

**13<sup>th</sup>**

**ANNUAL REPORT**

**LIC CARDS SERVICES  
LIMITED**



**YEAR 2021**



**13<sup>th</sup> ANNUAL GENERAL MEETING  
OF  
LIC CARDS SERVICES LIMITED**

**Date : 24<sup>th</sup> November, 2021**

**Time : 03.30 P.M.**

**Venue : LIC Cards Services Limited  
Sixth Floor,  
Jeevan Prakash Building,  
25, KG Marg,  
New Delhi – 110001**

**Mode : Webex Online Application**



## **MANAGEMENT**

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### **BOARD OF DIRECTORS**

#### **CHAIRMAN**

Shri M. R. Kumar

#### **DIRECTORS**

Shri Siddhartha Mohanty

Shri B.C Patnaik

Shri Tapan Arandhara

### **CORPORATE IDENTIFICATION NUMBER**

CIN- U65100DL2008PLC184790

### **GST NUMBER**

07AABCL5546L1Z8

### **REGISTERED OFFICE ADDRESS**

6<sup>th</sup> Floor, Jeevan Prakash Building, 25, KG Marg,

New Delhi -110001. Tel: 28844288

[www.liccards.in](http://www.liccards.in); [lic-creditcard@licindia.com](mailto:lic-creditcard@licindia.com)

### **AUDITORS**

SSPJ & Co.

Chartered Accountants

105, Roots Tower, Plot No. 7,

District Centre Laxmi Nagar,

New Delhi - 110092

### **BANKERS**

Union Bank of India

F Block, Connaught Place

New Delhi – 110001



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## CHAIRMAN'S SPEECH

Dear Members,

On behalf of the Board of Directors of your Company, LIC Cards Services Ltd., I have great pleasure in welcoming you all to the 13th Annual General Meeting today.

It is a privilege and a matter of great pleasure for me to preside over the Annual General Meeting of your Company.

The Annual Accounts of your Company for the Financial Year 2020-21 along with the Auditors' Report was sent to all the members. With your permission, I would like to take the same as read.

I would like to touch upon the highlights of your Company's performance during the year 2020-21. In year 2020-21 your Company has sold 23770 cards. The Company achieved 132.60 percent of Income from Spends, 136.89 percent of Meal Cards Income and 191.10 percent in interest and other income. Overall the Company surpassed the total revenue by achieving 118.90 percent budget and recorded revenue of Rs. 11.89 crores in 2020-21. Portfolio size has increased to 3,47,787 Credit Cards at the end of 2020-21. The Company achieved Net Profit of Rs. 529.66 lacs in 2020-21 as against Rs. 501.26 lacs profit of 2019-20. Several initiatives have been taken during the year for the growth and expansion of your Company. Co-Branded Credit Card with IDBI Bank and Gift Card has been launched during the year.

### **Acknowledgement**

On behalf of the Board of Directors of your Company and on my personal behalf, I express our sincere thanks to all the Stakeholders for their valuable support and look forward to their continuous patronage, guidance and cooperation in future.

I would also take this opportunity to thank our Business Associates, Axis Bank, Union Bank of India (earlier Corporation Bank) and IDBI Bank for the support and help extended to your Company.

The Board places on record its appreciation of M/S SSPJ & Co., Statutory Auditors, for the FY 2020-21 for their support and guidance on financial and operational aspects.

I gratefully acknowledge the valuable support and cooperation provided by the Promoting Company, Life Insurance Corporation of India.

I also wish to place on record my appreciation for the sincere and dedicated efforts put in by all employees individually and as a part of Team LIC CSL but for which all these accomplishments would not have been possible and which helped your Company to deliver strong and desired results.

I am sure that your belief and faith in your Company would take it to newer heights of excellence.

I wish to sincerely thank all of you for attending this AGM and look forward to your continued and unstinted support for your Company.

My best wishes to all of you.

Thank you  
M.R. Kumar  
Chairman

## **ITEMS FOR CONSIDERATION**

### **ORDINARY BUSINESS**

#### **Adoption of Annual Accounts and Reports annexed thereto**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2021 and the Profit & Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2021 and the Report of Directors and Auditors thereon along with the comments of Comptroller and Auditor General of India under Section 143(6)(b) of Companies Act, 2013. For this purpose to pass the following as ordinary resolution:

“**RESOLVED THAT** the Audited Balance sheet as on 31<sup>st</sup> March, 2021 and the Profit & Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2021 and the Report of Directors and Auditors thereon along with the comments of Comptroller and Auditor General of India under Section 143(6)(b) of Companies Act, 2013, now before the Meeting be and are hereby received, considered and adopted.”

#### **Re-appointment of Director**

2. To appoint a Director in place of Mr. M R Kumar (DIN- 03628755), who retires by rotation and being eligible offers himself for re-appointment. For this purpose to pass the following as ordinary resolution:-

“**RESOLVED THAT** the Director Mr. M R Kumar (DIN- 03628755), who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director on the Board of the Company.”

None of the Directors, except Mr. M R Kumar may be deemed to be concerned or interested in the proposed resolution.

#### **Appointment of Statutory Auditors and fixation of their remuneration**

3. To take note of the appointment of Statutory Auditors, appointed by Comptroller and Auditor General of India vide their letter reference number No./CA. V/ COY/CENTRAL GOVERNMENT,LCCSL (1)/122 dated 18.08.2021, to hold office from conclusion of this meeting till the conclusion of next Annual General Meeting and approve fixation of Audit Fees of Rs. 75,000 for Statutory Audit plus applicable taxes and Rs. 25,000/- for Tax Audit plus applicable taxes. For this purpose to pass the following resolutions:

“**RESOLVED THAT** appointment of ‘S S P J & Co’ as Statutory Auditors of Company by Comptroller and Auditor General of India vide its letter reference number No./CA. V/ COY/CENTRAL GOVERNMENT,LCCSL (1)/122 dated 18.08.2021 to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting be and is hereby noted.”

“**RESOLVED FURTHER THAT** Audit Fee of Rs. 75,000 for Statutory Audit plus applicable taxes and Rs. 25,000/- for Tax Audit plus applicable taxes to the Statutory Auditors for the Financial Year 2021-22 be and is hereby approved.”

“**RESOLVED FURTHER THAT,** the Board of Directors of the Company be and is hereby authorized to fix the remuneration of Statutory Auditors for Financial Year 2021-22.”

## **SPECIAL BUSINESS**

### **Appointment of Director**

4. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

“**RESOLVED THAT** Shri Tapan Arandhara, who was appointed as an Additional Director of the Company by the Board of Directors, in accordance with the provisions of Section 161 of the Companies Act, 2013, with effect from 31.07.2021 and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company.”

### **Appointment of Director**

5. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

“**RESOLVED THAT** Shri Siddhartha Mohanty, who was appointed as an Additional Director of the Company by the Board of Directors, in accordance with the provisions of Section 161 of the Companies Act, 2013, with effect from 10.08.2021 and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company.”

### **Appointment of Director**

6. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

“**RESOLVED THAT** Shri B C Patnaik, who was appointed as an Additional Director of the Company by the Board of Directors, in accordance with the provisions of Section 161 of the Companies Act, 2013, with effect from 06.10.2021 and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company.”

### **Alteration of Article of Association**

7. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Special Resolution;

“**RESOLVED THAT** pursuant to the provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the “Act”) read with rule 33 of the Companies (Incorporation) Rules, 2014, the consent of the Members of the Company hereby accorded for the substitution of the word “Chairman of LIC of India” with “Chairperson/CE & MD of LIC of India” wherever appears in Articles of Association of the Company and to this effect adopt a new set of Articles of Association.”

**“FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Shri Tapan Arandhara Director and Chief Executive of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, NCT of Delhi and Haryana.”

**NOTICE OF 13<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 13<sup>th</sup> Annual General Meeting of the Members of LIC Cards Services Limited (CIN- U65100DL2008PLC184790) will be held on Wednesday, the 24<sup>th</sup> November, 2021 at 03.30 P.M. at 6<sup>th</sup> Floor, Jeevan Prakash Building, 25, KG Marg, New Delhi – 110001 through webex online application to transact the following business:-

**Ordinary Business**

**1.** To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2021 and the Profit & Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2021 and the Report of Directors and Auditors thereon along with the comments of Comptroller and Auditor General of India under Section 143(6)(b) of Companies Act, 2013. For this purpose to pass the following as ordinary resolution:

**“RESOLVED THAT** the Audited Balance sheet as on 31<sup>st</sup> March, 2021 and the Profit & Loss Account for the Financial Year ended on 31<sup>st</sup> March, 2021 and the Report of Directors and Auditors thereon along with the comments of Comptroller and Auditor General of India under Section 143(6)(b) of Companies Act, 2013, now before the Meeting be and are hereby received, considered and adopted.”

**2.** To appoint a Director in place of Mr. M R Kumar (DIN- 03628755), who retires by rotation and being eligible offers himself for re-appointment. For this purpose to pass the following as ordinary resolution:-

**“RESOLVED THAT** the Director Mr. M R Kumar (DIN- 03628755), who retires by rotation and who is eligible for re-appointment be and is hereby re-appointed as Director on the Board of the Company.”

None of the Directors, except Mr. M R Kumar may be deemed to be concerned or interested in the proposed resolution.

**3.** To take note of the appointment of Statutory Auditors, appointed by Comptroller and Auditor General of India vide their letter reference number No./CA. V/ COY/CENTRAL GOVERNMENT,LCCSL (1)/122 dated 18.08.2021, to hold office from conclusion of this meeting till the conclusion of next Annual General Meeting and approve fixation of Audit Fees of Rs. 75,000 for Statutory Audit plus applicable taxes and Rs. 25,000/- for Tax Audit plus applicable taxes. For this purpose to pass the following resolutions:

**“RESOLVED THAT** appointment of ‘S S P J & Co’ as Statutory Auditors of Company by Comptroller and Auditor General of India vide its letter reference number No./CA. V/ COY/CENTRAL GOVERNMENT,LCCSL (1)/122 dated 18.08.2021 to hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting be and is hereby noted.”

**“RESOLVED FURTHER THAT** Audit Fee of Rs. 75,000 for Statutory Audit plus applicable taxes and Rs. 25,000/- for Tax Audit plus applicable taxes to the Statutory Auditors for the Financial Year 2021-22 be and is hereby approved.”

**“RESOLVED FURTHER THAT,** the Board of Directors of the Company be and is hereby authorized to fix the remuneration of Statutory Auditors for Financial Year 2021-22.”



### Special Business

4. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

**'RESOLVED THAT** Shri Tapan Arandhara, who was appointed as an Additional Director of the Company by the Board of Directors, in accordance with the provisions of Section 161 of the Companies Act, 2013, with effect from 31.07.2021 and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company."

5. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

**'RESOLVED THAT** Shri Siddhartha Mohanty, who was appointed as an Additional Director of the Company by the Board of Directors, in accordance with the provisions of Section 161 of the Companies Act, 2013, with effect from 10.08.2021 and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company."

6. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution;

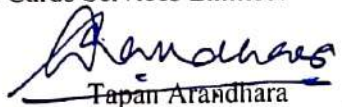
**'RESOLVED THAT** Shri B C Patnaik, who was appointed as an Additional Director of the Company by the Board of Directors, in accordance with the provisions of Section 161 of the Companies Act, 2013, with effect from 06.10.2021 and who holds office only up to the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing in terms of Section 160 of the Companies Act, 2013 proposing his candidature for the Office of the Director, be and is hereby appointed as Director of the Company."

7. To Consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Special Resolution;

**"RESOLVED THAT** pursuant to the provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") read with rule 33 of the Companies (Incorporation) Rules, 2014, the consent of the Members of the Company hereby accorded for the substitution of the word 'Chairman of LIC of India' with 'Chairperson/CE & MD of LIC of India' wherever appears in Articles of Association of the Company and to this effect adopt a new set of Articles of Association."

**"FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, Shri Tapan Arandhara Director and Chief Executive of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form as return of appointment with the Registrar of Companies, NCT of Delhi and Haryana."

By Order of the Board  
For LIC Cards Services Limited.

  
Tapan Arandhara  
Chief Executive

Place: New Delhi.  
Date: 29.10.2021

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE COMPLETED AND DEPOSITED AT COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IS ANNEXED HERETO.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.****Item No. -4. Appointment of Director**

The Board of Directors had appointed Mr. Tapan Arandhara as an Additional Director of the Company w.e.f. 31.07.2021, pursuant to provisions of Section 161 of the Companies Act, 2013. Mr. Tapan Arandhara holds the office only up to the date of this Annual General Meeting. The Company has received a notice in writing as per the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose his appointment as a Director of the Company. Your Directors recommend this resolution for approval. None of the Directors, except Mr. Tapan Arandhara, may be deemed to be concerned or interested in the proposed resolution

**Item No. -5. Appointment of Director**

The Board of Directors had appointed Mr. Siddharta Mohanty as an Additional Director of the Company w.e.f. 10.08.2021, pursuant to provisions of Section 161 of the Companies Act, 2013. Mr. Siddharta Mohanty holds the office only up to the date of this Annual General Meeting. The Company has received a notice in writing as per the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose his appointment as a Director of the Company. Your Directors recommend this resolution for approval. None of the Directors, except Mr. Siddharta Mohanty, may be deemed to be concerned or interested in the proposed resolution.

**Item No. -6. Appointment of Director**

The Board of Directors had appointed Mr. B C Patnaik as an Additional Director of the Company w.e.f. 06.10.2021, pursuant to provisions of Section 161 of the Companies Act, 2013. Mr. B C Patnaik holds the office only up to the date of this Annual General Meeting. The Company has received a notice in writing as per the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose his appointment as a Director of the Company. Your Directors recommend this resolution for approval. None of the Directors, except Mr. B C Patnaik, may be deemed to be concerned or interested in the proposed resolution.

**Item No. -7. Alteration of Article of Association**

In view of order ref: per.admn./21-22/PO-Chairperson dated 09.07.2021 and as per section 4(2)(a) of the amended Life Insurance Corporation of India Act, 1956 which has become effective from 30/06/2021, the erstwhile whole time position of Chairman has been changed as "Chairperson" during the initial period of three years.


Thus, it is proposed to adopt new set of Articles of association of the Company and as per the provision of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") read with rule 33 of the Companies (Incorporation) Rules, 2014,, alteration in Article of Association of the Company requires approval of Members of the Company by way of special resolution and hence placed for seeking approval of members.

None of the Directors and their relatives is concerned or interested in the above resolutions.



Your Board recommends passing of this resolution for amendment of Article of Association of the Company by way of Special Resolution.

**By Order of the Board**  
For LIC Cards Services Limited.

  
Tapan Arandhara  
Chief Executive

Place: New Delhi  
Date: 29.10.2021



## DIRECTORS' REPORT

To

**The Members of LIC Cards Services Limited,  
New Delhi.**

Your Directors are pleased to present the Annual Report of your Company together with the Audited Statement of Accounts for the Financial Year ended on 31<sup>st</sup> March 2021.

**I. Extract of Annual Return**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as on the Financial Year ended on 31.03.2021 is attached in form MGT-9.

**II. No. of Board Meeting**

During Financial Year 2020-21, four Meetings of the Board of Directors were held on 20.06.2020, 03.09.2020, 24.11.2020 and 17.03.2021.

**III. Directors Responsibility Statement**

Pursuant to Section 134(3(c)) of the Companies Act, 2013 the Board of Directors of the Company confirms that:-

1. In the preparation of Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.
2. The Directors had selected such 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 Profit or Loss of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the Annual Accounts on a going concern basis.
5. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**IV. A statement on Declaration given by the independent Directors under sub-section (6) of Section 149 of Companies Act, 2013 [Rule 4 of Chapter XI of (Appointment and Qualifications of Directors) Rules, 2014]**

Since only a Public Company which is having paid up capital of more than Rs. 10 Crores OR having turnover of more than Rs. 100 Crores OR outstanding Loans or Borrowings or Debentures or Deposits exceed Rs. 50 Crores, is required to appoint independent Directors, therefore your Company is not required to appoint Independent Directors.

**V. Disclosure where Company is required to constitute Nomination and Remuneration committee under Section 178(1) of Companies Act, 2013**

Since your Company is having an authorized and paid up capital of less than Rs.10 Crores, your Company is not required to constitute Nomination and Remuneration Committee.

**VI. Comment on Auditor Report**

M/s. SSPJ & Co., Chartered Accountants have been appointed as Statutory Auditors of your Company by Comptroller and Auditor General of India in terms of provisions of Section 139 of the Companies Act, 2013 who will hold office till the conclusion of next Annual General Meeting. The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

**VII. Comment on Secretarial Audit Report**

Since your Company is having an authorized and paid up capital of less than Rs.50 Crores, Secretarial Audit is not required as per Companies Act, 2013.

**VIII. Particulars of Loan & Investment**

Your Company has not given loan guarantee and investment under Section 186 of Companies Act 2013

**IX. Disclosure of Related Party Transaction under Section 188 (1) of Companies Act, 2013**

During the year, the Company had not entered into any Contract/Arrangement with related parties which could be considered material in accordance with the policy of your Company on materiality of related party transactions.

**X. The State of Company's Affairs**

The summarized Financial Results for the Financial Year ended on 31<sup>st</sup> March 2021 are as under





**Financial Results**

(Amt in lakhs)

	<b>Particulars</b>	<b>F.Y. ended on 31.03. 20201</b>	<b>F.Y. ended on 31.03. 2020</b>
1.	Sourcing fees on sale of Cards	348.20	707.74
2.	Income from spends	556.92	486.27
3.	Income from Activisation	34.40	79.14
4.	Income from Gift Card	17.18	20.11
5.	Income from Meal Card	98.56	105.20
6.	Interest & other income	133.77	89.40
	<b>Total Income</b>	<b>1189.03</b>	<b>1487.86</b>
1.	Operating, Admn. & Other Expenses	48.91	93.37
2.	Employees Cost	364.86	361.54
3.	Commission and incentive to SRs & CSMs	227.75	501.85
4.	Advertisement & Business promotion expenses	17.85	29.84
	<b>Total Expenses</b>	<b>659.37</b>	<b>986.60</b>
	Profit/Loss before exceptional and extraordinary items & Tax	529.66	501.26
	Prior period income	0	0
	Profit/(Loss) before Tax	529.66	501.26
	Provision for Income Tax	133.40	139.45
	Profit/(Loss) after tax	396.26	361.81
	Net Fixed Assets	16.65	15.70
	Cash& Cash equivalent	152.95	203.19
	Amount due to Parent Organization (LIC of India)	1439.15	1093.11
	Paid up Capital	100	100



## **Review of Performance and Operation**

The Financial Year 2020-21 has been a very successful year for your Company. Briefly, the performance in 2020-21 was as under:

1. Sold 23370 cards with achievement to budget is 58.43 percent.
2. The Company exceeded the income budget on various counts, 132.60 percent in Revenue from Spends, 136.89 percent in income from Meal Cards and 186.04 percent in interest and other income.
3. Overall the Company surpassed the total revenue by achieving 118.58 percent budget and revenue of Rs. 11.85 crores in 2020-21.
4. Portfolio size has been increased to 3,47,428 Credit Cards at the end of 2021-21.
5. The Company achieved Net Profit (unaudited) of Rs. 529.66 lacs.
6. Finalized launching of new products. i.e. Co-branded Credit Card, Co-branded Gift Card (Shagun) and Co-branded Cash Card (Suvidha) with IDBI Bank.

## **XI. Reserve and Dividend**

As your Company has earned profit to the tune of Rs. 529.66 lacs, the management has decided to retain the profit for future expansion and not to declare the dividend.

## **XII. Post Balance Sheet Events**

There are no material changes affecting the Financial Position of your Company after the close of the Financial Year till the date of this Report.

## **XIII. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Your Company is engaged in the business of marketing and distribution of Credit Cards and Gift Cards and not carrying on any manufacturing activities. Further, your Company has not earned any Foreign Currency nor incurred any expenditure in Foreign Currency during the Financial Year 2020-21. Hence, the particulars as prescribed under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable.

## **XIV. Risk Management Policy**

Your Company is engaged in the business of marketing and distribution of Credit Cards and Gift Card and Risks associated with Credit Cards are managed by the respective Banks.





**XV. Corporate Social Responsibility under Section 135 of Companies Act, 2013**

Since the net profit of your Company is not Rs. 5 Crores OR more during any Financial Year OR net worth Rs. 500 crores or more OR turnover Rs. 1000 crore or more, your Company is exempted from Corporate Social Responsibility.

**XVI. Report on performance of Subsidiaries, Associates Companies and Joint Ventures**

Your Company does not have any Subsidiary, Associate Company or a Joint Venture.

**XVII. Disclosure about Cost Audit**

Since your Company is engaged in the business of marketing and distribution of Credit Cards and Gift Cards and not carrying on any production and manufacturing activities, your Company is exempted from Cost Audit.

**XVIII. Disclosure of Board Report**

During Financial Year 2020-21, Four Meetings of Board of Directors were held i.e. 20.06.2020, 03.09.2020, 24.11.2020 and 17.03.2021. Requisite quorum was there in all the four Board Meeting.

Details of last three Annual General Meetings are as below:

For the Financial Year 2019-20 AGM of the Company was held on 24.11.2020.

For the Financial Year 2018-19 AGM of the Company was held on 30.08.2019.

For the Financial Year 2017-18 AGM of the Company was held on 04.09.2018.

