



Management Report

In accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, and circulars/guidelines issued by IRDAI thereafter, the following Management Report is submitted by the Board of Directors for the financial year ended March 31, 2025.

1. Certificate of Registration

The Company is registered with the Insurance Regulatory and Development Authority of India ('IRDAI') vide registration no. 111 dated March 29, 2001 and is carrying on the business of life insurance. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ('IRDAI') to enable the Company to transact life insurance business was valid as at March 31, 2025 and is in force as on the date of this report.

2. Statutory Dues

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

3. Shareholding Pattern

We confirm that the shareholding pattern of the Company is in accordance with the requirements of the Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015 and Insurance laws (Amendment) Act, 2021) ('Act') and the (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024.

There has been no transfer of shares by the promoters of the Company during the year. There was no capital infusion by the promoters during the year. During the year, the Company has allotted 6,69,618 equity shares on exercise of certain stock options granted under SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018').

The shareholding pattern is available in Schedule 5A which forms part of the financial statements. Further, the shareholding pattern is disclosed quarterly within 21 days of the end of the quarter and in accordance with the SEBI (Listing Obligation and Disclosure Requirement Regulations) Requirement 2015 is hosted on the website of the Company, www.sbilife.co.in and on the website of the Stock Exchanges i.e. www.nseindia.com and www.bseindia.com.

4. Investment of Funds

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

5. Solvency Margin

We confirm that the Company has adequate assets to cover both its liabilities and the minimum solvency margin as stipulated in Section 64VA of the Insurance Act, 1938 (as amended by the Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021) and IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024.

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

Particulars	March 31, 2025	March 31, 2024
Actual Solvency Ratio	1.96	1.96

6. Valuation of Assets

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

7. Application and Investments of Life Insurance Funds

We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021), and all investments made are in accordance with IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, and orders/directions issued by IRDAI thereafter.

8. Risk Exposure and Mitigation

A. Risk Management Framework

Effective management of risks is essential to achieve the Company's strategic, business and operational objectives and goals, with a

degree of assurance. In line with its quest for implementation of Enterprise Risk Management, SBI Life has developed a robust Enterprise Risk Management Framework to identify, assess and mitigate its risks.

The Company has 'Statement of Compliance' for the ISO 31000:2018 standard for Enterprise Risk Management System of SBI Life. The scope covers all departments and functions at Corporate Office, Central Processing Centre, Regional & Branch Offices of the Company

The Company has a comprehensive Risk Management Policy for effective and robust risk management and the same is reviewed by the Risk Management of Committee of Board (RMC-B) annually.

The Company has various Committees to manage the risks faced by it. The Company considers risk management to be fundamental to prudent management practice and a significant aspect of Corporate Governance.

B. Risk Identification and Monitoring

The Company's risk management policy ensures a robust risk management framework for its operations.

The Risk Management Committee of the Board (RMC-B) is responsible for overseeing the Company's risk management. Further, Risk management is considered to be the responsibility of every employee of SBI Life and the same is driven by the Board.

Key risks to the Company are monitored and reported to the Board on a timely basis. A defined Board Committee structure and terms of reference for the same is in place.

The Company has formulated Risk Appetite statements at the corporate level, which are reviewed and monitored by the RMC-B and Risk Management Committee of Executives (RMC-E) so as to integrate risk management with strategic business objectives and lay down the overall risk appetite for the organisation.

The Company also carries out an ICAAP (Internal Capital Adequacy Assessment Process) activity, which details the assessment of material risks, estimation of capital requirement and adequacy for maintaining solvency requirements.

The Company conducts various Risk Assessment activities for identification, assessment, mitigation, monitoring and controlling of the key risks of the Company. The Company

uses tools like Risk Register, Risk and Control Self-Assessment (RCSA), Incident Reporting (Loss data collation), Fraud Monitoring, Business Continuity Management (BCM), Risk Analytics, Predictive Risk Models and Key Risk Indicators (KRI) to identify, manage and monitor risks.

C. Risk Mitigation Strategies

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

(a) Market Risk:

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

Investment strategy for each line of business is laid down so that the assets are appropriately matched by the nature and duration of liabilities. A range is provided for each asset class and the investment front office team takes tactical investment decision within the stated range.

All investments are made strictly in compliance to the IRDAI Investment Regulations issued from time to time. Market risk is monitored at the fund level and the Company level.

