an expense of ₹22,249.3 million arising from our employees electing to participate in our Corporation's fresh pension scheme for the first time in Fiscal 2020. Our Corporation was permitted to amortise ₹111,246.6 million of expenses incurred in relation to the pension scheme over a period of five years, pursuant to the approval granted by IRDAI *vide* its letter no. 101/2/F&A-Life/LIC/2018-2019/208 dated July 6, 2020; and

(ii) allowances and commission (other than commission to insurance agents) by 13.17% from ₹19,762.87 million in Fiscal 2019 to ₹22,365.32 million in Fiscal 2020, on account of the increase in incentive bonus to development officers on their annual performance appraisals, transaction fee and re-imbursements to SBAs, agents' travelling expenses and pre-recruitment expenses.

Other Expenses (Revenue Account)

Other expenses increased by 308.32% from ₹48,323.77 million in Fiscal 2019 to ₹197,317.46 million in Fiscal 2020. The primary reasons for this increase were increases in:

(i) interest expended by 287.22% from ₹34,314.94 million in Fiscal 2019 to ₹132,874.87 million in Fiscal 2020, which increase was mainly due to the financial results of IDBI Bank being consolidated as a subsidiary for 12 months in Fiscal 2020 and three months in Fiscal 2019.

(ii) payments to and provisions for employees by 417.39% from ₹6,501.28 million in Fiscal 2019 to ₹33,637.13 million in Fiscal 2020, which increase was mainly due to the financial results of IDBI Bank being consolidated as a subsidiary for 12 months in Fiscal 2020 and three months in Fiscal 2019.

Provisions for Doubtful Debts (Revenue Account)

Provisions for doubtful debts decreased by 4.92% from ₹114,520.09 million in Fiscal 2019 to ₹108,881.65 million in Fiscal 2020, primarily due to our Corporation's write back of provisions for doubtful debts of ₹4,338.28 million in Fiscal 2020 on a standalone basis compared to our Corporation's provisions for doubtful debts of ₹34,714.95 million in Fiscal 2019 on a standalone basis. This was partially offset by the increase in IDBI Bank's provisions for doubtful debts on a consolidated basis, which increased by 41.87% from ₹79,806.72 million in Fiscal 2019 to ₹113,219.93 million in Fiscal 2020, which increase was primarily due to IDBI Bank's financial results were consolidated as a subsidiary for 12 months in Fiscal 2020 compared with only three months in Fiscal 2019.

Provision for Taxation (Revenue Account)

Provision for taxation increased by 94.82% from ₹55,567.74 million in Fiscal 2019 to ₹108,255.58 million in Fiscal 2020, primarily due to an increase in provision for taxation for our Subsidiaries, mostly relating to IDBI Bank, which had a write back of provision for taxation of ₹22,003.65 million in Fiscal 2019 on a consolidated basis compared to a provision for taxation of ₹39,509.05 million in Fiscal 2020. This was partially offset by the decrease in our Corporation's provision for taxation on a standalone basis by 11.63% from ₹77,218.38 million in Fiscal 2019 to ₹68,239.33 million in Fiscal 2020.

Provisions (Other than Taxation) (Revenue Account)

Provisions (other than taxation) increased by 226.87% from ₹41,491.23 million in Fiscal 2019 to ₹135,621.14 million in Fiscal 2020, which increase was primarily due to the increases in (i) provision for others by 255.80% from ₹31,398.61 million in Fiscal 2019 to ₹111,715.98 million in Fiscal 2020, which was primarily due to an increase in provision for non-performing assets; and (ii) provisions for diminution in the value of investments (net) by 136.86% from ₹10,092.62 million in Fiscal 2019 to ₹23,905.16 million in Fiscal 2020.

Benefits Paid (Net) (Revenue Account)

The following table sets forth the benefits paid (net) and interim/terminal bonuses paid for the Fiscal Years indicated.

Particulars	**Year Ended March 31,**	
	2020	**2019**
	(₹ in million)	
Insurance claims:		
Claims by death	175,279.87	171,288.42
Claims by maturity	1,539,186.03	1,543,676.83
Annuities/pensions payment	130,212.52	109,181.14
Other benefits:		
Surrenders(1)	702,642.72	693,431.51
Bonuses in cash	0.01	–
Hospitalisation benefits	154.10	100.73
Major surgical benefits	162.18	180.34
Domiciliary treatment benefits	134.99	119.53
Day care benefits	31.04	28.52
Lump sum benefit/income benefit (by installment)	79.75	10.85
Other claims cost:		
Interest on unclaimed costs	8,767.39	7,460.09
Others	284.34	132.53
(Amount ceded in reinsurance):		
Claims by death	(1,861.70)	(1,650.72)
Claims by maturity	–	–
Annuities/Pensions payment	–	–
Other benefits	(273.69)	(151.43)
Amount accepted in reinsurance:		
Claims by death	–	–
Claims by maturity	–	–
Annuities/Pensions payment	–	–
Other benefits	(4.66)	–
Total	**2,554,794.89**	**2,523,808.34**

Note(s): (1) Includes partial surrender and switches.

Our benefits paid to policyholders increased by 1.23% from ₹2,523,808.34 million for Fiscal 2019 to ₹2,554,794.89 million in Fiscal 2020, primary due to an increase in annuities/pension payments by 19.26% from ₹109,181.14 million for Fiscal 2019 to ₹130,212.52 million in Fiscal 2020.

Change in Valuation of Liability in Respect of Life Policies (Revenue Account)

The gross change in valuation of liability in respect of life policies increased by 16.97% from ₹2,535,854.60 million in Fiscal 2019 to ₹2,966,283.81 million in Fiscal 2020. Policyholder's liability depends upon the business profile and assumptions made about future mortality/morbidity, interest, expenses, etc., at each point of time. The change in business profile happens due to policies exiting and policies entering mainly due to new business and existing policies getting closer to maturity.

Transfer to/(from) Provision for Linked Liabilities (Revenue Account)

The transfer from provision for linked liabilities decreased by 2.17% from ₹93,122.82 million in Fiscal 2019 to ₹91,103.40 million in Fiscal 2020.

Surplus/Deficit (Revenue Account)

Our total deficit increased by ₹77,328.37 million, or 320.06%, from ₹24,160.96 million in Fiscal 2019 to ₹101,489.32 million in Fiscal 2020. The increase in the deficit was primarily due to the 163.13% increase in deficit incurred by IDBI Bank on a consolidated basis from ₹48,824.75 million in Fiscal 2019 to ₹128,474.02 million in Fiscal 2020, which was primarily due to its financial results being consolidated for three months in Fiscal 2019 and for 12 months in Fiscal 2020.

Share of Profit in Associates (Revenue Account)

Our share of profits in associates decreased by 14.06% from ₹6,683.97 million in Fiscal 2019 to ₹5,744.42 million in Fiscal 2020, which decrease was primarily due to the reduction in share of profit contributed by LIC Housing Finance Limited during Fiscal 2020.

Minority Interest (Revenue Account)

Minority share of loss increased by 153.27% from ₹25,162.06 million in Fiscal 2019 to ₹63,726.72 million in Fiscal 2020, which increase was primarily due to the 163.13% increase in deficit incurred by IDBI Bank on a consolidated basis from ₹48,824.75 million in Fiscal 2019 to ₹128,474.02 million in Fiscal 2020, which was primarily due to its financial results being consolidated for three months in Fiscal 2019 and for 12 months in Fiscal 2020.

Amount Transferred from Policyholders' Account (Profit and Loss Account – Shareholders' Account)

Amount transferred from Policyholder's Account increased by 3.69% from ₹25,994.77 million in Fiscal 2019 to ₹26,955.13 million in Fiscal 2020, mainly due to an increase in the surplus payable to the Shareholders and an increase in the earnings retained by our Subsidiaries.

Income from Investments (Profit and Loss Account – Shareholders' Account)

Income from investments decreased by 22.14% from ₹455.19 million in Fiscal 2019 to ₹354.43 million in Fiscal 2020, mainly due to a decrease in: (i) profit on sale/redemption of investments by 83.17% from ₹126.00 million in Fiscal 2019 to ₹21.21 million in Fiscal 2020 resulting from one time amount received on renunciation of rights from an affiliate in Fiscal 2019 and (ii) gross interest, dividends and rent by 5.82% from ₹373.75 million in Fiscal 2019 to ₹352.01 million in Fiscal 2020 primarily due to the reduction in dividend received from some Subsidiaries. The decreases were partially offset by a decrease in loss on sale/redemption of investments by 57.83% from ₹44.56 million in Fiscal 2019 to ₹18.79 million in Fiscal 2020 on account of the amount written off in relation to the reduction in capital of an affiliate in Fiscal 2019.

Total Expenses (Profit and Loss Account – Shareholders' Account)

Our total expenses increased by 372.82% from ₹26.31 million in Fiscal 2019 to ₹124.40 million in Fiscal 2020, primarily due to the increases in (a) contribution to the Policyholders' Account towards others by 176.70% from ₹22.10 million in Fiscal 2019 to ₹61.15 million in Fiscal 2020. This was because during Fiscal 2019, the Shareholder's subsidy contribution was under-provisioned and it was detected while doing the actuarial valuation for Fiscal 2020. Therefore, the total expenses recorded in Fiscal 2020 include the subsidy for Fiscal 2019 and also a portion belonging to Fiscal 2018; and (b) provisions (other than taxation) from nil in Fiscal 2019 to ₹58.75 million in Fiscal 2020 on account of the provisions for diminution in value of equity investment in Saudi Indian Company for Cooperative Insurance.

Profit Before/After Tax (Profit and Loss Account – Shareholders' Account)

As a result of the above, profit before tax increased by 2.88% from ₹26,423.65 million in Fiscal 2019 to ₹27,185.16 million in Fiscal 2020.

Provision for tax, which is made on profit before taxation excluding the amount transferred from the Policyholders' Account, decreased by ₹69.49 million, or 46.37%, from ₹149.87 million in Fiscal 2019 to ₹80.38 million in Fiscal 2020. The decrease was primarily due to the decrease in income from investments in our profit and loss account by 22.14% from ₹455.19 million in Fiscal 2019 to ₹354.43 million in Fiscal 2020.

Primarily due to the factors mentioned above, our profit after tax increased by 3.16% from ₹26,273.78 million in Fiscal 2019 to ₹27,104.78 million in Fiscal 2020.

Our Financial Condition

Significant Factors Affecting our Financial Condition

IDBI Bank became a subsidiary with effect from January 21, 2019 following our Corporation's acquisition of an additional 827,590,885 of the outstanding equity shares in IDBI Bank, which resulted in our Corporation owning 51% of the outstanding shares in IDBI Bank. On December 19, 2020, IDBI Bank was reclassified as an associate company due to the reduction of our Corporation's shareholding to 49.24% following the issuance of additional equity shares by IDBI Bank in a qualified institutions placement. Accordingly, the investments, assets and liabilities reflected in our restated consolidated balance sheets as at March 31, 2019 and March 31, 2020 include those of IDBI Bank but those as at March 31, 2021 and December 31, 2021 do not. The following table shows a breakdown of our financial condition from our restated consolidated balance sheet as at the dates indicated.

Balance sheet	As at December 31, 2021	As at March 31,		
		2021	2020	2019
	(₹ in million)			
Sources of funds:				
Shareholders' funds:				
Share capital	63,249.98	1,000.00	1,000.00	1,000.00
Reserves and surplus	24,986.17	67,054.71	8,916.58	7,984.35
Credit/(debit) fair value change account	1,408.34	784.97	101.69	(887.61)
Minority interest (Shareholders)	1,018.79	992.76	962.84	877.61
Sub-total	**90,663.28**	**69,832.44**	**10,981.11**	**8,974.35**
Borrowings	**36.66**	**36.65**	**2,534,135.99**	**2,694,005.95**
Policyholders' funds:				
Credit/(debit) fair value change account	3,821,597.90	2,729,449.88	(43,165.63)	2,166,952.55
Policy liabilities	36,600,694.41	34,207,270.03	31,028,155.02	28,056,931.13
Minority interest (Policyholders)	42.53	209.48	171,331.95	188,363.61
Funds for discontinued policies:				
Discontinued on account of non-payment of premium	552.09	336.60	333.42	327.10
Others	168.94	169.97	185.17	190.69
Insurance Reserves	148,768.23	127,114.55	114,148.90	130,959.43
Provision for linked liabilities	234,273.74	329,591.68	325,352.99	416,508.65
Sub-total	**40,806,134.50**	**37,394,178.84**	**34,130,477.81**	**33,654,239.11**
Funds for future appropriations	11,070.00	33.40	286.82	132.71
Total sources of funds	**40,907,867.78**	**37,464,044.68**	**34,141,745.74**	**33,663,346.17**
Application of Funds:				
Investments:				

Balance sheet	As at December 31, 2021	As at March 31,		
		2021	2020	2019
	(₹ in million)			
Shareholders’	51,866.53	4,264.03	4,008.40	3,693.83
Policyholders’	38,436,172.98	34,984,407.37	29,579,077.57	28,776,866.93
Assets held to cover linked liabilities	234,670.22	329,749.57	321,698.86	335,668.71
Loans	1,111,411.48	1,087,636.65	2,374,346.96	2,498,803.33
Fixed Assets	34,631.44	34,740.26	145,717.78	145,675.77
Current Assets:				
Cash and bank balances	218,272.86	360,783.18	631,526.28	678,995.28
Advances and other assets	1,501,465.14	1,493,661.00	1,941,964.94	1,832,788.44
Total current assets (A)	**1,719,738.00**	**1,854,444.18**	**2,573,491.22**	**2,511,783.72**
Current Liabilities:				
Current liabilities	531,146.73	681,714.55	650,317.13	402,823.05
Provisions	149,476.14	149,482.83	206,277.92	206,323.07
Total current liabilities (B)	**680,622.87**	**831,197.38**	**856,595.05**	**609,146.12**
Net current assets (C) = (A) – (B)	**1,039,115.13**	**1,023,246.80**	**1,716,896.17**	**1,902,637.60**
Total application of funds	**40,907,867.78**	**37,464,044.68**	**34,141,745.74**	**33,663,346.17**

Our share capital increased from ₹1,000.00 million as at March 31, 2021 to ₹63,249.98 million as at December 31, 2021 primarily due the allotment of 6,324,997,701 Equity Shares, which was effected on September 8, 2021.

Our reserves and surplus (Shareholders’ funds) increased from ₹8,916.58 million as at March 31, 2020 to ₹67,054.71 million as at March 31, 2021 and decreased to ₹24,986.17 million as at December 31, 2021. The increase as at March 31, 2021 was primarily due to the retention of the surplus of Fiscal 2020 and Fiscal 2021 payable to the Shareholders, while the decrease as at December 31, 2021 was on account of the allotment of 6,324,997,701 Equity Shares from our reserves and surplus, which was effected on September 8, 2021.

Our borrowings decreased from ₹2,534,135.99 million as at March 31, 2020 to ₹36.65 million as at March 31, 2021 primarily due to IDBI Bank’s financial results no longer being consolidated as a subsidiary as at March 31, 2021. IDBI Bank’s borrowings were ₹2,589,627.08 million as at March 31, 2020.

Our credit/(debit) fair value change account (policyholders’ funds) was ₹2,166,952.55 million as at March 31, 2019, ₹(43,165.63) million as at March 31, 2020, ₹2,729,449.88 million as at March 31, 2021 and ₹3,821,597.90 million as at December 31, 2021. The sharp decline in fair value was primarily due to the fall in share prices, on account of the COVID-19 pandemic in Fiscal 2020.

Policy liabilities (policyholders’ funds) increased from ₹28,056,931.13 million as at March 31, 2019 to ₹31,028,155.02 million as at March 31, 2020 and ₹34,207,270.03 million as at March 31, 2021. Policyholder’s liability depends upon the business profile and assumptions made about future mortality/morbidity, interest, expenses, etc., at each point of time. The change in business profile happens due to policies exiting and policies entering mainly due to new business and existing policies getting closer to maturity.

The funds for future appropriations increased from ₹33.40 million as at March 31, 2021 to ₹11,070.00 million as at December 31, 2021 since the allocation of surplus to either the participating policyholder or Shareholder, with respect to the surplus generated as at September 30, 2021, will only be conducted at the end of the Fiscal Year as per the provisions in the Insurance Act and IRDAI’s regulations.

Minority interest (policyholders’ funds) in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Corporation in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments. The amount of equity attributable to the minority shareholders decreased from ₹171,331.95 million as at March 31, 2020 to ₹209.48 million as at March 31, 2021, since IDBI Bank’s financial results were no longer consolidated as a subsidiary as at March 31, 2021.

Our provision for linked liabilities (policyholders’ funds) decreased from ₹416,508.65 million as at March 31, 2019 to ₹325,352.99 million as at March 31, 2020, increased to ₹329,591.68 million as at March 31, 2021 and decreased to ₹234,273.74 million as at December 31, 2021. The decrease in our provision for linked liabilities as at March 31, 2020 was primarily due to the reduction in fair value of investments of unit fund of linked business in Fiscal 2020. The decrease in our provision for linked liabilities as at December 31, 2021 was due to a greater claims pay-out following the maturity of the Endowment Plus plan and the Samrudhi plan.

Our Shareholders' investments increased from ₹4,264.03 million as at March 31, 2021 to ₹51,866.53 million as at December 31, 2021 on account of allocation of investments commensurate with the increase in capital.

Our policyholders' investments increased from ₹28,776,866.93 million as at March 31, 2019 to ₹29,579,077.57 million as at March 31, 2020 and further increased to ₹34,984,407.37 million as at March 31, 2021. These increases were primarily due to the corresponding increases in premium income, interest income, realised gain on investments and the upward trend in fair value of equity.

Our loans decreased from ₹2,374,346.96 million as March 31, 2020 to ₹1,087,636.65 million as at March 31, 2021 primarily due to the repayment of loans.

Our fixed assets decreased from ₹145,717.78 million as March 31, 2020 to ₹34,740.26 million as at March 31, 2021, primarily due to IDBI Bank's financial results no longer being consolidated as a subsidiary as at March 31, 2021. IDBI Bank's fixed assets were ₹82,067.60 million as at March 31, 2020.

Our goodwill decreased from ₹33,284.48 million as March 31, 2020 to nil as at March 31, 2021 due to IDBI Bank's financial results no longer being consolidated as a subsidiary as at March 31, 2021.

Our cash and bank balances decreased from ₹631,526.28 million as March 31, 2020 to ₹360,783.18 million as at March 31, 2021 primarily due to IDBI Bank's financial results no longer being consolidated as a subsidiary as at March 31, 2021. IDBI Bank's cash and bank balances were ₹304,949.65 million as at March 31, 2020.

Our advances and other assets decreased from ₹1,941,964.94 million as March 31, 2020 to ₹1,493,661.00 million as at March 31, 2021 primarily due to IDBI Bank's financial results no longer being consolidated as a subsidiary as at March 31, 2021. IDBI Bank's advances and other assets were ₹501,703.97 million as at March 31, 2020.

Our current liabilities (excluding provisions) increased from ₹402,823.05 million as at March 31, 2019 to ₹650,317.13 million as at March 31, 2020 primarily due to the increase in provision made for outstanding claims, outstanding unclaimed amounts and outstanding expenses in Fiscal 2020. Our current liabilities (excluding provisions) decreased from ₹681,714.55 million as at March 31, 2021 to ₹531,146.73 million as at December 31, 2021 primarily due to the decrease in provision made for outstanding claims, outstanding expenses and amounts due to trustees of staff provident & pension fund.

Our provisions decreased from ₹206,277.92 million as at March 31, 2020 to ₹149,482.83 million as at March 31, 2021 primarily due to IDBI Bank's financial results no longer being consolidated as a subsidiary as at March 31, 2021. IDBI Bank's provisions were ₹29,823.28 million as at March 31, 2020.

Segment Information

We have business in force in six different segments namely (i) life business; (ii) pension business; (iii) annuity business; (iv) variable business; (v) health business and (vi) unit-linked business. Due to the immaterially of our variable business and health business segment, we have not included a discussion on the segment income and surplus of those segments.

Segment Results for the Nine Months Ended December 31, 2021

The following table shows a breakdown of our segment income and surplus from our restated consolidated statement on segmental disclosure during the nine months ended December 31, 2021.

Particulars	Non-linked		Linked Business	Subtotal		Subsidiaries/ Inter-company adjustments	Total
	Participating	Non-participating	Non-participating	Participating	Non-participating		
	(₹ in million)						
Segment Income	3,418,295.85	1,612,020.71	66,191.80	3,418,295.85	1,678,212.51	26,283.69	5,122,792.05
Segment Expenses	3,418,295.85	1,605,235.71	57,036.61	3,418,295.85	1,662,272.32	25,795.76	5,106,363.93
Surplus/(Deficit)	–	6,785.00	9,155.19	–	15,940.19	487.93	16,428.12

Particulars	Non-linked		Linked Business	Subtotal		Subsidiaries/ Inter-company adjustments	Total
	Participating	Non-participating	Non-participating	Participating	Non-participating		
	(₹ in million)						
Add: Share of profits in Associates	–	–	–	–	–	22,281.16	22,281.16
(Less)/Add: Minority Interest	–	–	–	–	–	(29.96)	(29.96)
Total Surplus/(Deficit)	**–**	**6,785.00**	**9,155.19**	**–**	**15,940.19**	**22,739.13**	**38,679.32**

Segment Results for Fiscal 2021

The following table shows a breakdown of our segment income and surplus from our restated consolidated statement on segmental disclosure during Fiscal 2021.

Particulars	Non-linked		Linked Business	Subtotal		Subsidiaries/ Inter-company adjustments	Total
	Participating	Non-participating	Non-participating	Participating	Non-participating		
	(₹ in million)						
Segment Income	4,445,350.35	2,244,075.79	132,623.80	4,445,350.35	2,376,699.59	215,044.51	7,037,094.45
Segment Expenses	4,416,460.25	2,244,075.79	132,623.80	4,416,460.25	2,376,699.59	205,316.45	6,998,476.28
Surplus/(Deficit)	28,890.10	–	–	28,890.10	–	9,728.06	38,618.17
Add: Share of profits in Associates	–	–	–	–	–	11,633.54	11,633.54
(Less)/Add: Minority Interest	–	–	–	–	–	(4,465.25)	(4,465.25)
Total Surplus/(Deficit)	**28,890.10**	–	–	**28,890.10**	–	**16,896.35**	**45,786.46**

Segment Results for Fiscal 2020

The following table shows a breakdown of our segment income and surplus from our restated consolidated statement on segmental disclosure during Fiscal 2020.

Particulars	Non-linked		Linked Business	Subtotal		Subsidiaries/ Inter-company adjustments	Total
	Participating	Non-participating	Non-participating	Participating	Non-participating		
	(₹ in million)						
Segment Income	4,078,907.30	2,088,854.15	(8,932.08)	4,078,907.30	2,079,922.07	297,225.35	6,456,054.72
Segment Expenses	4,051,929.87	2,088,854.15	(8,932.08)	4,051,929.87	2,079,922.07	425,692.10	6,557,544.04
Surplus/ (Deficit)	26,977.43	–	–	26,977.43	–	(128,466.75)	(101,489.32)
Add: Share of profits in Associates	–	–	–	–	–	5,744.42	5,744.42
(Less)/Add: Minority Interest	–	–	–	–	–	63,726.72	63,726.72
Total Surplus/(Deficit)	**26,977.43**	–	–	**26,977.43**	–	**(58,995.61)**	**(32,018.18)**

Segment Results for Fiscal 2019

The following table shows a breakdown of our segment income and surplus from our restated consolidated statement on segmental disclosure during Fiscal 2019.

Particulars	Non-linked		Linked Business	Subtotal		Subsidiaries/ Inter-company adjustments	Total
	Participating	Non-participating	Non-participating	Participating	Non-participating		
	(₹ in million)						
Segment Income	3,939,488.05	1,604,616.92	63,738.97	3,939,488.05	1,668,355.89	100,251.76	5,708,095.70

Particulars	Non-linked		Linked Business	Subtotal		Subsidiaries/ Inter-company adjustments	Total
	Participating	Non-participating	Non-participating	Participating	Non-participating		
	(₹ in million)						
Segment Expenses	3,912,882.10	1,604,616.92	63,738.97	3,912,882.10	1,668,355.89	151,018.66	5,732,256.65
Surplus/ (Deficit)	26,605.95	–	–	26,605.95	–	(50,766.90)	(24,160.95)
Add: Share of profits in Associates	–	–	–	–	–	6,683.97	6,683.97
(Less)/Add: Minority Interest	–	–	–	–	–	25,162.06	25,162.06
Total Surplus/(Deficit)	**26,605.95**	–	–	**26,605.95**	–	**(18,920.87)**	**7,685.08**

Life Business (Revenue Account)

The following table sets forth the breakdown of our segment income and surplus for the life business operating segment for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on a standalone basis.

Life business segment	Nine Months Ended December 31, 2021		Year Ended					
			March 31, 2021		March 31, 2020		March 31, 2019	
	Par	Non-par	Par	Non-par	Par	Non-par	Par	Non-par
	(₹ in million)							
Segment income:								
Net premium	1,765,804.23	269,771.31	2,440,942.67	404,543.18	2,274,131.32	329,914.71	2,196,591.97	433,337.99
Income from investments	1,630,642.54	182,713.78	1,974,742.48	210,947.54	1,765,733.86	199,285.84	1,626,453.83	193,927.75
Other income	1,127.89	3,400.83	(158.13)	4,931.85	9,587.74	4,384.95	3,650.66	4,180.71
Total segment income	**3,397,574.66**	**455,885.92**	**4,415,527.02**	**620,422.58**	**4,049,452.92**	**533,585.50**	**3,826,696.46**	**631,446.45**
Segment expenses:								
Commission	150,330.34	1,182.11	214,939.60	1,180.92	207,921.17	1,059.95	194,560.65	1,080.97
Operating expenses related to insurance business	256,556.50	7,508.27	329,996.90	8,965.10	322,464.60	9,408.81	266,847.07	8,671.80
Other expenses: exchange loss/(gain)	0.60	–	(1.50)	–	(0.70)	–	2.99	–
Provisions for doubtful debts	(2,486.10)	(0.38)	89,039.69	(0.35)	(4,476.20)	6.74	34,391.40	4.94
Provision for taxation	32,418.83	5,058.80	79,875.31	–	68,237.75	–	77,217.43	–
Provisions (other than taxation)	(53,255.79)	(10,825.40)	(45,332.99)	5,744.25	66,684.87	19,250.02	17,063.37	17,176.05
Benefits paid (net)	1,374,057.57	335,499.12	1,695,451.51	390,141.52	1,477,443.41	411,096.86	1,495,365.28	339,937.00
Interim bonuses paid	24,692.31	–	22,284.72	–	16,727.87	–	16,511.30	–
Change in valuation of liability in respect of life policies (gross)	1,592,201.02	151,832.45	2,000,383.68	214,391.14	1,867,472.73	92,763.13	1,698,131.01	264,575.88
Transfer to funds for future appropriations	23,059.38	–	–	–	–	–	–	–
Total segment expenses	**3,397,574.66**	**490,254.97**	**4,386,636.92**	**620,422.58**	**4,022,475.50**	**533,585.50**	**3,800,090.50**	**631,446.64**
Surplus during the year/period:								

Interim bonus	24,692.31	–	22,284.72	–	16,727.87	–	16,511.30	–
Allocation of bonus to policyholders	–	–	547,088.15	–	510,813.73	–	503,651.45	–
Surplus shown in revenue account	–	(34,369.05)	28,890.10	–	26,977.43	–	26,605.95	–
Total surplus during the year/period	**24,692.31**	**(34,369.05)**	**598,262.97**	–	**554,519.03**	–	**546,768.70**	–

Nine Months Ended December 31, 2021

Our total life business segment (non-participating) surplus was ₹(34,369.05) million for the nine months ended December 31, 2021. This was primarily due to expenses incurred in relation to (i) our benefits paid (net) of ₹335,499.12 million; and (ii) change in valuation of liability in respect of life policies (gross) of ₹151,832.45 million for the nine months ended December 31, 2021. The expenses were partially offset by the income generated from our net premiums of ₹269,771.31 million for the nine months ended December 31, 2021.

Fiscal 2021 Compared to Fiscal 2020

Our total life business segment (participating) surplus increased by 7.89% from ₹554,519.03 million in Fiscal 2020 to ₹598,262.97 million in Fiscal 2021. This increase was primarily due to the favourable experience of our Corporation in various parameters such as interest and mortality.

Our life business segment (participating) surplus shown in the revenue account increased by 7.09% from ₹26,977.43 million in Fiscal 2020 to ₹28,890.10 million in Fiscal 2021. This increase was primary due to the increase in total segment income by 9.04% from ₹4,049,452.92 million in Fiscal 2020 to ₹4,415,527.02 million in Fiscal 2021 on account of the increase in (i) income from investments by 11.84% from ₹1,765,733.86 million in Fiscal 2020 to ₹1,974,742.48 million in Fiscal 2021 and (ii) net premium by 7.34% from ₹2,274,131.32 million in Fiscal 2020 to ₹2,440,942.67 million in Fiscal 2021. The increases were partially offset by an increase in gross change in valuation of liability in respect of life policies by 7.12% from ₹1,867,472.73 million in Fiscal 2020 to ₹2,000,383.68 million in Fiscal 2021.

Fiscal 2020 Compared to Fiscal 2019

Our total life business segment (participating) surplus increased by 1.42% from ₹546,768.70 million in Fiscal 2019 to ₹554,519.03 million in Fiscal 2020. This increase was primarily due to the favourable experience of our Corporation in various parameters such as interest and mortality.

Our life business segment (participating) surplus shown in the revenue account increased by 1.40% from ₹26,605.95 million in Fiscal 2019 to ₹26,977.43 million in Fiscal 2020. This increase was primary due to the increase in total segment income by 5.82% from ₹3,826,696.46 million in Fiscal 2019 to ₹4,049,452.92 million in Fiscal 2020 on account of an increase in income from investments by 8.56% from ₹1,626,453.83 million in Fiscal 2019 to ₹1,765,733.86 million in Fiscal 2020, which increase was partially offset by an increase in: (i) provisions (other than taxation) – others by 1,457.45% from ₹3,946.33 million in Fiscal 2019 to ₹61,461.95 million in Fiscal 2020 on account of the increase in provisions on our non-performing assets and (ii) operating expenses related to insurance business by 20.84% from ₹266,847.07 million in Fiscal 2019 to ₹322,464.60 million in Fiscal 2020 mainly due to the provision towards additional contribution to the pension fund in Fiscal 2020 as compared to Fiscal 2019.

Pension Business (Revenue Account)

The following table sets forth the breakdown of our segments results for the pension business segment for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on a standalone basis.

Pension business segment	**Nine Months Ended December 31, 2021**		**Year Ended**					
			March 31, 2021		**March 31, 2020**		**March 31, 2019**	
	Par	**Non-par**	**Par**	**Non-par**	**Par**	**Non-par**	**Par**	**Non-par**
	(₹ in million)							
Segment income:								
Net premium	3,207.19	686,034.04	5,804.63	957,235.73	6,505.45	1,017,114.44	7,111.99	435,714.26
Income from investments	16,795.36	328,213.52	22,507.31	395,054.78	21,776.62	328,655.88	21,780.97	233,928.35
Other income	–	1,293.81	(0.32)	1,240.38	(2.54)	802.71	(0.26)	622.41
Total segment income	**20,002.55**	**1,015,541.37**	**28,311.62**	**1,353,530.88**	**28,279.53**	**1,346,573.03**	**28,892.70**	**670,265.01**
Segment expenses:								

Pension business segment	Nine Months Ended December 31, 2021		Year Ended					
			March 31, 2021		March 31, 2020		March 31, 2019	
	Par	Non-par	Par	Non-par	Par	Non-par	Par	Non-par
	(₹ in million)							
Commission	77.20	0.67	88.76	1.71	167.73	0.92	170.72	0.23
Operating expenses related to insurance business	480.75	2,036.85	647.69	2,453.13	675.23	2,986.39	641.43	528.77
Provisions for doubtful debts	–	(0.10)	–	(0.14)	–	(0.14)	2.07	(0.30)
Provisions for taxation	–	32,084.46	–	–	–	–	–	–
Provisions (other than taxation)	(16.90)	(7,113.42)	(68.37)	654.21	35.47	10,063.42	(72.30)	952.77
Benefits paid (net)	15,984.61	481,972.43	22,027.12	582,629.33	19,703.29	516,854.64	18,165.17	404,126.37
Interim bonuses paid	7.76	–	6.01	–	5.83	–	2.40	–
Change in valuation of liability in respect of life policies (gross)	13,197.22	455,364.36	5,610.41	767,792.64	7,691.98	816,667.81	9,983.21	264,657.18
Transfer to funds for future appropriations	(9,728.09)	–	–	–	–	–	–	–
Total segment expenses	**20,002.55**	**964,345.25**	**28,311.62**	**1,353,530.88**	**28,279.53**	**1,346,573.03**	**28,892.70**	**670,265.01**
Surplus during the year/period:								
Interim bonus	7.76	–	6.01	–	5.83	–	2.40	–
Allocation of bonus to policyholders	–	–	1,812.07	–	1,744.62	–	1,846.78	–
Surplus shown in revenue account	–	51,196.12	–	–	–	–	–	–
Total surplus during the year/period	**7.76**	**51,196.12**	**1,818.08**	–	**1,750.45**	–	**1,849.18**	–

Nine Months Ended December 31, 2021

Our total pension business segment (non-participating) surplus was ₹51,196.12 million for the nine months ended December 31, 2021. This was primarily due to the income generated from our (i) net premiums of ₹686,034.04 million; and (ii) investments of ₹328,213.52 million for the nine months ended December 31, 2021, which were partially offset by the expenses incurred in relation to the (i) change in valuation of liability in respect of life policies (gross) of ₹455,364.36 million; and (ii) benefits paid (net) of ₹481,972.43 million for the nine months ended December 31, 2021.

Fiscal 2021 Compared to Fiscal 2020

Our total pension business segment (participating) surplus increased by 3.86% from ₹1,750.45 million in Fiscal 2020 to ₹1,818.08 million in Fiscal 2021. This increase was primarily due to the favourable experience of our Corporation in various parameters such as interest and mortality.

Fiscal 2020 Compared to Fiscal 2019

Our total pension business segment (participating) surplus decreased by 5.34% from ₹1,849.18 million in Fiscal 2019 to ₹1,750.45 million in Fiscal 2020. The liability, and hence surplus, depends on the combined effect of the business profile and assumptions at each point of time.

Annuity Business (Revenue Account)

The following table sets forth the breakdown of our segments results for the individual annuity business segment for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on a standalone basis.

Annuity business segment	Nine Months Ended December 31, 2021		Year Ended					
			March 31, 2021		March 31, 2020		March 31, 2019	
	Par	Non-par	Par	Non-par	Par	Non-par	Par	Non-par
	(₹ in million)							
Segment income:								
Net premium	19.85	88,764.43	35.06	202,953.20	44.91	152,407.93	51,290.07	236,892.97
Income from investments	698.72	49,406.87	1,476.06	63,179.71	1,130.35	52,493.92	32,608.89	62,361.77
Other income	0.07	0.04	0.59	–	(0.41)	(1.26)	(0.07)	(0.51)
Total segment income	**718.64**	**138,171.34**	**1,511.72**	**266,132.91**	**1,174.85**	**204,900.59**	**83,898.89**	**299,254.23**
Segment expenses:								
Commission	0.48	1,896.96	0.87	4,559.35	1.01	3,477.06	2.76	3,365.98
Operating expenses related to insurance business	44.63	1,903.40	57.01	4,283.29	58.17	3,355.72	554.20	4,403.16
Provision for doubtful debts	–	–	(7.50)	–	–	–	(0.34)	(0.13)
Provision for taxation	–	3,722.74	–	–	–	–	–	–
Provisions (other than taxation)	–	(9,445.53)	(112.73)	103.33	(7.67)	9,651.05	(9.59)	59.05
Benefits paid (net)	3,160.20	54,349.29	3,772.88	57,016.10	3,499.35	48,689.86	31,061.91	77,382.45
Change in valuation of liability in respect of life policies (gross)	(191.99)	79,804.22	(2,198.81)	200,170.85	(2,376.02)	139,726.91	52,289.94	214,043.73
Transfer to funds for future appropriations	(2,294.68)	–	–	–	–	–	–	–
Total segment expenses	**718.64**	**132,231.08**	**1,511.72**	**266,132.91**	**1,174.85**	**204,900.59**	**83,898.89**	**299,254.23**
Surplus during the year/period:								
Interim bonus	–	–	–	–	–	–	–	–
Allocation of bonus to policyholders	–	–	11.70	–	12.81	–	14.91	–
Surplus shown in revenue account	–	5,940.26	–	–	–	–	–	–
Total surplus during the year/period	**–**	**5,940.26**	**11.70**	**–**	**12.81**	**–**	**14.91**	**–**

Nine Months Ended December 31, 2021

Our annuity business segment (non-participating) surplus was ₹5,940.26 million for the nine months ended December 31, 2021. This was primarily due to the income generated from our (i) net premiums of ₹88,764.43 million; and (ii) income from investments of ₹49,406.87 million for the nine months ended December 31, 2021, which were partially offset by the expenses incurred in relation to the (i) change in valuation of liability in respect of life policies (gross) of ₹79,804.22 million; and (ii) benefits paid (net) of ₹54,349.29 million for the nine months ended December 31, 2021.