**XIX. Disclosure if MD/WTD is receiving remuneration or commission from a MD/WTD or Subsidiary Company**

As per Section 197 (14) of The Companies Act, 2013 no remuneration or Commission was paid by your Company.

**XX. Disclosure of composition of Audit Committee and their recommendations not accepted Section 177(8) of Companies Act, 2013**

Since only a Public Company which is having paid up capital of more than Rs. 10 Crores OR having turnover of more than Rs. 100 Crores OR outstanding Loans or Borrowings or Debentures or Deposits exceed Rs. 50 Crores, is required to constitute an Audit Committee, therefore your Company is exempted from the above Section of Companies Act, 2013.



**XXI. Disclosure of Vigilance Mechanism in Board Report**

Since your Company is exempted from constituting the Audit Committee, establishing Vigilance Mechanism is not required but as good Corporate Governance practice, your Company has adopted the vigilance mechanism policy.

**XXII. Details relating to Deposit**

Your Company has not accepted any Fixed Deposit and as such, no amount of Principal or Interest is outstanding as on the date of Balance Sheet.

**XXIII. Details of Director and KMP**

Your Company is having less than Rs.10 Crores paid up capital and no change in directorship in FY 2020-21.

**XXIV. General Disclosures**

The following Directors are due for retirement by rotation:

Mr. Mukesh Gupta (DIN 06638754). The Director has offered himself for re-appointment.

**XXV. Disclosures about ESOP and Sweat Equity Share**

No ESOPs and Sweat Equity Shares were issued by your Company during the Financial Year.

**XXVI. Director Perception of Future of Company**

In present scenario of COVID-19, your Company will ensure to increase its total portfolio by a good number and achieving the target of the current Financial Year. This is due to the fact that LIC CSL earns 0.25% of the spends as Spends Related Revenue that will be enough to sustain the expenditure for running the business. However, the Company has focused on carding activities to Policyholders of LIC as the bulk of the portfolio is already sourced from LIC Employees and LIC Club Member Agents.

**XXVII. Order of Court**

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operation in future.

**XXVIII. Details of employees drawing salary above prescribed limits**

No employee of your Company is drawing salary above the prescribed limit of Rs. 1.02 crore per annum and no employee is hired for part of the year.

**XXIX. Formal Annual Evaluation**

Since only a Public Company which is having paid up capital of more than Rs. 25 Crores or more is required to make Annual Evaluation of its own performance and that of its Committees and Individual Directors, your Company is exempted from Formal Annual Evaluation.



**Acknowledgment**

Your Directors would like to place on record their appreciation and gratitude for the continuous support extended by Life Insurance Corporation of India, the promoter of the Company, Shareholders, Statutory Auditors, Axis Bank, Union Bank of India and other Business Associates. Your Directors would also like to place on record the contribution and efforts made by the Officials at all levels for the success of your Company during the Financial Year.

Place: Delhi

For LIC Cards Services Limited

Date: 29/6/2021

  
Director

  
Director

  
Chairman





**FORM NO. MGT 9**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31/03/2021

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U65100DL2008PLC184790
ii	Registration Date	11-Nov-08
iii	Name of the Company	LIC CARDS SERVICES LIMITED
iv	Category of the Company	PUBLIC LIMITED COMPANY
v	<b>Address of the Registered office &amp; contact details</b>	
	Address :	6TH FLOOR, JEEVAN PRAKASH BULIDING, 25 KG MARG
	Town / City :	NEW DELHI
	State :	DELHI - 110001
	Country Name :	INDIA
	Telephone (with STD Code) :	011-28844292
	Fax Number :	011-23324683
	Email Address :	<a href="mailto:lic-creditcard@licindia.com">lic-creditcard@licindia.com</a>
	Website, if any:	liccards.co.in
vi	Whether listed company	NO
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	Name of RTA:	STOCK HOLDING CORPORATION OF INDIA LIMITED
	Address :	301, CENTRE POINT, DR. B R AMBEDKAR ROAD, PAREL
	Town / City :	MUMBAI
	State :	MAHARASHTRA
	Pin Code:	400012
	Telephone :	022-61779400
	Fax Number :	022-61779022
	Email Address :	-

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

**MARKETING & DISTRIBUTION OF CREDIT CARDS**

All the business activities contributing 10 % or more of the total turnover

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Marketing & Distribution of White label/ Co- branded Cards	0	100
2			
3			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

No. of Companies for which information is being filled	1
--	---

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	LIC OF INDIA	0	HOLDING	100	0



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual(on behalf of LIC)	0	6	6	0.0006%	0	6	6	0.0006%	0%
b) Central Govt	0	0	0	0%	0	0	0	0%	0%
c) State Govt(s)	0	0	0	0%	0	0	0	0%	0%
d) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
e) Banks / FI (LIC OF INDIA)	999994	0	999994	99.9994%	999994	0	999994	99.9994%	0%
f) Any other	0	0	0	0%	0	0	0	0%	0%
<b>(2) Foreign</b>	0	0	0	0%	0	0	0	0%	0%
a) NRI - Individual/	0	0	0	0%	0	0	0	0%	0%
b) Other - Individual/	0	0	0	0%	0	0	0	0%	0%
c) Bodies Corp.	0	0	0	0%	0	0	0	0%	0%
d) Banks / FI	0	0	0	0%	0	0	0	0%	0%
e) Any Others	0	0	0	0%	0	0	0	0%	0%
<b>Total shareholding of Promoter (A)</b>	0	0	0	100%	0	0	0	100%	0%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0%	0	0	0	0%	0%
b) Banks / FI	0	0	0	0%	0	0	0	0%	0%
c) Central Govt	0	0	0	0%	0	0	0	0%	0%
d) State Govt(s)	0	0	0	0%	0	0	0	0%	0%
e) Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
f) Insurance Companies	0	0	0	0%	0	0	0	0%	0%
g) FIs	0	0	0	0%	0	0	0	0%	0%
h) Foreign Venture Capital Funds	0	0	0	0%	0	0	0	0%	0%
i) Others (specify)	0	0	0	0%	0	0	0	0%	0%
<b>Sub-total (B)(1):-</b>	0	0	0	0%	0	0	0	0%	0%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0%	0	0	0	0%	0%
ii) Overseas	0	0	0	0%	0	0	0	0%	0%
b) Individuals				0%				0%	0%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0%	0	0	0	0%	0%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)	0	0	0	0%	0	0	0	0%	0%
<b>Sub-total (B)(2):-</b>	0	0	0	0%	0	0	0	0%	0%
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	0	0	0%	0	0	0	0%	0%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0%	0	0	0	0%	0%
<b>Grand Total (A+B+C)</b>	999994	6	1000000	100%	999994	6	1000000	100%	0%

ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	LIC OF INDIA	999994	99.9994%	0%	999994	99.9994%	0%	NIL
2	SH ARUN KUMAR ANAND (On behalf of LIC of India)	1	0.0001%	0%	0	0.0000%	0%	NIL
3	SH. MASIL JEYA MOHAN(On behalf of LIC of India)	1	0.0001%	0%	0	0.0000%	0%	NIL
4	SH. DEBI PRASANNA MOHANTY(On behalf of LIC of India)	1	0.0001%	0%	0	0.0000%	0%	NIL
5	SH GURPREET SINGH CHAWLA(On behalf of LIC of India)	1	0.0001%	0%	0	0.0001%	0%	NIL
6	SH K RAJIVAN NAIR(On behalf of LIC of India)	1	0.0001%	0%	0	0.0000%	0%	NIL
7	SH R.SUDARSAN(On behalf of LIC of India)	1	0.0001%	0%	0	0.0000%	0%	NIL
8	SH JAGAT SINGH TOLIA (On behalf of LIC of India)	0	0.0000%	0%	1	0.0001%	0%	NIL
9	SH ANIRBAN SARKAR (On behalf of LIC of India)	0	0.0000%	0%	1	0.0001%	0%	NIL
10	SH HANUMANTHA NANDA (On behalf of LIC of India)	0	0.0000%	0%	1	0.0001%	0%	NIL
11	SH ARUN KUMAR ANAND (On behalf of LIC of India)	0	0.0000%	0%	1	0.0001%	0%	NIL
12	SH. DEBI PRASANNA MOHANTY(On behalf of LIC of India)	0	0.0000%	0%	1	0.0001%	0%	NIL
13	SH K RAJIVAN NAIR(On behalf of LIC of India)	0	0.0000%	0%	1	0.0001%	0%	NIL
	<b>TOTAL</b>	1000000	100%	0%	1000000	100%	0%	

iii Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No. I - Mr.R. Sudarshan (On behalf of LIC of India)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1	0.0001%	1	0.0001%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
24.11.2020	change in shareholding	0	0	0
0	0	0	0	0
At the End of the year	0	0.0000%	0	0.0000%

Sl. No. II - Mr.G S Chawla (On behalf of LIC of India)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1	0.0001%	1	0.0001%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
17.03.2021	change in shareholding	0	0	0
0	0	0	0	0
At the End of the year	0	0.0000%	0	0.0000%

iv

Sl. No. II - Mr.Masil Jeya Mohan (On behalf of LIC of India)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	1	0.0001%	1	0.0001%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
17.03.2021	change in shareholding	0	0	0
0	0	0	0	0
At the End of the year	0	0.0000%	0	0.0000%

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

NIL

Sl. No.: 1 For Each of the Top 10 Shareholders	Shareholding at the		Cumulative Shareholding	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0%	0	0%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	0	0	0	0%
0	0	0	0	0%
At the End of the year (or on the date of separation, if separated during the year)	0	0%	0	0%

V

Sl. No.: 2 For Each of the Top 10 Shareholders	Shareholding at the		Cumulative Shareholding	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0%	0	0%
Changes During the Year				
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	0	0	0	0%
0	0	0	0	0%
At the End of the year (or on the date of separation, if separated during the year)	0	0%	0	0%

Shareholding of Directors and Key Managerial Personnel:

NIL

(Director)	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.0000%	0	0.0000%
Changes During the Year	0	0.0000%		
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	0	0	0	0%
0	0	0	0	0%
At the End of the year	0	0.0000%	0	0.0000%

(Director)	Shareholding at the		Cumulative Shareholding	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0.0000%	0	0.0000%
Changes During the Year	0	0.0000%		
<b>Increase</b>				
<b>Date</b>	<b>Reason for Increase</b>			
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
0	0	0	0	0%
<b>Decrease</b>				
<b>Date</b>	<b>Reason for Decrease</b>			
0	0	0	0	0%
0	0	0	0	0%
At the End of the year	0	0.0000%	0	0.0000%

**INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

<b>Indebtedness at the beginning of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtness</b>
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **NOT APPLICABLE**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		A	B	C	D	
1	Gross salary	NIL	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other directors: **NIL**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		A	B	C	D	
1	<b>Independent Directors</b>					
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL	NIL
2	<b>Other Non-Executive</b>					
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	NIL	NIL	NIL	0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	0
2	Stock Option	NIL	NIL	NIL	0
3	Sweat Equity	NIL	NIL	NIL	0
4	Commission	NIL	NIL	NIL	
	- as % of profit	NIL	NIL	NIL	0
	- others, specify...	NIL	NIL	NIL	0
5	Others, please specify	NIL	NIL	NIL	0
	Total	NIL	NIL	NIL	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)		
<b>A. COMPANY</b>							
Penalty	-	-	NIL	-	-	-	-
Punishment	-	-	NIL	-	-	-	-
Compounding	-	-	NIL	-	-	-	-
<b>B. DIRECTORS</b>							
Penalty	-	-	NIL	-	-	-	-
Punishment	-	-	NIL	-	-	-	-
Compounding	-	-	NIL	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>							
Penalty	-	-	NIL	-	-	-	-
Punishment	-	-	NIL	-	-	-	-
Compounding	-	-	NIL	-	-	-	-

# LIC CARDS SERVICES LIMITED

CIN-U65100DL2008PLC184790

## BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	Amount (Rs.)	
		As At 31.03.2021	As At 31.03.2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	10,000,000	10,000,000
(b) Reserves & Surplus	2	100,020,122	60,393,465
<b>(2) Current Liabilities</b>			
(a) Trade Payables	3	8,457,092	4,441,158
(b) Other Current Liabilities	4	148,480,065	113,002,205
(c) Short Term Provisions	5	-	-
<b>TOTAL</b>		<b>266,957,279</b>	<b>187,836,828</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	6		
(i) Tangible Assets		1,665,287	1,570,484
(ii) Intangible Assets		1	1
(b) Deferred Tax Assets	7	80,499	101,280
(c) Other Non Current Assets	8	212,223,354	87,311,332
<b>(2) Current Assets</b>			
(a) Current Investment	9	9,258,735	2,568,156
(b) Trade Receivables	10	22,886,839	12,550,353
(c) Cash and Cash Equivalents	11	15,295,159	20,318,958
(d) Short-Term Loans and Advances	12	2,550	2,866
(e) Other Current Assets	13	5,544,855	63,413,398
<b>TOTAL</b>		<b>266,957,279</b>	<b>187,836,828</b>

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES  
FORMING PART OF THE FINANCIAL STATEMENTS

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For S S P J & Co.

Chartered Accountants

Firm Reg No. 018083N

For LIC Cards Services Limited

  
CA Parteeek Singla  
(Partner)  
M. No. 539753



  
Chairman  
( M R Kumar)  
DIN- 03628755

  
Director  
( Vipin Anand)  
DIN- 05190124

  
Director  
( Rakesh Kumar)  
DIN- 08531595

Place : New Delhi

Date: 28/6/2021



**LIC CARDS SERVICES LIMITED**  
CIN-U65100DL2008PLC184790

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021**

Sr. No	Particulars	Note No.	Amount (Rs.)	
			As At 31-03-2021	As At 31-03-2020
	<b>Revenue</b>			
I	Revenue from Operations	14	105,544,784	139,870,645
II	Other Income	15	13,358,813	8,916,012
	<b>Total Revenue (I +II)</b>		<b>118,903,597</b>	<b>148,786,657</b>
	<b>Expenses:</b>			
	Employee Benefit Expenses	16	36,486,323	36,154,893
	Depreciation and Amortization	6	369,068	272,491
	Other Expenses	17	29,081,333	62,233,112
	<b>Total Expenses (III)</b>		<b>65,936,724</b>	<b>98,660,496</b>
V	<b>Profit before Exceptional &amp; Extraordinary Items &amp; Taxes</b>		<b>52,966,873</b>	<b>50,126,161</b>
VI	<b>Exceptional &amp; Extraordinary Items</b>		-	-
VII	<b>Profit Before Tax</b>		<b>52,966,873</b>	<b>50,126,161</b>
VIII	<b>Tax Expense:</b>			
	(1) Current Tax		13,319,435	13,920,740
	(2) Deferred Tax Expense/(Income)		20,781	24,420
IX	<b>Profit After Tax</b>		<b>39,626,657</b>	<b>36,181,001</b>
X	Earning per equity share: (1) Basic		39.63	36.18
	(2) Diluted		39.63	36.18

**SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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As per our report of even date annexed

**For S S P J & Co.**

Chartered Accountants

Firm Reg No. 018083N

**CA Parteeek Singla**

(Partner)

M. No. 539753

Place : New Delhi

Date: 28/6/2021



**For LIC Cards Services Limited**

*(Signature)*

**Chairman**

( M R Kumar)

DIN- 03628755

*(Signature)*

**Director**

( Vipin Anand)

DIN- 05190124

*(Signature)*

**Director**

( Rakesh Kumar)

DIN- 08531595



**LIC CARDS SERVICES LIMITED**  
Notes to Accounts for financial year 2020-21

<b>NOTE - 1 Share Capital</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	<b>AUTHORIZED CAPITAL</b> 10,00,000 Equity Shares of Rs. 10/- each with voting rights	10,000,000	10,000,000
		<b>10,000,000</b>	<b>10,000,000</b>
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 10,00,000 Equity Shares of Rs. 10/- each, fully paid with voting rights	10,000,000	10,000,000
		<b>10,000,000</b>	<b>10,000,000</b>
3	<b>Reconciliation</b> Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year Equity Shares 1. At the beginning of the year Number of Shares Amount (Rs) Fresh issued during the year 2. At the end of the year Number of the Shares Amount (Rs)	1,000,000 10,000,000 Nil	1,000,000 10,000,000 Nil
4	Details of Equity Shares held by each shareholder holding more than 5% shares <b>Life Insurance Corporation of India</b>	1,000,000 10,000,000	1,000,000 10,000,000
		No. of Shares & %	No. of Shares & %
		9,99,994 & 99.9994%	9,99,994 & 99.9994%
	<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>

<b>NOTE - 2 Reserves &amp; Surplus</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	<b>STATEMENT OF PROFIT &amp; LOSS</b> Opening Balance Add: Profit / (Loss) during the Year	60,393,465 39,626,657	24,212,464 36,181,001
	<b>Closing Balance</b>	<b>100,020,122</b>	<b>60,393,465</b>

<b>NOTE - 3 Trade Payables</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	Commission Payable	8,457,092	4,441,158
	<b>Total</b>	<b>8,457,092</b>	<b>4,441,158</b>

<b>NOTE - 4 Other Current Liabilities</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	Duties & Taxes Payable	3,785,693	2,070,395
2	Security Deposits	27,262	11,300
3	Audit Fee Payable	76,500	63,900
4	Amount Due to LIC of India (holding company)	143,915,482	109,311,105
5	Expenses Payable	675,128	1,545,505
	<b>Total</b>	<b>148,480,065</b>	<b>113,002,205</b>

<b>NOTE - 5 Short Term Provisions</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	Provisions	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>



## LIC CARDS SERVICES LIMITED

Notes to Accounts for Financial Year 2020-21

**Note -6: Fixed Assets**

	Opening Balance (Rs.)	Additions during the year (Rs.)	Deletions during the year (Rs.)	As at March 31, 2021 (Rs.)
<b>Gross block</b>				
Computer & Printers	2,345,231	71,467	-	2,416,698
Office Equipments	1,287,322	144,432	31,224	1,400,530
Furniture & Fixture	2,001,274	249,533	-	2,250,807
Accounting Software	12,500	-	-	12,500
<b>Total Current Year</b>	<b>5,646,327</b>	<b>465,432</b>	<b>31,224</b>	<b>6,080,535</b>
<b>Total - Previous Year</b>	4,935,903	710,424	-	5,646,327
<b>Accumulated depreciation</b>				
Computer & Printers	1,695,061	201,207	-	1,896,268
Office Equipments	934,244	85,258	29,663	989,839
Furniture & Fixture	1,434,038	82,603	-	1,516,641
Accounting Software	12,499	-	-	12,499
<b>Total Current Year</b>	<b>4,075,842</b>	<b>369,068</b>	<b>29,663</b>	<b>4,415,247</b>
<b>Total - Previous Year</b>	3,803,351	272,491	-	4,075,842
<b>Net block</b>				
Computer & Printers	650,170			520,430
Office Equipments	353,078			410,691
Furniture & Fixture	567,236			734,166
Accounting Software	1			1
<b>Total Current Year</b>	<b>1,570,485</b>			<b>1,665,288</b>
<b>Total - Previous Year</b>	1,132,552			1,570,485



**LIC CARDS SERVICES LIMITED**  
Notes to Accounts for Financial Year 2020-21

<b>NOTE - 7 Deferred Tax Assets/Liability</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
	Opening DTA/DTL	101,280	125,700
	Add/(Less): DTA for the year	-20,781	-24,420
	<b>Total</b>	<b>80,499</b>	<b>101,280</b>

<b>NOTE - 8 Other Non Current Assets</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	Fixed Deposit (Maturing beyond 12 months)	202,500,000	85,000,000
2	Security Deposits	22,000	22,000
3	Interest Accrued on Fixed Deposits	9,701,354	2,289,332
	<b>Total</b>	<b>212,223,354</b>	<b>87,311,332</b>

<b>NOTE - 9 Current Investments</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	LIC Nomura MF Liquid Fund (quoted, at cost, traded)	9,258,735	2,568,156
	<b>Total</b>	<b>9,258,735</b>	<b>2,568,156</b>

<b>NOTE - 10 Trade Receivables</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
	<b>Within 6 months</b> (Doubtful Debts - Nil, Provision for Doubtful Debts - Nil)		
1	Axis Bank	21,771,342	11,426,236
2	C.P.P. Assistance Services Pvt Ltd	1,584	1,798
3	Sodexo SVC India P Ltd.	1,113,913	1,017,247
4	Union Bank of India -LIC Cards Centre	-	104,427
	<b>Sub Total (A)</b>	<b>22,886,839</b>	<b>12,549,708</b>
	<b>More than 6 Months</b> (Doubtful Debts - Nil, Provision for Doubtful Debts - Nil)		
1	LIC of India	-	645
	<b>Sub Total (B)</b>	<b>-</b>	<b>645</b>
	<b>Total [ A + B ]</b>	<b>22,886,839</b>	<b>12,550,353</b>

<b>NOTE - 11 Cash &amp; Cash Equivalent</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	<b>Cash-on-Hand</b>		
	Cash Balance	-	-
	Silver Coins	6,600	6,600
	<b>Sub Total (A)</b>	<b>6,600</b>	<b>6,600</b>
2	<b>Bank Balance</b>		
	With Scheduled Banks in Current account	1,288,559	7,812,358
	Fixed Deposits: Maturing within 3 Months	14,000,000	12,500,000
	<b>Sub Total (B)</b>	<b>15,288,559</b>	<b>20,312,358</b>
	<b>Total [ A + B ]</b>	<b>15,295,159</b>	<b>20,318,958</b>