(b) Credit Risk:

The Company manages the credit risk through the following measures:

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

(c) Liquidity Risk:

The Company faces limited liquidity risk due to the nature of its liabilities & business structure. The cash investment along with expected future premium from existing business provides the liquidity to meet outgoes.

(d) Morbidity and Mortality Risk:

The Company conducts the mortality experience on regular basis and monitors the emerging experience. In order to mitigate any potential risk, Company takes various measures including appropriate underwriting, claim monitoring, reinsurance and in some cases, reprice the products.

Various measures have been introduced to combat fraudulent death claims and in response to the modification of section 45 of the Insurance Act. These include:

- a. Monitoring the early claims at agent, unit manager, branch and regional level.
- b. Introduction of risk based underwriting through claim analysis.

(e) Persistency Risk:

The persistency risk is managed with the following approaches

- (i) **Experience analysis:**
The Company conducts experience analysis on regular basis, monitors and takes necessary action to ensure that emerging experience continue to remain in line.
- (ii) **Service initiatives:**
The Company uses a combination of proactive and reactive interventions to manage persistency. The interventions could include sending communication via different media like email, WhatsApp, SMS to customers and distributors, renewal due intimations through Voice BOT and call center executives to the customers, Run Revival Campaigns to enable the lapsed policy holders to renew & restore their policy benefits and visits to customers. Various customer education initiatives are also taken up for this cause.
- (iii) **Aligning key performance areas:**
The Company uses different key performance areas for different levels of hierarchy in Sales and Operations to align interests and ensure adequate

focus on persistency. The Renewal & Customer Retention Heads at regional level help to focus on the key performance area with inputs time to time to all the stakeholders and also cater the needs and requirements of the customers besides contributing to the renewal business.

(f) Expense Risk:

The Company manages its expenses very efficiently as a result there is no expense overrun. The Company uses the current expense loadings along with appropriate allowances towards future inflation in product pricing/future projection and does not consider any further improvement from the current level that is expected to achieve in view of expected improved productivities. Further, in daily operations, the Company adheres to expense budgeting and management process that controls expenses.

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

(g) Operational Risk:

The Company manages its Operational Risks through-

- (i) **Risk Registers**
Risk Registers document the high level risks for all the offices based on likelihood & impact rating. Controls in place to manage the risks are captured and rated to arrive at the residual risk.
- (ii) **Risk Control Self-Assessment (RCSA)**
RCSA requires each business unit within the Company to identify and assess inherent risks and controls relevant to the risk. The risk events are then mapped to the existing control framework to determine the residual risk. The controls are periodically assessed for its effectiveness.
- (iii) **Incident Reporting**
The Company also has a web-based incident reporting process to collect loss incidents to track the extent of operational risk. The incident reporting tool has helped the company in development of system based modules for operational efficiency and to prevent recurrence. Loss data records may be used to estimate the capital required for operational risk.

(iv) Risk Control Unit (RCU)

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

(v) Fraud Monitoring

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

(vi) Information & Cyber Security

The Information Security Committee (ISC) monitors information and cyber security risks. The Company complies with relevant regulatory and statutory information security requirements and is ISO 31000:2018 certified. To further enhance the information security, the Company periodically conducts user awareness campaigns across locations.

Cyber security risk is the risk of loss of confidentiality, integrity or availability of data or information systems. This needs to be monitored closely considering the external environment, financial & reputational impact and regulatory censures related to any Cyber Space threats such as hacking, ransomware attack, etc.

The Company undertakes various measures from a Cyber security point of view such as Vulnerability Assessment & Penetration Testing, application security assessment, red team assessment and phishing simulations. Also, Security operations center and Cyber Insurance cover is in place which helps mitigate the risk of any untoward incident. Also, there are various initiatives being taken for creating and enhancement of user awareness on information security related aspects.

(vii) Data Protection and Data Privacy

The Company employs various data protection solutions to ensure that

the data of its customers, employees, vendors and other stakeholders is appropriately handled through its life cycle. A Data Governance Framework has been established in SBI Life and also formulated a board approved Data Governance Policy. Data privacy risk is the risk of compromise of confidential / customer / employee information. This needs to be monitored closely considering the current global privacy landscape, reliance on 3rd party service providers, reputational impact and regulatory censures related to any data leak incident.