Fiscal 2021 Compared to Fiscal 2020

Our annuity business segment (participating) surplus decreased by 8.67% from ₹12.81 million in Fiscal 2020 to ₹11.70 million in Fiscal 2021. The liability depends upon business profile and assumptions at each point of time. The liability and hence surplus depends on the combined effect of both factors. The decrease in Fiscal 2021 was because no new business was written under this segment.

Fiscal 2020 Compared to Fiscal 2019

Our annuity business segment (participating) surplus decreased by 14.08% from ₹14.91 million in Fiscal 2019 to ₹12.81 million in Fiscal 2020. The liability depends upon business profile and assumptions at each point of time. The liability and hence surplus depends on the combined effect of both factors. The decrease in Fiscal 2020 was because no new business was written under this segment.

Linked Business (Revenue Account)

The following table sets forth the breakdown of our segments results for the linked business segment for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021 on a standalone basis.

Linked business segment	Nine Months Ended December 31, 2021	Year Ended		
		March 31, 2021	March 31, 2020	March 31, 2019
	Non-Participating	Non-Participating	Non-Participating	Non-Participating
	(₹ in million)			
Segment income:				
Net premium	21,259.59	13,938.37	7,490.98	8,007.91
Income from investments	44,940.20	118,696.99	(16,412.35)	55,738.13
Other income	(7.99)	(11.56)	(10.71)	(7.06)
Total segment income	**66,191.80**	**132,623.80**	**(8,932.08)**	**63,738.97**
Segment expenses:				
Commission	505.50	406.67	249.59	284.25
Operating expenses related to insurance business	1,846.13	1,780.77	2,057.14	2,084.55
Other expenses: exchange loss/(gain)	1.89	(49.33)	(22.14)	7.91
GST on fund management charges & other charges	556.81	932.22	982.75	1,097.81
Provision for doubtful debts	351.37	553.61	131.32	317.30
Provision for taxation	5,737.53	2.29	1.58	0.95
Provisions (other than taxation)	29.92	(559.94)	1,242.73	328.81
Benefits paid (net)	64,599.90	92,938.52	47,360.25	124,340.46
Change in valuation of liability in respect of life policies (gross)	78,432.08	32,190.21	30,133.04	28,339.67
Transfer to provision for linked liabilities	(95,278.60)	4,343.10	(91,103.40)	(93,122.82)
Transfer to funds for future appropriations	–	31.26	0.41	0.95
Transfer to funds for discontinued fund	254.08	54.41	34.63	59.13
Total segment expenses	**57,036.61**	**132,623.80**	**(8,932.08)**	**63,738.97**
Total surplus during the year/period	**9,155.19**	–	–	–

Nine Months Ended December 31, 2021

Our linked business segment (non-participating) surplus was ₹9,155.19 million for the nine months ended December 31, 2021. This was primarily due to the income generated from our (i) income from investments of ₹44,940.20 million; and (ii) net premiums of ₹21,259.59 million for the nine months ended December 31, 2021, which were partially offset by the expenses incurred in relation to the (i) change in valuation of liability in respect of life policies (gross) of ₹78,432.08 million; and (ii) benefits paid (net) of ₹64,599.90 million for the nine months ended December 31, 2021.

Fiscal 2021 Compared to Fiscal 2020

Our linked business segment (non-participating) income increased by ₹141,555.88 million from ₹(8,932.08) million in Fiscal 2020 to ₹132,623.80 million in Fiscal 2021. This increase was primarily due to an increase in income from investments by ₹135,109.34 million from ₹(16,412.35) million in Fiscal 2020 to ₹118,696.99 million in Fiscal 2021 on account of mark to market gains in our unit linked segment in Fiscal 2021 compared to losses in Fiscal 2020.

Fiscal 2020 Compared to Fiscal 2019

Our linked business segment (non-participating) income decreased by ₹72,671.05 million from ₹63,738.97 million in Fiscal 2019 to ₹(8,932.08) million in Fiscal 2020. This decrease was primarily due to a decrease in income from investments by ₹72,150.48 million from ₹55,738.13 million in Fiscal 2019 to ₹(16,412.35) million in Fiscal 2020 on account of higher mark to market and realised losses resulting from turbulent market conditions.

Liquidity and Capital Resources

The liquidity needs of our life insurance operations are generally affected by outflows for claims (including through surrenders, deaths, maturities and bonus payments), commission and administrative expenses, which are offset by inflows from premiums and income from investments.

Liquidity requirements of our insurance operations are fully met on the basis of net cash flow generated by our insurance business in the ordinary course of business.

The following table sets forth a summary of our cash flow for the years/period indicated.

Receipts and payments account	Nine Months Ended December 31, 2021	Year Ended March 31,		
		2021	2020	2019
	(₹ in million)			
Net cash flow generated from/(used in) operating activities	(97,642.68)	806,020.38	543,669.21	132,738.14
Net cash flow generated from/(used in) investing activities	(46,877.83)	1,487,923.11	(418,090.92)	87,645.00
Net cash flow generated from/(used in) financing activities	–	(2,561,254.67)	(186,637.44)	(136,995.79)

Net Cash Flow Generated from/(used in) Operating Activities

Our net cash flow used in operating activities was ₹97,642.68 million for the nine months ended December 31, 2021, which was primarily due to the payment of claims/benefits of ₹2,387,231.07 million and the payment for other operating expenses of ₹354,312.03 million. The cash flows used for the aforementioned expenses were partially offset by ₹2,867,807.80 million of cash flow generated in relation to premium received from policyholders, including advance receipts, during the nine months ended December 31, 2021. Insurance volumes typically increase significantly in the last quarter of each Fiscal Year, which coincides with the end of the tax year in India, due to customers capitalising on income tax advantages that life insurance products offer. Accordingly, our cash flows for the nine months ended December 31, 2021 are not necessarily indicative of what our cash flows from operating activities will be for Fiscal 2022.

Our net cash flow generated from operating activities increased by 48.26% from ₹543,669.21 million in Fiscal 2020 to ₹806,020.38 million in Fiscal 2021, which increase was primarily due to an increase in premium received from policyholders, including advance receipts, by 7.07% from ₹3,799,289.45 million in Fiscal 2020 to ₹4,067,745.98 million in Fiscal 2021. This increase was partially offset by an increase in payments of claims/benefits by 16.27% from ₹2,509,916.73 million in Fiscal 2020 to ₹2,918,212.14 million in Fiscal 2021.

Our net cash flow generated from operating activities increased by 309.58% from ₹132,738.14 million in Fiscal 2019 to ₹543,669.21 million in Fiscal 2020, which increase was primarily due to an increase in premium received from policyholders, including advance receipts, by 11.22% from ₹3,416,145.27 million in Fiscal 2019 to ₹3,799,289.45 million in Fiscal 2020. This increase was partially offset by an increase in payments of other operating expenses by 29.33% from ₹325,344.09 million in Fiscal 2019 to ₹420,753.70 million in Fiscal 2020.

Net Cash Flow from/(used in) Investing Activities

Our net cash flow from investing activities was ₹46,877.83 million for the nine months ended December 31, 2021, which was primarily due to rents/interests/dividends received of ₹1,880,321.26 million and sales of investments of ₹1,573,789.99 million, which was partially offset by purchase of investments of ₹3,479,116.19 million.

Our net cash flow from investing activities was ₹1,487,923.11 million in Fiscal 2021 compared to our net cash flow used in investing activities of ₹418,090.92 million in Fiscal 2020. The difference was primarily due to an increase in: (i) sales of investments by 80.18% from ₹1,525,158.09 million in Fiscal 2020 to ₹2,748,073.22 million in Fiscal 2021; and (ii) loans disbursed (net of repayments) by 7,507.79% from ₹15,574.71 million in Fiscal 2020 to ₹1,184,891.24 million in Fiscal 2021. These increases were partially offset by an increase in purchase of investments by 17.21% from ₹4,261,926.25 million in Fiscal 2020 to ₹4,995,554.48 million in Fiscal 2021.

Our net cash flow used in investing activities was ₹418,090.92 million in Fiscal 2020 compared to our net cash flow generated from investing activities of ₹87,645.00 million in Fiscal 2019. The difference was primarily due to a 34.60% increase in purchase of investments from ₹3,166,292.62 million in Fiscal 2019 to ₹4,261,926.25 million in Fiscal 2020. This increase was partially offset by a 16.11% increase in rents/interests/dividends received from ₹1,991,443.44 million in Fiscal 2019 to ₹2,312,305.88 million in Fiscal 2020.

Net Cash Flow Used in Financing Activities

Our net cash flow used in financing activities was nil for the nine months ended December 31, 2021, as we had not made any repayments in borrowings or paid any interests/dividends for the nine months ended December 31, 2021.

Our net cash flow used in financing activities increased by 1,272.32% from ₹186,637.44 million in Fiscal 2020 to ₹2,561,254.67 million in Fiscal 2021, which increase was primarily due to the increase in repayments of borrowing by 1,485.10% from ₹159,869.96 million in Fiscal 2020 to ₹2,534,099.33 million in Fiscal 2021, which was primarily due to the borrowings of IDBI Bank, whose financial results were no longer consolidated as a subsidiary from January 1, 2021.

Our net cash flow used in financing activities increased by 36.24% from ₹136,995.79 million in Fiscal 2019 to ₹186,637.44 million in Fiscal 2020, which increase was primarily due to interest/dividends paid of ₹26,767.48 million in Fiscal 2020 compared to interest/dividends received of ₹5,632.97 million in Fiscal 2019.

Indebtedness

As at December 31, 2021, our outstanding borrowings amounted to ₹36.66 million, all of which pertained to LIC Lanka's (one of our Subsidiaries) issuance of 10,000,000 non-voting non-cumulative redeemable Class C preference shares to Lanka Island Resort Limited, in which the holders of the Class C preference shares were entitled to require LIC Lanka to redeem all or a part of the outstanding Class C preference shares at the subscription price. Out of the 10,000,000 preference shares issued to Lanka Island Resort Limited, 5,000,000 shares have been redeemed. Therefore, the outstanding balance of unredeemed Class C preference shares stands at 5,000,000 as at December 31, 2021. For more information, see "*Financial Indebtedness*" on page 451.

Off-Balance Sheet Transactions

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Capital Expenditure

We make capital expenditures to expand our operations, primarily through making leasehold improvements and acquiring property, plant and equipment, and intangible assets, primarily consisting of computer software. We have historically funded our capital expenditures using cash generated by our operating activities. The following table sets forth additions to property, plant and equipment by category of expenditure, for each of the period and years indicated below.

Particulars	Nine Months Ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
	(₹ in million)			
Intangibles	0.20	8.45	938.10	25.59
Land – Freehold	630.30	135.93	115.01	4,519.49
Land – Leasehold	2.36	15.86	-	2,497.97
Buildings	815.15	5,954.67	1,840.69	14,266.74
Furniture and fittings	114.57	271.18	417.55	301.65
Information technology	546.73	2,200.96	2,686.26	1,228.79
Vehicles	1,007.05	1,173.58	1,154.52	1,386.95
Office equipment	23.79	33.24	210.70	53.00
Others	73.42	145.27	3,351.38	288.29
Work in progress	833.25	821.48	488.37	889.58
Total	**4,046.82**	**10,760.62**	**11,202.58**	**25,458.05**

Our capital expenditure decreased by ₹14,255.47 million from ₹25,458.05 million in Fiscal 2019 to ₹11,202.58 million in Fiscal 2020. This decrease was primarily due to (i) our capital expenditure on buildings decreasing by 87.10% from ₹14,266.74 million in Fiscal 2019 to ₹1,840.69 million in Fiscal 2020, which was primarily due to capital expenditure on buildings by IDBI Bank in Fiscal 2019, and (ii) our capital expenditure on land-freehold decreasing by 97.46% from ₹4,519.49 million in Fiscal 2019 to ₹115.01 million in Fiscal 2020, which was primarily due to capital expenditure on land-freehold by IDBI Bank in Fiscal 2019. These decreases were partially offset by, among others, (i) our capital expenditure on others increasing by 1,062.50% from ₹288.29 million in Fiscal 2019 to ₹3,351.38 million in Fiscal 2020, which was primarily due to IDBI Bank being our subsidiary for three months in Fiscal 2019 and 12 months in Fiscal 2020, and (ii) our capital expenditure on information technology equipment increasing by 118.61% from ₹1,228.79 million in Fiscal 2019 to ₹2,686.26 million in Fiscal 2020, primarily due to the increase in purchases decided for the Fiscal Year, which are decided based on our need for hardware/software. At times, requests for proposals decided in a particular Fiscal Year do not get finalized in the same year and the expenses spill over to the following Fiscal Year. This was the primary reason for the increase in our capital expenditure on information technology equipment in Fiscal 2020.

Contingent Liabilities

The table below sets forth our contingent liabilities as at December 31, 2021 on a standalone basis.

Particulars	As at December 31, 2021 (₹ *in million*)
Partly paid-up investments[(1)]	6,049.61
Claims, other than against policies, not acknowledged as debts by the Corporation	143.91
Guarantees given by or on behalf of the Corporation and others	0.79
Statutory demands and liabilities in dispute, not provided for	280,797.91*
Others:	
Policy related claims under litigation	4,440.60
Claims under litigation other than policy holders	2,634.69
Total contingent liabilities	**294,067.51**

Notes: (1) Partly paid-up investments comprise partly paid equity. We pay the call money for the partly paid-up shares as per the rates stipulated in the call money payment schedule.
** This includes tax litigations where our Corporation has filed an appeal before the Commissioner of Income Tax (Appeal) against an adverse order of an assessing officer.*

Statutory demands and liabilities in dispute, not provided for relate to the show cause cum demand notices/assessment orders received by us from the respective tax authorities for various assessment years. We have filed appeals against the demand notices/assessment orders with the appellate authorities, including the Office of the Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal and the Bombay High Court. Tax authorities have also filed appeals with the Income Tax Appellate Tribunal, the Bombay High Court and the Supreme Court of India for various assessment years. As at December 31, 2021, the aggregate amount of income tax and interest contested in these matters was ₹727,622.90 million. The amount of ₹280,797.91 million for statutory demands and liabilities in dispute, not provided for as at December 31, 2021 set forth in the table above includes tax litigations where our Corporation has filed an appeal before the Commissioner of Income Tax (Appeal) against an adverse order of an assessing officer.

Qualitative Disclosures About Market Risk

Market risk arises due to fluctuations in market prices and rates. We are exposed to a variety of market risks, including, but not limited to, interest rate risk, equity market price risk, foreign exchange rate risk and liquidity risk.

Interest Rate Risk

Our exposure to interest rate risk predominantly arises from any difference between the duration of our assets and liabilities, or any difference between the return on investments and the return required to meet our commitments, primarily in our traditional insurance liabilities. This exposure is heightened in products with inherent interest rate options or guarantees. We seek to manage our interest rate risk by ensuring appropriate product design and underlying assumptions as part of our product approval process and by matching, to the extent possible and appropriate, the duration of our investment assets with the duration of our insurance contracts. Given the long duration of policy liabilities and the uncertainty of future cash flows arising from these contracts, it is not possible to acquire assets that will perfectly match the policy liabilities. The duration of interest-bearing financial assets is regularly reviewed and monitored by referencing the estimated duration of insurance contract liabilities. For more details, see "*Our Business – Risk Management – Interest Rate Risk*" on page 236.

Equity Market Price Risk

Our equity market price risk exposure relates to financial assets and liabilities whose values fluctuate as a result of changes in equity market prices and principally investment securities not held for the account of unit-linked policyholders. We manage these risks by setting and monitoring investment limits in each country and sector.

Foreign Exchange Rate Risk

We are exposed to foreign exchange rate risks as a result of having business operations (branch offices and subsidiaries) in various jurisdictions and from financial assets and liabilities that are denominated in foreign currencies. Our financial assets are predominantly denominated in the same currencies as our insurance liabilities, which serves to mitigate the foreign exchange rate risk. The level of currency risk is managed and monitored by the respective entities, through regular monitoring of the currency positions of financial assets and insurance contracts.

Liquidity Risk

We are exposed to liquidity risk in respect of insurance contracts that permit surrender, withdrawal or other forms of early termination for a cash surrender value specified in the contractual terms and conditions. To manage liquidity risk, we have implemented a variety of measures, with an emphasis on flexible insurance product design, so that we can retain the greatest flexibility to adjust contract pricing, crediting rates or other non-guaranteed policyholder dividends. We also seek to match, to the extent possible and appropriate, the duration of our investment assets with the duration of our insurance contracts. We perform regular monitoring of our liquidity position through cash flow projections. See "*Our Business – Risk Management – Liquidity Risk*" on page 235.

Significant Developments after December 31, 2021

Except as disclosed below, to our knowledge, there is no subsequent development after December 31, 2021 that materially and adversely affects, or is likely to materially and adversely affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*As on April 29, 2022 (except litigation involving the Directors which is as at the date of this Prospectus), except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities (iii) claims related to direct and indirect taxes (in a consolidated manner); and (iv) other pending litigation, including direct and indirect tax claims, as determined to be material as per the policy approved by the Board of Directors pursuant to its circular resolution dated January 25, 2022 in each case involving our Corporation, its Subsidiaries and its Directors ("**Relevant Parties**").*

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation:

*All outstanding litigation, including any litigation involving Relevant Parties, other than (i) criminal proceedings; (ii) actions taken by regulatory and statutory authorities, and (iii) any outstanding action and litigation involving claims related to direct and indirect taxes, would be considered 'material' if: (i) the monetary amount of a claim by or against the entity or person in any such proceedings is in excess of 0.25% of the total consolidated restated revenue of our Corporation for Fiscal 2021 as per the Restated Financial Statements (i.e. ₹17,592.74 million) ("**Materiality Threshold**"); or (ii) where the monetary liability is not quantifiable but where the outcome of any such pending proceedings may have adverse impact on its financial statements, business, operations and reputation of our Corporation.*

It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties (excluding statutory/ regulatory/ tax authorities), have not been considered as litigation until such time that the Relevant Parties are not impleaded as a defendant in the litigation proceedings before any judicial/ arbitral forum.

Further, (i) awards given by the Insurance Ombudsman against our Corporation during the last three years; (ii) claims outstanding for the last five years against our Corporation; and (iii) pending policyholder complaints during the last five years involving our Corporation (in a consolidated manner) have been disclosed in this section.

As on April 29, 2022 our Corporation, either by itself or through its officials, agents and employees, is involved in approximately 27,214 criminal, consumer, civil proceedings, tax proceedings and actions taken by statutory or regulatory authority. These legal proceedings are currently pending at different adjudication stages before various courts and tribunals across India and include, inter alia, (i) around 263 criminal cases filed in relation to, inter alia, misappropriation of premium amounts, fraudulent encashment of cheques, fraudulent death claims, disciplinary proceedings or actions taken against employees of our Corporation and complaints filed under Section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques; (ii) around 12,533 consumer matters filed in relation to, inter alia, delay in settlement and payment of claims and benefits to policyholders, repudiation of claims due to, among other things, suppression of material facts or default in payment of premium, claims for premium amounts and benefits under lapsed policies and claims in relation to typographical errors in the information disclosed in LIC's Jeevan Saral policies or failure to disclose certain information in such policies, which led to, among other things, payment of lower amounts in claims, maturity amounts or surrender amounts; (iii) around 14,354 civil cases filed in relation to, inter alia, rival claims on policies, claims for issuance of succession certificates, mortgage suits filed by our Corporation against outstanding dues, matters related to estates and matters initiated by employees (currently in service/ former and those engaged on a temporary/ ad hoc/ part time basis, including development officers) against termination of their services by our Corporation, wherein such employees have also filed cases seeking, among other things, a stay on their termination orders, reinstation, regularisation of services, the grant of alternate employment within our Corporation, issues pertaining transfer to different locations or disciplinary actions initiated against them; and (iv) 63 tax proceedings; and (v) one regulatory matter. These civil cases also include approximately 52 contempt proceedings initiated against managers and senior officials of our Corporation alleging non-obedience of orders passed by courts for, inter alia, reinstatement and regularisation of employees (including development officers), compassionate appointments, non-payment of claim amounts and delay in provision of benefits to current and retired employees.

Except as stated in this section, there are no outstanding material dues to creditors of our Corporation. For this purpose, our Board has, considered and adopted a policy of materiality for identification of material outstanding dues to creditors, by way of its resolution dated February 11, 2022. In terms of this materiality policy, outstanding dues to any creditor of our Corporation having monetary value exceeding ₹3,202.69 million, shall be considered as 'material'. Accordingly, for the purposes of this Prospectus, any outstanding dues as on December 31, 2021, exceeding ₹3,202.69 million have been considered as material. For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Corporation regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended, read with the rules and notifications thereunder, as has been relied upon by the Statutory Auditor.

Litigation involving our Corporation

Litigation against our Corporation

Civil Litigation above the Materiality Threshold

Nil

Criminal Litigation

a) U.K. Sudhadevi ("**Petitioner**") filed a criminal miscellaneous petition dated July 7, 2016 ("**Criminal Petition**") against the State of Kerala and our Corporation before the High Court of Kerala at Ernakulam ("**High Court**"), seeking the quashing of a final report filed in a criminal case registered against the Petitioner before the Judicial Magistrate of First Class, Kodungallur under Sections 406 and 420 of the Indian Penal Code, 1860 ("**Criminal Case 1**"). Criminal Case 1 had been filed against the Petitioner by the State of Kerala in relation to delays by the Petitioner in making payments to certain policyholders under a micro insurance scheme. The Petitioner alleged that such delays were due to faulty software and accounting practices provided by our Corporation and consequently, pursuant to its order dated August 19, 2016, the High Court impleaded our Corporation as a party to the Criminal Petition. The Petitioner had also filed a civil writ petition before the High Court against the State of Kerala, our Corporation and others, challenging the order of the district collector, which prohibited the use of its centre by the Petitioner due to Criminal Case 1 and financial irregularities on part of the Petitioner ("**Order**"). Pursuant to its order dated May 18, 2016, the High Court stayed the operation of the Order. Both matters are currently pending.

b) Pravat Mohanta ("**Complainant**") filed a criminal complaint dated March 5, 2016 against our Corporation and others before the Chief Judicial Magistrate, Dakshin Dinajpur, Balurghat in relation to, *inter alia*, misappropriation of premium by our Corporation. The Complainant alleged that he had deposited 50 instalments of premium under the Jeevan Madhur plan and only 40 instalments of premium had been deposited against his policy. This matter is currently pending.

c) Minoti Bahri ("**Petitioner**") filed a criminal writ petition dated December 16, 2016 ("**Writ Petition**") under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Bombay ("**High Court**") against the State of Maharashtra and our Corporation, seeking, *inter alia*, the quashing of the criminal complaint dated September 21, 2015 filed by our Corporation against the Petitioner, Unitech Limited and others before the Court of the Metropolitan Magistrate at Esplanade, Mumbai under Sections 138 and 141 of the Negotiable Instruments Act, 1881 ("**Complaint**"). The Complaint was filed in relation to dishonour of a cheque of ₹60.00 million issued by Unitech Limited to our Corporation. Pursuant to the Complaint, the Petitioner filed the Writ Petition submitting, *inter alia*, that she should not be a party to the Complaint as she was only a non-executive director of Unitech Limited and was not involved in the day-to-day affairs and management of the company. Both matters are currently pending.

d) Unitech Limited ("**Petitioner**") and others filed four criminal applications ("**Applications**") under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Bombay ("**High Court**") against our Corporation and the State of Maharashtra, seeking, *inter alia*, the quashing of orders each dated October 7, 2015 ("**Orders I**") passed by the Learned Metropolitan Magistrate, 23rd Court, Esplanade, Mumbai and the orders each dated February 17, 2016 ("**Orders II**") passed by the Additional Sessions Judge, Greater Mumbai ("**Orders II**" and with Orders I, "**Orders**") in relation to four criminal complaints filed by our Corporation against the Petitioner and others under Sections 138 and 141 of the Negotiable Instruments Act, 1881 ("**Complaints**"). The Complaints were filed in relation to dishonour of a cheque of ₹60.00 million issued by Unitech Limited to our Corporation. The Metropolitan Magistrate in the Orders I, *inter alia*, stayed the warrant on the Petitioner and others. The Petitioners filed revision applications before the Additional Sessions Judge challenging the Orders I, which were dismissed by the Additional Sessions Judge by way of Orders II. Pursuant to the Orders, the Petitioner and others filed the Applications submitting, *inter alia*, that the Orders should be set aside. Subsequently, the High Court in its order dated April 2, 2016 clubbed the applications. These Complaints and Applications are currently pending.

e) 33 cases have been filed by certain policyholders, employees and agents of our Corporation and other third parties against our branch managers, senior officials and agents before various courts across the country. These matters pertain to, *inter alia*, misappropriation of policy amounts by our agents, fraudulent encashment of cheques by our agents or employees, proceedings initiated by employees against our management in relation to payroll disputes or initiation of disciplinary proceedings or wrongful deduction of gratuity amounts and misbehaviour, fraud and other offences committed by our agents and employees.

Actions Taken by Regulatory and Statutory Authorities

a) Our Corporation received a show cause notice dated July 19, 2019 under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 alleging breach of Regulation 7B of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 ("**SEBI MF Regulations**") as our Corporation was a sponsor of LIC Mutual Fund and UTI Mutual Fund holding 45% equity shareholding in LIC Mutual Fund Assets Management Limited, the asset management company for the LIC Mutual Fund and 18.24% equity shareholding in UTI Asset Management Company Limited ("**UTI AMC**"), the asset management company for the UTI Mutual Fund. Our Corporation denied all allegations however, SEBI issued an order dated December 6, 2019 directing our Corporation to, *inter alia*, reduce its equity shareholding in UTI AMC to below 10% and comply with Regulation 7B of the SEBI MF Regulations prior to December 31, 2020. Subsequently, SEBI, pursuant to its order dated August 14, 2020 ("**Order**") imposed a penalty of ₹1.00 million ("**Penalty**") on our Corporation and certain other corporate bodies ("**Respondents**") for the violation stated above. The Respondents appealed against the Order before the SEBI Appellate Tribunal which passed an order dated January 7, 2021 ("**SAT Order**") substituting the Penalty with a warning. SEBI obtained an interim stay order dated February 19, 2021 ("**Stay Order**") against the SAT Order and has filed an appeal before the Supreme Court of India. The Respondents have also filed an appeal dated April 5, 2021 before the Supreme Court of India against the Stay Order. This matter is currently pending.

Civil Litigation that is Non-Quantifiable but Deemed Material

a) L. Ponnammal ("**Petitioner**") has filed a writ petition before the High Court of Madras ("**High Court**") on March 16, 2022 ("**Petition**") against the Union of India (Department of Investment and Public Asset Management, Union of India (Ministry of Law and Justice) and our Corporation (collectively, the "**Respondents**") challenging the constitutional validity of the amendments made to the Life Insurance Corporation Act, 1956 ("**LIC Act**") pursuant to the Finance Act, 2021 ("**Finance Act**"). The Petitioner has, *inter alia*, sought the High Court to: (i) stay the operation of Sections 128 to 146 of the Finance Act, 2021, pending disposal of the Petition; and (ii) declare that Sections 128-146 of the Finance Act are *ultra vires* Article 110 of the Constitution of India, or in the alternate, declare that Section 5(9) of the LIC Act and Sections 128 to 130 and 132 to 146 of the Finance Act are *ultra vires* Article 110 of the Constitution of India, or in the alternate, declare Section 140 of the Finance Act as *ultra vires* Article 110 of the Constitution of India. The High Court in its order dated March 21, 2022 ("**Order**") dismissed the Petition. Subsequently, the Petitioner has filed a special leave petition before the Supreme Court of India for challenging the Order. For information on the special leave petition, please see *Outstanding Litigation and Material Developments – Litigation involving our Corporation - Civil Litigation that is Non-Quantifiable but Deemed Material – (c)*" on page 519.

b) Charudatt Changdeo Pawar and others ("**Petitioners**") have filed a writ petition before the High Court of Bombay ("**High Court**") on March 16, 2022 ("**Petition**") against the Union of India, the Speaker, House of People, and our Corporation (collectively, the "**Respondents**") challenging the constitutional validity of the amendments made to the Life Insurance Corporation Act, 1956 ("**LIC Act**") pursuant to the Finance Act, 2021 ("**Finance Act**"). The Petitioners have, *inter alia*, sought the High Court to: (i) declare Sections 128 to 146 of the Finance Act as *ultra vires* the Constitution of India, or in the alternate, declare Section 140 of the Finance Act, which amends Section 28 of the LIC Act, as *ultra vires* the Constitution of India; (ii) declare that the certificate issued by the Speaker, House of People under Article 110(4) of the Constitution of India for certifying the Finance Bill, 2021 as a money bill is illegal, void and unconstitutional to the extent it amends the LIC Act; (iii) declare that Sections 128-146 of the Finance Act is *ultra vires* Article 300A of the Constitution of India; and (iv) declare that the DRHP is illegal, void and *ultra vires* the LIC Act. The Petitioners also filed an application seeking *ad interim* and interim reliefs, *inter alia*, (i) restraining the Central Government from selling its shares in our Corporation as part of the public issue; (ii) restraining our Corporation from launching an initial public offering; (iii) stay the operation of Sections 128-146 of the Finance Act and any consequential actions of the Corporation and the Union of India. The High Court in a detailed order dated April 11, 2022 denied the Petitioners' prayer for *ad interim* relief, on the ground that the Petitioners were unable to make out a *prima facie* case, including on the claim that the surplus or any part of the LIC fund is the 'property' of the policyholders within the meaning of Article 300A of the Constitution of India. Having heard the matter only for *ad interim* relief, the High Court duly recorded that "*the Petition is kept for final disposal at the admission stage, and we propose to list it as soon as possible once the Court re-opens after the summer recess, any public issue that LIC (read 'the Corporation') proceeds with between now and then may possibly be subjected to further orders in this Petition. This is, therefore, not in any sense a final determination of any of the issues.*" The issues in relation to the money bill status of the Finance Bill, 2021 were also raised in a similar writ petition filed before the High Court of Madras, which petition was dismissed on merits, including on a determination grounds that Sections 128 to 146 of the Finance Act satisfied the requirements of a money bill. The Petition is listed on June 21, 2022 for hearing and final disposal at the admission stage. This matter is currently pending.

c) Thomas Franco Rajendra Dev (along with 14 other petitioners) filed a writ petition before the Supreme Court on May 9, 2022 (the "**SC Writ Petition**"). The Writ Petition has not been served on the Corporation or the Selling Shareholder as of the date of this Prospectus, so we are unable to ascertain the grounds on which the Writ Petition has been filed.

In addition, L. Ponnammal ("**Madras Petitioner**") filed a special leave petition before the Supreme Court of India ("**SLP**

1") in appeal against the order dated March 21, 2022 passed by the High Court of Madras dismissing the Madras Petitioner's writ petition (the "**Madras Writ Petition**"), and Charudatt Changdeo Pawar and others ("**Bombay Petitioners**" and together with the Madras Petitioners, the "**Petitioners**") filed a special leave petition before the Supreme Court of India ("**SLP 2**") in appeal against the ad-interim order dated April 11, 2022 passed by the High Court of Bombay in the Bombay Petitioners' writ petition (the "**Bombay Writ Petition**"). For details on the Madras Writ Petition and the Bombay Writ Petition and the ad-interim order passed by the High Court of Bombay, please see "*Outstanding Litigation and Material Developments – Litigation involving our Corporation - Civil Litigation that is Non-Quantifiable but Deemed Material – (a) and (b)*" on page 519.

The SC Writ Petition, SLP 1 and SLP 2 were heard together by the Supreme Court of India on May 12, 2022. Pursuant to hearings on the SC Writ Petition, SLP 1 and SLP 2, the Supreme Court of India dismissed SLP 2. Further, (i) denied ad-interim relief to the Petitioners; (ii) the Supreme Court has issued notice in relation to the SC Writ Petition and SLP 1; and (iii) the Supreme Court has passed a direction to transfer the Bombay Writ Petition to the Supreme Court. The SC Writ Petition, SLP 1 and the Bombay Writ Petition will now be heard together and have been tagged along with a subsisting matter before a seven-judge bench of the Supreme Court. We are currently awaiting the final written order passed by the Supreme Court on May 12, 2022.

Litigation by our Corporation

Civil Litigation above the Materiality Threshold

a) Ericson India Private Limited filed a petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 to initiate corporate insolvency resolution process against Reliance Communication Limited ("**RCL**"), which was admitted pursuant to order dated May 15, 2018 of the National Company Law Tribunal, Mumbai Bench ("**NCLT**"). The Interim Resolution Professional ("**IRP**") of RCL issued a public announcement on May 21, 2018 inviting creditors of RCL to submit claims. Our Corporation filed a claim dated May 30, 2018 for a total amount of ₹42,537.21 million. However, the National Company Law Appellate Tribunal ("**NCLAT**") pursuant to its order dated May 30, 2018 granted a stay on the corporate insolvency resolution process till April 30, 2019 which was vacated by the NCLAT pursuant to order dated April 30, 2019. Subsequently, the NCLT directed that the corporate insolvency resolution process should continue and therefore the IRP of RCL issued a public announcement on May 7, 2019 inviting claims from creditors again. Our Corporation filed a revised claim dated May 20, 2018 for an amount of ₹47,581.60 million. Basis various claims received, a committee of creditors ("**CoC**") was constituted on May 30, 2019 and our Corporation was made a part of the CoC. A resolution plan was approved by the CoC on March 2, 2020 which is currently awaiting NCLT adjudication.

b) Litigation involving Essar Power Limited

   a. Our Corporation filed an original application dated September 12, 2017 ("**OIA**") against Essar Power Limited ("**Defendant**") under Section 19 of the Recovery of Debts due to Banks & Financial Institutions Act, 1993 before the Debt Recovery Tribunal – I, Mumbai ("**DRT**") seeking a recovery certificate for the sum of ₹3,524.46 million together with interest at the rate of 14.25% per annum compounded on a quarterly basis from August 1, 2017 on account of default in payment of interest on non-convertible debentures issued by the Defendant pursuant to debenture trust deed dated November 3, 2010 ("**DTD**") and trigger of events of defaults stated in the DTD including *inter alia*, inadequate creation of security, sale of secured assets and lack of creation of a debenture redemption reserve. Further, pending decision of the OIA, our Corporation has requested the DRT to grant interim relief including, *inter alia*, restraint the Defendant from alienating any movable properties, financial assets and other prescribed assets and directing the Defendant to disclose all immovable and moveable assets to the DRT. This matter is currently pending.

   b. Our Corporation filed an original application dated May 17, 2017 ("**OIA**") against Essar Power Limited ("**Defendant**") under Section 19 of the Recovery of Debts due to Banks & Financial Institutions Act, 1993 before the Debt Recovery Tribunal – I, Mumbai ("**DRT**") seeking a recovery certificate for the sum of ₹14,849.34 million together with interest at the rate of 16.50% per annum compounded on a quarterly basis from May 16, 2017 on account of, *inter alia*, payment of outstanding principal amount and interest on the non-convertible debentures. Further, pending decision of the OIA, our Corporation has requested the DRT to grant interim relief including, *inter alia*, restraint the Defendant from alienating any movable properties, financial assets and other prescribed assets and directing the Defendant to disclose all immovable and moveable assets to the DRT. This matter is currently pending.