<b>NOTE - 12 Short Terms Loans and Advances</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	Prepaid Expenses	2,550	2,866
	<b>Total</b>	<b>2,550</b>	<b>2,866</b>

<b>NOTE - 13 Other Current Assets</b>		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2021	As At 31-03-2020
1	Advance Tax/TDS Recoverable (Net of Provision for Tax)	3,440,531	4,327,662
2	Interest on Fixed Deposits	2,101,061	6,538,900
3	Input Tax Credit -GST	3,263	46,836
4	Fixed Deposit (Maturing after 3 months but before 12 months)	-	52,500,000
	<b>Total</b>	<b>5,544,855</b>	<b>63,413,398</b>





**LIC CARDS SERVICES LIMITED**  
**Notes to Accounts for Financial Year 202-21**

<b>NOTE - 14 Revenue from Operations</b>		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31-03-2021</b>	<b>As At 31-03-2020</b>
1	Sourcing Fee	34,820,100	70,773,450
2	Income from Spends on Cards	55,692,166	48,627,545
3	Income from Activation of Cards	3,440,050	7,913,600
4	Income from Sale of Gift Cards	1,718,077	2,011,275
5	Marketing Fee for CPP	18,036	24,289
6	Income from Sodexo Meal Cards	9,856,355	10,520,486
<b>Total</b>		<b>105,544,784</b>	<b>139,870,645</b>

<b>NOTE - 15 Other Income</b>		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31-03-2021</b>	<b>As At 31-03-2020</b>
1	Interest Received	13,168,779	8,346,570
2	Interest on Income Tax Refund	-	127,748
3	Income on Mutual Fund Investments	190,580	441,520
4	Profit/(Loss) on Sale of Assets	-561	-
5	Miscellaneous Income	15	174
<b>Total</b>		<b>13,358,813</b>	<b>8,916,012</b>

<b>NOTE - 16 Employee Benefit Expenses</b>		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31-03-2021</b>	<b>As At 31-03-2020</b>
1	Salaries & Allowances	34,606,462	32,083,340
2	Leave Travel Concession	-	554,709
3	Staff Welfare	1,879,861	3,516,844
<b>Total</b>		<b>36,486,323</b>	<b>36,154,893</b>

<b>NOTE - 17 Other Expenses</b>		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>Sr. No</b>	<b>Particulars</b>	<b>As At 31-03-2021</b>	<b>As At 31-03-2020</b>
1	Commission/Incentive to City Sales Managers/Sales Representatives	22,775,304	50,184,682
2	Advertisement and Business Promotion Expenses	1,785,193	2,984,051
3	Repairs & Maintenance	179,550	187,579
4	Legal & Professional Charges	135,154	216,103
5	Travelling & Conveyance Expenses	1,142,534	4,241,108
6	Printing & Stationery	212,498	308,075
7	Communication Expenses	267,496	285,506
8	Office Upkeep & Maintenance Charges	596,349	627,938
9	Auditor's Remuneration		
9	-Audit Fee	85,000	71,000
10	-Other Remuneration to Auditor	37,500	78,500
11	Books & Periodicals	4,361	9,267
12	Postage & Telegram	606,615	1,096,097
13	Rent	347,040	309,938
14	Electricity & Water Expenses	333,336	388,812
15	Agent Training Expenses	62,617	775,349
16	Interest on GST	11,610	12,924
17	Miscellaneous Expenses	499,176	454,183
<b>Total</b>		<b>29,081,333</b>	<b>62,233,112</b>

<p><b>For S S P J &amp; Co.</b> Chartered Accountants Firm Reg No. 018083N</p> <p><i>(Signature)</i> <b>CA PARTEEK SINGLA</b> (Partner) M. No. 539753 Place : New Delhi Date: 29/6/2021</p>	<p style="text-align: right;"><b>For LIC Cards Services Limited</b></p> <p style="text-align: center;"><i>(Signature)</i> <b>Chairman</b> ( M R Kumar) DIN- 03628755</p> <p style="text-align: center;"><i>(Signature)</i> <b>Director</b> ( Vipin Anand) DIN- 05190124</p> <p style="text-align: center;"><i>(Signature)</i> <b>Director</b> ( Rakesh Kumar) DIN- 08531595</p>
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## LIC CARDS SERVICES LIMITED

CIN-U65100DL2008PLC184790

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

	As At 31.03.2021 (Rs.)	As At 31.03.2020 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/(Loss) Before Tax	52,966,873	50,126,161
Adjustments for:		
Depreciation & Amortization	369,068	272,491
Interest & Other Income	(13,358,813)	(8,916,012)
<b>Operating Profit before Working Capital Changes</b>	<b>39,977,129</b>	<b>41,482,640</b>
Adjustment For:		
(Increase)/Decrease in Debtors	-10,336,486	3,020,663
(Increase)/Decrease in Other Receivables	(80,362,598)	(74,842,016)
Increase/(Decrease) in Trade Payables and Other Payables	39,493,794	30,824,713
Cash Generated from Operations	-11,228,161	486,000
Refund/(Payment) of Taxes (including TDS)	-	-
<b>Net Cash from/(used in) Operating Activities</b>	<b>-11,228,161</b>	<b>486,000</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale/(purchase) of Fixed Assets (net)	(463,871)	(710,424)
Proceeds from Mutual Funds	33,000,000	32,400,000
Investment in Mutual Funds	(39,690,580)	(26,041,520)
Interest & Other Income Received	13,358,813	8,916,012
<b>Net Cash Used in Investing Activities</b>	<b>6,204,362</b>	<b>14,564,068</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Equity shares	-	-
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>D. Net Cash Flows during the year (A+B+C)</b>	<b>-5,023,799</b>	<b>15,050,068</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>20,318,958</b>	<b>5,268,890</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>15,295,159</b>	<b>20,318,958</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>-5,023,799</b>	<b>15,050,068</b>

As per our report attached

For S S P J & Co.  
Chartered Accountants  
Firm Reg No 018083N

CA Parteek Singla  
(Partner)  
M. No. 539753

Place : New Delhi  
Date : 23/6/2021



*(Signature)*

Chairman  
( M R Kumar)  
DIN- 03628755



For LIC Cards Services Limited

*(Signature)*  
Director  
( Vipin Anand)  
DIN- 05190124

*(Signature)*  
Director  
(Rakesh Kumar)  
DIN - 08531595

**LIC CREDIT CARDS SERVICES LIMITED**

**SCHEDULE OF FIXED ASSETS & DEPRECIATION AS ON 31.03.2021 (As per Income Tax Act)**

S.No.	Particulars	Opening as on 01.04.2020	Addition during the year		Deletion /Sale	Total as on 31.03.2021	Depreciation Rate	Depreciation for the year	Balance as on 31.03.2021
			More than 180days	Less than 180days					
1	Computres	528,821	-	71,467	-	600,288	40%	225,822	374,466
2	Plant & Machinery	485,686	-	144,432	1,000	629,118	15%	83,535	545,583
3	Furniture & Fixtures	920,034	-	249,533	-	1,169,567	10%	104,480	1,065,087
	<b>TOTAL</b>	<b>1,934,541</b>	<b>-</b>	<b>465,432</b>	<b>1,000</b>	<b>2,398,973</b>		<b>413,837</b>	<b>1,985,136</b>





**Note – 18 Significant Accounting Policies**

**1. Basis of preparation of Financial Statements**

The financial statements are prepared under the historical cost convention on accrual basis and in conformity with the mandatory Accounting Standards (AS) as notified under Section 133 of Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

**2. Presentation of Financial Statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013. The disclosure requirements with respect to items in the Balance sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

**3. Revenue Recognition**

Revenue is recognized based on nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

A Revenue from Operations:-

(a) Sales & Services: - On Accrual Basis.

(b) Other Operational Revenue: - Other operational revenue represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract with customers.

B Other Income:-

- (i) Interest income is accrued and recognized at applicable interest rate on gross basis inclusive of tax deducted at source thereof.
- (ii) Other items of income are accounted as and when the right to receive arises.



#### 4. Tangible and Intangible Fixed Assets

The fixed assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of concerned assets and are stated net of accumulated depreciation and impairment loss, if any.

#### 5. Depreciation/Amortization

Depreciation on tangible fixed assets has been provided based on the useful life prescribed in schedule II of the Companies Act, 2013 in the manner stated therein. Intangible assets represented by computer software are being amortized over a period of three years.

#### 6. Impairment of Assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. At the balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss, to the extent the carrying amount exceeds the recoverable amount.

#### 7. Taxes on income

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. Deferred Tax is accounted by using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date.

The carrying amount of Deferred Tax Assets or unrecognized Deferred Tax Assets are reviewed at each Balance Sheet date and are written down or recognized as the case may be, depending upon the virtual certainty criteria.

#### 8. Transactions in foreign currency

- i. The reporting currency of the Company is Indian rupee.
- ii. The company is not dealing in foreign exchange.





## 9. Employees Benefits

Employees Benefits has been paid in accordance with the provisions of LIC of India (Holding company). No provision has been made for Gratuity and other retirement benefits, since all the employees of the company are employees of LIC of India (Holding company) and are posted from time to time and no actuarial valuation is possible in the absence of fixed tenure of posting of employees.

## 10. Cash and Cash Equivalents

Cash and Bank Balances also include Fixed Deposits maturing within three months.

## 11. Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Indian Accounting Standard 37 - 'Provisions, Contingent Liabilities and Contingent Assets' issued by Ministry of Corporate Affairs, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent liabilities are recognized only when there is possible obligation arising from past events due to occurrence or non – occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation can't be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.

## 12. Indian Accounting Standard

Indian Accounting Standards as notified by Ministry of Corporate Affairs have been applied to the extent applicable.

## 13. Accounting of Investments

Funds are invested in LIC Nomura MF Liquid Fund on the basis of liquidity, safety of funds and risk-free return. Investments in LIC Nomura MF Liquid Fund are valued at cost.