The Company has implemented Data Loss Prevention (DLP) tool which is integrated with Data Classification tool to monitor data movement under the supervision of Data Protection Officer (DPO). Further, Data Rights Management (DRM) has been implemented to secure sensitive and confidential data that is shared with vendors. Additionally, regular sensitization and data privacy awareness/ campaigns are carried out through digital and physical modes for various stakeholders and employees.

(viii) Business Continuity Management

The Company has requisite business continuity and disaster recovery plans in place. The Company's Business Continuity Management System (BCMS) is certified to ISO 22301:2019 standard on Business Continuity. The Company also adheres to the Business Continuity requirements notified by the Authority.

(h) Regulatory Risk:

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

(i) Reputational Risk:

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

(j) Distribution Risk

This is the risk of having excessive dependence on one or two specific distribution channels which may also be an indicator of the inability to develop or grow the other channels. There is a significant proportion of the business that is coming in from one channel which can be a material risk, more so if there are any regulatory changes happening or any such factors in the future.

From a mitigation point of view, there is an increased focus on agent recruitment and retention of performing agents along with activation of inactive agents/ LMs. Also, continuous effort is being made to improve the training & development programme for sales teams of the various distribution channels. Further, special digital

initiatives are being undertaken to simplify and enhance the online selling process to increase the business via E-commerce platform. There is a continued push to partner with more licensed entities across categories to ensure diversification.

(k) Legal Risk:

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

(l) Country Risk:

The Company is operating only in India and hence has no exposure to other country risk.

9. Ageing of Claims

Mortality Claims Average Settlement period for last 5 years

Financial Year	Average Claim Settlement Time (in days)
FY 2025	2.05
FY 2024	2.21
FY 2023	2.44
FY 2022	6.91
FY 2021	4.26

The ageing of claims* registered and settled are as below:

(i) Traditional Claims

₹ in lakhs

Year	Upto 30 Days		31 Days to 6 Months		6 Months to 1 Year		1 Year to 5 Years		5 Years & Above	
	Count	Amount settled	Count	Amount settled	Count	Amount settled	Count	Amount settled	Count	Amount settled
FY 2025	30,41,351	22,66,118	43,894	12,735	3,337	869	8,641	619	-	-
FY 2024	27,24,433	21,82,230	76,285	11,145	2,248	191	1,301	98	-	-
FY 2023	21,25,916	15,47,961	1,17,188	31,356	14,456	1,483	6,092	26,020	-	-
FY 2022	19,16,318	13,29,836	13,873	51,209	470	674	280	122	-	-
FY 2021	14,52,475	9,63,383	19,670	24,444	630	250	160	381	-	-

(ii) Ulip Claims

₹ in lakhs

Year	Upto 30 Days		30 Days to 6 Months		6 Months to 1 Year		1 Year to 5 Years		5 Years & Above	
	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved
FY 2025	3,38,580	21,87,341	1,281	13,537	84	769	15	64	-	-
FY 2024	2,96,091	16,94,305	1,638	10,547	36	27	13	166	-	-
FY 2023	2,10,232	10,65,571	1,307	7,989	150	45	293	33	-	-
FY 2022	3,23,265	14,00,794	5,939	40,638	97	815	61	45	-	-
FY 2021	2,61,938	8,98,356	4,423	17,708	2,409	317	2	0	-	-

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

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

(i) **Traditional Claims**

₹ in lakhs

Year	Upto 30 Days		31 Days to 6 Months		6 Months to 1 Year		1 Year to 5 Years		5 Years & Above	
	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved
FY 2025	887	1,748	1,249	2,591	1,083	907	6,702	842	-	-
FY 2024	2,895	4,594	4,596	2,956	9,650	1,568	14,581	695	-	-
FY 2023	13,833	25,675	15,310	1,371	2	105	-	-	-	-
FY 2022	17,201	28,496	7,924	4,946	26	166	-	-	-	-
FY 2021	19,031	19,200	6,520	5,961	52	69	-	-	-	-

(ii) **ULIP Claims**

₹ in lakhs

Year	Upto 30 Days		30 Days to 6 Months		6 Months to 1 Year		1 Year to 5 Years		5 Years & Above	
	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved	Count	Amount Involved
FY 2025	207	2,616	112	3,872	53	2,885	245	1,320	-	-
FY 2024	2,075	21,146	145	1,572	34	283	19	59	-	-
FY 2023	2,731	14,933	120	683	-	-	-	-	-	-
FY 2022	3,171	15,712	235	1,731	-	-	-	-	-	-
FY 2021	7,374	27,327	330	2,436	2	17	1	7	-	-