Criminal Litigation

a) Our Corporation, through a senior branch manager at its Agartala branch, filed a criminal appeal dated March 11, 2016 ("**Appeal**") against Gangesh Chakraborty and others ("**Respondents**") before the Sessions Judge, West Tripura, Agartala under Section 372 of the Code of Criminal Procedure, 1973 challenging the acquittal of the Respondents in a criminal matter initiated by our Corporation against the Respondents under Sections 471, 468, 409 and 411 of the Indian Penal Code, 1860. Our Corporation had filed an FIR and a written complaint in the West Agartala police station in relation to, *inter alia*, breach of trust and misappropriation of funds amounting to ₹3.30 million by the Respondents. The Respondents were acquitted by the Judicial Magistrate First Class, West Tripura, Agartala on December 23, 2015, pursuant to which our Corporation filed the present Appeal. This matter is currently pending.

b) Our Corporation filed a criminal writ before the High Court of Bombay ("**High Court**") to issue direction to the police station, M.H.B Colony, Mumbai to file an FIR against the members of the Thakur family for illegal encroachment on the land belonging to our Corporation in Borivali West, Mumbai. On December 14, 2011 the High Court issued directions to the police station, M.H.B Colony, Mumbai to file the FIR based on the written complaint received. The matter was disposed-off by the High Court *vide* order dated December 22, 2011.

c) Our Corporation filed a petition before the High Court of Bombay to challenge the order of the metropolitan magistrate dated February 29, 2016, *inter alia,* dismissing the construction of the boundary wall surrounding the premises at Borivali, Mumbai on the ground that the reliefs sought were of civil nature and it would not be proper to pass any orders under the Indian Penal Code. The matter is currently pending before the High Court.

d) Our Corporation filed a criminal complaint dated September 8, 2016 ("**Complaint**") under Section 156(3) of the Code of Criminal Procedure, 1973 before the Illaqa Magistrate, Chandigarh against the Senior Superintendent of Police, Chandigarh ("**SSP**"), Lakshya Organisation ("**Lakshya**") and others, seeking direction to register a first information report against Kulwant Kaur, one of the partners of Lakshya for misappropriation and fraud under Sections 406, 408, 420 and 120-B of the Indian Penal Code, 1860. Pursuant to the Complaint, our Corporation submitted, *inter alia*, that Lakshya had collected premiums from policyholders under a micro insurance scheme but had failed to deposit them with our Corporation. The Complaint is currently pending.

e) Our Corporation filed a criminal complaint dated September 5, 2019 ("**Complaint**") under Section 200 of the Code of Criminal Procedure, 1973 before the Chief Metropolitan Magistrate, South Saket Courts, Delhi ("**Court**") against H. P. Singh and others ("**Accused**"), seeking direction to the local police to file a first information report against the Accused for misappropriation and fraud under Sections 406, 420, 467, 468, 471 and 34 of the Indian Penal Code, 1860. Pursuant to the Complaint, our Corporation has submitted, *inter alia,* that the Accused fabricated false documents in contravention of KYC guidelines to divert proceeds arising from policies issued by our Corporation. Our Corporation also filed an application dated September 5, 2019 under Section 156(3) of the Code of Criminal Procedure, 1973 ("**Application**") before the Court seeking direction to investigate and register the first information report against the Accused. Both the Complaint and Application are currently pending.

f) S.M. Mishra, former senior divisional manager of our office at Bikaner ("**Petitioner**") filed a criminal miscellaneous petition on October 15, 2018 ("**Petition**") under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Rajasthan at Jodhpur ("**High Court**") against the State of Rajasthan and the Labour Enforcement Officer (Central), Bikaner ("**LEO**"), seeking, *inter alia,* the quashing of a criminal complaint dated July 21, 2016 ("**Complaint**") filed by the LEO against the Petitioner in relation to alleged continued irregularities by the Petitioner under the Equal Remuneration Act, 1976 ("**Act**"). The Additional Chief Judicial Magistrate, Bikaner took cognizance against the Petitioner on July 27, 2016 ("**Order 1**"). The Petitioner preferred a revision petition before the Additional Sessions Judge, Bikaner, which upheld Order 1 on July 24, 2018 ("**Order 2**" and together with Order 1, "**Orders**"). Thereafter, the Petitioner filed the Petition seeking the quashing of the Complaint and the Orders. This Petition is currently pending.

g) S.M. Mishra, former senior divisional manager of our office at Bikaner ("**Petitioner**") filed a criminal miscellaneous petition on October 12, 2018 ("**Petition**") under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Rajasthan at Jodhpur ("**High Court**") against the State of Rajasthan and the Labour Enforcement Officer (Central), Bikaner ("**LEO**"), seeking, *inter alia,* the quashing of a criminal complaint dated September 30, 2016 ("**Complaint**") filed by the LEO against the Petitioner in relation to alleged continued irregularities by the Petitioner under the Contract Labour (Regulation and Abolition) Act, 1970 ("**Act**"). The Additional Chief Judicial Magistrate, Bikaner took cognizance against the Petitioner on October 20, 2016 ("**Order 1**"). The Petitioner preferred a revision petition before the Additional Sessions Judge, Bikaner, which upheld Order 1 on July 24, 2018 ("**Order 2**" and together with Order 1, "**Orders**"). Thereafter, the Petitioner filed the Petition seeking the quashing of the Complaint and the Orders. This Petition is currently pending.

h) Our Corporation, through its branch managers, senior officials and agents has filed 66 cases against policyholders, employees, agents and third parties before various courts across the country. These matters pertain to, *inter alia*, fraudulent claims by policyholders and submission of forged documents, misbehaviour, fraud and other offences committed by agents or third parties and disputes in relation to occupancy and use of our office premises in various locations.

i) There are 153 cases filed by our Corporation pending before various forums across the country for alleged violation of Section 138 of Negotiable Instruments Act, 1881, for recovery of amounts due to our Corporation for which cheques issued in favour of our Corporation by our borrowers have been dishonoured. The total pecuniary value involved in all these matters aggregates to ₹15,568.95 million.

Awards given by the Insurance Ombudsman against our Corporation

The Insurance Ombudsman passed 1,286 awards against our Corporation during Fiscals 2020, 2021 and 2022 of which (i) 1,250 awards passed have been closed and complied with by our Corporation; (ii) 36 awards aggregating to ₹10.26 million are being processed by our Corporation; and (iii) our Corporation has filed appeals against 64 awards aggregating to ₹13.95 million.

Claims outstanding

Details of claims outstanding for Fiscals 2021, 2020, 2019, 2018 and 2017 are as follows. Details in relation to Fiscal 2022 are currently being processed by our Corporation and are therefore unavailable:

1. Fiscal 2021

Sr. No.	Particulars	No. of Claims	Claim amount (₹ in million)
1	Claims outstanding at the start of the year	5,875	3,496.92
2	Claims intimated/booked during the year	941,101	187,556.53
3	Claims settled during the year	933,889	182,955.83
4	Claims repudiated during the year	6,531	2,769.31
5	Claims outstanding at end of the year	1,725	2,924.21
	Age-wise details of outstanding claims		
	0-3 months	792	1,342.63
	3-6 months	933	1,581.58
	6-12 months	-	-
	1 year to 3 years	-	-
	3 years to 5 years	-	-
	5 years and above	-	-
	Total	**1,725**	**2,924.21**

2. Fiscal 2020

Sr. No.	Particulars	No. of Claims	Claim amount (₹ in million)
1	Claims outstanding at the start of the year	791	1,359.19
2	Claims intimated/booked during the year	758,125	135,584.24
3	Claims settled during the year	733,809	127,978.47
4	Claims repudiated during the year	6,124	2,050.24
5	Claims outstanding at end of the year	5,875	3,496.92
	Age-wise details of outstanding claims		
	0-3 months	3,144	1,871.38
	3-6 months	2,731	1,625.54
	6-12 months	-	-
	1 year to 3 years	-	-
	3 years to 5 years	-	-
	5 years and above	-	-
	Total	**5,875**	**3,496.92**

3. Fiscal 2019

Sr. No.	Particulars	No. of Claims	Claim amount (₹ in million)
1	Claims outstanding at the start of the year	569	902.79
2	Claims intimated/booked during the year	750,381	134,129.22
3	Claims settled during the year	734,328	128,719.18
4	Claims repudiated during the year	3,199	1,930.74
5	Claims outstanding at end of the year	791	1,359.19
	Age-wise details of outstanding claims		
	0-3 months	370	635.83
	3-6 months	285	489.72
	6-12 months	89	152.89
	1 year to 3 years	47	80.75
	3 years to 5 years	-	-
	5 years and above	-	-

Sr. No.	Particulars	No. of Claims	Claim amount (₹ in million)
	Total	**791**	**1,359.19**

4. Fiscal 2018

Sr. No.	Particulars	No. of Claims	Claim amount (₹ in million)
1	Claims outstanding at the start of the year	3,203	1,950.63
2	Claims intimated/booked during the year	735,879	111,843.42
3	Claims settled during the year	724,596	107,475.32
4	Claims repudiated during the year	4,958	1,947.34
5	Claims outstanding at end of the year	569	902.79
	Age-wise details of outstanding claims		
	0-3 months	257	407.77
	3-6 months	254	403.01
	6-12 months	20	31.72
	1 year to 3 years	38	60.29
	3 years to 5 years	-	-
	5 years and above	-	-
	Total	**569**	**902.79**

5. Fiscal 2017

Sr. No.	Particulars	No. of Claims	Claim amount (₹ in million)
1	Claims outstanding at the start of the year	3,914	2,427.09
2	Claims intimated/booked during the year	765,472	108,158.93
3	Claims settled during the year	756,399	105,855.28
4	Claims repudiated during the year	7,432	2,023.51
5	Claims outstanding at end of the year	3,203	1,950.63
	Age-wise details of outstanding claims		
	0-3 months	2,786	902.58
	3-6 months	310	256.51
	6-12 months	62	249.22
	1 year to 3 years	45	542.32
	3 years to 5 years	-	-
	5 years and above	-	-
	Total	**3,203**	**1,950.63**

Policyholder complaints

Details of Corporation's record of policyholders' protection and the pendency of the policyholder complaints for Fiscals 2021, 2020, 2019, 2018 and 2017 are as follows. Details in relation to Fiscal 2022 are currently being processed by our Corporation and are therefore unavailable:

1. Fiscal 2021

Sr. No.	Particulars on complaints made by customers	Opening balance	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	0	4,107	3,741	292	74	0
2.	New business related **	0	5,699	5,153	502	44	0
3.	Policy servicing related[#]	0	39,536	36,594	2,567	375	0
4.	Claims servicing related	0	37,416	34,324	2,794	298	0
5.	Others	51	24,624	22,584	1,754	337	0
	Total complaints in system	**51**	**111,382**	**102,396**	**7,909**	**1,128**	**0**

**Opening balance should tally with the closing balance of the previous financial year*
***Complaints related to proposal processing*
[#]Includes complaints related to ULIP

Sr. No	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	0	0	0
2.	Greater than 15 days	0	0	0
	Total	**0**	**0**	**0**

The number of policyholder complaints per 10,000 policies sold in Fiscal 2021 is 53.02.

2. Fiscal 2020

Sr. No.	Particulars on complaints made by customers	Opening balance*	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	0	3,792	3,455	275	62	0
2.	New business related**	0	4,239	3,906	295	38	0
3.	Policy servicing related#	0	47,849	44,545	2,689	615	0
4.	Claims servicing related	0	28,954	26,870	1,778	306	0
5.	Others	0	24,779	22,906	1,440	382	51
	Total complaints in system	**0**	**109,613**	**101,682**	**6,477**	**1,403**	**51**

**Opening balance should tally with the closing balance of the previous financial year*
***Complaints related to proposal processing*
#Includes complaints related to ULIP

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	51	0	51
2.	Greater than 15 days	0	0	0
	Total	**51**	**0**	**51**

The number of policyholder complaints per 10,000 policies sold in Fiscal 2020 is 49.99.

3. Fiscal 2019

Sr. No.	Particulars on Complaints made by customers	Opening balance*	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	0	4,273	3,899	281	93	0
2.	New business related**	0	3,291	3,062	177	52	0
3.	Policy servicing related#	0	42,568	39,498	2,227	843	0
4.	Claims servicing related	0	24,138	22,205	1,427	506	0
5.	Others	0	28,004	25,929	1,469	606	0
	Total complaints in system	**0**	**102,274**	**94,593**	**5,581**	**2,100**	**0**

**Opening balance should tally with the closing balance of the previous financial year*
***Complaints related to proposal processing*
#Includes complaints related to ULIP

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	0	0	0
2.	Greater than 15 days	0	0	0
	Total	**0**	**0**	**0**

The number of policyholder complaints per 10,000 policies sold in Fiscal 2019 is 47.72.

4. Fiscal 2018

Sr. No.	Particulars on Complaints made by customers	Opening balance*	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	Sales related	0	2,908	2,638	185	85	0
2.	New business related**	0	3,087	2,855	164	68	0
3.	Policy servicing related#	0	33,020	30,895	1,663	462	0
4.	Claims servicing related	0	14,632	13,299	985	348	0
5.	Others	0	23,575	21,936	1,220	419	0
	Total complaints in system	**0**	**77,222**	**71,623**	**4,217**	**1,382**	**0**

**Opening balance should tally with the closing balance of the previous financial year*
***Complaints related to proposal processing*
#Includes complaints related to ULIP

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	0	0	0
2.	Greater than 15 days	0	0	0
	Total	**0**	**0**	**0**

The number of policyholder complaints per 10,000 policies sold in Fiscal 2018 is 36.19.

5. Fiscal 2017

Sr. No.	Particulars on complaints made by customers	Opening balance*	Additions	Fully accepted	Partially accepted	Rejected	Complaints pending
1.	**Sales related**	**0**	**1,214**	**1,059**	**108**	**47**	**0**
2.	New Business Related**	0	1,577	1,437	90	50	0
3.	Policy servicing related#	0	14,102	12,999	603	500	0
4.	Claims servicing related	0	9,230	8,002	811	417	0
5.	Others	0	4,667	4,252	256	159	0
	Total complaints in system	**0**	**30,790**	**27,749**	**1,868**	**1,173**	**0**

**Opening balance should tally with the closing balance of the previous financial year*
***Complaints related to proposal processing*
#Includes complaints related to ULIP

Sr. No.	Duration wise pending status	Complaints made by customer	Complaints made by intermediaries	Total
1.	Less than 15 days	0	0	0
2.	Greater than 15 days	0	0	0
	Total	**0**	**0**	**0**

The number of policyholder complaints per 10,000 policies sold in Fiscal 2017 is 15.29.

Litigation involving our Directors as of the date of this Prospectus

Litigation against our Directors

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by Regulatory and Statutory Authorities

Nil

Litigation by our Directors

Civil Litigation

Nil

Criminal Litigation

Nil

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Civil Litigation

Nil

Criminal Litigation

Nil

Actions Taken by Regulatory and Statutory Authorities

Nil

Litigation by our Subsidiaries

Civil Litigation

Nil

Criminal Litigation

Nil

Tax Claims

Except as disclosed below, as on April 29, 2022, there are no claims related to direct and indirect taxes, involving our Corporation, Subsidiaries and Directors.

Nature of case	Number of cases	Amount involved (₹ in million, unless stated otherwise)
Corporation		
Direct Tax	37	727,622.99
Indirect Tax	26	21,322.97
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Subsidiares		
Direct Tax	4*	USD 434,439*
Indirect Tax	Nil	Nil

**These are involving Life Insurance Corporation (International) B.S.C. (c).*

Description of tax matters exceeding the Materiality Threshold

a) Our Corporation received orders dated December 23, 2004, January 31, 2005 and February 8, 2005, under section 143(3) of the IT Act for the assessment years 2002-03, 2003-04 and 2004-05, respectively, alleging that our Corporation has incorrectly calculated its total income for these assessment years and no deductions should have been claimed on (i) dividend income; (ii) provision for solvency margin; and (iii) loss from Jeevan Suraksha fund. Our Corporation filed appeals before the Commissioner of Income Tax – Appeals and orders dated March 14, 2007, March 23, 2007 and March 23, 2007 (together, the "**CIT Orders**") in relation to assessment years 2002-03, 2003-04 and 2004-05, respectively, held that our Corporation was liable to pay tax amounting to ₹7,563.41 million, ₹9,645.79 million and ₹15,458.47 million, respectively. Subsequently, our Corporation filed appeals before the Income Tax Appellate Tribunal ("**ITAT**") to set aside the CIT Orders. The ITAT passed an order dated October 28, 2009 ("**ITAT Order**") ruling that the assessment of the profits in the insurance business is governed by Section 44 of the IT Act read with the rules in the First Schedule to the IT Act and therefore the assessing officer has no power to make any disallowance of deduction in relation to solvency margin. The Commissioner of Income Tax-I ("**Petitioner**") filed an appeal before the High Court of Bombay and an order dated August 2, 2011 upheld the ITAT Order. The Petitioner has filed a special leave petition before the Supreme Court of India to set aside the order of the High Court of Bombay. This matter is currently pending.

b) Our Corporation received an order dated October 27, 2010 under Section 143(3) of the IT Act alleging incorrect computation of the total income of our Corporation for the assessment year 2008-09 ("**Original Order**"). Our Corporation calculated its total income as ₹153,377.83 million while the Original Order calculated the total income of our Corporation as ₹664,610.90 million. Our Corporation filed an appeal before the Commissioner of Income Tax (Appeals) – 2, Mumbai against the Original Order and an order dated March 6, 2012 partially allowed the appeal ("**Appeal Order**"). The Additional Commissioner of Income Tax, Range 1(2), Mumbai appealed before the Income Tax Appellate Tribunal and an order dated April 3, 2013 held that the appeal filed by our Corporation is partially allowed. Subsequently, the Commissioner of Income Tax – 1, Mumbai filed an appeal before the High Court of Bombay to quash the Appeal Order and an order dated September 15, 2015 ("**HC Order**") was passed dismissing the appeal. The Commissioner of Income Tax – 1, Mumbai filed an appeal dated May 11, 2016 before the Supreme Court of India against the HC Order. This matter is currently pending. In the event the Supreme Court of India rules against our Corporation, our Corporation may have to pay approximately ₹59,549.90 million, based on our internal calculations.

c) Our Corporation received an order dated December 30, 2011 under Section 143(3) of the IT Act alleging incorrect computation of the total income of our Corporation for the assessment year 2009-10 ("**Original Order**"). Our Corporation calculated its total income as ₹156,427.98 million while the Original Order calculated the total income of our Corporation as ₹651,404.14 million. Our Corporation filed an appeal before the Commissioner of Income Tax (Appeals) – 2, Mumbai against the Original Order and an order dated August 16, 2012 partially allowed the appeal ("**Appeal Order**"). The Additional Commissioner of Income Tax, Range 1(2), Mumbai appealed before the Income Tax Appellate Tribunal and an order dated April 3, 2013 held that the appeal filed by our Corporation is partially allowed. Subsequently, the Commissioner of Income Tax – 1, Mumbai filed an appeal before the High Court of Bombay to quash the Appeal Order and an order dated September 15, 2015 ("**HC Order**") was passed dismissing the appeal. The Commissioner of Income Tax – 1, Mumbai filed an appeal dated May 20, 2016 before the Supreme Court of India against the HC Order. This matter is currently pending. In the event the Supreme Court of India rules against our Corporation, our Corporation may have to pay approximately ₹58,080.50 million, based on our internal calculations.

d) Our Corporation received an order dated February 11, 2013 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2010-11 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹170,345.95 million while the Order calculated the total income of our Corporation as ₹692,267.66 million. Our Corporation filed an appeal dated February 28, 2013 before the Commissioner of Income tax (Appeals) – 2, Mumbai ("**CIT**") to set aside the Order. The CIT, pursuant to order dated March 3, 2014 allowed the appeal partially. Subsequently, DCIT-3(2), Mumbai ("**Revenue**") filed an appeal before the Income Tax Appellate Tribunal that passed an order dated February 24, 2016 ("**ITAT Order**") dismissing the Revenue's appeal. The Principal Commissioner of Income Tax – 3 has filed an appeal dated August 29, 2016 ("**Appeal**") before the High Court of Bombay challenging the legality and validity of the ITAT Order and an order dated March 12, 2019 was passed partially admitting the Appeal ("**HC Order**"). Subsequently, the CIT filed an appeal dated August 5, 2019 before the Supreme Court of India against the HC Order. This matter is currently pending. In the event the Supreme Court of India rules against our Corporation, our Corporation may have to pay approximately ₹68,808.30 million, based on our internal calculations.

e) Our Corporation received an order dated March 31, 2014 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2011-12 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹178,651.49 million while the Order calculated the total income of our Corporation as ₹619,554.39 million. Our Corporation filed an appeal dated April 28, 2014 before the Commissioner of Income tax (Appeals) – 2, Mumbai ("**CIT**") to set aside the Order. The CIT, pursuant to order dated May 11, 2015 allowed the appeal partially. Subsequently, the Additional Commissioner of Income 1(2), Mumbai & Commissioner of Income Tax (OSD) ("**Revenue**") filed an appeal before the Income Tax Appellate Tribunal that passed an order dated September 6, 2017 ("**ITAT Order**") partially allowing the Revenue's appeal. Further, the Pr. Commissioner of Income Tax – 3 also filed an appeal dated July 6, 2018 before the High Court of Bombay challenging the legality and validity of the ITAT Order. This matter is currently pending. In the event the High Court of Bombay rules against our Corporation, our Corporation may have to pay approximately ₹62,689.80 million, based on our internal calculations.

f) Our Corporation received a notice dated February 19, 2015 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2012-13 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹201,468.81 million while the Order calculated the total income of our Corporation as ₹563,891.83 million. Our Corporation has preferred an appeal dated March 16, 2015 before the Commissioner of Income Tax (Appeals) – 4, Mumbai ("**CIT**") against the Order on various grounds, including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. This matter is currently pending. In the event the CIT rules against our Corporation, there will be a liability of approximately ₹51,127.80 million on our Corporation, based on our internal calculations.

For information on LIC Golden Jubilee Foundation, see "*Our Business - Environmental, Social and Governance*" on page 241.

g) Our Corporation received a notice dated November 3, 2015 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2013-14 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹223,552.65 million while the Order calculated the total income of our Corporation as ₹578,253.85 million. Our Corporation has preferred an appeal dated December 15, 2015 before the Commissioner of Income Tax (Appeals) – 8, Mumbai ("**CIT**") against the Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. This matter is currently pending. In the event the CIT rules against our Corporation, there will be a liability of approximately ₹48,914.60 million on our Corporation, based on our internal calculations.

h) Our Corporation received a notice dated March 30, 2016 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2014-15 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹250,361.20 million while the Order calculated the total income of our Corporation as ₹603,619.67 million. Our Corporation has preferred an appeal dated April 26, 2016 before the Commissioner of Income Tax (Appeals) – 8, Mumbai ("**CIT**") against the Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Foundation and adjustment for negative reserves. This matter is currently pending. In the event the CIT rules against our Corporation, there will be a liability of approximately ₹50,908.90 million on our Corporation, based on our internal calculations.

i) Our Corporation received a notice dated March 30, 2017 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2015-16 and certain disallowances should not have been exempted from the total income ("**Original Order**"). Our Corporation calculated its total income as ₹288,010.74 million while the Original Order calculated the total income of our Corporation as ₹570,604.55 million. Our Corporation had filed an appeal before the Commissioner of Income Tax (Appeals) – 8, Mumbai ("**CIT**") against the Original Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. The CIT, pursuant to its order dated March 27, 2019 ("**Order**") allowed our Corporation's appeal partially. Subsequently, the Appellant ACIT – 3(2)(1), Mumbai has preferred an appeal dated May 6, 2019 before the Income Tax Appellate Tribunal ("**ITAT**") to set aside the Order. This matter is currently pending. In the event the ITAT rules against our Corporation, there will be a liability of approximately ₹45,425.00 million on our Corporation, based on our internal calculations.

j) Our Corporation received a notice dated March 20, 2018 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2016-17 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹399,310.65 million while the Order calculated the total income of our Corporation as ₹687,582.69 million. Our Corporation has preferred an appeal dated April 17, 2018 before the Commissioner of Income Tax (Appeals) 8, Mumbai ("**CIT**") against the Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. This matter is currently pending. In the event the CIT rules against our Corporation, there will be a liability of approximately ₹46,716.40 million on our Corporation, based on our internal calculations.

k) Our Corporation received a notice dated March 8, 2019 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2017-18 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹346,230.41 million while the Order calculated the total income of our Corporation as ₹630,796.01 million. Our Corporation has preferred an appeal dated April 3, 2019 before the Commissioner of Income Tax (Appeals) 8, Mumbai ("**CIT**") against the Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. This matter is currently pending. In the event the CIT rules against our Corporation, there will be a liability of approximately ₹45,610.60 million on our Corporation, based on our internal calculations.

l) Our Corporation received a notice dated February 6, 2020 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2018-19 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹379,088.01 million while the Order calculated the total income of our Corporation as ₹676,992.21 million. Our Corporation has preferred an appeal dated March 6, 2020 before the Commissioner of Income Tax (Appeals) 8, Mumbai ("**CIT**") against the Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. The tax liability involved is approximately ₹49,097.80 million on our Corporation, based on our internal calculations. The CIT, pursuant to its order dated March 12, 2022 ("**CIT Order**"), has partially allowed our Corporation's appeal. The Corporation is currently in the process of filing an appeal before the Income Tax Appellate Tribunal against the CIT Order.

m) Our Corporation received a notice dated September 30, 2021 under section 143(3) of the IT Act alleging that our Corporation had computed its total income incorrectly for the assessment year 2019-20 and certain disallowances should not have been exempted from the total income ("**Order**"). Our Corporation calculated its total income as ₹420,796.47 million while the Order calculated the total income of our Corporation as ₹719,471.27 million. Our Corporation has preferred an appeal dated October 28, 2021 before the Commissioner of Income Tax (Appeals) ("**CIT**") against the Order on various grounds including, *inter alia*, disallowance of exemption to our Corporation on dividend in the hands of the shareholders, deductions in relation to the interim bonus paid, loss from Jeevan Suraksha Fund, donation to LIC Golden Jubilee Foundation and adjustment for negative reserves. The tax liability involved is approximately ₹48,990.80 million on our Corporation, based on our internal calculations. The CIT, pursuant to its order dated March 10, 2022 ("**CIT Order**"), has partially allowed our Corporation's appeal. The Corporation is currently in the process of filing an appeal before the Income Tax Appellate Tribunal against the CIT Order.

n) Our Corporation received a show cause notice dated April 27, 2018 from the Directorate General of Goods & Service Tax Intelligence, Kolkata Zonal Unit demanding an amount of ₹20,503.21 million ("**Demand**") alleging service tax evasion by way of not discharging service tax on forfeiture of premium on account of lapse of policies where revival is not possible for the period between July 1, 2012 to June 30, 2017. Our Corporation submitted written responses, however, the Principal Commissioner of Central GST & C Excise, Mumbai South Commissionerate passed an order dated December 14, 2018 ("**Order**") confirming the Demand and imposed a penalty under Section 77 and 78 of the Finance Act, 1994. Aggrieved by the Order, our Corporation has preferred an appeal dated March 26, 2019 before the Customs, Central Excise and Service Tax Appellate Tribunal, Mumbai Bench, to set aside the Order on several grounds, *inter alia*, including, Demand barred by limitation and the Order is ultra vires of the provisions of the Finance Act, 1994.

Outstanding dues to Creditors

As at December 31, 2021, the total outstanding dues to the creditors by our Corporation was ₹69,354.02 million. As at December 31, 2021, our Corporation owes ₹0.04 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As per the materiality policy, creditors of our Corporation to whom our Corporation owes an amount exceeding 5% of the outstanding due to sundry creditors as on December 31, 2021 (i.e., ₹3,202.69 million), have been considered 'material' creditors. As at December 31, 2021, there are two material creditors to whom our Corporation owes a total amount of ₹24,194.20 million. The details pertaining to the outstanding dues towards our material creditors are available on the website of our Corporation at https://licindia.in/Investor-Relations/Financial-Details/Material-Creditors. It is clarified that such details available on our website do not form a part of this Prospectus.

Details of outstanding dues owed to MSMEs, material creditors and other creditors as at December 31, 2021 is set out below:

Types of creditors	Number of creditors	Amount involved (₹ in million)
Micro, Small and Medium Enterprises	-*	0.04
Other creditors	-*	45,159.78
Material Creditors	2	24,194.20
Total Outstanding Dues	-*	**69,354.02**

Notes:
**Our Corporation has filed an application with SEBI seeking exemption from disclosing the number of non-material creditors, the number of micro, small and medium enterprises creditors and consequently, the total number of creditors, as this data is not maintained centrally.*
*** Represents amount outstanding towards settlement of trades on a T+2 settlement cycle basis.*

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results Of Operations"* on page 452, there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Corporation and Material Subsidiaries which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Corporation can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Corporation will make applications to the appropriate authorities for renewal of such key approvals, as necessary. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 253.

I. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Corporation in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" beginning on page 532.

II. Key approvals in relation to our Corporation

Approvals in relation to our business operations

Our Corporation and Material Subsidiaries require various approvals for carrying on our business in India. The approvals that we require include the following:

(a) **Regulatory approvals**

Corporation

1. Certificate of registration to undertake life insurance business in India dated September 20, 1956 issued under Section 3(6) of the Insurance Act by the Controller of Insurance. Subsequently, the IRDAI issued renewal certificate every year since 2000-01 to 2014-15. Thereafter, the Insurance Act was amended and the requirement to renew registration on an annual basis was removed.

2. Letter dated September 6, 2021 bearing reference number F. no. I-13014/2/2020-Ins.I issued by the Ministry of Finance, Government of India to approve the issuance of equity shares and bonus shares to the Central Government under the provisions of Sections 5(2) and 5(4) of the Life Insurance Corporation Act.

Life Insurance Corporation (International) B.S.C

1. Commercial registration certificate dated July 20, 1989 issued by the Ministry of Industry, Commerce and Tourism, Kingdom of Bahrain.

2. Registration certificate of a closed joint stock company dated July 20, 1989 issued in accordance with Decree (1) Finance the year 1961 as amended by Decree No. 34/1976 and Decree No. 12/1978 and Commercial Company Law No.: 21/ 2001 by the Bahrain Investors Centre, Ministry of Industry & Commerce, Kingdom of Bahrain.

3. Permission dated August 5, 1989 issued by the Ministry of Commerce & Agriculture, Kingdom of Bahrain to conduct life insurance business in Bahrain.

Life Insurance Corporation (Singapore) Pte. Ltd.

1. Certificate confirming incorporation of company dated May 2, 2012 issued by the Accounting and Corporate Regulatory Authority, Singapore.

2. Registration to carry on insurance business in Singapore (life direct insurer) dated January 22, 2013 issued by the Insurance Department, Monetary Authority of Singapore.

(b) **Product related approvals of our Corporation**

As on the date of this Prospectus, our Corporation has 32 products, for which we have received approvals, revised/ modified approvals, as applicable, from IRDAI.

(c) **Branch related approvals of our Corporation**

As on December 31, 2021, our Corporation has 2,048 branches across India. All our branches were established prior to establishment of the IRDAI and therefore no approval was required from the IRDAI. The material approval(s) obtained by us for our branches (if applicable) is set out below:

1. Shops and establishments certificate issued under relevant laws of the states where our Corporation has operations and wherever these laws are applicable to our Corporation;

2. Registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952, if applicable to a branch of our Corporation;

3. Registration under the Employees State Insurance Act, 1948, if applicable to a branch of our Corporation;

4. Goods and services tax registration; and

5. Tax deduction account number registration.

Additionally, as at December 31, 2021, our Corporation has 1,559 satellite offices, 1,173 mini offices and 113 divisional offices. Our Corporation has obtained approval from IRDAI to open these offices, wherever required.

(d) **Other Approvals**

1. Order dated November 12, 1957 issued by the Commissioner of Income Tax, Bombay city recognising our Corporation under Section 58-B(1) of the Indian Income Tax Act, 1992 in relation to provident fund.

2. Registration certificate bearing code no. 31001021750001003 dated October 19, 2012 issued under the Employees State Insurance Corporation Act, 1948.

3. Our Corporation has obtained various tax related registrations and approvals under various central and state specific tax laws such as the Income Tax Act, 1961, GST laws, and professional tax legislations. Our Corporation has obtained the necessary registrations from the appropriate regulatory and governing authorities in relation to such tax laws.

Applications for approvals made by our Corporation

Some of the registrations of our branches have expired in ordinary course of business and are subject to renewal.

Expired approvals for which renewal applications have not been made by our Corporation

Nil

III. Intellectual Property

As on the date of this Prospectus, our Corporation holds 14 registrations in respect of trademarks under various classes including 16, 36, 41 and 42 granted by the Registrar of Trademark under the Trademarks Act, 1999. Additionally, trademark bearing reference number 5210553 under class 36 for "LIC Digital" has been accepted and advertised in the trademark journal. Our Corporation is yet to receive a registration of the same. Our Corporation also holds one copyright registration bearing reference number A-88189/2010 for the artistic work on the logo of LIC. For information, see "*Our Business – Intellectual Property*" on page 250.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by resolution of our Board dated February 11, 2022, read with resolution of our Board dated April 23, 2022, respectively. The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on February 13, 2022. The Red Herring Prospectus has been approved by our IPO Committee pursuant to a resolution passed on April 26, 2022. This Prospectus has been approved by our Board pursuant to a resolution passed on May 12, 2022.

The Selling Shareholder, through its letter dated April 26, 2022 conveyed its approval for the Offer for Sale of up to 221,374,920 Equity Shares.

Our Corporation has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters, each dated February 14, 2022.

Prohibition by SEBI or other Governmental Authorities

Our Corporation, our Directors and Promoter/ Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Except for Mangalam Ramasubramanian Kumar, our Whole-time Chairperson, who is on the board of LIC Mutual Fund Asset Management Limited, which is a SEBI registered entity, and is the investment manager to LIC Mutual Fund, none of our Directors are associated with securities market related business, in any manner and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Prospectus.

Our Corporation, Promoter/ Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) or our Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Our Corporation, Promoter and Directors have not been declared as ‘Fraudulent Borrowers’ by any lending bank, financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Corporation is not a company incorporated under the Companies Act and accordingly the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018 are not applicable to our Corporation and Promoter. However, in accordance with Section 5C of the Life Insurance Corporation Act, our Corporation is in compliance with Section 89 of the Companies Act, 2013.

Eligibility for the Offer

Our Corporation is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Corporation has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full financial years, i.e., as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019;

- Our Corporation has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three full financial years, i.e., financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, with operating profit in each of these preceding three financial years;

- Our Corporation has a net worth of at least ₹10 million, calculated on a restated and consolidated basis in each of the preceding three full financial years, i.e., financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; and

- our Corporation has not changed its name in the last one year.

Our Corporation's operating profit, net worth and net tangible assets derived from the Restated Financial Statements included in this Prospectus as at, and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 are set forth below:

Derived from our Restated Financial Statements:

(₹ in million)

Sr. No.	Particulars	As of and for the Fiscal ended		
		March 31, 2021	March 31, 2020	March 31, 2019
A.	Net tangible assets	32,983.09	103,384.89	103,894.32
B.	Net worth	65,146.44	8,546.53	8,153.27
C.	Operating profit/ profit before tax	29,803.47	27,185.16	26,423.65

Notes:

1) *Net tangible assets mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) or Indian Accounting Standard (Ind AS) 38, as applicable, issued by the Institute of Chartered Accountants of India.*
2) *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
3) *Pre-tax Operating Profit/Loss: Pre – tax Operating Profits means Profit Before Tax as per restated summary statement of Profit and Loss Account (Shareholders' Account / Non-Technical Account).*

The status of compliance of our Corporation with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Corporation, Promoter/ Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Corporation, Promoter/ Selling Shareholder nor our Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) There are no outstanding convertible securities of our Corporation or any other right which would entitle any person with any option to receive Equity Shares of our Corporation as on the date of filing of this Prospectus;

(vi) Our Corporation along with KFin Technologies Limited has entered into tripartite agreements each dated September 9, 2021 with NSDL and CDSL for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Corporation held by our Promoter are in the dematerialized form;

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Prospectus; and

(ix) Further, our Corporation confirms that it will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Corporation shall ensure that the number of Allottees shall not be less than 1,000, failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Corporation shall pay interest on the application monies in accordance with applicable laws.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, ICICI SECURITIES LIMITED, JM FINANCIAL LIMITED, J. P. MORGAN INDIA PRIVATE LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE CORPORATION IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE CORPORATION DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, BOFA SECURITIES INDIA LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, GOLDMAN SACHS (INDIA) SECURITIES PRIVATE LIMITED, ICICI SECURITIES LIMITED, JM FINANCIAL LIMITED, J. P. MORGAN INDIA PRIVATE LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 13, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE CORPORATION FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer were complied with at the time of filing of this Prospectus.

Disclaimer from our Corporation, our Directors, the Selling Shareholder and the BRLMs

Our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information was made available by our Corporation, Selling Shareholder and the BRLMs to the Bidders and the public at large and no selective or additional information was made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders were required to confirm and were deemed to have represented to our Corporation, our Promoter, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Corporation, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Corporation, the Selling Shareholder, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Corporation, the Selling Shareholder, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

Eligibility and Selling and Transfer Restrictions

Invitations to subscribe to or purchase the Equity Shares in the Offer were made only pursuant to the Red Herring Prospectus if the recipient was in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient was outside India. **No person outside India was eligible to Bid for Equity Shares in the Offer unless that person received the preliminary offering memorandum for the Offer, which contained, among other things, the selling restrictions for the Offer outside India.**

This Offer was made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended), including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents, including FPIs and Eligible NRIs, AIFs and all other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, as amended (the "**U.S. Securities Act**"), or the laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares offered in the Offer were offered and are being sold only (i) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and (ii) in the United States to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**")), pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act.

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Each purchaser of the Equity Shares in the Offer who did not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:

- Represent and warrant to our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- Represent and warrant to our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.

- Represent and warrant to our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members that it did not purchase the Equity Shares offered in the Offer as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Agree to indemnify and hold our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.

- Represent and warrant to our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Acknowledge that our Corporation, the Selling Shareholder, the BRLMs and the Syndicate Members and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder where required, agreed in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

BSE Limited ("the Exchange") has given vide its letter dated February 14, 2022 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1526 dated February 14, 2022, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER CLAUSE OF THE IRDAI

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA DOES NOT UNDERTAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF OUR CORPORATION OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS CONNECTION.

ANY ISSUANCE OF OBSERVATIONS BY THE INSURANCE REGULATORY AUTHORITY OF INDIA ("IRDAI") UNDER THE LIC GENERAL REGULATIONS SHALL NOT IN ANY MANNER BE DEEMED TO BE OR SERVE AS A VALIDATION OF THE REPRESENTATIONS BY OUR CORPORATION IN THE OFFER DOCUMENT.

Listing

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE and NSE. Applications have been made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of the Selling Shareholder, our Directors, our Compliance Officer, Indian legal counsel to our Corporation, legal counsel to our Corporation as to international law, legal counsel to the BRLMs as to Indian Law, international legal counsel to the BRLMs, Bankers to our Corporation, the BRLMs, Registrar to the Offer and consents in writing of the Syndicate Members, Escrow Collection Banks/Refund Banks/ Public Offer Account Banks/ Sponsor Banks to act in their respective capacities, have been obtained and such consents shall not be withdrawn up to the time of filing of this Prospectus.