**LIC CARDS SERVICES LIMITED**  
**Annual Report – 2020-21**

**18. Other Notes to Accounts**

1. In the opinion of the Board, current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.
2. Trade Payables include overdue amount of Rs. Nil (including interest of Rs. Nil) payable to micro, small and medium enterprises.
3. Company has not made any provision for retirement benefits since entire staff of the company are employees of LIC of India (Holding company) and are posted at LIC Cards Services Limited from time to time. No actuarial valuation is possible in the absence of fixed tenure of posting of employees. Any such provisioning is being made in the books of LIC of India.
4. The Salaries and other emoluments of the staff are paid directly by the Life Insurance Corporation of India as the LIC has sent its employees on deputation to LIC Cards Services Limited. LIC deducts Income Tax (TDS) on salaries and other emoluments paid to the employees and issues Form 16 and salary certificates to them. LIC Cards Services Limited is not deducting any TDS on payroll cost transferred by LIC of India.
5. Employee cost represents the amount to be reimbursed by the company to Life Insurance Corporation of India (LIC) in respect of staff deputed at the company by LIC of India.
6. GST Inputs Tax Credit has been claimed on the basis of bills received from the vendors, subject to further deposit of GST amount collected by vendors to the account of Government.
7. The segment reporting disclosure as required by Accounting Standard 17 – “Segment Reporting” is not applicable, as the company has a single reportable business segment of Marketing and Distribution of Credit Cards/Gift Cards/Sodexo Meal Cards.
8. Income from spend on cards is booked as certified by the Management of the Company and it is pending verification from the records of Axis Bank. Company is following up with Axis Bank for verification of spend amount for a long time and despite repeated reminders, their response is still awaited. It was expected that process of verification of spend figures will be implemented during 2020-21, however due to COVID pandemic the process got delayed further.
9. Co-Branding fees from Sodexo meal cards is booked as certified by the Management of the Company and it is pending verification from the records of LIC of India / Sodexo.



**LIC CARDS SERVICES LIMITED**  
**Annual Report – 2020-21**

10. There is neither any income nor expenditure in foreign exchange during the Financial Years 2020-21 and 2019-20

11. Related Party Disclosures as required by Accounting Standard 18 – “Related Party Disclosures” as issued by Ministry of Corporate Affairs - are given below:

a) Name of related parties and nature of relationship where control exist

Sr. No.	Related Party	Nature of relationship
1	LIC of India	Promoter (Holding Company)
2	Mr. Rakesh Kumar	Director (Executive)
3	LIC Housing Finance Limited	Associate Company
4	LIC Mutual Fund Assets Management Ltd	Associate Company

b) Details of transactions with related parties during the year

Name of related party	Nature of transaction	Amount (In Rs.)	
		2020-21	2019-20
Life Insurance Corporation of India	Reimbursement of Payroll cost of the staff posted at the company	3,46,06,462	3,30,02,695
Life Insurance Corporation of India	Rent Expense	3,47,040	3,09,938
Life Insurance Corporation of India	Electricity & Water Charges	3,05,249	3,59,392
Mr. Narendra Pal Chawla	Remuneration	Nil	8,77,451
Mr. Rakesh Kumar	Remuneration	42,13,888	35,69,116
LIC Housing Finance Limited	Interest Income	1,02,92,289	22,89,332
LIC Mutual Fund Assets Management Ltd	Investment Income	1,90,580	4,41,520

c) Closing balance with related parties as at year end

Name of related party	Nature of transaction	Amount (In Rs.)	
		As at 31.03.2021	As at 31.03.2020
Life Insurance Corporation of India	Outstanding as at year end	14,39,15,482	10,93,11,105
LIC Housing Finance Ltd	Fixed Deposit Balance as at year end	21,65,00,000	8,50,00,000
LIC Housing Finance Ltd	Interest Accrued as at year end	1,18,02,415	25,43,702
LIC Mutual Fund Assets Management Ltd	Outstanding as at year end	92,58,735	25,68,155



**LIC CARDS SERVICES LIMITED**  
**Annual Report – 2020-21**

Above mentioned related parties are identified by the management of company as per Accounting Standard 18 - Related Party Disclosures and relied upon by the auditors.

12 In accordance with Accounting Standard 20 – “Earnings per Share”, the required disclosure is given below:

Particulars	Amount (in Rs.)	
	Year ended 31-03-2021	Year ended 31-03-2020
Net Profit attributable to shareholders (in Rs.)	3,96,26,657	3,61,81,001
Weighted Average no. of Equity shares outstanding	10,00,000	10,00,000
Basic & Diluted Earning per share of Rs. 10/- each (in Rs.)	39.63	36.18

13. Auditor’s Remuneration:

Particulars	Amount (in Rs.)	
	Year ended 31-03-2021	Year ended 31-03-2020
Audit Fees (Statutory Audit)	65,000	55,000
Other certification work (Tax Audit)	20,000	16,000
ITR filing & Other related work	37,500	78,500

Note: Above amounts are exclusive of GST.

14. In accordance with the provisions of Accounting Standard- 21 relating to “Accounting for Taxes on Income”, the breakup of Deferred Tax Assets/Liabilities is shown below:-

Particulars	2020-21	2019-20
Opening Deferred Tax Assets (in Rs.)	1,01,280	1,25,700
Deferred tax Income/(Expense) for the year (in Rs.)	(20,781)	(24,420)
Net Deferred Tax Assets/(Liabilities) as at year end (in Rs.)	80,499	1,01,280

15. Impact of COVID-19: The Company does not foresee any large-scale contraction in business which could result in significant down-sizing on long term basis. However our liquidity position can be adversely affected in short term, if our ability to bill and/or collect from our customers on time is impacted due to COVID – 19 disruptions.



**LIC CARDS SERVICES LIMITED**  
**Annual Report – 2020-21**

16. The management has evaluated the financials of the company and do not foresee any contingent liabilities and assets.

17. Previous year figures are reclassified / regrouped wherever, it was necessary.

**For S S P J & Co.**  
**Chartered Accountants**  
Firm Reg. No. 018083N

**For and on behalf of the Board of**  
**Directors of LIC Cards Services Ltd**

  
  
**CA PARTEEK SINGLA**  
(Partner)  
M.No.: 539753

  
**CHAIRMAN**  
(M R Kumar)  
DIN-03628755

  
**DIRECTOR**  
(Vipin Anand)  
DIN-05190124

  
**DIRECTOR**  
(Rakesh Kumar)  
DIN-08521595

**Place: New Delhi**  
**Dated: 23/6/2021**





(A 100% Wholly Owned Subsidiary of LIC of India)

**Corrigendum to the Significant Accounting Policies – Note – 18**

Point no. 11 of Note 18 – “Significant Accounting Policies

(Referred to point no. 11 of Significant Accounting Policies of Annual Report For the Financial Year 2020-21 of LIC CARDS SERVICES LIMITED)

**Point No. 11 which read as:**

Provisions are recognized in terms of Indian Accounting Standard 37 - ‘Provisions, Contingent Liabilities and Contingent Assets’ issued by Ministry of Corporate Affairs, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

**Should be read as:**

Provisions are recognized in terms of Accounting Standard 29 - ‘Provisions, Contingent Liabilities and Contingent Assets’ notified by Ministry of Corporate Affairs, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

**Point No. 12 which read as:**

**12. Indian Accounting Standard**

Indian Accounting Standards as notified by Ministry of Corporate Affairs have been applied to the extent applicable.

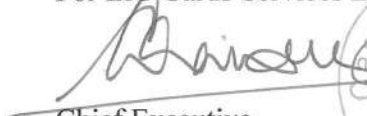

**Should be read as:**

**12. Accounting Standard**

Accounting Standards as notified by Ministry of Corporate Affairs have been applied to the extent applicable.

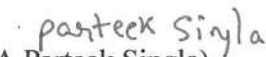
This corrigendum has no material impact on our Financial Statements for the year ending March 2021.

For LIC Cards Services Limited

  
Chief Executive  
Date: 24.09.2021  
Place: Delhi  


For S S P J & Co.

Chartered Accountants,

  
(CA Pardeep Singla)  
Partner





CIN: U65100DL2008PLC184790

Jeevan Prakash Building, 6th Floor, 25, K. G. Marg, New Delhi-01

Tel: 28844292 Fax: 23324683 E-mail: lic-creditcard@licindia.com Website: www.liccards.co.in



**INDEPENDENT AUDITORS' REPORT**

To the Members of  
LIC Cards Services Limited  
New Delhi

**Report on the financial statements**

**Opinion**

We have audited the accompanying financial statements of LIC Cards Services Limited ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss for the year then ended, Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and its Statement of Profit & Loss and Cash Flow Statement for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



- **Head Office:** 105, Roots Tower, Plot No. 7, Laxmi Nagar District Centre, Laxmi Nagar, Delhi-110092
- **Landline:** 011-42448921; **Handheld:** +91-9654887723, +91- 9654111115
- **Email:** [sheetal@spjca.in](mailto:sheetal@spjca.in); [sandeep@spjca.in](mailto:sandeep@spjca.in) **Web:** [www.spjca.in](http://www.spjca.in)
- **Offices also at:** Chandigarh, Ahmedabad, Mumbai, Bathinda, Mansa and Ambala



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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibility**

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

A further description of the auditor's responsibilities for the audit of the financial statements is included in Annexure B. This description forms part of our auditor's report.

## **Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:





- a) We draw attention to point 8 of other notes to accounts, which explains that the Income from spend on cards is pending verification from the records of Axis Bank for a long time. Company is repeatedly following up with Axis Bank for verification of spend amount. However, the matter is still pending and under discussion with Axis Bank. Internal system needs to be put in place by the company in order to verify the card Spending, Sourcing Income and Income from activation of cards. The financial statements of the Company have been prepared based on figures as made available by Axis Bank and certified by the management of LIC Cards Services Limited.
- b) We draw attention to point 9 of other notes to accounts, which explains that Co-Branding Income from Sodexo Meal Cards in the books of LIC cards services Ltd. is pending verification. The financial statements of the Company have been prepared based on figures as made available by Sodexo and certified by the management of Company.
- c) We draw attention to point 14 of other notes to accounts, which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

#### **Other Matter**

As per submission made to us the company has not described any establishment as branch, hence no branch audit is applicable to it.

Our opinion is not modified in respect of these matters.

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

1. Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet and the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) In our opinion there are no observations or comments on the financial transactions, which may have adverse effect on the functioning of the company.
- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) Report on the Internal Financial Controls under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act") is given in 'Annexure B'.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company
- iv. Report as per the Directions of C & AG, under section 143(5) of the Companies Act, 2013, is attached herewith in Annexure "C" to the Independent Auditors Report.

For and on behalf of

**S S P J & CO.**

Chartered Accountants

Firm Regn. No. 018083N



*Parteek Singh*

(CA Parteek Singla)

Partner

M.No. 539753

Place: Delhi

Date: 28.06.2021

UDIN: 21539753 AAAARBP7267



## **ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT**

(Referred to in paragraph 1 under Report on other Legal and Regulatory Requirements of our Report of even date to the members of LIC CARDS SERVICES LTD on the accounts of the company for the year ended March 31, 2021)

- 1)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The fixed assets have been physically verified by the management at the reasonable intervals, which in our opinion, is considered reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the Company is not Holding/owning any immovable properties.
- 2) The company is a service company and does not carry any inventories.
- 3) The company has not granted any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) The company has not granted any loans, investments, guarantees, and security covered u/s 185 and 186, therefore reporting under this clause is not required.
- 5) In our opinion and according to information and explanations given to us the company has not accepted any deposit from public and from the members.
- 6) Maintenance of cost record has not been specified by the Central Government under sub-section (1) of the section 148 of the Companies Act, 2013.