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

10. Valuation of Investments

We certify that the valuation of investments made out of Shareholders' funds and Non-Linked Policyholders' funds and valuation of investments made out of linked business are done as stated below:

Investments are made and accounted in accordance with the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 and Insurance (Amendment) Act, 2021, the IRDAI AFI Regulations 2024, IRDAI AFI Master Circular 2024, Investment Policy of the Company and various other circulars/notifications as issued by IRDAI from time to time.

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

i. Classification of Investments

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

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

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

Debt securities

Debt securities, including Government securities and money market securities are stated at

historical cost subject to amortisation of premium or accretion of discount over a period of holding/maturity on yield to maturity basis.

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

Equity, Equity Related Instruments & Preference Shares

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

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

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

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

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

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

Credit Rating Information Services of India Limited ('CRISIL').

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

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

Mutual Funds

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

Alternative Investment Funds (AIFs)

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

Interest Rate Derivatives (IRDs)

Interest Rate Derivative (IRD) contracts for hedging of highly probable forecasted transactions on insurance contracts and investment cash flows in life, pension and annuity business, are accounted for in the manner specified in accordance with 'Guidance Note on Accounting for Derivative Contracts (Revised 2021)' issued by the Institute of Chartered Accountants of India (ICAI), IRDAI circular no. IRDA/F&I/INV/CIR/138/06/2014 dated June 11, 2014 ('the IRDAI circular on Interest Rate Derivatives') and IRDAI AFI Master Circular 2024.

The Company has well defined Board approved interest rate risk hedging Policy and Process document covering various aspects related to functioning of the derivative transactions undertaken to mitigate interest rate risk as per the Interest rate risk hedging strategy. At the inception of the hedge, the Company designates and documents the relationship between the

hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at Balance Sheet date.

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

The Company follows "hedge accounting" for accounting of all Interest rate derivative financial instruments as per Guidance Note on Accounting for Derivative Contracts (Revised 2021) issued by Institute of Chartered Accountants of India (ICAI).

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

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

Account or Profit and Loss account in the period in which they arise. The fair value gain / loss on the interest rate derivative that is determined to be an ineffective hedge is recognised in the revenue account or profit and loss account in the period in which they arise.

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

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

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

iii. Valuation – Linked business

Debt Securities

Debt securities including Government securities with remaining maturity of more than one year are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL').

Debt securities including government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short term. If security is purchased during its short term

tenor, it is valued at amortized cost using yield to maturity method. In case of securities with options, earliest Call Option / Put Option date will be taken as maturity date for this purpose.

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

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

Equity, equity related instruments & preference shares

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

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

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

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

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

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

Mutual Funds

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

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

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

published by the trust. Unrealised gains or losses arising due to change in the fair value of REITs units are recognised in the Revenue Account.

iv. Transfer of Investments

a. Transfer of Investments from Shareholders' Fund to Policyholders' Fund

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

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

b. Transfer of Investments from Policyholders' Fund to Shareholders' Fund

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

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

c. Transfer of Investments between Non-linked Policyholders' Funds

No transfer of investments is carried out between non-linked policyholders' funds.

d. Transfer of Investments between Unit-linked Funds

In case of unit linked fund, inter schemes transfers of equity, preference shares, ETFs and Government Securities are made at prevailing market price at the time of transfer. In case, if the trade has not taken place on the day of transfer, the transfer of investments is accounted at previous day valuation price as per IRDAI AFI Regulations 2024.

v. Impairment of Investments

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

vi. Provision for Non-Performing Assets (NPAs)

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

a. Loans

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

b. Provision for Standard Assets

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

The book value and the market value of Non-linked and shareholder funds' Investments are as follows:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Book Value	Market Value	Book Value	Market Value
Non-linked and shareholder funds' Investments valued at book value subject to amortisation of premium & discount	1,74,92,433	1,80,28,324	1,55,35,778	1,56,73,441
Non-linked and shareholder funds' Investments valued at market value	22,31,050	25,47,871	13,72,697	17,55,524
Total investments in non-linked and shareholder funds	1,97,23,483	2,05,76,195	1,69,08,474	1,74,28,965