Expert to the Offer

Except as stated below, our Corporation has not obtained any expert opinions:

Our Corporation has received written consent dated April 23, 2022 from our Statutory Auditor to the Offer to include their name in this Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor to the Offer, and in respect of their (i) examination report, dated February 25, 2022 on our Restated Financial Statements; and (ii) their report dated February 10, 2022 on the statement of tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Our Corporation has received written consent dated March 11, 2022 from the Milliman Advisors LLP to include Independent Actuary's name in this Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as independent actuary and in respect of the Embedded Value Reports, and such consent has not been withdrawn as on the date of this Prospectus.

Particulars regarding capital issues by our Corporation, listed group companies and subsidiaries or associates entities during the last three years

Other than as disclosed in "*Capital Structure*" beginning on page 92, our Corporation has not made any capital issues during the three years preceding the date of this Prospectus. Further, Life Insurance Corporation (Nepal) Ltd., our listed Subsidiary, has not made any capital issues during the last three years. Except as stated below, IDBI Bank and LIC Housing Finance Limited, our listed Associates, have not made any capital issues during the last three years.

Particulars		Details of the capital issue
IDBI Bank		
a.	Year of issue	2018

Particulars		Details of the capital issue
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹78,810.00 million
	Date of closure of issue	-
	Date of allotment	May 25, 2018
	Date of credit of securities to the demat account	June 26, 2018
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
b.	Year of issue	2018
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹20,981.90 million
	Date of closure of issue	-
	Date of allotment	October 4, 2018
	Date of credit of securities to the demat account	November 2, 2018
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
c.	Year of issue	2018
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹145,000.00 million
	Date of closure of issue	-
	Date of allotment	December 28, 2018
	Date of credit of securities to the demat account	January 10, 2019
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
d.	Year of issue	2019
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹ 50,259.60 million
	Date of closure of issue	-
	Date of allotment	January 21, 2019
	Date of credit of securities to the demat account	February 18, 2019
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
e.	Year of issue	2019
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹47,430.00 million
	Date of closure of issue	-
	Date of allotment	October 23, 2019
	Date of credit of securities to the demat account	November 21, 2019
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
f.	Year of issue	2019
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹45,570.00 million
	Date of closure of issue	-
	Date of allotment	October 23, 2019
	Date of credit of securities to the demat account	November 21, 2019
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
g.	Year of issue	2020
	Type of Issue (public/rights/composite)	Qualified institutional placement
	Amount of issue	₹14,351.80 million
	Date of closure of issue	December 18, 2020
	Date of allotment	December 19, 2020
	Date of credit of securities to the demat account	December 22, 2020
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	-
LIC Housing Finance Limited		

Particulars		Details of the capital issue
a.	Year of issue	2021
	Type of Issue (public/rights/composite)	Preferential issue
	Amount of issue	₹23,355.12 million
	Date of closure of issue	-
	Date of allotment	September 8, 2021
	Date of credit of securities to the demat account	September 21, 2021
	Date of completion of project where objects of the issue was financing the project	-
	Rate of dividend paid	425%

Additionally, our Corporation does not have any other listed Subsidiaries or Associates.

Our Corporation does not have any group companies in accordance with the SEBI ICDR Regulations.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Corporation's establishment.

Performance vis-à-vis objects – Public/ rights issue of our Corporation

Our Corporation has not undertaken any public issue or rights issue in the five years preceding the date of this Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Corporation

Except for the securities of our Subsidiary, Life Insurance Corporation (Nepal) Ltd. which are listed on the Nepal Stock Exchange, the securities of our other Subsidiaries are not listed on any stock exchange. Our Promoter is the President of India, acting through the Ministry of Finance, Government of India.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal):

I. **Kotak**

1. Price information of past issues handled by Kotak:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Rainbow Children's Medicare Limited	1,580.85	542	May 10, 2022	510	-	-	-
2.	Campus Activewear Limited	1399.60	292	May 9, 2022	360	-	-	-
3.	Vedant Fashions Limited	31,491.95	866	February 16, 2022	935.00	+3.99%, [-0.20%]	-	-
4.	Adani Wilmar Limited	36,000.00	230[1]	February 8, 2022	227.00	+48.00%, [-5.34%]	+180.96%, [-4.95%]	-
5.	C.E. Info Systems Limited	10,396.06	1,033	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [-67.85%]	-
6.	Rategain Travel Technologies Limited	13,357.43	425[2]	December 17, 2021	360.00	+11.99%, [+7.48%]	- 31.08%, [-0.06%]	-
7.	Star Health And Allied Insurance Company Limited	64,004.39	900[3]	December 10, 2021	845.00	-14.78%, [+1.72%]	- 29.79%, [-6.66%]	-
8.	PB Fintech Limited	57,097.15	980	November 15, 2021	1,150.00	+14.86%, [-4.33%]	- 20.52%, [-4.06%]	-
9.	FSN E-commerce Ventures Limited	53,497.24	1,125[4]	November 10, 2021	2,018.00	+92.31%, [-2.78%]	+68.46%, [-4.46%]	+36.80%, [-8.91%]
10.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	-25.65%, [-0.90%]

Source: www.nseindia.com; www.bseindia.com
Notes:

1. *In Adani Wilmar Limited, the issue price to eligible employees was ₹ 209 after a discount of ₹ 21 per equity share*
2. *In Rategain Travel Technologies Limited, the issue price to eligible employees was ₹ 385 after a discount of ₹ 40 per equity share*
3. *In Star Health and Allied Insurance Company Limited, the issue price to eligible employees was ₹ 820 after a discount of ₹ 80 per equity share*
4. *In FSN E-Commerce Ventures Limited, the issue price to eligible employees was ₹ 1,025 after a discount of ₹ 100 per equity share*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
8. *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past issues handled by Kotak:

Fiscal	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	2	2,980.45	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	19	624,047.99	-	-	5	5	5	4	1	1	1	7	1	1
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1

Notes:

1. *The information is as on the date of this Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

II. **Axis**

1. Price information of past issues handled by Axis:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Vedant Fashions Limited(2)	31,491.95	866.00	16-Feb-22	935.00	+3.99%, [-0.20%]		
2.	CMS Info Systems Limited(1)	11,000.00	216.00	31-Dec-21	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	-
3.	Supriya Lifescience Limited(1)	7,000.00	274.00	28-Dec-21	425.00	+78.61%, [-0.07%]	+72.12%, [-0.92%]	-
4.	Medplus Health Services Limited*(1)	13,982.95	796.00	23-Dec-21	1,015.00	+53.22%, [+3.00%]	+23.06%, [+1.18%]	-
5.	Metro Brands Limited(1)	13,675.05	500.00	22-Dec-21	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	-
6.	C.E. Info Systems Limited(1)	10,396.06	1,033.00	21-Dec-21	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	-
7.	Shriram Properties Limited$(2)	6,000.00	118.00	20-Dec-21	90.00	-12.42%, [+9.02%]	-33.39%, [+4.05%]	-
8.	Tega Industries Limited(2)	6,192.27	453.00	13-Dec-21	760.00	+30.70%, [+3.96%]	+1.02%, [-4.25%]	-
9.	Star Health and Allied Insurance Company Limited^(2)	60,186.84	900.00	10-Dec-21	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-
10.	Latent View Analytics Limited@(1)	6,000.00	197.00	23-Nov-21	530.00	+153.58%, [-2.96%]	+142.08%, [-1.42%]	-

Source: www.nseindia.com and www.bseindia.com
(1)BSE as Designated Stock Exchange
(2)NSE as Designated Stock Exchange
** Offer Price was ₹718.00 per equity share to Eligible Employees*
$ Offer Price was ₹107.00 per equity share to Eligible Employees
^Offer Price was ₹820.00 per equity share to Eligible Employees
@Offer Price was ₹178.00 per equity share to Eligible Employees

Notes:

a. *Issue Size derived from Prospectus/final post issue reports, as available.*
b. *The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
c. *Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
d. *In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.*
e. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. Summary statement of price information of past issues handled by Axis:

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2022	25	6,09,514.77	-	2	6	6	5	6	2	2	1	4	2	2
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2

** The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

III. **BofA Securities**

1. Price information of past issues handled by BofA Securities:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Adani Wilmar Limited	36,000.00	230.00	08-Feb-22	227.00	+48.00%[-5.34%]	+180.96%, [-4.95%]	-
2.	Star Health and Allied Insurance Company Limited	64,004.39	900.00	10-Dec-2021	845.00	-14.78% [1.72%]	-29.79%[-6.66%]	-
3.	Sapphire Foods India Limited	20,732.53	1,180.00	18-Nov-2021	1,350.00	+3.69% [-4.39%]	+20.78%[-2.32%]	-
4.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	10-Nov-2021	2,018.00	+92.31 [-2.78%]	+68.46% [-4.46%]	+36.80%, [-8.91%]
5.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	11-Oct-2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
6.	Glenmark Life Sciences Limited	15,136.00	720.00	6-Aug-2021	751.10	-6.38% [+7.10%]	-12.94%[+10.12%]	-20.67%[+8.45%]
7.	Zomato Limited	93,750.00	76.00	23-July-2021	115.00	+83.22% [+4.44%]	+81.97%[+15.64%]	+75.07% [+14.68]
8.	UTI Asset Management Company Limited	21,598.80	554.00	12-Oct-2020	500.00	-10.43% [5.87%]	-0.60%[+20.25%]	+5.81% [+24.34%]
9.	SBI Cards and Payment Services Limited	103,407.80	755.00	16-Mar-2020	658.00	-33.03% [-2.23%]	-21.79% [+7.62%]	+12.51% [+23.78%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *Equity public issues in last three financial years considered.*
2. *Opening price information as disclosed on the website of NSE.*
3. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue considered as benchmark index and for disclosing the price information.*
4. *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.*
5. *30th listing day has been taken as listing date plus 29 calendar days.*
6. *90th listing day has been taken as listing date plus 89 calendar days.*

7. *180th listing day has been taken as listing date plus 179 calendar days.*

2. Summary statement of price information of past issues handled by BofA Securities:

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	**Between 25% - 50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	7	310,802.72	-	-	3	2	1	1	-	1	1	1	-	-
2020-21	1	21,598.80	-	-	1	-	-	-	-	-	-	-	-	1

Notes:

1. *The information is as on the date of this Prospectus.*
2. *Based on the day of listing*

IV. **Citigroup**

1. Price information of past issues handled by Citigroup:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78%[+1.96%]	-29.79%[-6.66%]	NA
2.	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.56%[-4.17%]	-60.40%[-2.32%]	NA
3.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86%[-4.17%]	-20.52%[-4.06%]	NA
4.	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2,018.00	92.31%[-2.53%]	68.46%[-4.46%]	36.80%[-8.91%]
5.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.4%[-0.98%]	-23.85%[-0.51%]	-25.65%[-0.90%]
6.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[+5.55%]	-0.82%[+7.38%]	+0.62%[+6.86%]
7.	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31%[+6.90%]	-32.68%[+9.24%]	-61.17%[+8.80%]
8.	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29%[+3.75%]	+81.45%[+15.20%]	+75.07%[14.23%]
9.	Kalyan Jewellers India Limited	11,748.16	87.00	March 26, 2021	73.95	-24.60%[-1.14%]	-7.07%[+8.13%]	-21.95%[+19.92%]
10.	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%[+18.27%]	+104.17%[+17.49%]

Source: www.nseindia.com

Notes:
(1) Nifty is considered as the benchmark index.
(2) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark. index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
(3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

2. Summary statement of price information of past issues handled by Citigroup:

Fiscal	Total no. of IPOs	Total funds raised (₹ in Million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	8	5,36,816.99	-	1	4	2	-	1	1	-	-	1	1	1
2020-21	3	98,142.45	-	-	2	-	1	-	-	1	1	1	-	1

Source: www.nseindia.com

Notes:
(1) The information is as on the date of the document.
(2) The information for each of the financial years is based on issues listed during such financial year.
(3) Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

V. **Goldman Sachs**

1. Price information of past issues handled by Goldman Sachs:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Glenmark Life Sciences Limited	15,136.00	720	August 6, 2021	751.10	-6.40% / [6.68]%	-12.85% / [9.80%]	-20.65% / [8.24%]
2.	One97 Communications Limited	183,000.00	2,150	November 18, 2021	1,950.00	-38.56% / [-4.39]%	-60.40% / [-2.32%]	NA

2. Summary statement of price information of past issues handled by Goldman Sachs:

Fiscal	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2022	2	198,136.00	-	1	1	-	-	-	-	-	1	-	-	-
2020-2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<u>*Notes:*</u>

[1] *All data sourced from www.nseindia.com*

[2] *Benchmark index considered is NIFTY 50*

[3] *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the preceding trading day*

VI. **I-Sec**

1. Price information of past issues handled by I-Sec:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Latent View Analytics Limited^	6,000.00	197.00(1)	23-NOV-21	530.00	+153.58%,[-2.96%]	+142.08%,[-1.42%]	NA*
2.	Tarsons Products Limited^	10,234.74	662.00(2)	26-NOV-21	700.00	-4.16%,[+0.03%]	-4.46%,[+0.22%]	NA*
3.	Go Fashion (India) Limited^^	10,136.09	690.00	30-NOV-21	1,310.00	+59.75%,[+1.36%]	+32.91%,[-1.91%]	NA*
4.	Star Health and Allied Insurance Company Limited^^	60,186.84	900.00(3)	10-DEC-21	845.00	-14.78%,[+1.72%]	-29.79%,[-6.66%]	NA*
5.	Shriram Properties Limited^^	6,000.00	118.00(4)	20-DEC-21	90.00	-12.42%,[+9.02%]	-33.39%,[+4.05%]	NA*
6.	Metro Brands Limited^	13,675.05	500.00	22-DEC-21	436.00	+21.77%,[+4.45%]	+14.57%,[+0.64%]	NA*
7.	Supriya Lifescience Limited^	7,000.00	274.00	28-DEC-21	425.00	+78.61%,[-0.07%]	+72.12%,[-0.92%]	NA*
8.	AGS Transact Technologies Limited^	6,800.00	175.00	31-JAN-22	176.00	-42.97%,[-3.05%]	-28.63%,[-1.64%]	NA*
9.	Adani Wilmar Limited^^	36,000.00	230.00(5)	08-FEB-22	227.00	+48.00%,[-5.34%]	+180.96%,[-4.95%]	NA*
10.	Vedant Fashions Limited^^	31,491.95	866.00	16-FEB-22	935.00	+3.99%,[-0.20%]	NA*	NA*

**Data not available.*
^BSE as designated stock exchange
^^NSE as designated stock exchange

(1) *Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.*
(2) *Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.*
(3) *Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.*
(4) *Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.*
(5) *Discount of Rs. 21 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 230.00 per equity share.*

2. Summary statement of price information of past issues handled by I-Sec:

Fiscal	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	26	7,43,520.19	-	3	6	6	4	7	1	2	3	3	2	2
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day*

VII. **JM Financial**

1. Price information of past issues handled by JM Financial:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Campus Activewear Limited*[8]	13,997.70	292.00	May 05, 2022	360.00	Not Applicable	Not Applicable	Not Applicable
2.	AGS Transact Technologies Limited[#]	6,800.00	175.00	January 31, 2022	176.00	-42.97% [-3.05%]	-28.63% [-1.64%]	Not Applicable
3.	CMS Info Systems Limited[#]	11,000.00	216.00	December 31, 2021	218.50	21.99% [-1.81%]	25.35% [0.74%]	Not Applicable
4.	Data Patterns (India) Limited*	5,882.24	585.00	December 24, 2021	856.05	29.70% [3.61%]	13.56% [1.42%]	Not Applicable
5.	C.E. Info Systems Limited[#]	10,396.06	1,033.00	December 21, 2021	1,581.00	70.21% [6.71%]	48.48% [2.74%]	Not Applicable
6.	Tega Industries Limited*	6,192.27	453.00	December 13, 2021	760.00	30.70% [3.96%]	1.02% [-4.25%]	Not Applicable
7.	Go Fashion (India) Limited*	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	32.91% [-1.91%]	Not Applicable
8.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	20.78% [-2.32%]	Not Applicable
9.	FSN – E-Commerce Ventures Limited*[7]	53,497.24	1,125.00	November 10, 2021	2018.00	92.31% [-2.78%]	68.46% [-4.46%]	36.80% [-8.91%]
10.	Aditya Birla Sun Life AMC Limited*	27,682.56	712.00	October 11, 2021	715.00	-11.36% [0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]

Source: www.nseindia.com and www.bseindia.com
[#] BSE as Designated Stock Exchange
** NSE as Designated Stock Exchange*
Notes:

1. *Opening price information as disclosed on the website of the Designated Stock Exchange.*
2. *Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.*
3. *For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 100 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
   Not Applicable – Period not completed

2. Summary statement of price information of past issues handled by JM Financial:

Fiscal	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	1	13,997.70	-	-	-	-	-	-	-	-	-	-	-	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	-	2	-	4	2	2
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

VIII. **J. P. Morgan**

1. Price information of past issues handled by J. P. Morgan:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Adani Wilmar Limited	36,000	230	February 08, 2021	227.00	+48.0%, [-5.3%]	+181.0%, [-5.0%]	NA
2.	One 97 Communications Limited	183,000	2,150	November 18, 2021	1,955.00	(38.5%), [-4.4%]	(60.4%), [-2.3%]	NA
3.	Nuvoco Vistas Corporation Limited	50,000	570	August 23, 2021	471.00	(5.8%), [+6.5%]	(9.7%), [+7.7%]	(32.8%), [+4.7%]
4.	Sona BLW Precision Forgings Limited	55,500	291	June 24, 2021	302.40	+45.2%, [+0.4]	+93.4%, [+11.2%]	+140.3%, [+5.2%]
5.	Macrotech Developers Limited	25,000	486	April 19, 2021	439.00	+30.2%, [+5.2%]	+75.6% [+10.9%]	+146.9% [+27.7%]

Source: SEBI, Source: www.nseindia.com

1. *Price on the designated stock exchange is considered for all of the above calculation for individual stocks*
2. *In case 30th/90th/180th day is not a trading day, closing price on the stock exchange of the previous trading day has been considered.*
3. *Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively*
4. *Pricing Performance for the company is calculated as per the final offer price*
5. *Pricing Performance for the benchmark index is calculated as per the close on the day of the listing date*
6. *Benchmark index considered is NIFTY 50*
7. *Issue size as per the basis of allotment*

2. Summary statement of price information of past issues handled by J. P. Morgan:

Fiscal	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2021-2022	5	3,49,500	NA	2	1	NA	2	NA	NA	1	NA	2	NA	NA
2020-2021	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: In the event that any day falls on a holiday, the price/ index of the previous trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

IX. **Nomura**

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Nomura

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	MedPlus Health Services Limited	13,982.95	796[1]	December 23, 2021	1,015.00	+53.22% [+3.00%]	23.06% [+1.18%]	Not applicable
2.	Shriram Properties Limited	6,000.00	118[2]	December 20, 2021	90.00	-12.42% [+9.02%]	-33.39% [+4.05%]	Not applicable
3.	RateGain Travel Technologies Limited	13,357.35	425[3]	December 17, 2021	360.00	+11.99% [+7.48%]	-31.08% [-0.06%]	Not applicable
4.	Fino Payments Bank	12,002.93	577	November 12, 2021	548.00	-30.55% [-3.13%]	-34.56% [-3.66%]	-52.33% [-10.42%]
5.	Sansera Engineering	12,829.78	744	September 24, 2021	811.35	+0.30% [+1.29%]	+1.57% [-5.19%]	-21.26% [-3.43%]
6.	CarTrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31% [+5.75%]	-32.68% [+8.80%]	-61.17% [+5.48%]
7.	Sona BLW Precision Forgings Limited	55,500.00	291	June 24, 2021	302.40	+45.17% [+0.53%]	+93.40% [+11.97%]	+140.26% [+5.93%]
8.	Nazara Technologies Limited	5,826.91	1,101[4]	March 30, 2021	1,990.00	+62.57% [+0.13%]	+38.22% [+6.84%]	+96.19% [+20.26%]
9.	Gland Pharma Limited	64,795.45	1,500	November 20, 2020	1,701.00	+48.41% [+7.02%]	+57.20% [+17.82%]	+104.26% [+14.38%]
10.	Computer Age Management Services Limited	22,421.05	1,230[5]	October 1, 2020	1,518.00	+5.52% [+2.37%]	+49.52% [+23.04%]	+43.67% [+26.65%]

Source: *www.nseindia.com, www.bseindia.com*

1. *Discount of INR78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
2. *Discount of INR11.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
3. *Discount of INR40.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
4. *Discount of INR110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
5. *Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*

Notes:

a. *For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue.*
b. *For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations.*
c. *In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered.*
d. *Not applicable – Period not completed.*

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Nomura:

Fiscal	Total no. of IPOs	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-2022	7	143,658.14	-	1	2	1	1	2	2	-	1	1	-	-
2020-2021	4	100,063.57	-	-	-	2	1	1	-	-	-	3	1	-

Source: www.nseindia.com, www.bseindia.com

Notes:

a) *The information is as on the date of this document.*

b) *The information for each of the financial years is based on issues listed during such financial year.*

X. **SBICAP**

1. Price information of past issues handled by SBICAP:

S. No.	Issue name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Star Health and Allied Insurance Company Ltd [(1)#]	64,004.39	900.00	December 10,2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	NA
2.	Tarsons Products Limited [(2)@]	8,738.40	662.00	November 26, 2021	700.00	-4.16% [+0.03%]	-4.46% [+0.22%]	NA
3.	Aditya Birla Sun Life AMC Limited[#]	27,682.56	712.00	October 11, 2021	715.00	-11.36% [+0.55%]	-23.85% [-0.74%]	-25.65% [-0.90%]
4.	Nuvoco Vistas Corporation Limited[@]	50,000.00	570.00	August 23, 2021	471.00	-5.83% [+6.21%]	-9.74% [+7.34%]	-32.76% [4.10%]
5.	Windlas Biotech Limited[@]	4,015.35	460.00	August 16, 2021	439.00	-18.02% [+4.79%]	-34.42% [+9.18%]	-37.01% [+4.62%]
6.	Glenmark Life Sciences Limited[@]	15,136.00	720.00	August 06, 2021	751.10	-6.38% [+7.10%]	-12.94% [+10.12%]	-20.67% [+8.45%]
7.	G R Infraprojects Limited [(3)@]	9,623.34	837.00	July 19, 2021	1,700.00	90.61% [+6.16%]	138.67% [+16.65%]	132.16% [+16.50%]
8.	Shyam Metalics and Energy Limited [(4)@]	9,085.50	306.00	June 24, 2021	367.00	41.08% [+0.53%]	22.88% [+11.97%]	0.96% [+5.93%]
9.	Macrotech Developers Limited[@]	25,000.00	486.00	April 19, 2021	439.00	30.19% [+4.68%]	75.62% [+10.83%]	146.92% [+27.86%]
10.	Barbeque-Nation Hospitality Limited[#]	4,528.74	500.00	April 07, 2021	489.85	18.77% [-0.64%]	76.97% [+6.85%]	122.53% [+18.31%]

Source: www.nseindia.com and www.bseindia.com

Notes:

** The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** *The information is as on the date of this document.*

**The information for each of the financial years is based on issues listed during such financial year.*

[@] The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange

[#] The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange

1 Price for eligible employee was Rs 820.00 per equity share

2 Price for eligible employee was Rs 639.00 per equity share

3 Price for eligible employee was Rs 795.00 per equity share

4 Price for eligible employee was Rs 291.00 per equity share

2. Summary statement of price information of past issues handled by SBICAP:

Fiscal	Total no. of IPOs#	Total funds raised (₹ in million)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23*	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	10	2,17,814.28	-	-	6	1	2	1	-	3	1	3	-	1
2020-21	7	1,05,087.00	-	-	5	-	2	-	-	1	3	-	2	1

* *The information is as on the date of this Offer Document.*

Date of Listing for the issue is used to determine which financial year that particular issue falls into.

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Corporation, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the BRLMs, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Kotak	https://investmentbank.kotak.com
2.	Axis	http://www.axiscapital.co.in
3.	BofA Securities	www.ml-india.com
4.	Citigroup	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
5.	Goldman Sachs	www.goldmansachs.com
6.	I-Sec	www.icicisecurities.com
7.	JM Financial	www.jmfl.com
8.	J. P. Morgan	www.jpmipl.com
9.	Nomura	www.nomuraholdings.com/company/group/asia/india/index.html
10.	SBICAP	www.sbicaps.com

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Corporation, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable laws, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Corporation has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of this Prospectus, hence no investor complaint in relation to our Corporation is pending as on the date of filing of this Prospectus.

Disposal of Investor Grievances by our Corporation

Our Corporation has obtained authentication on the SCORES platform in terms of the SEBI circular no. CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Corporation estimates that the average time required by our Corporation or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be five Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Corporation will seek to redress these complaints as expeditiously as possible.

Our Corporation has also appointed Pawan Agrawal, Company Secretary of our Corporation, as the Compliance Officer for the Offer. For details, see "*General Information*" beginning on page 79.

Our Corporation has constituted a Stakeholders' Relationship Committee. For details, see "*Our Management - Stakeholders' Relationship Committee*" beginning on page 296.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Life Insurance Corporation Act, the LIC General Regulations, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, the IRDA Act, and the rules and regulations made thereunder (each only to the extent applicable and not in consistent with the provisions of Life Insurance Corporation Act), the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, the IRDAI and/or other authorities, as in force on the date of the Offer and to the extent applicable and not inconsistent with the provisions of Life Insurance Corporation Act or such other conditions as may be prescribed by SEBI, Government of India, the Stock Exchanges and/ or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises an Offer for Sale by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India).

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Life Insurance Corporation Act (and rules and regulations made thereunder) and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see "*Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" beginning on page 589.

Mode of Payment of Dividend

Our Corporation shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Life Insurance Corporation Act (and rules and regulations made thereunder), and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Corporation after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" beginning on pages 307 and 589, respectively.

Face value, Offer Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price is ₹949 per Equity Share. The Floor Price is ₹902 per Equity Share and at the Cap Price is ₹949 per Equity Share, being the Price Band. The Anchor Investor Offer Price was ₹949 per Equity Share.

A discount of ₹45 per Equity Share was offered to the Retail Individual Bidders Bidding in the Retail Portion and the Eligible Employees Bidding in the Employee Reservation Portion.

A discount of ₹60 per Equity Share was offered to the Eligible Policyholders bidding in the Policyholder Reservation Portion.

The Price Band, the minimum Bid Lot, the Retail Discount, the Employee Discount and the Policyholder Discount were decided by our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), in consultation with the BRLMs and were advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Central Office is located) each with wide circulation and were made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price were pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price was determined by our Corporation and Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), in consultation with the BRLMs, after the Bid/ Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Corporation shall comply with all disclosure and accounting norms as specified by SEBI, the Life Insurance Corporation Act and the IRDAI (only to the extent applicable and not inconsistent with the provisions of Life Insurance Corporation Act) from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Life Insurance Corporation Act, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law; and
- Right of free transferability of Equity Shares, subject to the restrictions as set out in the Life Insurance Corporation Act.

For a detailed description of the main provisions of the Life Insurance Corporation Act, see "*Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" beginning on page 589.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer Equity Share capital of our Corporation which are subject to lock-in in accordance with the conditions prescribed by the SEBI, the minimum promoter's contribution and the Anchor Investor lock-in of Equity Shares as detailed in "*Capital Structure*" beginning on page 92 and except as provided in the Life Insurance Corporation Act (and rules and regulations made thereunder), there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares except as provided in the Life Insurance Corporation Act. For details, see "*Risk Factors*", "*Key Regulations and Policies"* and *"Description of Equity Shares and Main Provisions of the Life Insurance Corporation Act*" beginning on pages 24, 253 and 589, respectively.

The Life Insurance Corporation Act prohibits any transfer of Equity Shares held by the Government of India in our Corporation if such transfer results in the Government of India holding less than 51% of the paid-up Equity Share capital of our Corporation on a fully diluted basis. The Life Insurance Corporation Act prohibits any individual or persons acting in concert (as defined in the Takeover Regulations) with any individual or constituents of a group (as defined in the Competition Act, 2002) other than the Government of India to hold more than 5% of the issued Equity Share capital of our Corporation or such higher percentage as the Central Government may notify. Accordingly, our Corporation shall not Allot Equity Shares pursuant to the Offer to any Bidder in excess of such number of Equity Shares which is likely to result in the total post-Offer issued capital held by such Bidder (with or without persons acting in concert) or Bidder(s) acting in concert or constituents of a group to exceed 5% of the issued Equity Share capital of our Corporation after the Allotment or such higher percentage as the Central Government may notify. For details, see "*Risk Factors - Our Corporation is subject to complex regulatory requirements and if we fail to comply with these regulatory requirements, our operations could be disrupted or we may become subject to significant penalties. In addition, any changes in regulatory requirements could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 54.

Allotment only in Dematerialised Form

Pursuant to SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Corporation, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated September 9, 2021 amongst our Corporation, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated September 9, 2021 between our Corporation, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 15 Equity Shares. For further details, see "*Offer Procedure*" beginning on page 569.

Joint Holders

Subject to the provisions contained in the Life Insurance Corporation Act, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 5E of the Life Insurance Corporation Act the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Corporation. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Corporation would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, as applicable, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Banks to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Corporation shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Corporation shall apply for after Allotment. If our Corporation and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Corporation shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/ Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
ANCHOR INVESTOR BID/ OFFER PERIOD OPENED ON	Monday, May 2, 2022
BID/ OFFER OPENED ON	Wednesday, May 4, 2022
BID/ OFFER CLOSED ON	Monday, May 9, 2022
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Thursday, May 12, 2022
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Friday, May 13, 2022
Credit of Equity Shares to demat accounts of Allottees	On or about Monday, May 16, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Tuesday, May 17, 2022

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with the applicable law by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement*

of our Corporation with the SCSBs, to the extent applicable.

The above timetable is indicative and does not constitute any obligation or liability on our Corporation or the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) or the Book Running Lead Managers.

Whilst our Corporation shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as any delay in receipt of final certificates from SCSBs or delay in processing Bids received or other extraneous circumstances, etc. resulting in delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) confirms that they shall extend reasonable co-operation in relation to the Offered Shares required by our Corporation and the Book Running Lead Managers for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Our Corporation (through the IPO Committee or the Whole-time Chairperson or the Managing Director(s) of our Board) and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational / technical / procedural difficulties including but not limited to amending the operational terms of the Offer, the Offer procedure and the Offer structure, basis of allocation / allotment, allocation per investor category and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated as per the applicable laws for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10 a.m. and 7 p.m. IST
Bid/ Offer Closing Date	
Submission and Revision in Bids	Only between 10 a.m. and 3 p.m. IST

Note: The Bid/ Offer Period also included Bidding on Saturday, May 7, 2022 and Sunday, May 8, 2022, pursuant to receipt of necessary approvals in this regard, and the same was communicated by notice to the Stock Exchanges and advertisements.

On the Bid/ Offer Closing Date, the Bids were uploaded until:

(i) 5 p.m. IST, in case of Bids by QIBs and Non-Institutional Bidders; and

(ii) 7 p.m. IST, in case of Bids by RIBs Bidding under Net Offer, Eligible Employee(s), Eligible Policyholder(s) Bidding in the Employee Reservation Portion and Policyholder Reservation Portion, respectively.

On Bid/ Offer Closing Date, extension of time was granted for uploading Bids received by QIBs, Non-Institutional Bidders, RIBs Bidding under the Net Offer, Eligible Employee(s) and Eligible Policyholder(s) Bidding under the Employee Reservation Portion and Policyholder Reservation Portion, respectively, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Further, to avoid duplication, the facility of re-initiation provided to Syndicate Members were allowed only once per Bid. Additionally, the Registrar submitted the details of cancelled/withdrawn/deleted applications to SCSB’s on daily basis within 60 minutes of Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from Stock Exchanges. SCSB’s unblocked such applications by the closing hours of the bank day and submitted the confirmation to the BRLMs and the RTA on daily basis, as per the format prescribed in SEBI circular dated March 16, 2021.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, were rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/ Offer Closing Date. Any time mentioned in the Red Herring Prospectus and this Prospectus is Indian Standard Time. Bidders were cautioned that, in the event a large number of Bids were received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded would not be considered for allocation under the Offer. Bids and any revision in bids were accepted only during the Bid Offer Period.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), the requirement of minimum subscription of 90% of the Fresh Issue under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Corporation does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, as applicable, on the date of closure of the Offer or withdrawal of applications; or after technical rejections; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Corporation shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Corporation and every Director of our Corporation, who is an officer in default, shall pay interest at the rate as prescribed under the applicable law.

Further, our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations, failing which, the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Corporation and the Selling Shareholder shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Corporation is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

The Offer of 221,374,920 Equity Shares for cash at a price of ₹949 per Equity Share (including a premium of ₹939 per Equity Share) aggregating to ₹205,572.31* million by way of an Offer for Sale by our Promoter.

The Offer comprises of a Net Offer of 197,656,179 Equity Shares, Employee Reservation Portion of 1,581,249 Equity Shares and Policyholder Reservation Portion of 22,137,492 Equity Shares. A discount of: (a) 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) was offered to Retail Individual Bidder(s) Bidding in the Retail Portion; (b) 4.74% on the Offer Price (equivalent of ₹45 per Equity Share) was offered to Eligible Employees Bidding in the Employee Reservation Portion; and (c) 6.32% on the Offer Price (equivalent of ₹60 per Equity Share) was offered to Eligible Policyholders Bidding in the Policyholder Reservation Portion. The Employee Reservation Portion and the Policyholder Reservation Portion does not exceed 5.00% of our post-Offer Equity Share capital and 10.00% of our Offer size, respectively. The Offer and the Net Offer constitute 3.5% and 3.13%, respectively of the post-Offer paid-up Equity Share capital of our Corporation. The face value of the Equity Shares is ₹10 each.

**Subject to finalisation of Basis of Allotment.*

The Offer is being made through the Book Building Process.

Particulars	Eligible Employee(s)#	Eligible Policyholder(s)##	QIBs(1)	Non-Institutional Bidders	RIBs
Number of Equity Shares available for Allotment or allocation*(2)	1,581,249 Equity Shares	22,137,492 Equity Shares	Not more than 98,828,089 Equity Shares	Not less than 29,648,427 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than 69,179,663 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	The Employee Reservation Portion constitutes 0.025% of the post-Offer Equity Share capital	The Policyholder Reservation Portion s constitutes 10% of the Offer Size	Not more than 50% of the Net Offer was made available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion was made available for allocation to other QIBs	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs was made available for allocation	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders was made available for allocation
Basis of Allotment if respective category is oversubscribed*	Proportionate#; [unless the Employee Reservation Portion is undersubscribed], the value of allocation to an	Proportionate#, [unless the Policyholders Reservation Portion is undersubscribed], the value of	Proportionate as follows (excluding the Anchor Investor Portion): (a) 1,976,562 Equity	Proportionate	The allotment to each RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail

Particulars	Eligible Employee(s)#	Eligible Policyholder(s)##	QIBs(1)	Non-Institutional Bidders	RIBs
	Eligible Employee shall not exceed ₹200,000 (net of Employee Discount).	allocation to an Eligible Policyholder shall not exceed ₹200,000 (net of Policyholder Discount).	Shares were made available for allocation on a proportionate basis to Mutual Funds only; and (b) 37,554,674* Equity Shares were made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 60% of the QIB Portion (of 59,296,853 Equity Shares) were allocated on a discretionary basis to Anchor Investors of which one-third were available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis.
Mode of Bid	ASBA only (including the UPI Mechanism, where made available)(3) (6)	ASBA only (including the UPI Mechanism, where made available)(3) (6)	ASBA only (excluding the UPI Mechanism)(3)	ASBA only (including the UPI Mechanism for an application size of up to ₹500,000)(3)	ASBA only (including the UPI Mechanism)(3)
Minimum Bid	15 Equity Shares and in multiples of 15 Equity Shares thereafter	15 Equity Shares and in multiples of 15 Equity Shares thereafter	Such number of Equity Shares in multiples of 15 Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of 15 Equity Shares, such that the Bid Amount exceeds ₹200,000	15 Equity Shares and in multiples of 15 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of 15 Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Employee Reservation Portion does not exceed ₹200,000, if any	Such number of Equity Shares in multiples of 15 Equity Shares, so that the maximum Bid Amount by each Eligible Policyholder in Policyholder Reservation Portion does not exceed ₹200,000, if any	Such number of Equity Shares in multiples of 15 Equity Shares not exceeding the size of the Net Offer, subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of 15 Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form				
Bid Lot	15 Equity Shares and in multiples of 15 Equity Shares thereafter				
Allotment Lot	A minimum of 15 Equity Shares and in multiples of one Equity Share thereafter				
Trading Lot	One Equity Share				
Who can apply(4)	Eligible Employee(s) (such that the Bid Amount does not	Eligible Policyholder(s) (such that the Bid Amount	Public financial institutions as specified in Section	Resident Indian individuals, Eligible NRIs, HUFs (in the	Resident Indian individuals, HUFs (in the name of Karta)

Particulars	Eligible Employee(s)#	Eligible Policyholder(s)##	QIBs(1)	Non-Institutional Bidders	RIBs
	exceed ₹200,000)	does not exceed ₹200,000)	2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies	name of karta), companies, corporate bodies, scientific institutions, societies, family offices and trusts including FPIs which are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI	and Eligible NRIs
Terms of Payment			**In case of Anchor Investors**: Full Bid Amount was payable by the Anchor Investors at the time of submission of their Bids(5) **In case of all other Bidders**: Full Bid Amount was blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Banks through the UPI Mechanism, where made available, that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Subject to finalisation of Basis of Allotment.*

\# *Eligible Employee(s) Bidding in the Employee Reservation Portion could Bid up to a Bid Amount of ₹200,000 (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion could also Bid in the Net Offer and Policyholder Reservation Portion (subject to qualifying the eligibility criteria and applicable limits), and such Bids were not treated as multiple Bids subject to applicable limits. Further, any unsubscribed portion remaining in the Employee Reservation Portion was added back to the Net Offer. In case of under-subscription in the Policyholder Reservation Portion or Net Offer, spill-over to the extent of such under-subscription was permitted from the Employee Reservation Portion, subject to applicable law.*

\## *Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion could Bid up to a Bid Amount of ₹200,000 (net of Policyholder Discount). Further, an Eligible Policyholder Bidding in the Policyholder Reservation Portion could also Bid in the Net Offer and Employee Reservation Portion (subject to qualifying the eligibility criteria and applicable limits) and such Bids were not treated as multiple Bids subject to applicable limits. Further, any unsubscribed portion remaining in the Policyholder Reservation Portion was be added back to the Net Offer. In case of under-subscription in the Employee Reservation Portion or Net Offer, spill-over to the extent of such under-subscription was permitted from the Policyholder Reservation Portion, subject to applicable law.*

(1) *Our Corporation and the Selling Shareholder, in consultation with the BRLMs allocated 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there having been (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion was up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor*

Portion was more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof was permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor made a minimum Bid of such number of Equity Shares, that the Bid Amount was at least ₹100 million. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received at or above the price at which allocation is made to Anchor Investors.