- 7) a) According to records of the company, the company, is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sale tax, value added tax, wealth tax, custom duty, excise duty, service tax cess, Goods & Service Tax and other statutory dues applicable to it.
- b) According to information and explanations given to us no undisputed amount payable in respect of income tax, wealth tax, sales tax, value added tax, service tax, custom duty and excise duty as at 31st March 2021 for a period of more than six months from the date they became payable.
- c) According to the records of the company, there are no dues of sales tax, income tax, custom tax/wealth tax, value added tax, service tax, excise duty/cess which have not been deposited on account of any dispute.
- 8) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders.
- 9) No term loan or money through IPO or further public offer has been raised by the company during year under audit.
- 10) Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported the course of our audit.
- 11) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act during the year under audit.
- 12) The company is not a Nidhi Company,
- 13) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- 14) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.



15) The company has not entered into any non-cash transactions with directors or persons connected with them.

16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For and on behalf of

**S S P J & CO.**

Chartered Accountants

Firm Reg. No. 018083N



*Parteek Singla*  
**CA Parteek Singla**

Partner

M.No. 539753

Place: Delhi

Date: 29/6/2021



## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LIC CARDS SERVICES LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of LIC CARDS SERVICES LIMITED ('the Company') as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India (the Guidance Note). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards of Auditing prescribed under Section 140(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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





## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-Mar-2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of  
**S S P J & CO.**

Chartered Accountants  
Firm Reg. No. 018083N



*Parteeek Singh*  
**CA Parteeek Singla**  
Partner  
M.No. 539753

Place: Delhi

Date: 28/6/2021



**ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LIC CARDS SERVICES LIMITED FOR THE FINANCIAL YEAR 2020-21**

Report as per the Directions of C & AG, under section 143 (5) of the Companies Act, 2013

S. No.	Directions	Report
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The books of accounts of company are maintained in TALLY. However The operational income is majorly billed based on figures received from Axis Bank and there is no mechanism in place to cross verify these figures. These Axis Bank billing amounts are based on figures processed outside IT system (i.e. Axis Bank IT System). The company is in the process of verifying these figures and following up with Axis Bank for the same.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable. There is no long term or short term loans taken by the company. Hence question of any restructuring does not arise.
3.	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Not Applicable. The company has not received any fund for any specific scheme from any Central/State Agencies.
4.	Whether the security controls for digital payment products and services are in compliance with the directions of RBI for Digital Payment Security Controls dated 18 February 2021?	Not applicable. The company is not a NBFC.

- **Head Office:** 105, Roots Tower, Plot No. 7, Laxmi Nagar District Centre, Laxmi Nagar, Delhi-110092
- **Landline:** 011-42448921; **Handheld:** +91-9654887723, +91-9654111115
- **Email:** [sheetal@spjca.in](mailto:sheetal@spjca.in); [sandeep@spjca.in](mailto:sandeep@spjca.in) **Web:** [www.spjca.in](http://www.spjca.in)
- **Offices also at:** Chandigarh, Ahmedabad, Mumbai, Bhubaneswar, Mansa and Ambala



5.	RBI provided a window (vide circular dated 6 <sup>th</sup> August 2020) under the prudential framework to implement a resolution plan to borrowers having stress on account of Covid 19, as per which existing loans can be restructured without downgrading the asset classification. Are there any cases of restructuring involving the new provision and if so, are they in compliance with the RBI circular.	Not applicable since the company is not dealing in loans and advances.
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Place: Delhi  
Date: 28/6/2021



For and on behalf of  
**SSPJ & CO.**  
Chartered Accountants  
Firm Reg. No. 018083N

*Parteeek Singla*  
**CA Parteeek Singla**  
Partner  
M.No. 539753





## Compliance Certificate

We have conducted the audit of annual accounts of **LIC Cards Services Limited** for the year ended March 31, 2021 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For and on behalf of  
**SSPJ & CO.**  
Chartered Accountants  
Firm Reg. No. 018083N



*Partek Singh*  
**CA Partek Singla**  
Partner  
M.No. 539753

Place: Delhi  
Date: 28/6/2021



## Corrigendum to the Independent Audit Report 2020-21

### Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1 under Report on other Legal and Regulatory Requirements of our Report of even date to the members of LIC CARDS SERVICES LTD on the accounts of the company for the year ended March 31, 2021)

Point No. 10 which reads as;

"Based upon the audit procedure performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported the course of our audit"

Should be read as;


"To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year"

This corrigendum has no material impact on our Independent Audit Report.

For and on behalf of

SSPJ & CO  
 Chartered Accountants  
 Firm Reg. No. 018083N

*Received me  
 at 1456 hrs  
 9/9/2021*



Place: Delhi  
 Date: 9/9/21

*Parteeek Singla*  
 Parteeek Singla  
 CA Parteeek Singla  
 Partner  
 M.No. 539753

कार्यालय प्रधान निदेशक लेखापरीक्षा,  
उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,  
नई दिल्ली-110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE  
NEW DELHI-110 002

संख्या:एएमजी-II/2(322)/वार्षिक खाता/  
LIC Cards/ (2020-21)/2021-22/ 214  
दिनांक: 04/10/2021

सेवा में

अध्यक्ष,  
एलआईसी कार्ड्स सर्विसेस लिमिटेड,  
जीवन प्रकाश भवन, छठा तल,  
25, केजी मार्ग, नई दिल्ली-110001.

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2021 को समाप्त वर्ष के लिए एलआईसी कार्ड्स सर्विसेस लिमिटेड, के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अंतर्गत 31 मार्च 20 21 को समाप्त वर्ष के लिए एलआईसी कार्ड्स सर्विसेस लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

(विष्णु सूद)

प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF LIC CARDS SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of LIC Cards Services Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 28 June 2021.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of LIC Cards Services Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**

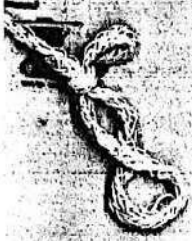
  
(Vidhu Sood)

**Principal Director of Audit  
(Industry & Corporate Affairs)  
New Delhi**

**Place: New Delhi**

**Date: 04 OCT 2021**





OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
10, BAHADUR SHAH ZAFAR MARG, NEW DELHI - 110 124

16  
3

No./CA. V/ COY/CENTRAL GOVERNMENT, LCCSL(1)/122  
Dated : 18/08/2021

N-I

To  
THE MANAGING DIRECTOR  
LIC CARDS SERVICES LIMITED  
6TH FLOOR, JEEVAN PRAKASH BUILDING, 25 KG MARG, NEW DELHI  
NEW DELHI-110001

Subject : Appointment of Auditors under section 139 of the Companies Act, 2013 for the financial year 2021-2022

Sir/Madam,

I am directed to state that in exercise of the powers conferred by section 139 of the Companies Act 2013, the Comptroller and Auditor General of India is pleased to appoint the Chartered Accountant firms/Limited Liability Partnerships As per Annexure - II as the Statutory/Joint Statutory/ Branch Auditors of the company for the year(s) : 2021-2022. Statutory/Joint Statutory Auditor (s) of holding company shall also be the auditors of Consolidated Financial Statements under section 139 read with section 129(4) of the Companies Act, 2013.

2. You are requested to contact the concerned auditors individually under intimation to this office

3. The supplementary/test audit under sections 143 (6) & (7) of the Companies Act, 2013 of your company is entrusted to

PRINCIPAL DIRECTOR OF AUDIT (INDUSTRY AND CORPORATE AFFAIRS)  
P ESTATE  
NEW DELHI-110002

4. The remuneration and other allowances payable to the auditors may be regulated as per the provisions of section 142 of the Companies Act 2013 read with guidelines issued by the Department of Company Affairs vide no. 7/76 dated 8th April, 1976 and no. 8/6/83 dated 07th June, 1984.

5. The audit fees paid/payable to the auditors as intimated by the Company has been indicated in Annexure-I. Any revision in the audit fees payable (including fees for consolidation) for the year 2021-2022 and item-wise details of all remuneration paid to the auditors for other services (other than statutory audit) along with the amount of TA/DA paid for 2020-2021 may be intimated.

The said information may be provided as soon as the Accounts for the year 2020-2021 is finalised so as to enable this office to review the appointment/ re-appointment of the appointed auditors.

The above appointment is subject to the other conditions stipulated in Annexure-I (available on the CAG's website <http://care.cag.gov.in/policy/terms.pdf>).

Yours faithfully,

SU

(Raj Kumar)

Sr. Administrative Officer

271-271  
21-21

Phone : 011-23509240 Fax : 91-11-23237730, 91-11-23509241 E-mail : saoca5@cag.gov.in, 102ca5@cag.gov.in

Pl. Review  
Please int up  
27/9/21



I 14

## ANNEXURE - I I

### LIST OF CHARTERED ACCOUNTANT FIRMS FOR THE YEAR 2021-2022

Sl. No.	Firm Name	PSU Code / Unit Code	Station	Audit Details	Fees per annum in Rs (As Intimated by the PSU)
<b>STATUTORY AUDITOR</b>					
1	SSPJ & CO (DE2910) 105, ROOTS TOWER PLOT NO 7, DISTRICT CENTRE LAXMI NAGAR, DELHI DELHI NEW DELHI - 110092, DELHI	LCCSL ST-AR (3)	NEW DELHI		55000

Any change/revision in the audit fee payable to each of the auditor(s) mentioned above should be immediately intimated to this office for record and reference as the selection of auditors is based on the audit fees paid/payable.

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**LIC CARDS SERVICES LIMITED**

1. In these Regulations unless the context otherwise require:
  - (a) "The Company" or this company' means: **LIC CARDS SERVICES LIMITED**
  - (b) "the Act" means the "Companies Act, 2013" and every statutory modification or re-enactment thereof and references to Sections or Rules of the Act shall be deemed to mean and include references to sections enacted in modification or replacement thereof.
  - (c) "these Regulations" means these Articles of Association as originally framed or as altered, from time to time.
  - (d) "the Office" means the Registered Office for the time being of the Company.
  - (e) "the Seal" means the common seal of the Company.
  - (f) Words imparting the singular shall include the plural and vice versa, words imparting the masculine gender shall include the feminine gender and words imparting persons shall include bodies corporate and all other persons recognised by law as such.
  - (g) "month" and "year" means a calendar month and calendar year respectively.
  - (h) Expression referring to writing shall be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in visible form.
  - (i) 'LIC' means "Life Insurance Corporation of India", established under section 3 of the LIC Act, 1956 and having its central office at Mumbai, India.
  - (j) Unless the context otherwise requires, the words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modifications thereof, in force at the date at which these regulations become binding on the Company.
2. The Regulations contained in Table F in Schedule 1 to the Companies Act, 2013 shall not apply to the Company and the Regulations herein contained shall be the regulations for the management of the Company and for the observance of its members and their representatives. They shall be binding on the company and its members as if they are the terms of an agreement between them.