₹ in lakhs

11. Review of Asset Quality

The Company invests its funds in Government Securities, bonds & debentures, equity shares, money market instruments, fixed deposits, etc. in accordance with the Investment guidelines prescribed by IRDAI from time to time. The assets held are ₹ 4,48,039 crores as on March 31, 2025 and is having the following bifurcation:

Investment Category	Shareholders' Funds	Policyholders' Funds		Total
		PH - Non ULIP	PH - ULIP	
Government Securities	33.78%	62.31%	15.45%	35.48%
Corporate Bonds:				
- AAA	29.76%	18.06%	12.65%	15.45%
- AA / AA+	15.79%	3.28%	2.69%	3.36%
- AA- & Below	0.00%	0.00%	0.00%	0.00%
Equity Shares [^]	17.48%	9.86%	64.05%	40.06%
Fixed Deposits with Banks	0.00%	0.05%	0.01%	0.03%
Mutual Fund	0.00%	0.87%	0.53%	0.65%
Money Market Instruments	0.05%	3.77%	4.04%	3.80%
Others*	3.13%	1.80%	0.58%	1.17%
Grand Total	100.00%	100.00%	100.00%	100.00%
Size of Funds (₹ in Crores)	14,604	1,85,798	2,47,636	4,48,039

[^] Includes Investment in Equity Exchange traded funds (ETF), Additional tier 1 (AT1) Bonds.

* Include Investment in Loans, Loan against policy, REITs, INVIT, Alternate Investment Funds and Net Current Assets.

The Investments are made with strong research recommendations based on fundamentals, long term view and growth potentials. Around 70% of the equity investments are in large cap Nifty 50 Index stocks and approximately 95% (including Central Government Securities, State Government Securities and Other Approved Securities) of the rated debt investments are in AAA or equivalent rating for long term and A1+ or equivalent rating for short term instruments, which indicates the safe & reliable asset quality. The Company follows the guidelines, prescribed by IRDAI, with respect to strong Investment Risk Management Systems & Processes. Further, all the investment transactions are subject to independent Concurrent Audit.

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

Funds	AUM as on March 31, 2025 (₹ in Crs)	Return for 1 Year		Return for 3 Years (CAGR)		Return for 5 Years (CAGR)	
		Fund	Bench mark	Fund	Bench mark	Fund	Bench Mark
EQUITY FUNDS							
Equity	74,701.99	6.78%	5.34%	11.50%	10.43%	22.04%	22.29%
Equity Pension	7,917.54	7.49%	5.34%	10.82%	10.43%	22.55%	22.29%
Equity Pension II	11,451.37	6.37%	5.34%	10.37%	10.43%	21.78%	22.29%
Growth	2,879.02	8.14%	6.57%	10.13%	9.55%	17.73%	17.66%
Growth Pension	499.73	9.81%	6.57%	10.40%	9.55%	18.24%	17.66%
Equity Optimiser	2,469.27	7.85%	5.89%	11.11%	9.84%	20.15%	19.00%
Equity Optimiser Pension Fund	733.33	8.41%	5.89%	11.75%	9.84%	20.55%	19.00%
Equity Elite	13.28	6.48%	5.89%	11.43%	9.84%	23.13%	19.00%
Equity Elite Fund II	11,907.49	5.37%	5.89%	9.93%	9.84%	18.54%	19.00%
Index	117.31	5.12%	5.34%	11.50%	10.43%	22.88%	22.29%
Index Pension	32.99	5.03%	5.34%	11.50%	10.43%	22.80%	22.29%
Top 300 Fund	1,811.71	6.97%	5.89%	10.26%	9.84%	19.80%	19.00%
Top 300 Pension Fund	582.66	6.58%	5.89%	9.55%	9.84%	19.46%	19.00%
Midcap Fund	35,416.60	10.60%	7.48%	18.79%	20.28%	30.24%	34.58%
Pure Fund	1,098.40	-0.11%	NA	9.60%	NA	20.49%	NA
DEBT FUNDS							
Bond Fund	19,756.82	8.32%	8.79%	6.50%	6.93%	6.12%	6.58%
Bond Pension Fund	506.11	8.58%	8.79%	6.51%	6.93%	6.17%	6.58%
Bond Pension Fund II	29,660.83	8.14%	8.79%	6.42%	6.93%	5.97%	6.58%
Group Short Term Plus Fund	0.00	NA	NA	NA	NA	NA	NA