(2) This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.

(3) Anchor Investors were not permitted to use the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form could contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder was required in the Bid cum Application Form and such first Bidder was deemed to have signed on behalf of the joint holders.

(5) Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price was payable by the Anchor Investor Pay-In Date as indicated in the CAN.

(6) UPI Bidders were advised to confirm the availability of the UPI mechanism with their respective brokers, prior to submission of Bids.

Our Corporation (through the IPO Committee or the Whole-time Chairperson or the Managing Director(s) of our Board) and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational / technical / procedural difficulties including but not limited to amending the operational terms of the Offer, the Offer procedure and the Offer structure, basis of allocation / allotment, allocation per investor category and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges.

Bidders were required to confirm and were deemed to have represented to our Corporation, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. For further details, see the "*Terms of the Offer*" beginning on page 560.

Eligible Employee(s) and Eligible Policyholder(s) Bidding in the Employee Reservation Portion or the Policyholder Reservation Portion, respectively, at a price within the Price Band could make payment based on the Bid Amount, at the time of making a Bid. Eligible Employee(s) and Eligible Policyholder(s) Bidding in the Employee Reservation Portion or the Policyholder Reservation Portion, respectively, at the Cut-off Price had to ensure payment at the Cap Price (net of Discount, as applicable), at the time of making a Bid.

Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in the Net QIB Portion or Non-Institutional Portion or the Retail Portion, was allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Corporation and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion or the Policyholder Reservation Portion, was added to other reserved category and the unsubscribed portion, if any, after such inter-se adjustments among such reserved categories was added to the Net Offer. Further, (i) an Eligible Employee Bidding in the Employee Reservation Portion could also Bid under the Net Offer and the Policyholder Reservation Portion, subject to qualifying the eligibility criteria and applicable limits, and such Bids were not treated as multiple Bids, and (ii) an Eligible Policyholder Bidding in the Policyholder Reservation Portion could also Bid under the Net Offer and the Employee Reservation Portion, subject to qualifying the eligibility criteria and applicable limits, and such Bids were not treated as multiple Bids. Under subscription, if any, in any category, was allowed to be met with spill-over from any other category or combination of categories at the discretion of our Corporation, the Book Running Lead Managers and the Designated Stock Exchange. For further details, see "*Offer Structure*" beginning on page 565.

OFFER PROCEDURE

All Bidders should read the General Information Document, which highlights the key rules, processes and procedures applicable to public issues subject to the provisions of the Life Insurance Corporation Act and rules and regulations made thereunder (including the LIC General Regulations), the SCRA, the SCRR and the SEBI ICDR Regulations, and is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. However, given that our Corporation is not a company incorporated under the Companies Act, provisions of the General Information Document, to the extent that they emanate from the (i) the Companies Act, and (ii) such other laws which to the extent inconsistent with the provisions of the Life Insurance Corporation Act and rules and regulations made thereunder, shall not be applicable in relation to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) designated date; (ix) disposal of applications; (x) submission of Bid cum Application Form; (xi) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xii) mode of making refunds; and (xiii) interest in case of delay in allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“**UPI**”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Prospectus.*

Our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids were submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers with UPI and ASBA and redress investor grievances. The circular shall come into force for initial public offers opening on/after May 1, 2021, except as amended pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Our Corporation (through the IPO Committee or the Whole-time Chairperson or the Managing Director(s) of our Board) and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational / technical / procedural difficulties including but not limited to amending the operational terms of the Offer, the Offer procedure and the Offer structure, basis of allocation / allotment, allocation per *investor category and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges. Our Corporation and the Selling Shareholder may, in consultation with the BRLMs, consider increasing the size of the Offer to up to 5% of the post-Offer paid-up Equity Share capital of our Corporation, and the same shall be informed in the Price Band announcement advertisement to be published prior to the Bid/ Offer Opening Date*.

Book Building Procedure

The Offer was made in terms of Rule 19(2)(b) of SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer was allocated on a proportionate basis to QIBs. Our Corporation and the Selling Shareholder, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion was made available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not less than 15% of the Net Offer was made available for allocation to Non-Institutional Bidders on a proportionate basis and not less than 35% of the Net Offer was made available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price.

Further, 1,581,249 Equity Shares, aggregating to ₹1,429.45 million (constituting 0.025% of the post-Offer paid-up Equity Share capital) were made available for allocation on a proportionate basis only to Eligible Employee(s) Bidding in the Employee Reservation Portion and 22,137,492 Equity Shares, aggregating to ₹19,680.23 million (constituting 0.35% of the post-Offer paid-up Equity Share capital) were made available for allocation on a proportionate basis only to Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion subject to valid Bids having been received at or above the Offer Price.

The Life Insurance Corporation Act prohibits any transfer of Equity Shares held by the Government of India in our Corporation if such transfer results in the Government of India holding less than 51% of the paid-up Equity Share capital of our Corporation on a fully diluted basis. The Life Insurance Corporation Act prohibits any individual or persons acting in concert (as defined in the Takeover Regulations) with any individual or constituents of a group (as defined in the Competition Act, 2002) other than the Government of India to hold more than 5% of the issued equity share capital of our Corporation or such higher percentage as the GoI may by notification specify. Accordingly, our Corporation shall not Allot Equity Shares pursuant to the Offer to any Bidder in excess of such number of Equity Shares which is likely to result in the total post-Offer issued capital held by such Bidder (with or without persons acting in concert) or Bidder(s) acting in concert or constituents of a group to exceed 5% of the issued Equity Share capital of our Corporation after the Allotment or such higher percentage as the GoI may by notification specify.

Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in the Net QIB Portion or the Non-Institutional Portion or the Retail Portion, was allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Corporation and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion or the Policyholder Reservation Portion, was added to other reserved category and the unsubscribed portion, if any, after such inter-se adjustments among such reserved categories was added to the Net Offer. Further, (i) an Eligible Employee Bidding in the Employee Reservation Portion could also Bid under the Net Offer and the Policyholder Reservation Portion, subject to qualifying the eligibility criteria and applicable limits, and such Bids were not treated as multiple Bids, and (ii) an Eligible Policyholder Bidding in the Policyholder Reservation Portion could also Bid under the Net Offer and the Employee Reservation Portion, subject to qualifying the eligibility criteria and applicable limits, and such Bids were not treated as multiple Bids. Under -subscription, if any, in any category was allowed to be met with spill-over from any other category or combination of categories at the discretion of our Corporation, the Book Running Lead Managers and the Designated Stock Exchange. For further details, see "*Offer Structure*" beginning on page 565.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which did not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism, where made available) and PAN, were treated as incomplete and were rejected. Bidders did not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of UPI for Bids by UPI Bidders as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by UPI Bidders through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, a RIB also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by a UPI Bidder through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.

c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSBs and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made no later than 30 days from the finalization of Basis of Allotment by Registrar to the Offer and only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The Offer was made under UPI Phase II of the UPI Circular.

All SCSBs offering facility of making application in public issues were required to provide facility to make application using UPI. The issuers appointed sponsor bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI.

Eligible Employee(s) Bidding in the Employee Reservation Portion, Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion and Non-Institutional Bidders Bidding with an application size of up to ₹ 500,000 in the Non-Institutional Portion could also Bid using the UPI Mechanism, where made available.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) were made available with the Designated Intermediaries at the relevant Bidding Centres, and at our Central Office. Further, copies of abridged prospectus were made available on the website of our Corporation, the BRLMs and the Registrar, respectively. An electronic copy of the Bid cum Application Form was also made available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

All Bidders (other than Anchor Investors) were mandatorily required to participate in the Offer only through the ASBA process. Anchor Investors were not permitted to participate in the Offer through the ASBA process. ASBA Bidders were required to provide either (i) the bank account details and authorisation to block funds in their respective ASBA Form, or (ii) the UPI ID (in case of UPI Bidders using UPI Mechanism), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that did not contain such details were liable to be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

ASBA Bidders were required to ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected. UPI Bidders using UPI Mechanism, where made available, were required to submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could be blocked by the SCSB.

For Anchor Investor, the Anchor Investor Application Form were available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories was as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including QIBs, Non-institutional Bidders and RIBs, each resident in India and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FPIs, FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White**
Eligible Employee(s) Bidding in the Employee Reservation Portion	Pink
Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion	Green

* *Excluding electronic Bid cum Application Form*

** *Bid cum Application Forms for Anchor Investors were made available at the office of the BRLMs.*

*Electronic Bid cum Application forms were also made available for download on the website of NSE (www.nseindia.com) and BSE (*www.bseindia.com*).*

In case of ASBA forms, the relevant Designated Intermediaries were required to upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, where made available, the Stock Exchanges were required to share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism, where made available) Designated Intermediaries (other than SCSBs) were required to submit/ deliver the ASBA Forms to the respective SCSB where the Bidder had an ASBA bank account and could not submit it to any non-SCSB bank or any Escrow Collection Bank.

For ensuring timely information to investors, SCSBs were required to send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Banks were required to host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

a. The Designated Intermediary could register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they could subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b. On the Bid/ Offer Closing Date, the Designated Intermediaries could upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus and this Prospectus.

c. Only Bids that were uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 11:00 am on the next Working Day following the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

Participation by Promoter, the Book Running Lead Managers, the Syndicate Members and persons related to Promoter/the Book Running Lead Managers

The BRLMs and the Syndicate Members were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members could have Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation was on a proportionate basis, and such subscription could be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, were treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associate of the BRLMs could apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;

(ii) insurance companies promoted by entities which are associate of the BRLMs;

(iii) AIFs sponsored by the entities which are associate of the BRLMs; or

(iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associate of the BRLMs.

Further, our Promoter could not participate by applying for Equity Shares in the Offer. Further, persons related to our Promoter could not apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor was deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Corporation and the Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds was required to specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme concerned for which such Bid had been made.

No Mutual Fund scheme was permitted to invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% was not applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes was permitted to own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Eligible NRIs could obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms were required to authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms were required to authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer was subject to the FEMA Regulations.

NRIs were permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs were permitted to use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility was enabled for their NRE/ NRO accounts.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 588.

Participation of Eligible NRIs in the Offer was subject to the FEMA Regulations.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/applicant was required to specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs would be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be less than 10% of the total paid-up Equity Share capital of our Corporation and the total holdings of all FPIs put together shall not exceed such percentage of the paid-up Equity Share capital of our Corporation as per may be prescribed under the FEMA Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations was required to be attached to the Bid cum Application Form, failing which our Corporation reserves the right to reject any Bid without assigning any reason. FPIs who wished to participate in the Offer were advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Corporation, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Corporation and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that Bids received from FPIs bearing the same PAN were treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it was required to be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, were liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids were liable to be rejected. Further, in the following cases, the bids by FPIs were not considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

FPIs were permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, *inter alia*, the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Participation of FPIs in the Offer shall be subject to the restrictions as set out in "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 588.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, was required to be lodged along with the Bid cum Application Form. Failing this, our Corporation and Selling Shareholder reserved the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), in consultation with the BRLMs in their absolute discretion, reserved the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Corporation, the Selling Shareholder, and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer was subject to the FEMA Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, was required to be attached to the Bid cum Application Form. Failing this, our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee were required to be attached to the Bid cum Application Form. Failing this, our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt or to protect the banks' interest on loans/investments made to a company. The bank shall submit a time bound action plan for disposal of such shares within a specified period to RBI, (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned at 5(a)(v)(c)(i) and (ii) above, and (iv) make any investment in a Category III Alternative Investment Fund (AIF). Investment by a bank's subsidiary in a Category III AIF shall be restricted to the regulatory minima prescribed by SEBI. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. Such SCSBs were required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI was required to be attached to the Bid cum Application Form. Failing this, our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund was required to be attached to the Bid cum Application Form. Failing this, our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) in consultation with the BRLMs reserved the right to reject any Bid, without assigning any reason thereof.

The investment limit for Provident Funds/Pension Funds shall be as prescribed by relevant regulatory authorities (including Pension Fund Regulatory & Development Authority Act) from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, were required to be attached to the Bid cum Application Form. Failing this, our Corporation and the Selling Shareholder, in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important Non-Banking Financial Companies participating in the Offer were required to comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important Non-Banking Financial Companies shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

1) Anchor Investor Application Forms were made available for the Anchor Investor Portion at the offices of the BRLMs.

2) The Bid was required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹100 million.

3) One-third of the Anchor Investor Portion was reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors opened one Working Day before the Bid/ Offer Opening Date, i.e., on May 2, 2022.

5) Our Corporation and the Selling Shareholder, in consultation with the BRLMs finalized allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor

Investor.

6) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation was made, was made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors were not allowed to withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

9) Neither the (a) the BRLMs or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) nor (b) our Promoter or any person related to our Promoter could apply under the Anchor Investors category.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids.

For more information, please read the General Information Document.

Bids by Eligible Employee(s)

The Bid were required to be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹200,000 (net of the Employee Discount). Allotment in the Employee Reservation Portion is as detailed in the section "*Offer Structure*" beginning on page 565. A discount of ₹45 per Equity Share was offered to the Eligible Employees Bidding in the Employee Reservation Portion, in accordance with SEBI ICDR Regulations.

Bids under the Employee Reservation Portion by Eligible Employee(s) were required to be:

- Made only in the prescribed Bid cum Application Form or Revision Form.

- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) were eligible to apply in this Offer under the Employee Reservation Portion.

- Bids by Eligible Employee(s) in the Employee Reservation Portion and/or in the Policyholder Reservation Portion (subject to qualifying the eligibility criteria and applicable limits) and/or in the Net Offer portion (either under Retail Portion or Non-Institutional Portion) were not treated as multiple Bids. Our Corporation reserved the right to reject, in its absolute discretion, all or any multiple Bids in any or all portions. For further details, see "*Offer Procedure*" beginning on page 569.

- In case of joint bids, the first Bidder was considered to be the Eligible Employee.

- Bids by Eligible Employee(s) was permitted to be made at the Cut-off Price.

- Only those Bids, which were received at or above the Offer Price, net of Employee Discount were considered for allocation under this portion.

- The Bids were required to be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter, subject to Bid Amount not exceeding ₹200,000 (net of Employee Discount).

- If the aggregate demand in this portion was less than or equal to 1,581,249 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employee(s) to the extent of their demand.

- Eligible Employee(s) Bidding in the Employee Reservation Portion could Bid through the ASBA and the UPI Mechanism, where made available.

- In relation to the Employee Reservation Portion, a list of frequently asked questions and the responses to such questions is available on our website at https://licindia.in/Bottom-Links/Employee-s-Corner.

Bids by Eligible Policyholder(s)

The Bid was required to be made for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Policyholder does not exceed ₹200,000 (net of Policyholder Discount). Allotment in the Policyholder Reservation Portion is as detailed in the section "*Offer Structure*" beginning on page 565. A discount of ₹60 per Equity Share was offered to Eligible Policyholders Bidding in the Policyholders Reservation Portion, in accordance with SEBI ICDR Regulations.

Bids under the Policyholder Reservation Portion by Eligible Policyholder(s) were required to be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Made only by Eligible Policyholder(s) were eligible to apply in this Offer under the Policyholder Reservation Portion.
- In case of joint bids, the first Bidder was considered to be the Eligible Policyholder.
- Bids by Eligible Policyholder was permitted to be made at Cut-off Price.
- Only those Bids, which were received at or above the Offer Price, net of the Policyholder Discount were considered for allocation under this portion.
- The Bids were required to be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter, subject to Bid Amount not exceeding ₹200,000 (net of Policyholder Discount).
- Bids by Eligible Policyholder(s) in the Policyholder Reservation Portion and/or Employee Reservation Portion (subject to qualifying the eligibility criteria and applicable limits) and/or in the Net Offer portion (either under Retail Portion or Non-Institutional Portion) were not treated as multiple Bids. For details, please see *"Offer Procedure"* on page 569.
- If the aggregate demand in this category was less than or equal to 22,137,492 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Policyholder(s) to the extent of their demand.
- Eligible Policyholder(s) bidding in the Policyholder Reservation Portion could bid through the ASBA and the UPI Mechanism, where made available.
- In relation to the Policyholder Reservation Portion, a list of frequently asked questions and the responses to such questions is available on our website at https://licindia.in/Home-(1)/Customer-Portal.

Eligibility of Bids and the Bidding scenarios for Eligible Employee(s) and Eligible Policyholder(s)

Sr. No	Type of Bidder	Applied in Employee Reservation Portion (upto ₹200,000 (net of Employee Discount)	Applied in Policyholder Reservation Portion (upto ₹200,000 (net of Employee Discount)	Applied in Retail Portion (upto ₹200,000)	Applied in Non-Institutional Portion (more than ₹200,000)	Eligibility Status* of such Bids
1.	Eligible Employee who also is an Eligible Policyholder (both bids being under same PAN)	Yes	Yes	Yes	No	Application made in the Policyholder Reservation Portion, Employee Reservation Portion and Retail Portion – here all three Bids would be considered as valid applications and will not be rejected as multiple Bids.
2.	Eligible Employee who also is an Eligible Policyholder (both	Yes	Yes	No	Yes	Application made in the Policyholder Reservation Portion, Employee Reservation Portion and Non-Institutional Portion - here all three

Sr. No	Type of Bidder	Applied in Employee Reservation Portion (upto ₹200,000 (net of Employee Discount)	Applied in Policyholder Reservation Portion (upto ₹200,000 (net of Employee Discount)	Applied in Retail Portion (upto ₹200,000)	Applied in Non-Institutional Portion (more than ₹200,000)	Eligibility Status* of such Bids
	bids being under same PAN)					Bids would be considered as valid applications and will not be rejected.
3.	Eligible Employee who also is an Eligible Policyholder (both under same PAN)	Yes	Yes	Yes	Yes	Application made in the Policyholder Reservation Portion and Employee Reservation Portion category would be considered as valid Bids and not rejected. However, applications made in the Retail Portion and Non-Institutional Portion would be considered as multiple Bids and both the Bids will be rejected.

**Subject to finalisation of Basis of Allotment*.

The information set out above was given for the benefit of the Bidders. Our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of the Red Herring Prospectus and this Prospectus or which may occur after the Bid/Offer Closing Date. Bidders were advised to make their independent investigations and ensure that any single Bid from them did not exceed the applicable investment limits or maximum number of the Equity Shares that could be held by them under applicable law or regulations, or as specified in the Red Herring Prospectus and this Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders were not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs, Eligible Employee(s) Bidding under the Employee Reservation Portion and Eligible Policyholder(s) Bidding under the Policyholder Reservation Portion could revise their Bid(s) during the Bid/ Offer Period and withdraw or lower the size of their Bid(s) until Bid/ Offer Closing Date. Anchor Investors were not allowed to withdraw their Bids after the Anchor Investor Bid/ Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism, where made available, ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

6. UPI Bidders Bidding in the Net Offer, Eligible Employee Bidding in the Employee Reservation Portion and Eligible Policyholders Bidding in the Policyholder Reservation Portion shall ensure that they use only their own ASBA

Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism, where made available) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

8. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder, ensure that you have mentioned the correct bank account number in Bid cum Application Form;

9. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN was not mentioned were liable to be rejected;

13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

14. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

15. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

16. Ensure that Bids submitted by any person outside India/ Non-Resident is in compliance with applicable foreign and Indian laws;

17. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

18. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, were required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which were required to be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids were liable to be rejected. The Syndicate Members/SCSBs shall ensure that such confirmation is submitted along with the Bid cum Application Form at the time of Bidding.;

19. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP

ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI Mechanism, where made available) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI Mechanism, where made available) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI Mechanism, where made available) and PAN available in the Depository database;

20. In case of QIBs and Non-Institutional Bidders, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

21. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids as applicable, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

22. Ensure that the Demographic Details are updated, true and correct in all respects;

23. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

24. Bidders (except UPI Bidders Bidding through UPI Mechanism, where made available) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of UPI Bidders Bidding through UPI Mechanism, where made available, once the Sponsor Banks issue the Mandate Request, the UPI Bidders Bidding would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

25. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder Bidding through UPI Mechanism was deemed to have verified the attachment containing the application details of the UPI Bidder Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Banks to issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

26. UPI Bidders Bidding using the UPI Mechanism, where made available, should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

27. RIBs, Eligible Employee(s) and Eligible Policyholder(s) Bidding using the UPI Mechanism, where made available, who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

28. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Offer;

29. UPI Bidders Bidding using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 noon IST of the Working Day immediately after the Bid/ Offer Closing Date; and

31. The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 was liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by RIBs Bidding in Net Offer, Eligible Employee(s) Bidding in the Employee Reservation Portion (net of Employee Discount) and Eligible Policyholder(s) Bidding in the Policyholder Reservation Portion (net of Policyholder Discount);

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/ revise the Bid amount to less than the floor price or higher than the cap price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders using UPI Mechanism, where made available), do not submit more than one Bid cum Application Form per ASBA Account;

17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

18. Anchor Investors should not bid through the ASBA process;

19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Corporation;

20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not submit the GIR number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

24. If you are a QIB, do not submit your Bid after 3:00 p.m. IST on the QIB Bid/ Offer Closing Date, or such extended time as permitted by the Stock Exchanges;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Corporation;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder, Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

31. Do not Bid if you are an OCB;

32. UPI Bidders Bidding through the UPI Mechanism, where made available, using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism.

The Bid cum Application Form was liable to be rejected if the above instructions, as applicable, were not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Compliance Officer. For details of the Compliance Officer, see "*General Information*" beginning on page 79.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information –Book Running Lead Managers*" on page 80.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated as per the applicable laws for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/ unblocking of funds.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar to the Offer, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Corporation will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allocation to each Non-Institutional Bidders shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in the SEBI ICDR Regulations.

The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), in consultation with the BRLMs decided the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names were notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Accounts were required to be drawn in favour of:

(a) In case of resident Anchor Investors: "LIC ANCHOR ESCROW ACCOUNT R AXIS", "LIC ANCHOR ESCROW ACCOUNT R HDFC" and "LIC ANCHOR ESCROW ACCOUNT R KOTAK"

(b) In case of Non-Resident Anchor Investors: "LIC ANCHOR ESCROW ACCOUNT NR AXIS", "LIC ANCHOR ESCROW ACCOUNT NR HDFC" and "LIC ANCHOR ESCROW ACCOUNT NR KOTAK"

Anchor Investors were required to note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Corporation, the Selling Shareholder, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Our Corporation after filing the Red Herring Prospectus with SEBI, published a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Central Office is located) each with wide circulation.

In the pre-Offer advertisement, we stated the Bid/ Offer Opening Date and the Bid/ Offer Closing Date. This advertisement was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Corporation, the BRLMs and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and regional editions of Navshakti, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Central Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/ applicants. Our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which

may occur after the date of the Red Herring Prospectus, this Prospectus or the Bid/Offer Closing Date. Bidders/applicants were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement

(a) Our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) and the Underwriters have entered into an Underwriting Agreement dated May 12, 2022.

(b) After signing the Underwriting Agreement, this Prospectus has been filed in accordance with applicable law. This Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and is complete in all material respects.

Undertakings by our Corporation

Our Corporation undertakes the following:

- the complaints received in respect of the Offer have been attended to by our Corporation expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six working days of the Bid/ Offer Closing Date or within such other time period prescribed by SEBI will be taken;

- the funds required for making refunds as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Corporation;

- if Allotment is not made within six working days from the Bid/ Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Corporation shall pay interest prescribed under the SEBI ICDR Regulations and other applicable laws for the delayed period;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;

- that if our Corporation does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Corporation shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently;

- that our Corporation shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received;

- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

Undertakings by the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India)

The Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) undertakes in relation to themselves and the Offered Shares that:

- in relation to the Selling Shareholder, it is the sole beneficial owner (with the relevant depository being the sole legal owner) of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;

- it shall deposit the Equity Shares offered by it in the Offer in an escrow account opened through the Registrar to the Offer prior to the filing of the Red Herring Prospectus with the relevant authorities;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer; and

- it shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to the Selling Shareholder, are statements which are specifically confirmed or undertaken by the Selling Shareholder in relation to itself and the Offered Shares. All other statements or undertakings or both in this Prospectus in relation to the Selling Shareholder shall be statements made by our Corporation, even if the same relates to the Selling Shareholder.

Utilisation of Net Proceeds

Our Corporation declares that our Corporation and the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) undertake that all monies received out of the Offer shall be credited/transferred to a separate bank account.

Our Corporation (through the IPO Committee or the Whole-time Chairperson or the Managing Director(s) of our Board) and the Selling Shareholder reserve the right to make changes to any operational terms as may be necessary to deal with unforeseen circumstances or to remove any operational / technical / procedural difficulties including but not limited to amending the operational terms of the Offer, the Offer procedure and the Offer structure, basis of allocation / allotment, allocation per investor category and determine the method and manner in which such changes shall be disseminated to the public, including post the Bid/ Offer Opening Date. Such changes may be communicated by notice to the Stock Exchanges.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**"), which, with effect from October 15, 2020, consolidated and superseded all previous FDI policies, press notes, press releases and clarifications on FDI that were in force and effect prior to October 15, 2020. In this regard, The DPIIT has introduced an amendment to the FDI Policy by issuance of Press Note no. 1 (2022 Series) dated March 14, 2022 and consequent amendment to the FEMA Non-debt Instruments Rules, restricting FDI to up to 20% in our Corporation through automatic route. Further, while Non-Residents were permitted to participate in the Offer, their participation was subject to limits and conditions prescribed under the applicable laws including the LIC Act, the LIC General Regulations, the FDI Policy and the FEMA Regulations.

Our Corporation can have investments by public only up to 49% of the issued equity share capital and the GoI shall, at all times, hold not less than 51% of the issued equity share capital of our Corporation. Further, no person, other than the GoI, acting individually or with persons acting in concert with such person, or constituents of a group, is permitted to hold 5% or more of the issued equity share capital of our Corporation, or such higher percentage as the GoI may by notification specify.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs were not permitted to participate in the Offer.

Our Corporation and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, that have occurred after the date of the Red Herring Prospectus or which may occur after the date of this Prospectus. Bidders were advised to make their independent investigations and ensure that the number of Equity Shares Bid for did not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND MAIN PROVISIONS OF THE LIFE INSURANCE CORPORATION ACT

Capitalised terms used in this section have the meaning that has been given to such terms in the Life Insurance Corporation Act. Set forth below are certain provisions relating to our Corporation's share capital and the Equity Shares, including brief summaries of certain provisions of the Life Insurance Corporation Act.

Authorised Share Capital

Section 5(1) provides that the authorized share capital of our Corporation is ₹250,000 million divided into 25,000 million equity shares of ₹10 each.

Provided that the Central Government may, by notification, increase the authorised share capital or reduce the authorised share capital to such amount not less than the amount of the paid-up equity capital of our Corporation immediately before the coming into force of Section 131 of the Finance Act, 2021, as it may deem fit. Our Corporation may, with the previous approval of the Central Government, consolidate or reduce the nominal or face value of the shares, divide the authorised share capital into equity share capital or a combination of equity and preference share capital, and divide the nominal or face value of shares into such denomination as our Corporation may decide.

Our Corporation may increase its issued share capital, with the previous approval of the Central Government, whether by public issue or rights issue or preferential allotment or private placement or issue of bonus shares to existing shareholders holding equity shares, or by issue of shares to employees pursuant to share based employee benefits schemes, or by issue of shares to life insurance policyholders of our Corporation, or otherwise. However, the Central Government shall, on a fully diluted basis hold:

(a) at all times, not less than 51% of the issued equity share capital of our Corporation;
(b) during a period of five years from the date of first issue of shares to any person other than the Central Government, not less than 75% of the issued equity share capital of our Corporation.

Register of Shareholders'

Section 5B provides that our Corporation shall keep and maintain register of shareholders, indicating separately each class of equity and preference shares held by each shareholder residing in or outside India. The register maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the register for shareholders.

Transferability of Shares

Section 5A provides that the shares of our Corporation shall be freely transferable provided that any arrangement between two or more persons in respect of transfer of shares shall be enforceable as a contract. However, the Central Government cannot transfer any shares held by it in our Corporation, if as a result of such transfer, the shares held by it, on a fully diluted basis, shall reduce to less than 51%. of the issued equity share capital of our Corporation. Further, no person, other than the Central Government, acting individually or with persons acting in concert (as defined in the Takeover Regulations) with such person, or constituents of a group (as defined in the Competition Act, 2002), shall hold equity share in excess of 5% of issued equity share capital of our Corporation, or such higher percentage as the Central Government may by notification specify.

Nomination Right

Section 5E provides that every shareholder of our Corporation may, at any time, nominate an individual to whom all his rights in the shares shall vest in the event of death of such shareholder. Joint holders of shares may together nominate an individual to whom all their rights in the shares shall vest in the event of the death of all such joint holders. The nominee shall, on the death of the shareholder/ joint holders become entitled to all the rights of the shareholder/ joint holders, in relation to such shares, and all other persons shall be excluded unless the nomination has been varied or cancelled before the death of the shareholder/ joint holder.

Board of Directors

Section 4(2) provides that the Board of Directors of our Corporation shall consist a maximum of 18 directors, of whom at least one shall be a woman. The Board of Directors shall consist of:

(a) a Chairperson of the Board, to be appointed by the Central Government;

(b) a Chief Executive Officer and Managing Director to be appointed by the Central Government;
(c) maximum of four Managing Directors to be appointed by the Central Government;
(d) an officer of the Central Government not below the rank of a Joint Secretary to the Government of India, to be nominated by the Central Government;
(e) an individual to be nominated by the Central Government, who has special knowledge or practical experience in actuarial science, business management, economics, finance, human resources, information technology, insurance, law, risk management, or any other field the special knowledge or practical experience of which would be useful to our Corporation in the opinion of the Central Government or who represent the interests of policyholders;
(f) where the total holding of shareholders other than the Central Government in the paid-up equity capital of our Corporation is—
    a. not more than 10%., one individual;
    b. more than 10%., two individuals,

    who shall be elected by and from amongst such shareholders to be appointed by the Board; and
(g) maximum of nine independent directors to be recommended by the Nomination and Remuneration Committee and appointed by the Board.

Further, any act or proceeding of the collective body of members constituting our Corporation under Section 4 before the coming into force of Section 131 of the Finance Act, 2021, shall be deemed to be an act or proceeding, as the case may be, of the Board of Directors of our Corporation.

General Meetings

Section 23A provides that an annual general meeting or other general meeting of shareholders shall be held in each financial year at such time as the Board may specify, at the central office of our Corporation or at such other place in India as the Central Government may permit on the recommendations of the Board. Further, a general meeting shall be held only when our Corporation has shareholders other than the Central Government who are entitled to vote.

The shareholders present at an annual general meeting shall be entitled to:

(a) discuss the financial statements of our Corporation and to adopt the financial statements, along with all the documents which are required to be attached to such financial statements under the Life Insurance Corporation Act;
(b) discuss and adopt the annual report;
(c) approve a declaration of dividend;
(d) approve the appointment of directors; and
(e) approve the appointment of auditors and fix their remuneration.

Every shareholder shall be entitled to attend the general meeting, whether in person or by proxy or by duly authorised representative. No business other than as specified above shall be transacted or discussed at the annual general meeting, except with the consent of the Chairperson, unless not less than six weeks' notice of the same has been given to the Chairperson either by the Central Government or by at least hundred shareholders who have the right to vote at the meeting. Such a notice shall be in the form of a definite resolution to be put to the meeting, and that such resolution shall be included in the notice of the meeting. Further, consent of the Chairperson is required to transact any other business other than that for which a general meeting has been convened.

Votes of Shareholders

Section 23A(4) provides that a shareholder who is entitled to vote may exercise his vote at a general meeting in person or by proxy or by duly authorised representative. Persons entitled to attend and to exercise vote at a general meeting may also do so through electronic means, and the manner of attendance and exercise of vote shall be such as may be prescribed by the Central Government.

Dividend

Section 28B provides that dividend shall be declared or paid by our Corporation for any financial year only out of the surpluses and profits. Further, Section 28B provides that no dividend shall be declared or paid by our Corporation from its reserves other than free reserves.

Section 28B(2) provides that the Board may, during any financial year or at any time during the period from the close of a financial year till the holding of the annual general meeting for that financial year, declare interim dividend out of the surpluses and profits of the financial year for which such interim dividend is sought to be declared, or out of the surpluses and profits generated in the current financial year till the close of the quarter preceding the date of declaration of such interim dividend.

Section 28B(3) provides that the amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

Section 28B(4) provides that the dividend shall be paid by our Corporation in respect of any share of our Corporation only to shareholders whose names appear in the register of shareholders and shall be payable in cash and not in stock or other form of value. However, dividend may be payable by cheque or warrant or in any electronic mode to the shareholder entitled to such a payment.

Unpaid or Unclaimed Dividend

Section 28C provides that any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with the provisions of the applicable law.

Where our Corporation has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, our Corporation shall within seven days from the date of expiry of the said period of 30 days, open a special account called the “Unpaid Dividend Account” in any scheduled bank and transfer to such account, the total amount of the dividend which remains unpaid. Our Corporation shall, within a period of 90 days of making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the name and last known address of, and the amount of the unpaid dividend payable to, each shareholder entitled to such unpaid dividend, and shall place such statement on its website.

Any money transferred to the Unpaid Dividend Account of our Corporation which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by our Corporation to the fund known as “Investors Education and Protection Fund” established under the Companies Act, 2013. All shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by our Corporation in the name of the “Investors Education and Protection Fund” established under the Companies Act, 2013 along with a statement containing such details as may be prescribed.

Liquidation

Section 38 provides that the provisions in relation to winding up of companies or corporations shall not be applicable to our Corporation and our Corporation shall not be placed in liquidation except by order of the Central Government and in such manner as that Central Government may direct.

SECTION IX: EMBEDDED VALUE REPORTS

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Milliman

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10 February 2022

The Secretary
Department of Investment and Public Asset Management
Ministry of Finance, Government of India
Room No. 429, Block No.11 / 14, CGO Complex
New Delhi - 110003

Results of Indian Embedded Value of the Life Insurance Corporation of India as at 30 September 2021

Dear Sir

1. Introduction

1.1 Pursuant to the letter of appointment (Reference: File No.4/3/2020-DIPAM-II-A-Part(2)) dated 19 March 2021 ("LoA") and the engagement letter dated 26 March 2021 ("EL"), Milliman Advisors LLP ("Milliman", "we", "us", "our") has been engaged by the Department of Investment and Public Asset Management of the Ministry of Finance, Government of India ("DIPAM", "you", "your") to prepare a report for disclosure purposes in connection with the planned initial public offering ("IPO") of the Life Insurance Corporation of India ("LIC", "the Corporation").

1.2 Accordingly, the report entitled '*Report on Indian Embedded Value of the Life Insurance Corporation of India as at 31 March 2021*' dated 10 February 2022, which is developed in line with the requirements of Actuarial Practice Standard 10, Version 1.02 ("APS10") issued by the Institute of Actuaries of India ("IAI") (referred to as the "APS10 Report") was submitted for inclusion in the IPO disclosures.

1.3 You have also requested us to prepare a report ("Supplementary Report"), which sets out the components of economic value of the Corporation, viz. Indian Embedded Value ("IEV") as at 30 September 2021 and the value of new business ("VNB") for new business sold during the six months ending 30 September 2021, as well as sensitivity analyses in respect of the IEV as at 30 September 2021 and the VNB for new business sold during the six months ending 30 September 2021 (the "Supplementary Results").

1.4 For the Supplementary Results, the materiality limit is the same as that specified by the Corporation's Board of Directors as noted in the APS10 Report, i.e. the criterion for materiality should be set at 8% of IEV at an aggregate level. We estimate that the IEV as at 30 September 2021 diverges from the requirements of APS10 by less than 2.5%.

1.5 The Supplementary Results have been prepared using a methodology and assumptions consistent with the framework set out in APS10. However, we have not included all disclosures as required by APS10 in this Supplementary Report. Consequently, this Supplementary Report should not be considered an APS10 disclosure. Moreover, this Supplementary Report should be read in conjunction with the APS10 Report and be read in its entirety, including the reliances and limitations, as this Supplementary Report or individual sections, if considered in isolation, may be misleading.

1.6 This Supplementary Report is subject to the terms and conditions as per the LoA and EL specified earlier.

2. Methodology

2.1 The methodology used to derive the Supplementary Results is consistent with that detailed in Section 4 of the APS10 Report, with the following changes/clarifications:

a. **Present Value of Future Profits ("PVFP"):** Whereas (as detailed in Section 4.4.22 of the APS10 Report), at 31 March 2021 the Corporation had a single policyholders' fund, on 30 September 2021 it completed the bifurcation of that fund into separate participating and non-participating funds (see details as set out in the section entitled "Changes in surplus distribution policy and bifurcation of funds" of the Draft Red Herring Prospectus, “DRHP”). Therefore, in the Supplementary Results, the shareholders’ interest in both:

- the mark-to-market adjustment of asset values (i.e. excess of market value over the carrying value of assets in the financial statements) in the non-participating funds; and
- the present value of projected surplus from non-participating global reserves,

is assumed to be 100% of their post-tax value.

b. **Cost of Residual Non-Hedgeable Risks (“CRNHR”)**: The CRNHR is calculated using the projected values of various risk drivers as at 30 September 2021, although the risk drivers selected for each risk, and the factors applied to these risk drivers to determine the projected capital are the same as those used as at 31 March 2021.

c. **Value of New Business (“VNB”)**: In the APS10 report we included a base VNB scenario and two alternative scenarios to show the impact of the change in surplus sharing structure at the end of that reporting period. As at 30 September 2021 we present the Supplementary Results using only the ‘base’ scenario as described in Table 2.1.

Table 2.1: Assumed proportion of future distributed surplus from new business sold during the six months ending 30 September 2021 to be allocated to shareholders

Financial year	FY21-22	FY22-23	FY23-24	FY24-25 onwards
Participating business	5%	7.5%	7.5%	10%
Other business	100%	100%	100%	100%

Notes: FY – Financial year e.g. FY21-22 is the financial year ending 31 March 2022. The proportions shown are by year of surplus emergence for non-participating business and by year of distribution (as explained in Section 2.3.4 of the APS10 Report) for participating business.

3. Assumptions

3.1 The assumptions used to derive the Supplementary Results are the same as the assumptions detailed in Section 5 of the APS10 Report, with the following adjustments:

a. **Reference rates**: The reference rates used for the calculation of the Supplementary Results have been derived from the same source as detailed in the APS10 Report (i.e. Clearing Corporation of India Limited) on the applicable dates. The reference rates are set out in Table 3.1.

Table 3.1: Reference rates (one-year forward rates) in percentage (%)

Year	For VIF as at 30 September 2021	For VNB in respect of new business sold during the month of					
		Apr-21	May-21	Jun-21	July-21	Aug-21	Sep-21
1	3.95	3.95	3.85	3.87	3.87	3.85	3.90
2	5.17	5.31	5.23	5.32	5.40	5.31	5.21
3	6.02	6.27	6.12	6.16	6.39	6.31	6.08
5	7.17	7.42	7.23	7.22	7.43	7.45	7.26
10	8.19	7.97	7.95	7.95	7.99	8.20	8.26
15	8.10	7.52	7.62	7.67	7.72	7.98	8.17
20	7.78	7.06	7.17	7.25	7.43	7.68	7.87
25	7.49	6.76	6.82	6.92	7.25	7.47	7.61
30	7.28	6.59	6.60	6.70	7.15	7.34	7.43
35	7.15	6.50	6.48	6.58	7.11	7.28	7.32
40	7.07	6.46	6.41	6.50	7.08	7.25	7.26

b. **Stochastic asset model**: The stochastic model was recalibrated to the reference rates, short-term implied volatilities and asset mix as at 30 September 2021.

c. **Expenses**: Expenses and expense inflation assumptions as at 30 September 2021 are the same as those used to derive the results in the APS10 Report, except in the case of the per-policy maintenance expense assumptions, where six months of inflation have been applied.

d. **Statutory reserving basis:** Distributable profits continue to be calculated by reference to the projected liabilities, which are calculated using the reserving basis as determined by the Appointed Actuary of the Corporation as at 30 September 2021.

4. Model checks and reliances

4.1 We have relied on the policy data and other information provided by the Corporation as outlined in the reliances and limitations at the end of this Supplementary Report. No external review of the policy data used in the calculation of the Supplementary Results has been performed.

4.2 The Supplementary Results were prepared using actuarial models developed by the Corporation. The scope of our engagement requires Milliman to independently check the actuarial models used to develop the Supplementary Results for plans that represent a significant and material proportion of the total value of the in-force and new business portfolios.

4.3 Milliman has performed independent checking of the PVFP in respect of both in-force business as at 30 September 2021 and the new business sold during the six months ending 30 September 2021 at a sample model point level, for all products included in the derivation of the Supplementary Results. Other checks performed are consistent with those set out in the APS10 Report.

4.4 Based on the results of the independent checking process, we are satisfied that the models used to derive the Supplementary Results follow the methodology and assumptions set out in this Supplementary Report. No errors or issues identified in our checking process, which have a material impact on the Supplementary Results, remain unresolved at the time of preparation of this Supplementary Report.

5. Supplementary Results

5.1 The IEV of LIC as at 30 September 2021 is set out in Table 5.1, calculated in accordance with the methodology and assumptions as described above. For comparison, we also show the IEV as at 31 March 2021 as set out in the APS10 Report.

Table 5.1: Indian embedded value

Components of IEV	As at 31 March 2021(1)	As at 30 September 2021
Free surplus (FS) (A)	6,361	8,203
Required capital (RC) (B)	-	-
Adjusted net worth (ANW) (C = A + B)	**6,361**	**8,203**
Present value of future profits (PVFP) (D)	104,772	546,992
Time value of financial options and guarantees (TVFOG) (E)	(1,596)	(1,208)
Frictional cost of required capital (FC) (F)	(149)	(656)
Cost of residual non-hedgeable risks (CRNHR) (G)	(13,782)	(13,645)
Value of in-force business (VIF) (H = D + E + F + G)	**89,245**	**531,483**
Indian embedded value (IEV) (I = C + H)	**95,605**	**539,686**

Notes: Amounts in INR crores; Figures may not add up due to rounding.
(1) The 31 March 2021 figures are as set out in Table 2.5 of the APS10 Report.

5.2 The IEV computed as at 30 September 2021 is Rs 539,686 crores. For comparative purposes the IEV (i.e. before the impact of the fund bifurcation) calculated based on the same fund structure (i.e. a single policyholders' fund) as that reflected in the APS10 Report would be INR 124,767 crores. The increase in IEV is due to the shareholders' interest in the non-participating funds increasing to 100% (as described in Section 2.1), following the decision of the Board of Directors of the Corporation on 8 January 2022 for the bifurcation of the single policyholders' fund into participating and non-participating funds on 30 September 2021. This reflects the assets backing the statutory liabilities, provisions for solvency margin and non-participating global reserves residing in the non-participating funds.

5.3 The VNB, VNB Margin and PVNBP Margin as at 30 September 2021, in respect of new business sold during the six months ending 30 September 2021, are set out in Table 5.2.

Table 5.2: Value of new business

	For new business sold during the six months ending 30 September 2021
VNB before TVFOG, FC and CRNHR (A)	**3,064**
Individual participating	1,406
Individual non-participating	885
Group[(1)]	773
TVFOG in respect of new business (B)	(101)
FC in respect of new business (C)	(643)
CRNHR in respect of new business (D)	(736)
Value of new business (VNB) (= A + B + C + D)	**1,583**
New business annualised premium equivalent (“APE”[(2)])	**17,074**
Individual participating	10,925
Individual non-participating	750
Group[(1)]	5,399
VNB Margin (= VNB / APE)	**9.3%**
Present value of new business premium (“PVNBP”[(3)])	**118,181**
Individual participating	60,800
Individual non-participating	6,612
Group[(1)]	50,770
PVNBP Margin (= VNB / PVNBP)	**1.3%**

Notes: Amounts in INR crores; Figures may not add up due to rounding.
(1) ‘Group’ includes group annuities, group funds management and group term
(2) APE is calculated as 100% of annualised premium for regular and limited premium plans and 10% of single premium for business sold during the six months ending 30 September 2021
(3) The Present Value of New Business Premium (“PVNBP”) at the point of sale for the new business sold during the six months ending 30 September 2021

5.4 The sensitivity analysis in respect of IEV as at 30 September 2021 is set out in Table 5.3.

Table 5.3: IEV sensitivity analysis

	Sensitivity	ANW	VIF	IEV	% Change in IEV as compared to the base
Base		**8,203**	**531,483**	**539,686**	
1	**Reference rates and assets**				
1a	An increase of 100 bps in the reference rates	8,083	527,731	535,815	(0.7%)
1b	A decrease of 100 bps in the reference rates	8,335	534,285	542,620	0.5%
1c	An increase of 200 bps in the reference rates	7,974	524,297	532,271	(1.4%)
1d	A decrease of 200 bps in the reference rates	8,481	535,110	543,591	0.7%
1e	Equity values decrease by 10%	7,969	495,313	503,282	(6.7%)
1f	Equity values decrease by 20%	7,735	459,143	466,878	(13.5%)
2	**Expenses**				
2a	10% increase in maintenance expenses	8,203	529,123	537,326	(0.4%)
2b	10% decrease in maintenance expenses	8,203	533,840	542,043	0.4%
2c	10% increase in acquisition expenses(1)	8,203	531,478	539,681	(0.0%)
2d	10% decrease in acquisition expenses(1)	8,203	531,487	539,691	0.0%
3	**Policy / premium discontinuance rates and partial withdrawal rates (proportionate)**				
3a	10% increase (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	8,203	530,638	538,841	(0.2%)
3b	10% decrease (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	8,203	532,393	540,596	0.2%
3c	50% increase (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	8,203	527,834	536,037	(0.7%)
3d	50% decrease (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	8,203	536,668	544,871	1.0%
4	**Insurance risks**				
4a	An increase of 5% (multiplicative) in mortality/morbidity rates	8,203	531,735	539,938	0.0%(2)
4b	A decrease of 5% (multiplicative) in mortality/morbidity rates	8,203	531,206	539,409	(0.1%)(2)
5	**Required capital**				
	Required capital set equal to the minimum required capital	8,203	532,090	540,293	0.1%
6	**Taxation**				
	Assumed tax rate increased to 34.94%	8,203	399,845	408,048	(24.4%)

Notes: Amounts in INR crores; Figures may not add up due to rounding; Frictional costs have not been adjusted in the sensitivities except the required capital sensitivity.

(1) 'Acquisition expenses' include all expenses incurred during the first year of an insurance policy for individual business.

(2) Mortality/morbidity sensitivities include the impact on both assurance and annuity products.

5.5 The sensitivity analysis in respect of VNB for business sold during the six months ending 30 September 2021 is set out in Table 5.4.

Table 5.4: VNB sensitivity analysis

	Sensitivity	VNB	% Change in VNB	VNB margin	Change in VNB margin
Base		**1,583**		**9.3%**	
1	**Reference rates and assets**				
1a	An increase of 100 bps in the reference rates	1,879	18.7%	11.0%	1.7%
1b	A decrease of 100 bps in the reference rates	987	(37.7%)	5.8%	(3.5%)
1c	An increase of 200 bps in the reference rates	2,147	35.6%	12.6%	3.3%
1d	A decrease of 200 bps in the reference rates	94	(94.1%)	0.6%	(8.7%)
1e	Equity values decrease by 10%	1,515	(4.3%)	8.9%	(0.4%)
1f	Equity values decrease by 20%	1,448	(8.6%)	8.5%	(0.8%)
2	**Expenses**				
2a	10% increase in maintenance expenses	1,515	(4.3%)	8.9%	(0.4%)
2b	10% decrease in maintenance expenses	1,652	4.3%	9.7%	0.4%
2c	10% increase in acquisition expenses	1,524	(3.7%)	8.9%	(0.3%)
2d	10% decrease in acquisition expenses	1,642	3.7%	9.6%	0.3%
3	**Policy / premium discontinuance rates and partial withdrawal rates (proportionate)**				
3a	10% increase (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	1,500	(5.2%)	8.8%	(0.5%)
3b	10% decrease (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	1,669	5.4%	9.8%	0.5%
3c	50% increase (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	1,202	(24.1%)	7.0%	(2.2%)
3d	50% decrease (multiplicative) in the policy/premium discontinuance rates and partial withdrawal rates	2,036	28.6%	11.9%	2.7%
4	**Insurance risks**				
5a	An increase of 5% (multiplicative) in mortality/morbidity rates	1,583	0.0%	9.3%	0.0%(1)
5b	A decrease of 5% (multiplicative) in mortality/morbidity rates	1,582	(0.0%)	9.3%	(0.0%)(1)
5	**Required capital**				
	Required capital set equal to the minimum required capital	2,142	35.3%	12.5%	3.3%
6	**Taxation**				
	Assumed tax rate increased to 34.94%	796	(49.7%)	4.7%	(4.6%)

Notes: Amounts in INR crores; Figures may not add up due to rounding. Frictional costs have not been adjusted in the sensitivities except the required capital sensitivity.
(1) Mortality/morbidity sensitivities include the impact on both assurance and annuity products.

6. Conclusion and opinion

6.1 Based on the work carried out and subject to the reliances and limitations set out in this Supplementary Report, I am of the opinion that:

- the methodology used to develop the Supplementary Results is reasonable;
- the assumptions used to develop the Supplementary Results are reasonable;
- the Supplementary Results have been prepared materially in accordance with the methodology and assumptions described in the Supplementary Report; and
- the Supplementary Results have been prepared in accordance with the requirements of APS10 and within the materiality limit set by the Board of Directors of the Corporation as discussed in Section 1.4.

7. Reliances and Limitations

Reliances

7.1 The scope of this Supplementary Report covers the following:

a. to review the methodology and assumptions adopted by the Corporation; and

b. to review the IEV as at 30 September 2021 and the VNB for the six months ending 30 September 2021 and to conduct independent checking of the Corporation's actuarial models for plans that represent a significant proportion of the total value of the in-force and new business portfolios.

7.2 Although this Supplementary Report provides the Supplementary Results following the framework as set out in APS10, we have not included all disclosures as required by APS10 in this Supplementary Report. Consequently, this Supplementary Report should not be considered to be an APS10 disclosure.

7.3 This Supplementary Report has been prepared solely for use by DIPAM and the management of LIC for inclusion in the disclosures as part of the IPO process. It should not be relied upon for any other purpose but may be provided to DIPAM's/Corporation's advisors on the IPO for use in conducting and documenting their due diligence of the Corporation, in connection with the offering of securities in the IPO.

7.4 This Supplementary Report is intended to provide certain actuarial information and analyses that would assist a qualified actuary, technically competent in the area of actuarial appraisals, to develop an estimate of the components of economic value as described earlier in this Supplementary Report. In order to fully comprehend this Supplementary Report, any user should be advised by an actuary with a substantial level of expertise in areas relevant to this analysis to appreciate the significance of the underlying assumptions and the impact of those assumptions on the Supplementary Results. This Supplementary Report must be considered in its entirety and along with the full APS10 Report, as individual sections of either report, if considered in isolation, may be misleading.

7.5 In carrying out the work and producing this Supplementary Report, we have relied on information supplied by the management and staff of LIC. Reliance was placed on, but not limited to, the general accuracy of all the information provided to us.

7.6 In particular we have relied on:

a. the Prophet actuarial model and other models developed by the Corporation to derive the various Supplementary Results. However, we have applied various checks on the models of the Corporation as set out in Section 4;

b. the accuracy and completeness of the policy data covering in-force and new business policies, the inter-valuation movements of policy statuses and the various checks applied thereon;

c. details of product features, policy terms and conditions including surrender and cash value bases as set out in the plan features documents and other information provided to us by the Corporation for each of the products included in our review of the models;

d. information on reinsurance arrangements and terms and conditions as provided to us by the Corporation;

e. experience investigations relating to current and historical operating experience of the Corporation;

f. information on expense experience analyses performed by the Corporation;

g. audited financial statements for the six months ending 30 September 2021 as provided to us by the Corporation;

h. the Appointed Actuary's statutory liability valuation of the Corporation as at 30 September 2021 and confirmation by the Corporation of the methodology / assumptions adopted in the statutory valuation of liabilities as at that date;

i. the appropriateness and completeness of the governance arrangements surrounding the bifurcation of the single policyholders' fund into separate participating and non-participating funds;

j. asset valuations (book and market value) for investments of the Corporation as set out in the audited financial statements at 30 September 2021, and the market value adjustments as provided to us by the Corporation;

k. the Board approved crediting rate framework for group funds business;

l. information on the Corporation's practices in determining bonuses on participating business;

m. the Board approved surplus distribution policy adopted by the Corporation; and

n. the taxation framework adopted by the Corporation.

7.7 We have obtained a management representation letter from LIC, stating that the data and information provided to us is accurate and complete and that there are no material inaccuracies and omissions therein and as represented in this Supplementary Report.

7.8 This Supplementary Report is based on the data and information available to Milliman up to 10 February 2022 and takes no account of the data, information and clarifications received after that date. We are under no obligation to update or correct inaccuracies which may become apparent in this Supplementary Report as a consequence of this.

Limitations

7.9 Unless explicitly stated, we have performed no audit or independent verification of the information furnished to us. To the extent that there are any material errors in the information provided to us, the Supplementary Results may be affected as well.

7.10 An embedded value disclosure necessarily requires assumptions to be made about future operating experience and for these to be reflected in the determination of the components of economic value. None of the Supplementary Results are intended to represent forward-looking statements for the purposes of Securities and Exchange Board of India ("SEBI") listing rules.

7.11 An actuarial assessment of the components of economic value of a life insurance company will not necessarily be consistent with the value of a life insurance company or a portfolio in the open market and should not be interpreted in that manner. Rather, it is derived from a projection of future earnings and, therefore, reflects the value of the earnings potential of a block of in-force or new business under a specific set of assumptions. The value of any business enterprise is a matter of informed judgment. Different parties will arrive at different values depending upon their outlook, their assessment of the future operating assumptions, and upon the opportunities they see for the enterprise in the future. Judgements as to the contents of this Supplementary Report should be made only after studying the Supplementary Report in its entirety, together with the APS10 Report, the rest of the DRHP, Red Herring Prospectus ("RHP") or Prospectus, as a review of a single section or sections on an isolated basis may not provide sufficient information from which to draw appropriate conclusions. Milliman does not authorise or cause the issue of the DRHP or RHP and takes no responsibility for its contents other than this Supplementary Report.

7.12 The Supplementary Results are based on a series of assumptions as to the future operating experience of the Corporation. It should be recognised that actual results will differ from those shown in this Supplementary Report, on account of changes in the operating and economic environment and natural variations in experience. To the extent actual experience is different from the assumptions underlying this Supplementary Report, the future projected profits from which the Supplementary Results are derived will also differ. This Supplementary Report includes various sensitivity analyses to illustrate how vulnerable the various results are to changes in assumptions for the key risks. The Supplementary Results shown are presented at 30 September 2021 and no warranty is given by Milliman that future experience after this date will be in line with the assumptions made.

7.13 The projections and values presented in this Supplementary Report have been determined on a 'going concern' basis, and assume a stable economic, legal and regulatory environment going forward. The reader of this Supplementary Report should be aware that any change in the general operating environment would add a high degree of uncertainty to the Supplementary Results presented. In particular, there is continuing uncertainty regarding the longer-term impact of COVID-19 on the economic, regulatory and business environment in India, and the level and nature of business activity of the Corporation, which could materially impact future non-economic experience and economic parameters.

7.14 Unless explicitly stated, the Supplementary Results do not consider any external (including regulatory and taxation) developments after 30 September 2021.

7.15 None of the values or projections set out in this Supplementary Report include any allowance for withholding or other taxes (such as dividend distribution tax) that may apply to the payment of future shareholder dividends or on remittances out of India.

7.16 The allowance for taxation reflected in the Supplementary Results is based on the Corporation's interpretation of the applicable taxation laws in India. It may be noted that neither Milliman nor its consultants are experts in taxation matters. Given this, we do not make any representation on the appropriateness or otherwise of the approach adopted in allowing for taxation in the Supplementary Results.

7.17 In the Supplementary Results, no allowance is made for any claims against LIC other than those made by policyholders under the normal terms of life insurance business and reflected in the Corporation's audited financial statements.

7.18 In the preparation of this Report, we have had access to other advisors of DIPAM/LIC in connection with the IPO and have discussed the Report with them. We have also reviewed the relevant accompanying statements made by the Board of Directors of the Corporation and information provided to the Securities and Exchange Board of India in the DRHP.

Distribution

7.19 DIPAM/LIC may publicly disclose the final signed version of this Supplementary Report in its entirety. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work.

Yours sincerely

Heerak Basu FIAI
Partner

MILLIMAN CLIENT REPORT

DIPAM – Ministry of Finance, Government of India

Report on Indian Embedded Value of the Life Insurance Corporation of India as at 31 March 2021

10 February 2022

HEERAK BASU, FIAI
Partner

Milliman Advisors LLP
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Andheri Kurla Road, Chakala
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Mumbai 400 059

Milliman

Table of Contents

Section 1 Introduction

1.1. Background

1.1.1. On 28 March 2015 the Institute of Actuaries of India ("IAI") issued Actuarial Practice Standard 10, Version 1.02 ("APS10"), which sets out various requirements governing the determination and disclosure of the Indian Embedded Value ("IEV"), to be disclosed by life insurance companies in connection with an initial public offering ("IPO").

1.1.2. Pursuant to the letter of appointment (Reference: File No.4/3/2020-DIPAM-II-A-Part(2)) dated 19 March 2021 and the engagement letter dated 26 March 2021 ("EL"), Milliman Advisors LLP ("Milliman", "we", "us", "our") has been engaged by the Department of Investment and Public Asset Management of the Ministry of Finance, Government of India ("DIPAM", "you", "your") to prepare this report ("Report") for disclosure in connection with the planned IPO of the Life Insurance Corporation of India ("LIC", "the Corporation"). Consequently, the methodology, assumptions, results and disclosures set out in this Report are developed to comply with the requirements of APS10.

1.1.3. This Report sets out the components of economic value of the Corporation, comprising the IEV as at 31 March 2020 and 31 March 2021; the value of one year of new business ("VNB") for new business sold during the year ending 31 March 2021; an analysis of the movement of IEV from 31 March 2020 to 31 March 2021; and various sensitivity results of the IEV as at 31 March 2021 and sensitivity results of the VNB for new business sold during the year ending 31 March 2021 (together referred to as the "Results").

1.1.4. The *Insurance Regulatory and Development Authority of India (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015*, ("Issuance of Capital Regulations") dated 17 December 2015 require an embedded value report to be prepared by an Independent Actuary (the "Reporting Actuary") to support a planned IPO of a life insurance company. APS10 paragraph 2.3 additionally requires a peer review by another actuary (the 'Reviewing Actuary') in line with the requirements of previous Insurance Regulatory and Development Authority of India ("IRDAI") regulations (that were superseded by the Issuance of Capital Regulations). Given that the Issuance of Capital Regulations do not require a Reviewing Actuary, compliance with APS10 has been assessed while disregarding the requirement outlined in paragraph 2.3 of the same.

1.1.5. The opinions expressed in this Report are those of the signatory to this Report, Heerak Basu ("I", "me", "my") who is acting as the Reporting Actuary in the context of APS10. I am a Fellow of the IAI (membership number 11) and hold a Certificate of Practice from the IAI. I have worked alongside Mr. Philip Jackson and Mr. Richard Holloway, who are both Fellows of the IAI and Mr. Nick Dumbreck, a Fellow of the Institute and Faculty of Actuaries in the United Kingdom, who has provided internal peer review support to me.

1.1.6. The figures quoted in this Report make no allowance for any developments after 31 March 2021, except as explicitly mentioned in this Report. Specifically, no value is placed on any new business written or expected to be written after the respective valuation dates at which the IEV results are calculated.

1.1.7. For the avoidance of doubt, in accordance with APS10, none of the results in this Report are intended to represent forward-looking statements for the purposes of Securities and Exchange Board of India ("SEBI") listing rules.

1.1.8. The various amounts specified are expressed in Indian Rupees ("INR").

1.2. Scope and distribution

1.2.1. The final version of this Report may be publicly disclosed in its entirety, provided it is done in connection with the IPO of LIC.

1.2.2. This Report should be read in its entirety, including the reliances and limitations set out in Section 6, as individual sections, if considered in isolation, may be misleading.

1.3. Structure of the Report

1.3.1. The sections of this Report are set out as follows:

- **Section 2: Indian Embedded Value Results** sets out the IEV Results.
- **Section 3: Formal opinion and statements** provides the formal opinion in respect of the Results and the various statements as required by APS10.
- **Section 4: Methodology** describes the methodology adopted in deriving the Results.
- **Section 5: Assumptions** describes the assumptions made in deriving the Results.
- **Section 6: Reliances and limitations** sets out the reliances and limitations applicable to our work and to this Report.
- **Appendix A: Persistency experience and discontinuance rates** provides historical persistency experience of the Corporation and the discontinuance rates assumed in deriving the Results.

1.4. Glossary

1.4.1. The main abbreviations and terms used in this Report are summarised below:

- **ANW**: Adjusted net worth
- **APE**: Annualised premium equivalent
- **APS10:** Actuarial Practice Standard 10, version 1.02
- **CRNHR**: Cost of residual non-hedgeable risks
- **Crores**: A unit of measurement adopted in India, wherein 1 Crore = 10 million
- **DRHP**: Draft red herring prospectus
- **FC**: Frictional cost of capital
- **FFA**: Funds for future appropriation
- **FS**: Free surplus
- **FY**: Financial year e.g. *FY20-21* is the financial year ending 31 March 2021
- **GPV**: Gross premium valuation
- **GS:** M/s. Gokhale and Sathe, Chartered Accountants
- **GST:** Goods and services tax
- **IAI:** Institute of Actuaries of India
- **IEV:** Indian Embedded Value
- **INR**: Indian Rupees
- **IPO**: Initial public offering
- **IRDAI:** Insurance Regulatory and Development Authority of India
- **LIC**: Life Insurance Corporation of India
- **MRC**: Minimum regulatory capital
- **PVFP:** Present value of future profits
- **PVNBP**: Present value of new business premiums
- **RC**: Required capital
- **RHP**: Red herring prospectus

- **SEBI**: Securities and Exchange Board of India
- **TVFOG**: Time value of financial options and guarantees
- **ULIP:** Unit-linked insurance plan
- **VIF**: Value of in-force business
- **VIP**: Variable insurance products
- **VNB**: Value of new business

Section 2 Indian Embedded Value Results

2.1. Background

2.1.1. LIC was formed by amalgamating the business of several life insurance companies through an Act of Parliament in 1956. LIC is currently fully owned by the Government of India.

2.1.2. The Corporation writes its individual business predominantly through an individual tied agency distribution channel, and group business, directly.

2.2. Overview

2.2.1. The Results are in respect of the business of the Corporation itself and of all the life insurance associates, subsidiaries, overseas branches and joint ventures of the Corporation.

2.2.2. The IEV of LIC consists of the Adjusted Net Worth ("ANW") and the value of in-force business ("VIF"). The VIF is a measure of the value of the shareholders' interest in the covered business of the Corporation (where covered business is as defined in Section 2.2.6 below). The VIF represents the present value of the shareholders' interest in the earnings distributable from the assets allocated to the covered business, after making sufficient allowance for the aggregate risks in the covered business. The allowance for risk is calibrated to match the market price for risk, where reliably observable.

2.2.3. The VNB represents the additional value to shareholders created through the activity of writing new covered business during the year ending 31 March 2021.

2.2.4. The IEV only reflects in-force business as at the applicable valuation date. In particular, the value of future new business (i.e. new business that may be written after the valuation date) is excluded from the IEV.

2.2.5. LIC has a diverse portfolio of entities, consisting of several associate companies, subsidiaries, overseas branches and joint ventures. A summary of LIC's entities is set out in Table 2.1.

2.2.6. The covered business is all life insurance and pensions business, accident and health insurance business across both individual and group segments:

a. that has been written by LIC in India; and

b. that has been written by LIC entities outside of India, either through its branches, subsidiaries or joint ventures.

2.2.7. Only the business of those entities where the nature of business is listed as 'Insurance' in Table 2.1 meets the definition of covered business.

Table 2.1: Associate companies, subsidiaries, overseas branches and joint ventures

Name of the entity / country	Nature of entity	Nature of business	As at 31 March 2020 % stake	As at 31 March 2020 Carrying amount	As at 31 March 2021 % stake	As at 31 March 2021 Carrying amount
LIC Pension Fund Limited	Subsidiary	Pension Fund Management	100.0%	30	100.0%	30
IDBI Bank Limited	Until 19 December 2020 – Subsidiary Thereafter - Associate	Banking	51.0%	29,223	49.2%	29,135
LIC Cards Services Limited	Subsidiary	Credit Cards	100.0%	1	100.0%	1
LIC Housing Finance Limited	Associate	Housing Finance	40.3%	986	40.3%	986
LIC HFL Asset Management Limited	Associate	Mutual Fund	5.4%	0	5.4%	0
LIC Mutual Fund Asset Management Limited	Associate	Mutual Fund	45.0%	5	45.0%	5
LIC Mutual Fund Trusteeship Limited	Associate	Mutual Fund	49.0%	0	49.0%	0
IDBI Trusteeship	Associate	Mutual Fund	29.8%	0	29.8%	0
Mauritius	Branch	Insurance	NA	NA	NA	NA
Fiji	Branch	Insurance	NA	NA	NA	NA
United Kingdom	Branch	Insurance	NA	NA	NA	NA
Life Insurance Corporation (International) B.S.C.(c) Bahrain	Subsidiary	Insurance	98.9%	115	98.9%	115
Life Insurance Corporation (Nepal) Ltd	Subsidiary	Insurance	55.0%	12	55.0%	12
Life Insurance Corporation (Lanka) Ltd	Subsidiary	Insurance	80.0%	23	80.0%	23
Life Insurance Corporation (Singapore) Pte Ltd.	Subsidiary	Insurance	100.0%	217	100.0%	217
Life Insurance Corporation (LIC) of Bangladesh Limited	Subsidiary	Insurance	83.3%	44	83.3%	44
Kenindia Assurance Company Ltd	Joint venture	Insurance	10.2%	1	10.2%	1
Saudi Indian Company for Co-operative Insurance	Joint venture	Insurance	5.0%	-[(1)]	5.0%	-[(1)]

Notes: Carrying amounts in INR crores as shown in the audited balance sheet; NA – not applicable.
(1) The amount shown is net of a 100% provision of INR 5.9 crores.

2.2.8. The value attributable to shareholders from business written outside of India is not expected to be material to the Results. Hence, any value arising from this business is reflected in the Results only to the extent of the amount carried in the audited balance sheet of the Corporation.

2.2.9. From LIC's business within India (i.e. from Section 2.2.6 (a) above), LIC has implemented actuarial cash-flow models for 94 products (out of a total of 244 in-force products as at 31 March 2021), and the Results include the value attributable to shareholders from business in respect of these 94 products only. The modelled business represents more than 90% of both the in-force reserves as at 31 March 2021 and the new business annualised premium equivalent ("APE") written during the year ending 31 March 2021. A summary of the total in-force and new business of LIC within India, together with a summary of the business that is included in the calculation of the Results, is set out in Table 2.2.

Table 2.2: Summary of in-force and new business of LIC within India

Line of business	In-force as at 31 March 2020	In-force as at 31 March 2021 and new business APE during the year-ending on that date			Included in the calculation of IEV as at 31 March 2021 and VNB			Modelled proportion	
	Reserves	NoPr	Reserves	APE	NoPr	Reserves	APE	Reserves	APE
Individual participating	2,138,749	138	2,310,032	29,555	71	2,135,524	29,134	92%	99%
Individual non-participating	107,498	55	123,945	2,434	13	107,645	2,221	87%	91%
Individual unit-linked	24,015	21	33,239	281	4	2,226	169	7%	60%
Group annuities	98,478	1	113,552	1,445	1	113,552	1,120	100%	77%
Group funds management and group term	582,728	29	659,737	11,872	5	585,634	9,528	89%	80%
Total	**2,951,469**	**244**	**3,240,507**	**45,588**	**94**	**2,944,581**	**42,170**	**91%**	**93%**

Notes: Monetary amounts in INR crores; Figures may not add up due to rounding. Reserves shown are gross of reinsurance and exclude the global reserves that are not segregated at a policy level; NoPr - Number of products as at the applicable valuation date; Reserves - statutory reserves as at the applicable valuation date; APE - New business APE during the year ending 31 March 2021.

2.2.10. The impact of not including the contribution to the Results from covered business within India that has not been modelled by LIC is within the specified materiality limit set by the Board of Directors of the Corporation as described in Section 3.2.1.

2.2.11. For the non-covered business within India, the value attributable to shareholders is reflected in the Results only to the extent of the value carried in the audited balance sheet of the Corporation.

2.3. Fund structure

2.3.1. Until 30 September 2021, for the purpose of the distribution of surplus between policyholders and shareholders, the Corporation was subject to Section 28 of the *LIC Act, 1956*, as amended by the *LIC (Amendment) Act, 2011* ('Amendment') on 13 January 2012. This Amendment required the Corporation to distribute at least 90% of surplus arising in the policyholders' fund (irrespective of the type of business that generated the surplus) in the form of bonuses to participating policies, before distributing dividends to the shareholders (prior to the Amendment, the Corporation was required to distribute at least 95% of surplus arising to its policyholders, before distributing dividends to its shareholders). Consequently, between 2012 and 2021, shareholders were entitled to at most 10% of the surplus arising from all business. However, despite the Amendment, LIC continued to distribute only 5% of the surplus arising from all business to shareholders, in line with its historical practice prior to the Amendment, with approval from the Government of India.

2.3.2. Furthermore, prior to 30 September 2021, and in line with its practice of distributing to shareholders a uniform percentage of the surplus arising in respect of all policies (irrespective of the type of business), LIC maintained a single policyholders' fund, within which it tracked the revenues, outgoes, assets and liabilities. The Corporation has, however maintained further notional separation of funds within this policyholders' fund (e.g. participating funds, non-participating funds, unit-linked funds etc.).

2.3.3. The introduction of the *Finance Act, 2021* ("Finance Act") on 28 March 2021 amended these provisions, with a requirement for LIC to establish separate funds for participating business and non-participating business, as well as a shareholders' fund. The Finance Act also amended the relevant provisions of the *LIC Act, 1956* covering the distribution of surplus arising between policyholders and shareholders. As per the Finance Act, the maximum share of distributed surplus that is payable to shareholders is 10% for participating business and 100% for non-participating (including unit-linked) business.

2.3.4. In recognition of the changes permitted by the Finance Act, but reflecting its desire to smooth the impact of the change, on 17 September 2021 LIC's Board approved a surplus distribution policy (i.e. the shareholders' share of distributed surplus from various lines of business) for the Corporation as detailed in Table 2.3. These revised surplus sharing proportions are reflected in the financial statements as at 30 September 2021 and have been used in calculating the Results. For participating business, distributed surplus is determined as the cost of reversionary bonuses declared during the relevant financial year plus the associated shareholder proportion, as discussed in Section 4.4.14.

Table 2.3: Proportion of future distributed surplus to be allocated to shareholders

Product type	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25 onwards
Participating business	5%	5%	7.5%	7.5%	10%
Other business	5%	100%	100%	100%	100%

Notes: FY – Financial year e.g. *FY20-21* is the financial year ending 31 March 2021. The proportions shown are by year of surplus emergence for non-participating business and by year of distribution (as explained in Section 2.3.4) for participating business.

2.4. Value of new business

2.4.1. The implication of Table 2.3 is that the VNB derived for new business sold during the year ending 31 March 2021 will not be representative of the profitability of future new business, as the VNB would reflect only 5% of the initial profits/ losses, but a higher percentage (100% for non-participating business and the graded percentage reaching 10% for participating business) of the profits/losses in future years. In view of this, alternative sets of VNB and VNB margins have also been derived, based on alternative patterns for the shareholders' share of surplus, as set out in Table 2.4.

Table 2.4: Assumed proportion of future surplus from new business sold during the year ending 31 March 2021 to be distributed to shareholders

Scenario	Product type	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25 onwards
Base	Participating business	5%	5%	7.5%	7.5%	10%
	Other business	5%	100%	100%	100%	100%
Alternative 1	Participating business	10%	10%	10%	10%	10%
	Other business	100%	100%	100%	100%	100%
Alternative 2	Participating business	5%	5%	5%	5%	5%
	Other business	5%	5%	5%	5%	5%

Notes: FY‐ Financial year e.g. *FY20-21* is the financial year ending 31 March 2021. The proportions shown are by year of surplus emergence for non-participating business and by year of distribution (as explained in Section 2.3.4) for participating business.