Funds	AUM as on March 31, 2025 (₹ in Crs)	Return for 1 Year		Return for 3 Years (CAGR)		Return for 5 Years (CAGR)	
		Fund	Bench mark	Fund	Bench mark	Fund	Bench Mark
Group Short Term Plus Fund II	17.38	9.62%	8.79%	7.28%	6.93%	6.14%	6.58%
Guaranteed Pension Fund GPF070211	2.60	8.28%	NA	5.66%	NA	5.27%	NA
Bond Optimiser Fund	3,136.65	8.09%	8.25%	8.05%	7.76%	10.38%	9.78%
Corporate Bond Fund	1,054.08	7.83%	8.74%	5.77%	6.24%	6.16%	6.59%
BALANCED FUNDS							
Balanced	22,606.61	6.91%	7.30%	8.73%	8.88%	13.81%	14.53%
Balanced Pension	642.66	8.44%	7.30%	9.48%	8.88%	14.48%	14.53%
Group Balance Plus	10.06	8.43%	8.11%	8.54%	7.96%	10.54%	10.57%
Group Balance Plus II	233.80	9.04%	8.11%	8.48%	7.96%	10.44%	10.57%
Group Debt Plus	106.83	9.19%	8.53%	7.28%	7.35%	7.96%	8.18%
Group Debt Plus II	182.36	9.43%	8.53%	7.63%	7.35%	8.01%	8.18%
Group Growth Plus Fund	2.45	8.80%	7.47%	9.70%	8.71%	14.16%	13.74%
Group Growth Plus Fund II	38.39	8.05%	7.47%	9.88%	8.71%	14.10%	13.74%
P/E Managed Fund	239.09	8.53%	NA	11.25%	NA	16.22%	NA
LIQUID FUNDS							
Money Market	415.45	7.08%	7.26%	6.40%	6.56%	5.27%	5.51%
Money Market Pension	114.52	7.07%	7.26%	6.37%	6.56%	5.25%	5.51%
Money Market Pension II	1,547.02	6.78%	7.26%	6.11%	6.56%	5.01%	5.51%
Group Money Market Plus Fund	0.00	NA	NA	NA	NA	NA	NA
Group STO Plus Fund II	0.02	NA	NA	NA	NA	NA	NA
DISCONTINUED FUNDS							
Discontinued Policy Fund	8,170.05	7.94%	NA	6.06%	NA	5.39%	NA
Discontinue Pension Fund	6,107.41	7.90%	NA	6.10%	NA	5.47%	NA

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

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

Particulars	Assets Held (₹ in Lakhs)		Returns on Assets * (%)	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Participating Policyholders Funds	60,93,986	56,05,973	8.81%	8.71%
Non-Participating Policyholders Funds	1,24,85,859	1,03,81,671	7.49%	7.53%
Shareholders' Funds	14,60,446	13,03,637	8.01%	8.47%

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

12. Management's Responsibility Statement

The Management of the Company confirms that:

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

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

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

(₹ in Lakhs)