2.5. Results

Indian Embedded Value

2.5.1. The IEV of LIC as at 31 March 2020 and 31 March 2021 is set out in Table 2.5.

Table 2.5: Indian embedded value

	As at 31 March 2020	As at 31 March 2021
Free surplus (FS) (A)	746	6,361
Required capital (RC) (B)	-	-
Adjusted net worth (ANW) (C = A + B)	**746**	**6,361**
Present value of future profits (PVFP) (D)	59,682	104,772
Time value of financial options and guarantees (TVFOG) (E)	(1,533)	(1,596)
Frictional cost of required capital (FC) (F)	-	(149)
Cost of residual non-hedgeable risks (CRNHR) (G)	(12,398)	(13,782)
Value of in-force business (VIF) (H = D + E + F + G)	**45,751**	**89,245**
Indian embedded value (IEV) (I = C + H)	**46,497**	**95,605**

Notes: Amounts in INR crores; Figures may not add up due to rounding.

2.5.2. A reconciliation of the ANW to the audited financial statements is provided in Table 4.2.

Value of new business and other performance measures

2.5.3. The VNB, VNB margin and PVNBP margin, in respect of new business sold during the year ending 31 March 2021, are set out in Table 2.6.

Table 2.6: Value of new business

	Base	Alternative 1	Alternative 2
VNB before TVFOG, FC and CRNHR (A)	**6,440**	**7,472**	**1,938**
Individual participating	3,242	3,582	1,744
Individual non-participating and unit-linked	1,973	2,141	107
Group(1)	1,225	1,749	87
TVFOG in respect of new business (B)	(336)	(336)	(336)
FC in respect of new business (C)(2)	(149)	(149)	(149)
CRNHR in respect of new business (D)	(1,788)	(1,788)	(269)
Value of new business (VNB) (= A + B + C + D)	**4,167**	**5,199**	**1,184**
New business annualised premium equivalent (“APE”(3))	**42,170**	**42,170**	**42,170**
Individual participating	29,134	29,134	29,134
Individual non-participating and unit-linked	2,389	2,389	2,389
Group(1)	10,647	10,647	10,647
VNB Margin (= VNB / APE)	**9.9%**	**12.3%**	**2.8%**
Present value of new business premium (“PVNBP”(4))	**289,526**	**289,526**	**289,526**
Individual participating	163,431	163,431	163,431
Individual non-participating and unit-linked	21,914	21,914	21,914
Group(1)	104,181	104,181	104,181
PVNBP Margin (= VNB / PVNBP)	**1.4%**	**1.8%**	**0.4%**

Notes:
Amounts in INR crores; Figures may not add up due to rounding.
(1) ‘Group’ includes group annuities, group funds management and group term from Table 2.2.
(2) FC has not been recalculated from the base scenario
(3) Annualised Premium Equivalent (“APE”) is calculated as 100% of annualised premium for regular and limited-premium plans and 10% of single premium for business sold during the year ending 31 March 2021.
(4) The Present Value of New Business Premium (“PVNBP”) at the point of sale for the new business sold during the year ending 31 March 2021 is derived using the methodology set out in Section 4.4.51.

Analysis of movement of IEV

2.5.4. The analysis of movement of the IEV from 31 March 2020 to 31 March 2021 is set out in Table 2.7.

Table 2.7: Analysis of movement

	FS	RC	VIF	IEV
Opening IEV as at 31 March 2020 (A)	**746**	**-**	**45,751**	**46,497**
VNB added during the year (B)	231	-	3,936	4,167
Expected return on existing business				
At reference rate (C)	23	-	3,778	3,801
At expected excess 'real-world' return over reference rate (D)	13	-	5,660	5,673
Expected transfers from VIF and RC to FS (E)	1,810	-	(1,810)	-
Variances in operating experience				
Persistency (F)	570	-	(283)	288
Mortality (G)	(0)	-	33	32
Expenses (H)	(0)	-	87	87
Others (I)	293	-	1,458	1,751
Change in operating assumptions (J)	-	-	1,353	1,353
IEV operating earnings (K = B + C + D + E + F + G + H + I + J)	**2,940**	**-**	**14,211**	**17,151**
Economic variances (L)	(28)	-	25,214	25,186
Change in economic assumptions (M)	-	-	4,069	4,069
IEV total earnings (N = K + L + M)	**2,912**	**-**	**43,494**	**46,406**
Capital contributions[(1)] / (dividends paid out) (O)	2,702	-	-	2,702
Closing IEV as at 31 March 2021 (P = A + N + O)	**6,361**	**-**	**89,245**	**95,605**

Notes: Amounts in INR crores; Figures may not add up due to rounding.
(1) Capital contributions reflect the release of the provision for the FY19-20 dividend between 31 March 2020 and 31 March 2021.

Sensitivity analysis

2.5.5. The sensitivity analysis in respect of the IEV as at 31 March 2021 is set out in Table 2.8.

Table 2.8: IEV Sensitivity analysis

Sensitivity		ANW	VIF	IEV	% Change in IEV as compared to the Base
Base		**6,361**	**89,245**	**95,605**	
1	**Reference rates and assets**				
1a	An increase of 100 bps in the reference rates	6,351	93,444	99,795	4.4%
1b	A decrease of 100 bps in the reference rates	6,372	82,248	88,619	(7.3%)
1c	An increase of 200 bps in the reference rates	6,342	95,630	101,972	6.7%
1d	A decrease of 200 bps in the reference rates	6,384	69,272	75,656	(20.9%)
1e	Equity values decrease by 10%	6,335	83,841	90,175	(5.7%)
1f	Equity values decrease by 20%	6,309	78,436	84,745	(11.4%)
1g	Implied swaption volatilities increase by 25%	6,361	88,181	94,542	(1.1%)
1h	Implied equity volatilities increase by 25%	6,361	85,082	91,443	(4.4%)
2	**Expenses**				
2a	10% increase in maintenance expenses	6,361	86,838	93,198	(2.5%)
2b	10% decrease in maintenance expenses	6,361	91,649	98,010	2.5%
2c	10% increase in acquisition expenses(1)	6,361	89,238	95,599	(0.0%)
2d	10% decrease in acquisition expenses(1)	6,361	89,252	95,612	0.0%
3	**Policy / premium discontinuance rates and partial withdrawal rates (proportionate)**				
3a	10% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	6,361	88,602	94,962	(0.7%)
3b	10% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	6,361	89,958	96,319	0.7%
3c	50% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	6,361	86,567	92,928	(2.8%)
3d	50% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	6,361	93,691	100,052	4.7%
4	**Policy / premium discontinuance rates (shape change)**				
4a	Mass lapsation(2) of 25% of policies at the end of the surrender penalty period for ULIPs	6,361	89,236	95,596	(0.0%)
4b	Mass lapsation(2) of 50% of policies at the end of the surrender penalty period for ULIPs	6,361	89,223	95,584	(0.0%)
4c	50% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates for the period after the end of any surrender penalty period(3)	6,361	89,230	95,591	(0.0%)
4d	50% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates for the period after the end of any surrender penalty period(3)	6,361	89,300	95,661	0.1%
4e	An absolute increase of 5% in the non-zero policy lapse(4) rates	6,361	89,042	95,402	(0.2%)
4f	An absolute decrease of 5% in the non-zero policy lapse(4) rates (subject to the resulting rates being floored to zero)	6,361	89,449	95,809	0.2%
5	**Insurance risks**				
5a	An increase of 5% (multiplicative) in mortality / morbidity rates	6,361	89,595	95,956	0.4%(5)

Sensitivity		ANW	VIF	IEV	% Change in IEV as compared to the Base
5b	A decrease of 5% (multiplicative) in mortality / morbidity rates	6,361	88,864	95,225	(0.4%)(5)
6	**Required capital**				
	Required capital set equal to the MRC	6,361	89,394	95,754	0.2%
7	**Taxation**				
	Assumed tax rate increased to 34.94%	6,361	63,174	69,535	(27.3%)

Notes: Amounts in INR crores; Figures may not add up due to rounding. Frictional costs have not been adjusted in the sensitivities, except the required capital sensitivity.

(1) 'Acquisition expenses' include all expenses incurred during the first year of an insurance policy for individual business.

(2) Mass lapse rate assumptions (25% or 50%) are reflected by replacing the relevant assumptions made in the base scenario and not as an addition to the assumptions made in the base scenario.

(3) Applicable for ULIPs.

(4) A policy lapse is defined as premium discontinuance, after which a policy will be subject to forcible foreclosure at the end of a revival period, as specified in the policy terms and conditions.

(5) Mortality/morbidity sensitivities include the impact on both assurance and annuity products.

2.5.6. The sensitivity analysis in respect of VNB for business sold during the year ending 31 March 2021 is set out in Table 2.9.

Table 2.9: VNB sensitivity analysis

Sensitivity		VNB	% Change in VNB	VNB margin	Change in VNB margin
Base		**4,167**		**9.9%**	
1	**Reference rates and assets**				
1a	An increase of 100 bps in the reference rates	5,714	37.1%	13.6%	3.7%
1b	A decrease of 100 bps in the reference rates	1,912	(54.1%)	4.5%	(5.3%)
1c	An increase of 200 bps in the reference rates	6,696	60.7%	15.9%	6.0%
1d	A decrease of 200 bps in the reference rates	(2,428)	(158.3%)	(5.8%)	(15.6%)
1e	Equity values decrease by 10%	4,057	(2.6%)	9.6%	(0.3%)
1f	Equity values decrease by 20%	3,947	(5.3%)	9.4%	(0.5%)
1g	Implied swaption volatilities increase by 25%	3,794	(9.0%)	9.0%	(0.9%)
1h	Implied equity volatilities increase by 25%	3,502	(15.9%)	8.3%	(1.6%)
2	**Expenses**				
2a	10% increase in maintenance expenses	3,942	(5.4%)	9.3%	(0.5%)
2b	10% decrease in maintenance expenses	4,389	5.3%	10.4%	0.5%
2c	10% increase in acquisition expenses	4,004	(3.9%)	9.5%	(0.4%)
2d	10% decrease in acquisition expenses	4,330	3.9%	10.3%	0.4%
3	**Policy / premium discontinuance rates and partial withdrawal rates (proportionate)**				
3a	10% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	3,983	(4.4%)	9.4%	(0.4%)
3b	10% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	4,356	4.5%	10.3%	0.4%
3c	50% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	3,300	(20.8%)	7.8%	(2.1%)
3d	50% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates	5,132	23.2%	12.2%	2.3%

Sensitivity		VNB	% Change in VNB	VNB margin	Change in VNB margin
4	**Policy / premium discontinuance rates (shape change)**				
4a	Mass lapsation(1) of 25% of policies at the end of the surrender penalty period for ULIPs	4,165	(0.0%)	9.9%	(0.0%)
4b	Mass lapsation(1) of 50% of policies at the end of the surrender penalty period for ULIPs	4,163	(0.1%)	9.9%	(0.0%)
4c	50% increase (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates for the period after the end of any surrender penalty period(2)	4,164	(0.1%)	9.9%	(0.0%)
4d	50% decrease (multiplicative) in the policy / premium discontinuance rates and partial withdrawal rates for the period after the end of any surrender penalty period(2)	4,172	0.1%	9.9%	0.0%
4e	An absolute increase of 5% in the non-zero policy lapse(3) rates	3,988	(4.3%)	9.5%	(0.4%)
4f	An absolute decrease of 5% in the non-zero policy lapse(3) rates (subject to the resulting rates being floored to zero)	4,346	4.3%	10.3%	0.4%
5	**Insurance risks**				
5a	An increase of 5% (multiplicative) in mortality / morbidity rates	4,159	(0.2%)	9.9%	(0.0%)
5b	A decrease of 5% (multiplicative) in mortality / morbidity rates	4,173	0.1%	9.9%	0.0%
6	**Required capital**				
	Required capital set equal to the MRC	4,316	3.6%	10.2%	0.4%
7	**Taxation**				
	Assumed tax rate increased to 34.94%	2,339	(43.9%)	5.5%	(4.3%)

Notes:
Amounts in INR crores; Figures may not add up due to rounding. Frictional costs have not been adjusted in the sensitivities, except the required capital sensitivity.
(1) Mass lapse rate assumptions (25% or 50%) are reflected by replacing the relevant assumptions made in the base scenario and not as an addition to the assumptions made in the base scenario.
(2) Applicable for ULIPs.
(3) A policy lapse is defined as premium discontinuance, after which a policy will be subject to forcible foreclosure at the end of a revival period, as specified in the policy terms and conditions.

2.5.7. Interest-rate sensitivities include the impact of a change in the value of assets earmarked to the reserves held in respect of modelled business as at 31 March 2021. For individual non-participating and group annuity business, 100% of the (net of deferred tax liability) change in asset values is reflected in the sensitivities provided in Tables 2.8 and 2.9 in order to be consistent with the change in modelled PVFP/VNB. The contribution of these asset movements to the change in IEV/VNB is given in Table 2.10.

Table 2.10: Contribution to sensitivity from assets backing individual non-participating business and group annuities

Reference rates and assets	in EV sensitivities	in VNB sensitivities
An increase of 100 bps in the reference rates	(18,339)	(2,119)
A decrease of 100 bps in the reference rates	21,842	2,558
An increase of 200 bps in the reference rates	(34,069)	(3,925)
A decrease of 200 bps in the reference rates	47,882	5,630

Notes: Amounts in INR crores; Figures may not add up due to rounding.

Section 3 Formal opinion and statements

3.1. Overview

3.1.1. This section sets out the various formal statements required by APS10 as well as my formal opinion in respect of the Results set out in Section 2.

3.2. Statement of materiality

3.2.1. As required by paragraph 2.6 of APS10, at its meeting held on 20 January 2022, the Board of Directors of the Corporation specified that for the derivation of the embedded value results to be prepared in accordance with the requirements of APS10, as not all in-force products have been implemented by the Corporation in its 'Prophet' actuarial cash-flow projection model, the criterion for aggregate materiality should be set at 8% when expressed as a percentage of IEV as at 31 March 2021.

3.2.2. I note that the Results are based on the requirements of APS10 in all material respects.

3.3. Statements regarding signatory

3.3.1. I am a Fellow of the IAI and have the necessary experience to sign this Report. I am in possession of a Certificate of Practice from the IAI.

3.3.2. I have also had the benefit of technical expertise from staff of other group firms within Milliman Inc., including from Mr. Nick Dumbreck, a Fellow of the Institute and Faculty of Actuaries, who provided internal peer review support, and Mr. Philip Jackson and Mr. Richard Holloway, who are both Fellows of the IAI.

3.4. Statements regarding conflict of interest and independence

3.4.1. I am a partner in Milliman Advisors LLP. I am signing this Report as a Fellow of the IAI.

3.4.2. In accordance with paragraph 3.4 of APS10, I have concluded that I do not have any conflict of interest in signing this Report.

3.5. Statement regarding valuation on a going concern basis

3.5.1. In developing the Results, I have assumed the continuation of the current management of the Corporation and the Results are consistent with the operating record of that management.

3.6. Other advice

3.6.1. In the course of this assignment and producing this Report, Milliman has not rendered any actuarial or non-actuarial advice to the Corporation. However, for the purposes of the IPO, I have provided a supplementary report on the IEV results of the Corporation as at 30 September 2021, which is included as part of the DRHP.

3.7. Statement of compliance with APS10

3.7.1. I have fully complied with APS10 in producing the Results and this Report.

3.8. Policy data

3.8.1. LIC commissioned M/s. Gokhale and Sathe, Chartered Accountants ("GS") to review the policy data used in the calculation of the Results for completeness and accuracy.

3.8.2. We have provided input to the detailed scope of GS's work, and have seen the report dated 28 September 2021 issued by GS to LIC, which sets out GS's findings. Based on our review of GS's report we observe that, due to limitations in LIC's internal systems and the large volume of legacy products, GS has been unable to perform the full range of checks on the policy data specified in its detailed scope. We also observe that there are certain issues pertaining to the completeness and accuracy of the policy data.

3.8.3. We have considered the outcome of the GS review when making allowance for operational risk within the Results, as discussed in Section 4.4.41.

3.9. Formal opinion

3.9.1. Based on the work carried out and subject to the detailed reliances and limitations set out in this Report, I am of the opinion that:

- the methodology used to develop the Results is reasonable;
- the assumptions used to develop the Results are reasonable;
- the Results have been prepared materially in accordance with the methodology and assumptions described in this Report; and
- the Results have been prepared in accordance with the requirements of APS10 and within the materiality limit set by the Board of Directors of the Corporation.

Section 4 Methodology

4.1. Overview

4.1.1. This section sets out the significant aspects of the methodology used in the preparation of the Results.

4.1.2. LIC writes the following major lines of life insurance business, covering both individual and group products:

- **Participating insurance plans**. Policyholders pay premiums in exchange for insurance and savings benefits. Subject to surplus being available in the fund, policyholder benefits may be enhanced by the annual declaration of a reversionary bonus. There may also be a final additional bonus/loyalty addition payment upon termination of the policy or in the event of a claim/surrender.
- **Traditional non-participating insurance plans**. Policyholders pay premiums in exchange for insurance and savings benefits, but the death/maturity/survival benefits paid and premiums due are fixed at the inception of the contract. This line of business includes savings products, term assurances, health assurances and annuities.
- **Unit-linked Insurance Plans**. Premiums net of charges are credited to segregated funds ("Unit Funds") at the prevailing unit price, with the balance attributed to the non-unit policyholders' funds. Investment income on assets held within the Unit Funds is credited to the Unit Funds and is reflected by a change in the unit price. Benefits paid under these plans are a combination of amounts from the accumulated Unit Funds and any additional benefits from the non-unit policyholders' funds.
- **Group funds management business.** Policyholders pay premiums and a policyholder account value is maintained. The policyholder account represents the accumulation of premiums, along with regular interest credits, less any withdrawals.

4.2. Reliance on policy data and other information

4.2.1. We have relied on the policy data and other information provided by the Corporation as outlined in Section 6.1.5. As noted in Section 3.8, we have also reviewed the various checks that have been applied on the policy data used for the calculation of the Results.

4.3. Model checking and reliances

4.3.1. The Results were prepared using actuarial models developed by the Corporation with the help of an external consultant. LIC has reconciled the statutory reserves as calculated by this actuarial model with the reserves as calculated by the pre-existing actuarial models as at 31 March 2020 and 31 March 2021.

4.3.2. The scope of our engagement requires Milliman to check the actuarial models used to develop the Results for plans that represent a significant and material proportion of the total value of the in-force and new business portfolios.

4.3.3. Milliman has performed the following independent checks on the actuarial models used in the preparation of the Results:

- **In respect of IEV and VNB in the base scenario and sensitivities**: We have checked the PVFP (for in-force and new business) at a sample model-point level for all products included in the derivation of the Results; and
- **In respect of the analysis of movement of IEV**: We have checked the contributions to each of the line items in the analysis of movement for sample products and also reviewed the extraction template prepared by the Corporation to verify that the sources and formulae used in the extraction of the results are appropriate.

4.3.4. We were provided with the MS Excel spreadsheet-based aggregations which summarise the results derived from the actuarial models. We have performed reasonableness checks on these templates and the results.

4.3.5. Based on the results of our independent checking process, we are satisfied that the models used to derive the Results follow the methodology and assumptions set out in Section 4 and Section 5 respectively. No errors or issues identified in our checking process, which have a material impact on the Results, remain unresolved at the time of preparation of this Report.

4.4. IEV and VNB

Definition of IEV

4.4.1. The IEV set out in this Report consists of the following components:

- Adjusted net worth ("ANW"), consisting of:
  - Free surplus ("FS"); and
  - Required capital ("RC").
- Value of in-force business ("VIF").

Free Surplus

4.4.2. The FS is the market value of assets allocated to, but not required to support, the in-force covered business as at the applicable valuation date.

4.4.3. The FS has been determined as the adjusted net worth of the Corporation (being the net shareholders' fund as shown in the audited financial statements, adjusted to revalue assets to market value, net of any associated deferred tax liabilities), less the RC as defined below. The adjustment to market value reflected is in respect of assets in the shareholders' fund as at the applicable valuation date. The shareholders' interest in the market value of the assets of the policyholders' fund is not reflected in the FS, but in the VIF.

4.4.4. The Corporation has no subordinated or contingent debt.

4.4.5. The audited Indian statutory balance sheets of the Corporation as at 31 March 2020 and 31 March 2021 are summarised in Table 4.1.

Table 4.1: Audited statutory balance sheet

		As at 31 March 2020	As at 31 March 2021
Sources of funds	**Shareholders' fund**		
	Share Capital	100	100
	Reserves and Surplus	622	6,225
	Credit/(Debit) Fair Value Change Account	18	36
	Sub-Total	**740**	**6,361**
	Policyholders' fund		
	Credit/(Debit) Fair Value Change Account (Net)	(4,341)	272,871
	Policy liabilities	3,081,998	3,403,751
	Funds for discontinued policies	52	51
	Insurance reserves	12,786	12,934
	Provision for linked liabilities	32,498	32,932
	Funds for future appropriations	0	3
	Sub-Total	**3,122,993**	**3,722,542**
	Total	**3,123,732**	**3,728,902**
Application of funds	**Investments**		
	Shareholders	679	714
	Policyholders	2,887,309	3,487,655
	Assets held to cover unit-linked liabilities	32,510	32,950
	Loans	107,823	107,783
	Fixed assets	3,014	3,453
	Net current assets	92,398	96,348
	Total	**3,123,732**	**3,728,902**

Notes: Amounts in INR crores; Figures may not add up due to rounding.

4.4.6. A reconciliation between the ANW and the Indian statutory balance sheet is set out in Table 4.2.

Table 4.2: Derivation of adjusted net worth

Components	As at 31 March 2020	As at 31 March 2021
From the statutory balance sheet		
Share capital (A)	100	100
Reserves and surplus (B)	622	6,225
Net worth (C = A + B)	**722**	**6,325**
Adjustments		
Mark-to-market adjustment of assets, net of deferred tax liability (D)	24	36
Adjusted net worth (ANW) (E = C + D)	**746**	**6,361**

Notes: Amounts in INR crores; Figures may not add up due to rounding.

4.4.7. The adjustment labelled 'mark-to-market adjustment of assets' in Table 4.2 is in respect of assets in the shareholders' fund as reflected in the audited balance sheet and is net of the associated deferred tax liability.

Required Capital

4.4.8. The RC is determined as the amount of assets attributed to the covered business over and above that required to back liabilities for covered business, the distribution of which to shareholders is restricted. The amount of RC is presented from a shareholders' perspective and is net of funding sources other than shareholder resources.

4.4.9. In the audited financial statements, the Corporation has funds for future appropriation ("FFA") in respect of its unit-linked insurance plan ("ULIP") business. The FFA are essentially historically emerged surplus, the distribution of which to either the policyholders or shareholders has not taken place. The policy liabilities/insurance reserves/current liabilities of the Corporation as shown in the audited balance sheet also include provision for amounts required to support the regulatory solvency requirements. A portion of the policyholders' fund, therefore, provides a funding source for RC.

4.4.10. The RC is set equal to the higher of 'Minimum Regulatory Capital' ("MRC" or "solvency capital") and the Corporation's target internal level of capital ("Internal Capital"), less the FFA in respect of ULIP business and less the provisions for solvency margin requirements within the policy liabilities/insurance reserves/current liabilities.

4.4.11. The MRC is 150% of the factor-based solvency requirements as specified by the existing regulations issued by IRDAI, whereas the Corporation aims to maintain Internal Capital in accordance with the schedule in Table 4.3.

Table 4.3: Internal Capital as a percentage of IRDAI factor-based solvency requirements

	Up to 31 March 2021	From 1 April 2021
Internal Capital	150%	160%

4.4.12. The derivation of the RC as at the applicable valuation dates is given in Table 4.4.

Table 4.4: Derivation of Required Capital

Components	As at 31 March 2020	As at 31 March 2021
Internal Capital requirement (A)	146,236	159,056
ULIP FFA (B)	0	3
Provisions for solvency margin within the policy liabilities / insurance reserves / current liabilities (C)	157,044	183,051
RC [= excess, if any, of A over (B + C)]	-	-

Notes: Amounts in INR crores; Figures may not add up due to rounding.

Value of In-Force business

4.4.13. The VIF consists of the following components:

- the present value of future profits ("PVFP"); adjusted for
- the time value of financial options and guarantees ("TVFOG");
- the frictional costs of required capital ("FC"); and
- the cost of residual non-hedgeable risks ("CRNHR").

Present Value of Future Profits

4.4.14. The PVFP is the present value of projected distributable profits to shareholders arising from the in-force covered business, determined by projecting the post-taxation shareholder cash flows from the covered business and the assets backing the associated liabilities. For the participating business, the projected distributable profits have been taken as the shareholders' share of the cost of reversionary bonuses only (i.e. not including the shareholders' share of the cost of some interim bonuses, non-guaranteed loyalty additions and final additional bonus), consistent with the past practice of the Corporation.

4.4.15. The distributable profits also include the release to shareholders of the amounts from the ULIP FFA and the provisions for solvency margin within the policy liabilities/insurance reserves/current liabilities, calculated based on the policyholder bonuses projected to be declared from such amounts.

4.4.16. The proportion of future surplus that is assumed to be distributed to the shareholders is based on the Board-approved surplus distribution policy as set out in Section 2.3.4. For products with reviewable rates and charges, the projection of future cash flows assumes that the rates and charges as at the applicable valuation date remain unchanged.

4.4.17. The projection of future distributable profits arising from the covered business is carried out using 'best-estimate' non-economic assumptions and market-consistent economic assumptions. Assumptions are discussed further in Section 5.

4.4.18. Distributable profits are calculated by reference to the projected liabilities. These liabilities are calculated using the reserving bases as defined by the Appointed Actuary of the Corporation at the applicable valuation date. These reserving bases have been set by the Appointed Actuary to comply with the Indian statutory requirements for life insurance companies and relevant professional guidance issued by the IAI.

4.4.19. For participating business, where distributable profits are generated upon declaration of policyholder bonuses, any residual undistributed surpluses are assumed to be shared between policyholders and shareholders in the ratio 90:10.

4.4.20. The VIF includes the shareholders' interest in the market value of assets in the policyholders' fund. A mark-to-market adjustment has therefore been calculated where the market value as provided by the Corporation differs from the value of an asset as reported in the financial statements. This mark-to-market adjustment includes adjustments to the value of fixed income assets, equities and properties (both for investment and self-occupied). In the case of self-occupied properties, a deduction to the value of the properties is also included to allow for the cost of future rents forgone as the liabilities run off.

4.4.21. The Corporation holds 'global reserves' (e.g. reserves for incurred but not reported claims, reserves for additional expenses under a 'closure to new business' scenario, etc.) that are calculated outside of its actuarial models. The projected surplus arising from global reserves is calculated by assuming a suitable release pattern of such reserves.

4.4.22. Given that the Corporation maintains a single policyholders' fund as at 31 March 2021, the shareholders' interest in:

- the mark-to-market adjustment of assets in the policyholders' fund; and
- the present value of projected surplus from global reserves,

is assumed to be 10% of their post-tax value.

Time Value of Financial Options and Guarantees

4.4.23. The TVFOG reflects the value of the expected additional cost to shareholders that may arise from the embedded financial options and guarantees in the covered business in the event of future adverse market movements. The intrinsic value (if any) of such options and guarantees is reflected in the PVFP.

4.4.24. APS10 requires that a stochastic approach is used to determine the TVFOG, using methods and assumptions consistent with the underlying embedded value. Economic assumptions are chosen such that projected cash flows are valued in line with the price of similar cash flows that are traded in capital markets.

4.4.25. In accordance with APS10, in arriving at the Results, the TVFOG has been considered for all products that contain financial options and guarantees.

4.4.26. The main types of financial options and guarantees in the Corporation's portfolio are as follows:

- **Participating business**: The sum assured and any accrued bonuses are guaranteed on death and maturity.
- **Non-linked group fund-management products:** A minimum crediting rate applies to account values. In addition, while market-value adjustments may apply on exit, the scope of their application is limited.
- **Individual variable insurance products ("VIP")/universal life:** Interest credits to the policyholder's account value, once declared, are guaranteed.
- **Unit-linked business:**

  a. For the products launched under the *IRDAI (Linked Insurance Products) Regulations, 2013*, the Corporation is required to add 'non-negative clawback additions' to a policy after the fifth policy year if the gap between the yield on the underlying unit fund and the yield earned by the policyholder (ignoring mortality charges) is more than the stipulated levels.

  b. Policies in the 'Discontinued Policy Fund' must be credited with a rate of interest of at least 4% per annum, independent of the performance of the underlying assets.

4.4.27. The TVFOG in respect of unit-linked business is expected to be immaterial given the low proportion of unit-linked business with investment guarantees (INR 4,526 crores of reserve, approximately 0.2% of total reserves as at 31 March 2021). The TVFOG in respect of the individual VIP / universal life business is also expected to be immaterial given the small size of this book (INR 211 crores of reserve, approximately 0.01% of total reserves as at 31 March 2021). Hence, the TVFOG is calculated only in respect of participating business and traditional group fund-management business.

4.4.28. Where a TVFOG is calculated, stochastic methods are used. The economic assumptions underlying the stochastic model used are described in Section 5.

4.4.29. For participating business, regard is had to the potential management actions available to the Corporation, in line with its past practice as described in Section 5.6.1. No other management actions are considered material for the assessment of the TVFOG.

4.4.30. No allowance has been made for dynamic policyholder behaviour under different stochastic scenarios. This simplification is considered to have an insignificant impact on the evaluation of the TVFOG, given that any additional cost of guarantee created by assuming such dynamic policyholder behaviour could be mitigated by refinement of the management actions allowed for in the stochastic model.

4.4.31. For the calculation of VNB, the TVFOG is derived by deducting the TVFOG as at 31 March 2021 in respect of the business that was in-force as at 31 March 2020, from the TVFOG as at 31 March 2021 in respect of the total business in-force at that time.

Frictional Costs

4.4.32. The VIF reflects an allowance for the FC of RC for the covered business. The FC represents the investment management expenses and taxation costs associated with holding the RC.

4.4.33. Since the Internal Capital requirement of the Corporation (which is higher than the MRC) is fully met by the provisions within the policy liabilities/insurance reserves/current liabilities, the RC at both valuation dates is zero. The FC has therefore been derived by recognising the cost of projected Internal Capital requirements in excess of the projected total undistributed surplus. The existing and future statutory surpluses from the modelled business are accumulated and compared with the Internal Capital requirements. Where these Internal Capital requirements are not met by the accumulated statutory surpluses, the expected amount of shareholder support is recognised. Since the projection assumptions do not include an explicit investment expense assumption (all such expenses are reflected as part of the maintenance expenses), the FC represents only taxation costs associated with holding such expected amounts of shareholder support in the future.

4.4.34. For the calculation of VNB, the FC is derived by deducting the FC as at 31 March 2021 in respect of the business that was in-force as at 31 March 2020, from the FC as at 31 March 2021 in respect of the total business in-force at that time.

Cost of Residual Non-Hedgeable Risks

4.4.35. The CRNHR is an allowance for risks to shareholder value to the extent that these are not already allowed for in the TVFOG or the PVFP. In particular, the CRNHR makes allowance for:

- asymmetries in the impact of the risks on shareholder value; and
- risks that are not allowed for in the TVFOG or the PVFP (e.g. operational risk).

4.4.36. As required by paragraph 6.15 of APS10, we have also considered whether an additional allowance is required for uncertainty in the 'best estimate' of shareholder cash flows resulting from non-hedgeable risks (both symmetric and asymmetric).

4.4.37. The material risks identified which are not considered in the calculation of PVFP or TVFOG are:

- mortality mis-estimation risk;
- mortality catastrophe risk;
- morbidity mis-estimation risk;
- persistency mis-estimation risk and mass-lapse risk;
- expense mis-estimation risk;
- operational risk; and
- non-hedgeable investment risks.

4.4.38. Out of these material risks identified, mortality catastrophe risks, operational risks and mass-lapse risks are expected to have an asymmetrical impact on shareholder value.

4.4.39. The CRNHR has been determined for the Results using a cost of capital approach. The CRNHR is the present value of the cost of capital charge levied on the projected capital in respect of the material risks (both symmetric and asymmetric) identified above.

4.4.40. The cost of capital charge is assumed to be 5% per annum, set based on industry benchmarks.

4.4.41. The projection of capital required to calculate the CRNHR is determined as follows:

- As required by paragraph 6.18 of APS10, the capital required as at the applicable valuation date in respect of each non-hedgeable risk was determined using an economic capital model developed by the Corporation. The approach to derive the economic capital is based on the Solvency II Regulations ("Solvency II") applicable in the European Union, as set out in *Delegated Regulation EU 2015/35* published by the European Commission.

- The quantum of capital for each risk factor was determined by considering the impact on the best-estimate liabilities of applying a shock intended to be a reasonable estimate of the 99.5th percentile for that risk over a one-year time horizon. These shocks are based on those specified by the Solvency II standard formula, adjusted in certain cases to reflect the risks faced by the Corporation. Specifically, considering the issues in the completeness and accuracy of the policy data of the Corporation, a factor of five is applied to the projected capital arising from operational risks. The participating business best-estimate liabilities under the shocks allow for the impact of 90:10 surplus sharing, given that the impact of the shocks does not exhaust the assets backing participating business.
- The model evaluates capital in respect of mortality mis-estimation risk, catastrophe risk, morbidity mis-estimation risk, persistency mis-estimation risk, mass-lapse risk, expense mis-estimation risk, as well as operational risk and non-hedgeable investment risk.
- The capital required in respect of each non-hedgeable risk was projected over the remaining life of the in-force portfolio in line with identified drivers of capital requirements for each risk.
- The drivers were selected for each risk separately, and for each of 18 key product categories (e.g. participating assurance, non-participating annuities, etc.). The projected capital at key durations (e.g. years five, ten, etc.) from the actuarial model was compared with various candidate risk drivers. The candidate with the best correlation to the run-off of the capital at the key durations was then selected and used to project the future capital requirements.
- The aggregate capital required in respect of the residual non-hedgeable risks as at the applicable valuation dates and for each of the years in the future was determined after allowing for diversification of these risks using a risk correlation matrix, consistent with that adopted in Solvency II. Allowance was made for diversification only amongst the non-hedgeable risks.

4.4.42. For the calculation of VNB, the CRNHR is derived by deducting the CRNHR as at 31 March 2021 in respect of the business that was in-force as at 31 March 2020, from the CRNHR as at 31 March 2021 in respect of the total business in-force at that time.

4.4.43. The CRNHR by risk as at 31 March 2021 and for new business sold during FY20-21 is given in Table 4.5.

Table 4.5: CRNHR by risk

Risk	As at 31 March 2021	For new business sold during FY20-21
Mortality and morbidity mis-estimation	402	61
Longevity	2,048	547
Mortality catastrophe	109	29
Persistency mis-estimation / mass-lapse(1)	5,072	541
Expense	3,516	142
Non-hedgeable investment	316	35
Total before diversification	**11,464**	**1,354**
Total after diversification	**8,660**	**892**
Operational(2)	5,122	897
Total	**13,782**	**1,788**

Notes: Amounts in INR crores; Figures may not add up due to rounding.
(1) Persistency capital is taken as the higher of an increase, decrease or mass-lapse event in line with the provisions of Solvency II.
(2) A factor of five is applied to the Solvency II operational risk requirements after considering the GS report on policy data.

New business and renewals

4.4.44. The VIF includes the value to shareholders arising from the expected renewal premiums on the in-force business, including any foreseeable variations in the level of renewal premiums, but excludes any value to shareholders relating to future new business (i.e. the new business that may be written after the applicable valuation date).

4.4.45. The VNB calculated reflects the additional value to shareholders created through the activity of writing new business during the year ending 31 March 2021, and includes the value to shareholders arising from the expected renewal premiums on that new business.

4.4.46. The VNB is calculated at the point of sale, with the unwinding of discount rates and expected excess real-world returns up to the year-end included in the expected return on in-force business.

4.4.47. New business does not include top-up premiums received on ULIPs, which are reflected as modifications to existing contracts. The total premiums/contributions received during the year ending 31 March 2021 in respect of group business (group funds, annuity and group annually renewable term) are classified as new business. Also, in the case of individual pension plans, where there is an ‘open market option’ available to the policyholder to decide on the insurer with which the policyholder wishes to annuitise the maturity proceeds, the single premium used to purchase an annuity at the time of retirement is also considered as new business.

4.4.48. The revival/reinstatement of lapsed/reduced paid-up policies during the year ending 31 March 2021 is not included in the new business, but its impact is considered as a variance in IEV.

4.4.49. The VNB is based on the non-economic assumptions applicable as at 31 March 2021. The economic assumptions are based on the reference rates at the start of each month during which the new business is sold.

4.4.50. The VNB considers acquisition commissions and acquisition expenses at the unit cost level incurred in the full year up to 31 March 2021.

4.4.51. Along with the VNB, the “VNB Margin” and Present Value of New Business Premiums (“PVNBP”) are also calculated. These are derived as follows:

- **VNB Margin**: VNB divided by new business APE written during the year ending 31 March 2021. The new business APE is calculated as the instalment premium, multiplied by the frequency of premium payment (i.e. 1 for annual, 2 for semi-annual, 4 for quarterly and 12 for monthly) in respect of the regular premium new business written, plus one-tenth of single premiums for single premium new business written.
- **PVNBP**: This is calculated at the point of sale, by discounting all the premiums payable for the new business written during the year ending 31 March 2021. The discount rates used are the same as those used in the calculation of VNB.

4.5. Analysis of movement of IEV

4.5.1. The various components of the analysis of movement of IEV are derived as set out in Table 4.6. These are presented in the sequence in which the calculations are performed, as opposed to the sequence in which the results are presented in this Report.

Table 4.6: Analysis of movement

Components	Description
Opening IEV as at 31 March 2020	Opening IEV using the opening economic and non-economic assumptions.
Opening adjustments (modelling changes)	None
VNB added during the period	The VNB calculated as per the approach described in Section 4.4.45.
Expected return on existing business	Calculated as: (1) Unwind of the opening VIF and VNB at the opening reference rates; (2) Expected investment income on ANW at opening reference rates; and (3) Impact of expected excess of 'real-world' best-estimate investment return during the year over the opening reference rates on VIF, ANW and VNB. The contribution to the expected return on existing business from (3) includes the shareholders' interest in the excess real-world return over the risk-free rates on the assets backing policyholder liabilities.
Expected transfers from VIF and RC (if any) to FS	Calculated as: (1) Profits / losses that are expected to be generated from the opening VIF during the first projection year that would be transferred to FS; and (2) Change in RC (if any) expected from the opening VIF to closing VIF.
Variances in operating experience	These are analysed at a policy level, by considering the actual change in the policy status from the opening IEV to the closing IEV. The calculation is carried out in the following order as the difference between 'actual' and 'expected': ▪ Mortality / morbidity rates ▪ All policy cancellation / lapse / surrender / reduced paid-up rates (net of reinstatements) ▪ Expenses. A parameter is left at the 'expected' level until the variance from the parameter is analysed, after which it is left at the 'actual' level. At the aggregate level, the modelled cash-flows during the year are compared against the revenue account of the Corporation for the year ending 31 March 2021 for consistency and the differences are allocated as operating variances in different parameters as set out above. Any remaining difference is recognised and shown as 'other variance'. It may be noted that such 'other variance' also includes the overall impact of covered business that is not included in the calculation of Results.
Change in operating assumptions	Change of non-economic assumptions from opening IEV to closing IEV. Also includes all changes in statutory reserving basis from opening IEV to closing IEV.
Economic variances	The impact of the difference between the actual investment return and the expected 'real-world' return during the year ending 31 March 2021.
Capital contributions / (dividends paid out)	Actual capital infusions from / dividends paid to the shareholders (including dividend distribution tax incurred, if any) during the year ending 31 March 2021. This also reflects the release of provisions for the dividend in respect of the year ending 31 March 2020 during the year ending 31 March 2021, as the Corporation no longer expects to pay such a dividend in respect of this period.
Change in economic assumptions	Calculated as the change in the opening modelled VIF and the VNB due to the update of the reference rate yield curves assumed from opening IEV (or month-specific VNB calculations) to closing IEV.
Closing IEV as at 31 March 2021	Calculated using the closing economic and non-economic assumptions.

4.6. Sensitivity results

4.6.1. The various sensitivity analyses are shown in Tables 2.8 and 2.9 of this Report.

4.6.2. The sensitivity analyses are carried out one parameter at a time and do not include changes in other parameters not explicitly mentioned. All sensitivities are carried out for best-estimate assumptions only, with the reserving basis remaining unchanged.

4.6.3. Interest rate sensitivities include the impact of a change in the value of assets earmarked to the reserves held in respect of modelled business as at 31 March 2021. In respect of individual non-participating and group annuity business, 100% of the (net of deferred tax liability) change in asset values is included in the sensitivities for consistency with the change in modelled PVFP/VNB.

Section 5 Assumptions

5.1. Overview

5.1.1. This section provides a detailed description of how each of the assumptions used in the calculation of the Results are derived.

5.1.2. The economic assumptions are chosen so as to be internally consistent and are determined, so far as possible, with the intention that the projected cash flows of LIC are valued in line with the prices of similar cash flows that are traded on the capital markets in India as at the applicable valuation date.

5.1.3. Paragraph 7.1 of APS10 requires that the assessment of appropriate assumptions for future experience should have regard to past, current and expected future experience and to any other relevant data.

5.1.4. The environment in which the Corporation operates is dynamic and has been changing rapidly. Although the Corporation has significant operating experience covering mortality and has indeed performed detailed investigations into historical mortality experience, the mortality experience analysis performed does not reflect the impact of the ongoing COVID-19 pandemic.

5.1.5. Also, considering that the Corporation does not incorporate persistency assumptions in the calculation of statutory reserves, for the purpose of the derivation of the Results, the Corporation has provided high-level persistency investigations. Limitations in the Corporation’s internal systems constrain the level of detail in such studies. Similarly, high-level morbidity investigations were performed.

5.1.6. Considering this, in accordance with paragraph 7.3 of APS10, the best-estimate assumptions are set based on a combination of the internal operating experience analysis performed by the Corporation (if considered to be credible) and relevant experience of (and hence the assumptions that are generally adopted by) other life insurers in the industry.

5.1.7. As required by paragraphs 6.14 and 7.1 of APS10, the non-economic projection assumptions are set to reflect the mean expectation of outcomes of a given risk variable and have been determined on a going-concern basis, assuming the continuation of the economic and legal environment currently in place in India and applicable to the Corporation. It may be noted, however, that there is continuing uncertainty regarding the longer-term impact of COVID-19 on the economic, regulatory and business environment in India, and the level and nature of business activity of the Corporation, which could materially impact future non-economic experience and economic parameters.

5.2. Mortality and morbidity

5.2.1. The best-estimate mortality assumptions for assured lives are set based on the Corporation’s own experience during the two-year period to 31 December 2020. For annuitants, the mortality assumption is based on the industry mortality table, Indian Individual Annuitant’s Mortality (2012-15) (“IIAM 12-15”). The Corporation’s experience analysis does not capture the impact of the ongoing COVID-19 pandemic. However, it is assumed that any additional deaths arising due to the pandemic will have a one-off impact and may not impact the long-term best-estimate mortality rates of the Corporation. The Corporation has established a separate reserve as 31 March 2021 for the cost of excess deaths related to COVID-19, and the Results assume no value arising from this reserve.

5.2.2. The assumed mortality rates are based on the standard mortality table for assured lives, Indian Assured Lives Mortality (2012-14) Ultimate (“IALM12-14”) for assurance products and annuities during the deferment period and IIAM 12-15 for annuities in payment, for each age and adjusted for the Corporation’s own experience for each line of business, gender and other factors.

5.2.3. Allowance is made for future improvement in policyholder longevity for annuities in payment.

5.2.4. In the absence of a detailed historical experience analysis, the best-estimate morbidity rates are set based on the rates quoted by the reinsurers of the Corporation.

5.3. Policy/premium discontinuance rates and revival/reinstatement rates

5.3.1. As discussed above, the Corporation has performed a high-level analysis of policyholder persistency.

5.3.2. Considering this, the best-estimate lapse/surrender/reduced paid-up and revival/reinstatement rates specific to different products and durations in-force, are set based on a combination of the Corporation's own experience (where statistically credible) and our understanding of the experience of/assumptions set by other insurers in the market where relevant (otherwise). These assumptions for the top five products (by contribution to each of VIF and VNB) are summarised in Appendix A.

5.3.3. As required by APS10, the historical persistency rates of the Corporation over the past three years ending 31 March 2021 are also set out in Appendix A.

5.4. Commission and expenses

5.4.1. The expense assumptions are based on the analysis performed by the Corporation for the year ending 31 March 2021, reflecting its Board-approved expense allocation policy, adjusted for the following:

- removal from the expenses of the amount of goods and services tax ("GST") borne by the Corporation in respect of the policies issued prior to 1 January 2012, considering that a separate (explicit) adjustment is reflected for the same;
- removal from the expenses of the amount of costs associated with the amortisation of the past service pension liability of the employees of the Corporation, considering that a separate (explicit) adjustment is reflected for the same in the calculation of VIF and VNB;
- derivation of the maintenance expense loadings based on average in-force portfolio during the year, instead of the year-end in-force portfolio statistics used by the Corporation; and
- application of half a year's inflation to the expense loadings so derived, considering that the loadings are based on expenses incurred, on average, in the middle of the year.

5.4.2. These expenses were apportioned into those relating to the acquisition of new business and those relating to the renewal and maintenance of business. Investment management expenses are not analysed separately by the Corporation and instead they are reflected as part of the maintenance expenses. All expenses incurred by the Corporation have been reflected in the assumed unit costs.

5.4.3. The IEV makes an allowance for all future renewal and other maintenance expenses required to manage the modelled in-force business.

5.4.4. When setting the expense assumptions, no changes in productivity/cost efficiencies have been anticipated after the applicable valuation dates, as per the requirements of APS10.

5.4.5. The explicit adjustment to the VIF/VNB for the past service pension liability reflects the estimated cost of funding this liability as determined by LIC (INR 2,225 crores per annum for each of the five financial years starting in FY19-20), in line with the provisioning for the employee pension scheme as reflected in the current liabilities of the Corporation's balance sheet.

5.4.6. The in-force business volumes of the Corporation contracted between 31 March 2019 and 31 March 2020, as well as between 31 March 2020 and 31 March 2021. As a result, the expense loadings derived based on expenses during FY19-20 were lower than the expense loadings derived based on expenses during FY20-21, even after excluding the effect of cost inflation. For the purpose of this Report we have set the expense assumptions for calculation of the IEV as at both 31 March 2020 and 31 March 2021 based on the analysis of actual expenses incurred during FY20-21. The analysis of movement in IEV reflects the difference between the expected loadings as at 31 March 2021 based on the IEV as at 31 March 2020, and those used in the calculation of IEV as at 31 March 2021. This is shown as 'Change in operating assumptions' in Table 2.7.

5.4.7. The commission rates for different products are based on the actual commission payable to the distributors, if any.

5.4.8. All the expenses for FY20-21 have been reflected in the Results.

5.4.9. As required by Appendix A of APS10, the actual expense levels (excluding commissions) over the past three years ending 31 March 2021 are set out in Table 5.1.

Table 5.1: Actual expenses over the past three years

Expense	FY18-19	FY19-20	FY20-21
Acquisition	10,862	11,679	11,234
Maintenance (including investment expenses and claims expenses)	15,429	18,665	19,776
Sub-total (A)	26,292	30,345	31,010
GST in respect of policies issued prior to 1 January 2012 (B)	2,850	2,908	2,665
Costs associated with amortisation of past service pensions liability of LIC employees (C) (1)	-	1,272	1,270
Total expenses as per Schedule 3 of the financial statements plus the expenses in the Profit and Loss Account (D = A + B + C)	**29,142**	**34,525**	**34,946**

Notes: Amounts in INR crores; Figures may not add up due to rounding.

(1) Of the INR 2,225 crores that is to be reflected in the expenses of the Corporation for each of the five financial years starting FY19-20, INR 1,272 crores is reflected as an explicit adjustment to the VIF and VNB covering the five-year period starting FY19-20. The remaining INR 953 crores is reflected in the derivation of the maintenance expense loadings.

5.4.10. As per the *Companies Act 2013* ("Companies Act"), all companies are required to spend 2% of their average net profit for the immediately preceding three years on Corporate Social Responsibility ('CSR') activities. However, the Corporation informed us that this provision is not applicable to LIC as it is not a 'Company' as per the Companies Act. Given this, no allowance for future CSR is made in the derivation of the Results.

5.5. Inflation

5.5.1. There is no deep and liquid market of Indian Rupee index-linked securities, from which a market consistent estimate of future price inflation might be derived. Consequently, the expense inflation assumption is set by considering the long-term salary inflation expected to be incurred by the Corporation.

5.5.2. The assumed expense inflation rate applied to per policy expense loadings is 8% per annum.

5.6. Policyholder bonuses/crediting rates

5.6.1. The Corporation's historical practice has been to declare broadly the maximum bonus possible by considering the statutory surplus arising and the need to maintain the MRC. The Corporation has varied its historical bonus rates in different years, reflecting the then statutory surplus position.

5.6.2. The projected reversionary bonus rates are set to be the same as those most recently declared by the Corporation at the applicable valuation date. Wherever the Corporation has a target loyalty addition/final additional bonus, the same has also been assumed in the projection. In accordance with APS10, we have ensured that these rates are supportable at the assumed RFR, after considering the marked-to-market assets backing the participating business in the policyholders' fund.

5.6.3. For group funds-management business, where an explicit fund-management charge is not specified in the policy documents, we have derived future crediting rates as the expected earned return less an assumed spread based on the historical practice adopted by the Corporation and the Board-approved crediting-rate framework (for those products where this framework is applicable).

5.7. Reinsurance

5.7.1. The cost (and benefit) of reinsurance arrangements is allowed for in the Results based on the reinsurance treaties applicable to the Corporation's business as at the applicable valuation date.

5.8. Asset values

5.8.1. The Results are based on the market value of assets as at the applicable valuation date. No smoothing is applied to the market values.

5.9. Reference rates

5.9.1. The reference rate is a proxy for a risk free rate appropriate to the currency, term and liquidity of the liability cash flows.

5.9.2. The reference rates were derived from the prices of Indian Government securities using the yield curve produced by the Clearing Corporation of India Limited ("CCIL") - (https://www.ccilindia.com/RiskManagement/SecuritiesSegment/Pages/CCILRupeeYieldCurveDaily.aspx). CCIL derives the yields using a Nelson-Siegel-Svensson curve fitting process applied to market data.

5.9.3. The CCIL yield curve is available up to 40 years. Beyond year 40, the forward rates derived based on the CCIL yield curve are assumed to remain the same as those applicable at year 40.

5.9.4. The reference rates used for calculating the VIF were derived as at the applicable valuation date (i.e. either 31 March 2020 or 31 March 2021), whereas those for VNB were derived as at the start of the month in which the new business was sold. The extrapolation methods for the reference rates used in VNB calculations are consistent with those described in Section 5.9.3.

5.9.5. A test has been performed on the yield curves as at 31 March 2020 and 31 March 2021 to ensure that they closely reproduce the market values of the Government securities held by the Corporation.

5.9.6. For the non-participating annuity liabilities, the same reference rate was used as for other business and no illiquidity premium adjustment is reflected. This is considered to be appropriate, given that a large proportion of the annuity contracts (approximately 40% of total annual annuity payments as at 31 March 2021) offer a surrender value to the policyholders and are, therefore, assumed to be liquid liabilities.

5.9.7. The reference rates assumed are set out in Table 5.2.

Table 5.2: Reference rates (one-year forward rates) in percentage (%)

Projection year	For VIF as at 31 March		For VNB in respect of new business sold during the month ending											
	2020	2021	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar -21
1	4.69	3.95	4.69	3.98	3.72	3.57	3.71	3.82	3.90	3.73	3.53	3.54	3.87	3.97
2	5.69	5.31	5.69	5.25	5.04	4.74	4.83	5.20	5.12	4.82	4.64	4.63	4.90	5.29
3	6.52	6.27	6.52	6.18	6.02	5.78	5.72	6.19	6.01	5.67	5.57	5.55	5.71	6.25
5	7.29	7.42	7.29	7.16	7.00	6.98	6.79	7.26	7.09	6.79	6.80	6.79	6.83	7.40
10	7.18	7.97	7.18	7.51	7.31	7.60	7.42	7.63	7.67	7.69	7.75	7.80	7.78	7.97
15	7.03	7.52	7.03	7.30	7.15	7.33	7.23	7.26	7.37	7.55	7.60	7.65	7.60	7.55
20	7.00	7.06	7.00	7.16	7.06	7.07	7.01	6.97	7.05	7.25	7.28	7.28	7.20	7.12
25	7.00	6.76	7.00	7.10	7.03	6.92	6.88	6.83	6.84	7.01	7.03	6.97	6.86	6.84
30	7.00	6.59	7.00	7.08	7.02	6.85	6.81	6.76	6.72	6.85	6.88	6.76	6.66	6.69
35	7.00	6.50	7.00	7.07	7.02	6.82	6.78	6.73	6.67	6.75	6.79	6.63	6.57	6.61
40	7.00	6.46	7.00	7.07	7.02	6.80	6.77	6.72	6.64	6.70	6.74	6.56	6.55	6.57

5.10. Investment returns and discount rates

5.10.1. The PVFP was determined assuming that assets earn, before tax, the reference rates, and discounting all cash flows using reference rates which are gross of tax.

5.10.2. In the analysis of movement of IEV, the assumed ‘real-world’ investment returns for the year ending 31 March 2021 are set by line of business and underlying funds (for ULIPs), based on the best-estimate investment returns internally adopted by the Corporation.

5.11. Stochastic asset model

5.11.1. A risk-neutral stochastic model has been used to evaluate the TVFOG for those products where the TVFOG is material.

5.11.2. Interest rates and equities were covered by the stochastic model. In particular:

- The stochastic interest-rate model is a one-factor Hull-White model. The model is calibrated to the RFR curves as detailed above, using a sigma parameter of 0.88% per annum and mean-reversion of 5.30% per annum, based on an analysis of historic volatility in Indian interest-rate markets.
- The model used for equities is the Black-Scholes model with term-dependent volatility. In the short term, implied volatilities are set with reference to market data as at the applicable valuation date. These implied volatilities then tend to around 22% per annum by year 30 and remain level thereafter.
- The correlation parameter between the equity prices and the bond prices is set to be zero.

5.11.3. The projected interest rates and equity prices were then used to stochastically project the assumed future investment income on assets backing the individual participating business and group funds business, to determine the extent of potential shareholder support in each scenario. In the case of participating business, given the very large number of in-force policies of the Corporation, a subset of ‘model points’ (representing approximately 1.5% of the in-force policies as at each valuation date) was selected for this exercise. The results from these model points were then scaled up to calculate the total TVFOG. The reserves as calculated using the scaled up model point set were reconciled with the total participating reserves of the Corporation to validate the choice of model points as a representative set.

5.12. Taxation

5.12.1. In calculating the Results, allowance has been made for future taxes expected to be incurred by the Corporation. This includes both corporate tax and GST.

5.12.2. The approach adopted in allowing for taxation and the rates of corporate tax and GST applied reflect the Corporation's interpretation of the applicable tax laws and are consistent with its historical practice, which the Corporation intends to continue in the future. This is summarised below:

- The Corporation assumes that the statutory surplus arising, based on which tax is applied, is derived after allowing for any provisions for an increase in the target solvency level.
- Although the surplus arising from the pensions business is exempt under section 10(23AAB) of the Income Tax Act, 1961, the Corporation assumes that a tax is payable on the same.
- The Corporation's assumed tax rates on such surplus from life and pensions business are set to be 12.5% (increased by the tax surcharge of 12% and education cess of 4%). The resulting effective tax rate is 14.56%.
- The profits in the shareholders' fund are taxed at a higher rate of 30% (increased by the tax surcharge of 12% and education cess of 4%). The resulting effective tax rate is 34.94%.

5.12.3. Although the Corporation claims credit on the tax applicable on the dividend income on equity shares under section 80M of the *Income Tax Act, 1961*, thereby allowing it to lower its effective tax rate, this has not been considered in the derivation of the Results as it is not expected to be material.

5.12.4. The Corporation charges GST on premiums from non-linked policies issued from 1 January 2012 onwards and on charges from all ULIPs. The Corporation also receives credit for GST included in the expenses incurred.

5.12.5. The allowance for future GST is reflected in the projection models as follows:

- for non-linked policies issued prior to 1 January 2012, where the Corporation bears the GST on premiums charged to the policyholders, an explicit outgo is considered as part of the expense loadings;
- for all non-linked business, the future renewal premiums are modelled net of GST;
- for ULIPs, the GST on various charges is deducted from the unit fund and is assumed to be an immediate outgo;
- any reinsurance premiums are modelled net of GST;
- the expense loadings are based on net of GST expenses of the Corporation; and
- the distributor commission modelled is based on actual commission payable to the distributor.

5.12.6. The assumed rates of GST are as follows:

- in respect of non-linked policies issued prior to 1 January 2012 for which the Corporation bears the GST (which is reflected explicitly in the expense loadings) – 18% for pure protection plans and riders, 0% for micro-insurance plans and 2.25% for other plans; and
- for all other policies - 18%.

5.13. Statutory reserving and capital requirements

5.13.1. The projections have been prepared assuming the application of and continuation of the valuation basis adopted by the Appointed Actuary of the Corporation as at the applicable valuation date. These are set to comply with the regulations and professional guidance applicable to statutory valuations. The assumptions used by the Appointed Actuary in the statutory valuation are set at a prudent level, incorporating a margin for adverse deviation. The approach adopted by the Appointed Actuary in calculating reserves is broadly described as follows:

- **For ULIPs,** the statutory reserve is set as the sum of the value of units allocated to the policy, plus a non-unit reserve. The non-unit reserve uses a Gross Premium Valuation methodology (“GPV”) considering charges, expenses and any non-unit benefits, subject to a minimum of one month’s unexpired risk charge.
- **For participating plans,** the reserve is the higher of the GPV and surrender value at a policy level, wherein the GPV considers all future premiums, benefits, expenses, future reversionary bonuses and shareholder transfers and taxes based thereon.
- **For traditional non-participating plans,** the reserve is calculated as the greater of a GPV calculation (considering premiums, benefits and expenses) and the surrender value as at the valuation date.
- **For VIP / universal life plans,** the reserve is calculated as the fund value plus the GPV of future cash flows, akin to a non-unit reserve.
- **For Group funds management business,** the reserve is calculated as the policy account value**.**
- **For Group one-year renewable term assurances**, the reserve is calculated as the unexpired premium.

5.13.2. Additional reserves are established for other lines of business and also for other risks identified by the Appointed Actuary such as to provide for incurred but not reported claims, or to provide for additional expenses in a new business discontinuance scenario, or to provide for the risk of strain upon revival of a lapsed policy etc.

5.13.3. The MRC is calculated in accordance with the applicable regulatory requirements.

5.13.4. For the various sensitivity analyses, the reserving basis is kept unchanged from that adopted in the base scenario.

Section 6 Reliances and limitations

6.1. Reliances

6.1.1. Pursuant to the letter of appointment (Reference: File No.4/3/2020-DIPAM-II-A-Part(2)) dated 19 March 2021 and the engagement letter dated 26 March 2021, the scope of our work covers the following:

- to review the methodology and assumptions adopted by the Corporation for compliance with the relevant IEV principles;
- to conduct independent checking of the Corporation's actuarial models for plans that represent a significant proportion of the total value of the in-force and new business portfolios;
- to review the IEV as at 31 March 2020 and 31 March 2021; the analysis of movement of IEV over this period, the VNB for the year ending 31 March 2021 and the various sensitivity analyses as required by APS10;
- to draft this Report; and
- to prepare 'internal documentation' for LIC summarising the work carried out as part of this review.

6.1.2. This Report has been prepared solely for use by DIPAM and the management of LIC for inclusion in the disclosures as part of the IPO process. It should not be relied upon for any other purpose but may be provided to DIPAM's/Corporation's advisors on the IPO for use in conducting and documenting their due diligence of the Corporation, in connection with the offering of securities in the IPO.

6.1.3. This Report is intended to provide certain actuarial information and analyses that would assist a qualified actuary, technically competent in the area of actuarial appraisals, to develop an estimate of the components of economic value as described earlier in this Report. In order to fully comprehend this Report, any user should be advised by an actuary with a substantial level of expertise in areas relevant to this analysis to appreciate the significance of the underlying assumptions and the impact of those assumptions on the Results. This Report must be considered in its entirety as individual sections, if considered in isolation, may be misleading.

6.1.4. In carrying out the work and producing this Report, we have relied on the information supplied by the management and staff of LIC. Reliance was placed on, but not limited to, the general accuracy of all the information provided to us.

6.1.5. In particular, we have relied on:

- the Prophet actuarial model and other models developed by the Corporation to derive the various Results. However, we have applied various checks on the models of the Corporation as set out in Section 4.3;
- the accuracy and completeness of the policy data covering in-force and new business policies, the inter-valuation movements of policy statuses and the various checks applied thereon;
- details of product features, policy terms and conditions including surrender and cash value bases as set out in the plan features documents and other information provided to us by the Corporation for each of the products included in our review of the models;
- information on reinsurance arrangements and terms and conditions as provided to us by the Corporation;

- experience investigations relating to current and historical operating experience of the Corporation;
- information on expense experience analyses performed by the Corporation;
- audited financial statements for the years ending 31 March 2020 and 31 March 2021 as provided to us by the Corporation;
- the Actuarial Report and Abstract and the Appointed Actuary's report on the statutory liability valuation of the Corporation for years ending 31 March 2020 and 31 March 2021;
- asset valuations (book and market value) for investments of the Corporation as set out in the audited financial statements at 31 March 2020 and 31 March 2021, and the market value adjustments as provided to us by the Corporation;
- the Board approved crediting rate framework for group funds business;
- information on the Corporation's practices in determining bonuses on participating business;
- the Board approved surplus distribution policy adopted by the Corporation; and
- the taxation framework adopted by the Corporation.

6.1.6. We have obtained a management representation letter from LIC, stating that the data and information provided to us is accurate and complete and that there are no material inaccuracies and omissions therein and as represented in this Report.

6.1.7. This Report is based on the data and information available to Milliman up to 10 February 2022 and takes no account of the data, information and clarifications received after that date. We are under no obligation to update or correct inaccuracies which may become apparent in this Report as a consequence of this.

6.2. Limitations

6.2.1. Unless explicitly stated, we have performed no audit or independent verification of the information furnished to us. To the extent that there are any material errors in the information provided to us, the Results may be affected as well.

6.2.2. An IEV disclosure necessarily requires assumptions to be made about future operating experience and for these to be reflected in the determination of the components of the IEV. In accordance with APS10, none of the results in this Report are intended to represent forward-looking statements for the purposes of Securities and Exchange Board of India ("SEBI") listing rules.

6.2.3. An actuarial assessment of the components of economic value of a life insurance company will not necessarily be consistent with the value of a life insurance company or a portfolio in the open market and should not be interpreted in that manner. Rather, it is derived from a projection of future earnings and, therefore, reflects the value of the earnings potential of a block of in-force or new business under a specific set of assumptions. The value of any business enterprise is a matter of informed judgment. Different parties will arrive at different values depending upon their outlook, their assessment of the future operating assumptions, and upon the opportunities they see for the enterprise in the future. Judgements as to the contents of this Report should be made only after studying the Report in its entirety, together with the rest of the DRHP, Red Herring Prospectus ("RHP") or Prospectus, as a review of a single section or sections on an isolated basis may not provide sufficient information to draw appropriate conclusions. Milliman does not authorise or cause the issue of the DRHP or RHP and takes no responsibility for its contents other than this Report.

6.2.4. The Results are based on a series of assumptions as to the future operating experience of the Corporation. It should be recognised that actual results will differ from those shown in this Report, on account of changes in the operating and economic environment and natural variations in experience. To the extent actual experience is different from the assumptions underlying this Report, the future projected profits from which the Results are derived will also differ. This Report includes various sensitivity analyses to illustrate how vulnerable the various results are to changes in assumptions for the key risks. The Results are presented at the applicable valuation dates stated in this Report and no warranty is given by Milliman that future experience after these applicable valuation dates will be in line with the assumptions made.

6.2.5. The projections and values presented in this Report have been determined on a 'going concern' basis, and assume a stable economic, legal and regulatory environment going forward. The reader of this Report should be aware that any change in the general operating environment would add a high degree of uncertainty to the Results presented. In particular, there is continuing uncertainty regarding the longer-term impact of COVID-19 on the economic, regulatory and business environment in India, and the level and nature of business activity of the Corporation, which could materially impact future non-economic experience and economic parameters.

6.2.6. Unless explicitly stated, the Results do not consider any external (including regulatory and taxation) developments after 31 March 2021.

6.2.7. None of the values or projections set out in this Report include any allowance for withholding or other taxes (such as dividend distribution tax) that may apply to the payment of future shareholder dividends or on remittances out of India.

6.2.8. The allowance for taxation reflected in the Results is based on Corporation's interpretation of the applicable taxation laws in India. It may be noted that neither Milliman nor its consultants are experts in taxation matters. Given this, we do not make any representation on the appropriateness or otherwise of the approach adopted in allowing for taxation in the Results.

6.2.9. In the Results, no allowance is made for any claims against LIC other than those made by policyholders under the normal terms of life insurance business and reflected in the Corporation's audited financial statements.

6.2.10. In the preparation of this Report, we have had access to other advisors of DIPAM/LIC in connection with the IPO and have discussed this Report with them. We have also reviewed the relevant accompanying statements made by the Board of Directors of the Corporation and information provided to the Securities and Exchange Board of India in the DRHP.

6.3. Distribution

6.3.1. DIPAM/LIC may publicly disclose the final signed version of this Report in its entirety. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work.

Appendix A: Persistency experience and discontinuance rates

A 1 As required by APS10, the historical premium persistency rates for the Corporation as a whole over the past three years ending 31 March 2021 are set out below:

Table A.1: Persistency rates

Month	31 March 2019	31 March 2020	31 March 2021
13	77%	72%	79%
25	71%	67%	70%
37	65%	63%	67%
49	60%	58%	63%
61	63%	54%	59%

Source: LIC public disclosures: L-22 as at 31 March 2021 and 31 March 2020

A 2 The assumed policy discontinuance rates, used in the calculation of the Results for a total of 10 products, covering the top five products (by contribution to PVFP as at 31 March 2021 in respect of in-force business) and top five products (by contribution to PVFP in respect of new business sold during FY20-21) are shown in the tables below:

Table A.2: Assumed lapse/surrender rates by plan number/name

Policy year	149	814	815	836	850	858	936	945	Group annuity	Group superannuation
1	12.0%	21.0%	19.0%	15.0%	-	-	26.0%	17.0%	-	15.0%
2	5.0%	9.0%	7.0%	7.0%	-	-	8.0%	8.0%	-	15.0%
3	4.0%	9.0%	7.0%	7.0%	-	-	3.9%	3.9%	-	15.0%
4	2.0%	3.9%	3.3%	3.3%	-	-	3.3%	3.3%	-	15.0%
5	1.5%	3.3%	2.8%	3.3%	-	-	3.3%	3.3%	-	15.0%
6+	1.5%	3.9%	3.3%	3.9%	-	-	3.9%	3.9%	-	15.0%

Table A.3: Assumed conversion to reduced paid-up status by plan number/name

Policy year	149	814	815	836	850	858	936	945	Group annuity	Group superannuation
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	3.2%	3.2%	-	-
4	2.0%	3.2%	2.7%	2.7%	-	-	2.7%	2.7%	-	-
5	1.5%	2.7%	2.3%	2.7%	-	-	2.7%	2.7%	-	-
6+	1.5%	3.2%	2.7%	3.2%	-	-	3.2%	3.2%	-	-

A 3 In addition to the assumed rates of discontinuance detailed above, the Results are calculated assuming that 15% of policies in reduced paid-up status, and 4% of policies in lapsed status as at the applicable valuation date, will revive.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into by our Corporation (not being contracts entered into in the ordinary course of business carried on by our Corporation or contracts entered into more than two years before the date of the Red Herring Prospectus) which are or deemed material were made available for inspection at the Central Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date and were also available at the website of our Corporation at https://licindia.in/Investor-Relations/Material-Contracts, from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

a) Offer Agreement dated February 13, 2022 amongst our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) and the BRLMs.

b) Registrar Agreement dated February 8, 2022 amongst our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) and the Registrar to the Offer.

c) Cash Escrow and Sponsor Banks Agreement dated April 25, 2022 amongst our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), the Registrar to the Offer, the BRLMs, the Syndicate Members and the Bankers to the Offer.

d) Share Escrow Agreement dated April 25, 2022 amongst the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), our Corporation and the Share Escrow Agent.

e) Syndicate Agreement dated April 25, 2022 amongst our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India), the BRLMs, and Syndicate Members.

f) Underwriting Agreement dated May 12, 2022 amongst our Corporation, the Selling Shareholder (President of India, acting through the Ministry of Finance, Government of India) and the Underwriters.

B. Material Documents

a) Certificate of registration to undertake life insurance business in India dated September 20, 1956 issued under Section 3(6) of the Insurance Act by the Controller of Insurance.

b) Resolutions of our Board dated February 11, 2022, read with resolution of our Board dated April 23, 2022, respectively, authorising the Offer and other related matters.

c) Resolution of our Board dated February 13, 2022 approving the Draft Red Herring Prospectus.

d) Resolution of our IPO Committee dated April 26, 2022 approving the Red Herring Prospectus.

e) Resolution of our Board dated May 12, 2022 approving this Prospectus.

f) Consent letter dated April 26, 2022, issued by the Selling Shareholder, conveying its approval for the Offer for Sale.

g) Consent of the Selling Shareholder through its letter dated April 26, 2022, to include its shareholding representing 20% of the post-Offer paid-up Equity Share capital as minimum promoter’s contribution to the Offer.

h) Copies of the annual reports of our Corporation for the Fiscals 2021, 2020 and 2019.

i) Consolidated financial statements of our Corporation for the Fiscals 2021, 2020 and 2019.

j) The examination report dated February 25, 2022 of the Statutory Auditor to the Offer to on our Restated Financial Statements.

k) The report dated February 10, 2022 on the statement of possible special tax benefits from the Statutory Auditor to the Offer.

l) Written consent of the Directors, BRLMs, the Syndicate Members, legal counsel to our Corporation as to Indian law, international legal counsel to our Corporation, legal counsel to the BRLMs as to Indian law, international legal counsel to the BRLMs, Selling Shareholder, Registrar to the Offer, Appointed Actuary, Independent Actuary, Escrow Collection Banks, Public Offer Account Banks, Refund Banks, Sponsor Banks, and Compliance Officer as referred to in their specific capacities.

m) Written consent dated April 23, 2022 from our Statutory Auditor to the Offer to include their name in this Prospectus, as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor to the Offer, and in respect of their (i) examination report, dated February 25, 2022 on our Restated Financial Statements; and (ii) their report dated February 10, 2022 on the statement of tax benefits in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

n) Report titled '*Analysis of Life Insurance Industry in India and Certain other Countries*' dated March, 2022 by CRISIL and commissioned by our Corporation solely in connection with the Offer and the engagement letter dated September 24, 2021.

o) Embedded Value Reports, each dated February 10, 2022, issued by the Independent Actuary.

p) Certificate dated June 24, 2021 issued by the Appointed Actuary confirming the adequacy of mathematical reserves to meet our Corporation's future commitments under the contracts and the policyholders' reasonable expectations.

q) Exemption letter from SEBI bearing reference number SEBI/HO/CFD/DIL1/OW/P/3662/2022 dated January 28, 2022 based on the exemption application filed by our Corporation dated January 18, 2022 with SEBI.

r) Exemption letter from SEBI bearing reference number SEBI/HO/CFD/DIL2/VJ/SKS/OW/P/2022/09932/1 dated March 8, 2022 based on the exemption application filed by our Corporation dated February 13, 2022 with SEBI.

s) Exemption letter from SEBI bearing reference number SEBI/HO/CFD/DIL2/VJ/AS/OW/P/2022/17533/1 dated April 25, 2022 based on the exemption application filed by our Corporation dated April 23, 2022 with SEBI.

t) Exemption letter from SEBI bearing reference number SEBI/HO/CFD/DIL1/OW/P17532/2022, dated April 25, 2022 based on the exemption application filed by the Department of Investment and Public Asset Management.

u) Written consent dated March 5, 2022 of CRISIL.

v) Due diligence certificate dated February 13, 2022 addressed to SEBI from the BRLMs.

w) In-principle listing approvals each dated February 14, 2022, issued by BSE and NSE, respectively.

x) SEBI final observation letter bearing reference number SEBI/HO/CFD/DIL2/P/OW/2022/09931/1 dated March 8, 2022.

y) Tripartite agreement dated September 9, 2021 amongst our Corporation, NSDL and the Registrar.

z) Tripartite agreement dated September 9, 2021 amongst our Corporation, CDSL and the Registrar.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Corporation or if required by the other parties subject to compliance with the provisions contained in the Life Insurance Corporation Act and other applicable laws.

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

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Mangalam Ramasubramanian Kumar
Whole-time Chairperson

Place: Mumbai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

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Pankaj Jain
Government Nominee Director

Place: Delhi

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Raj Kumar
Managing Director

Place: Mumbai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Siddhartha Mohanty
Managing Director

Place: Mumbai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Ipe Mini
Managing Director

Place: Mumbai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Bishnu Charan Patnaik
Managing Director

Place: Mumbai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Dr. Ranjan Sharma
Independent Director

Place: Gonda

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

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Vinod Kumar Verma
Independent Director

Place: Mau

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Anil Kumar
Independent Director

Place: Delhi

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

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Anjuly Chib Duggal
Independent Director

Place: New Delhi

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Gurumoorthy Mahalingam
Independent Director

Place: Chennai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Raj Kamal
Independent Director

Place: Dubai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

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Vankipuram Srinivasa Parthasarathy
Independent Director

Place: Mumbai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

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Vijay Kumar Muthu Raju Paravasa Raju
Independent Director

Place: Chennai

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY DIRECTOR OF OUR CORPORATION

Sanjeev Nautiyal
Independent Director

Place: Lucknow

Date: May 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the LIC Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act and IRDAI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the LIC Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Prospectus are true and correct.

SIGNED BY CHIEF FINANCIAL OFFICER

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Sunil Agrawal

Place: Mumbai

Date: May 12, 2022

DECLARATION

On behalf of the Selling Shareholder, I confirm and certify that all statements and undertakings specifically made or confirmed in this Prospectus about or in relation to the Selling Shareholder are true and correct. The undersigned assumes no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Corporation or any other person(s) in this Prospectus.

Signed for and on behalf of the Selling Shareholder

Authorised Signatory of the President of India,
acting through the Ministry of Finance, Government of India

Name: Mandakini Balodhi

Designation: Director (Insurance)

Date: May 12, 2022

Place: New Delhi