Sr. No.	Name of Director with Designation	Entity in which Director is interested	Interested as	Description of Transactions / Categories	March 31, 2025	March 31, 2024		
1	Mr. Ashwini Kumar Tewari (Non Executive – Nominee Director)	State Bank of India	Managing Director	Employee's Salary / Allowances / Reimbursement	439	529		
				Rent and related expenses	6	60		
				Commission Expenses	2,01,393	1,88,594		
				Staff Training Expenses	1	144		
				Bank Charges	979	611		
				Royalty Charges	4,827	3,789		
				Benefits/Claims paid	10,296	9,576		
				Meeting expense	-	15		
				Interim Dividend	14,985	14,985		
				Margin Money Paid	6,098	-		
				SBICap Securities Ltd.	Chairman/ Nominee Director	Commission Expenses	223	215
						Brokerage Charges	172	214
				SBI Cards & Payment Services Ltd.	Nominee Director	Benefits/Claims paid	277	131
		Commission Expenses	-			0		
		SBI Payment Services Pvt. Ltd.	Chairman/ Nominee Director	Bank Charges	-	132		
				Premium expense	1,543	1,130		
		SBI General Insurance Co. Ltd.	Nominee Director	Benefits/Claims paid	0	-		
				Nil	-	-		
		SBI Infra Management Solution Private Ltd. (Under Voluntary Liquidation)	Nominee Director	Nil	-	-		
				Nil	-	-		
		SBI Pension Funds Pvt Ltd	Chairman/ Nominee Director	Nil	-	-		
Nil	-			-				
SBI Factors Ltd. (formerly SBI Global Factors Limited)	Chairman/ Nominee Director	Nil	-	-				
		Nil	-	-				
SBI Fund Management Limited	Nominee Director (Associate Director)	Nil	-	-				
		Nil	-	-				
SBI Capital Markets Ltd.	Nominee Director	Nil	-	-				
		Nil	-	-				
SBI Ventures Ltd.	Nominee Director	Nil	-	-				
		Nil	-	-				
SBI Foundation	Nominee Director	Nil	-	-				
		Nil	-	-				
SBI DFHI Ltd.	Chairman/ Nominee Director	Nil	-	-				
		Nil	-	-				
2	Challa Sreenivasulu setty* (Non-Executive – Chairman)	State Bank of India	Chairman - Executive	Employee's Salary / Allowances / Reimbursement	439	529		
				Rent and related expenses	6	60		
				Commission Expenses	2,01,393	1,88,594		
				Staff Training Expenses	1	144		
				Bank Charges	979	611		
				Royalty Charges	4,827	3,789		
				Benefits/Claims paid	10,296	9,576		
				Meeting expense	-	15		
				Interim Dividend	14,985	14,985		
				Margin Money Paid	6,098	-		

(₹ in Lakhs)

Sr. No.	Name of Director with Designation	Entity in which Director is interested	Interested as	Description of Transactions / Categories	March 31, 2025	March 31, 2024				
		SBI Capital Markets Ltd	Chairman – NED	Nil	-	-				
				SBI Ventures Ltd	Chairman – NED	Nil	-	-		
				SBI Fund Management Limited	Chairman – NED	Nil	-	-		
				SBI General Insurance Co. Ltd.	Chairman – NED	Premium expense	1,543	1,130		
						Benefits/Claims paid	0	-		
				SBI Cards & Payment Services Ltd.	Chairman – NED	Commission Expenses	-	0		
				State Bank Operations Support Services Pvt Ltd	Chairman – NED	Nil	-	-		
				SBI Foundation	Chairman – NED	Nil	-	-		
				3	Mr. Dinesh Kumar Khara** (Non-Executive Chairman)	State Bank of India	Chairman - Executive	Employee's Salary / Allowances / Reimbursement	439	529
								Rent and related expenses	6	60
Commission Expenses	2,01,393	1,88,594								
Staff Training Expenses	1	144								
Bank Charges	979	611								
Royalty Charges	4,827	3,789								
Benefits/Claims paid	10,296	9,576								
Meeting expense	-	15								
Interim Dividend	14,985	14,985								
Margin Money Paid	6,098	-								
SBI Cards & Payment Services Ltd.	Chairman – NED	Commission Expenses	-					0		
		Premium expense	1,543					1,130		
SBI General Insurance Co. Ltd.	Chairman – NED	Benefits/Claims paid	0					-		
		Nil	-	-						
SBI Fund Management Limited	Chairman – NED	Nil	-	-						
		Nil	-	-						
SBI Foundation	Chairman – NED	Nil	-	-						
		Nil	-	-						
SBI Capital Markets Ltd	Chairman – NED	Nil	-	-						
		Nil	-	-						
SBI CAPS Ventures Ltd.	Non Executive Director	Benefits/Claims paid	0	-						

* Mr. Challa Sreenivasulu Setty was appointed as Chairman of the Company w.e.f. November 12, 2024.

** Mr. Dinesh Kumar Khara ceased as Chairman, Non-Executive, Nominee Director of the Company w.e.f. close of business of August 27, 2024.

For and on behalf of the Board of Directors

Challa Sreenivasulu Setty
Chairman
(DIN: 08335249)

Narayan K. Seshadri
Director
(DIN: 00053563)

Amit Jhingran
MD & CEO
(DIN :10255903)

Sangramjit Sarangi
President & CFO

Prithesh Chaubey
Appointed Actuary

Girish Manik
Company Secretary

Place: Mumbai
Date: April 24, 2025