**SHARE CAPITAL**

3. a) The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Company's regulations and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions in such manner as may for the time being be provided by the Regulations of the Company and allowed by law.  
b) The minimum paid up Capital of the Company will be Rs. 1,00,00,000/- (Rs. One Crore).
4. Subject to the provisions of these Articles and of the Act, the shares shall be under the control of the Board of Directors, who may allot or otherwise dispose off the same to such

persons, on such terms and conditions and at such time as they think fit and with full power to give any person the option to call of or be allotted shares of the Company of any class, either at a premium or at par and for such time and for such consideration as the Board of Directors think fit (subject to the provisions of Section 53, 54, 56 and 58 of the Act), provided that option or right to call of shares shall not be given to any person except with the sanction of the Company in General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 39 of the Act.

5. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the register shall, for the purposes of the Articles, be a member.
6. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8.
  - (1) The company may exercise the powers of paying commissions conferred by Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.
  - (2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½% (two and a half per cent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.
  - (3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
  - (4) The Company may also, on any issue of shares, pay such brokerage as may be lawful.
9.
  - (1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment (or within such other period as the conditions of issue shall provide) or within one month after the application for the registration of transfer is received by the Company.
    - (a) One certificate for all his shares without payment, or
    - (b) Several certificates, each for one or more of his shares, provided that any subdivision, consolidation or splitting of certificates required in marketable lots shall be done by the Company free of any charges.
  - (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.
  - (3) In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

- 9A. The Company shall on being so required by a member, send to him within seven days of the requirement and subject to the payment of a fee of Re. 1 a copy of each of the following documents as in force for the time being
- (a) The Memorandum
  - (b) The Articles
  - (c) the Agreement, if any, entered into or proposed to be entered into by the Company with any person appointed or to be appointed as its Chief Executive or as its Whole time Director and
  - (d) Every other agreement and every resolution referred to in the Act, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.
10. The Company agrees, that it will not charge any fees exceeding those which may be agreed upon with the Stock Exchange.
- (i) for issue of new certificates in replacement of those that are torn out, defaced lost or destroyed;
  - (ii) for sub-division and consolidation of shares and debenture certificates and for subdivision of Letters of Allotment and Split, Consolidation, Renewal and Pucca Transfer Receipts into denominations other than those fixed for the market units of trading".
11. If any shares stands in the names of two or more persons, the person first named in the register of members shall as regards receipt of dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

#### **LIEN**

12. Subject to the provisions of Companies Act, 2013 the Company shall have a first and paramount lien upon all the shares (not being a fully paid up share) for all monies (presently payable) registered in the name of such member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements (whether presently payable or not) solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually lien or not and such lien shall extend to all dividends, from time to time, declared in respect of shares, subject to section 123 of the Companies Act 2013. The Board of Directors may at any time declare any shares to be wholly or in part exempt from the provisions of this clause.
13. The Company may sell, in such manner as the Board think fit, any share on which the Company has a lien provided that no sale shall be made :-
- (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
14. (1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.
- (2) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.



- (3) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
15. (1) The proceeds of the sale shall be received by the company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.
- (2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares as the date of sale, be paid to the person entitled to the shares at the date of the sale.

### **CALLS ON SHARES**

16. (1) The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (2) Each member shall, subject to receiving at least Fourteen days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his shares.
- (3) A call may be revoked or postponed at the discretion of the Board.
17. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed. Call money may be required to be paid by installments.
18. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
19. (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent or at such lower rate, if any as the Board may determine.
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
20. (1) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (2) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
21. Subject to the provisions of Section 50 and 179 of the Act, the Board:-
- (a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any shares held by him; and
  - (b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid shares (until the same would but for such advance become presently payable)

at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12% (twelve percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to dividend or to participate in profits.

22. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of members of the company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
23. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

#### **TRANSFER AND TRANSMISSION OF SECURITIES**

24. The Company shall keep a "Register of Transfers" and therein shall fairly and distinctly enter particulars of every transfer or transmission of any share(s) or securities.
25. (1) the instrument of transfer of any securities in the Company shall be executed by or on behalf of both the transferor and the transferee.
- (2) The transferor shall be deemed to remain a holder of the security until a properly signed deed of transfer is received by the Company within 2 months of its execution and proper note thereof has been taken and name of transferee has been entered in the Register of Members/Securities, as the case may be.
26. The instrument of transfer shall be in writing and all the provisions of Companies Act 2013 and modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.
27. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

#### **TRANSFER OF SECURITIES**

28. The Board of Directors may, subject to the right of appeal conferred by Section 58 of the Companies Act, 2013 decline to register :-
  - (a) the transfer of a share not being a fully paid up share, to a person of whom they do not approve; or

- (b) any transfer of the share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.
29. The Board may decline to recognise any instrument of transfer unless:-
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
30. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.
31. (a) On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

- (b) There shall be no charge for:
  - (a) registration of shares or debentures.
  - (b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
- (c) sub-division of renounceable Letters of Right;
- (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;
- (e) registration of any Powers of Attorney, Letter of Administration and similar other documents.

#### **TRANSMISSION OF SECURITIES**

32. (a) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
33. (a) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either :-
- (i) to be registered himself as holder of the share; or
  - (ii) to make such transfer of the share as the deceased or insolvent member could have made.

- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
34. (a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
35. On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.
36. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any member of or debenture holder in the company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made thereunder and it shall not be lawful for the Company to register the transfer of any shares or debentures standing in the name of the deceased, unless the transferor has acquired such shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such shares and debentures has been paid or will be paid or that none is due, as the case may be.
37. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **FORFEITURE OF SHARES**

38. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.



39. The notice aforesaid shall:-
- (a) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
40. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.
41. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (2) At any time before a sale or disposal, as aforesaid, the Board may annul the forfeiture on such terms as it thinks fit.
42. (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.
- (2) The Liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the shares.
43. (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (2) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- (3) The transferee shall thereupon be registered as the holder of the share.
- (4) The transferee shall not bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
44. The provisions of these regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
45. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.
46. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of

the proceedings or to be application of the purchase money and after his name has been entered in the Register in respect of such shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

47. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.
48. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

### **CONVERSION OF SHARES INTO STOCK**

49. The Company may, by an ordinary resolution:-
  - (a) convert any paid-up shares into stock; and
  - (b) reconvert any stock into paid-up shares of any denomination authorised by these regulations.
50. The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit:
 

Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
51. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
52. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholder" respectively.

### **SHARE WARRANTS**

53. The Company may issue share warrant, subject to and in accordance with, the provisions of the Companies Act 2013 and accordingly the Board may in its discretion with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the certificate (if any) of the share; and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.
54. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company and of

attending and voting and exercising, the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited warrant.

- (2) Not more than one person shall be recognised as depositor of the share warrant.
  - (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
55. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege of a member at a meeting of the company or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he was named in the register of member as the holder of the shares including in the warrant and he shall be deemed to be a member of the Company in respect thereof.
56. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction of the original.

#### **ALTERATION OF CAPITAL**

57. The Company may, from time to time, by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall specify.
58. The Company may, by ordinary resolution in general meeting :
- (a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares :
  - (b) sub-divide its shares or any of them, into shares of similar amounts than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
  - (c) cancel any share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
59. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law :-
- (a) its share capital;
  - (b) any capital redemption reserve account; or
  - (c) any share premium account.
60. The Company may, from time to time, by special resolution and on compliance with the provisions of Section 66 of the Act, reduce its share capital.
61. The Company shall have power to establish Branch Offices, subject to the provisions of the Act or any statutory modifications thereof.
62. The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of

any work or building or the provision of any plant for the Company in accordance with the provisions of the Act.

63. The Company, if authorised by a special resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Section 230 to 232 of the Act.

#### **BUY-BACK OF SHARES**

64. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETING**

65. All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.
66. (1) The Board may, whenever it thinks fit call an Extraordinary General Meeting.
- (2) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- (3) A General Meeting may be called after giving shorter notice than that specified in subclause (1) hereof if consent is accorded thereto
- (i) in the case an Annual General Meeting by all the members entitled to vote  
There at: and 28
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety-five per cent of such part of the Paid up Share Capital of lie Company as gives a right to vote at the meeting:

#### **CONDUCT OF GENERAL MEETINGS**

67. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.
68. (1) No business shall be transacted at any general meeting, unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) Save as otherwise provided in Section 103 of the Act, a minimum of:-
- a) five members personally present if the number of members as on the date of meeting is not more than one thousand;
- b) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
- c) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;

Furthermore, A body corporate, being member, shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.



### **CONDUCT OF MEETINGS**

69. Every Annual General Meeting shall be called at a time during the business hours on a day that is not a public holiday and shall be held either at the Registered office or the Company or at some other place within the city, town or village in which the Registered Office of the Company is situated, as the Directors may determine.
70. The Chairperson of the Board of Directors shall be entitled to take the Chair at every General Meeting.
71. If there be no such Chairperson or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declines to take the Chair, the Directors present may choose one of their members to be Chairperson and in default of their doing so, the members present shall choose one of the Directors to be Chairperson, and if no Director present be willing to take the Chair, shall on show of hands elect one of their members to be Chairperson of the meeting, If a poll is demanded on the election of the Chairperson. it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on a show of hands shall exercise all the powers of the Chairperson under the said provisions.
72. No business shall be discussed at any general meeting except the election of a Chairperson, whilst the chair is vacant.
73. (1) The Chairperson may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.
- (2) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.
- (3) When a meeting is adjourned for thirty days or more, fresh notice of any adjourned meeting shall be given as in the case of an original meeting.
- (4) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
74. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which the show of hands takes places or at which the poll is demanded shall be entitled to a second or casting vote.
75. Any business other than that upon which a poll has been demanded, may be proceeded with, pending the taking of the poll.

### **VOTES OF MEMBERS**

76. Subject to any rights or restrictions for the time being attached to any class or classes of shares:
- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be as laid down in Section 47 of the Act.
77. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register of members.
78. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote

- by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll.
- 78A. The Company as per the provisions of Companies Act file with the Registrar of Companies printed or type-written copies of
- a) Special Resolutions;
  - b) Resolutions which have been agreed to by all the members of the Company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
  - c) Any resolution of the Board of Directors or agreement executed by the Company relating to appointment, re-appointment or renewal at the appointment or variations of the terms of appointment of a Chief Executive.
  - d) Resolutions or agreements which have been agreed to by all the members of any class of shareholders but which, if not so agreed to would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner required by the Act or by these Presents; and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members.
  - e) Resolutions passed by the company
79. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
80. No member shall be entitled to vote at any general meeting unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares, on which the Company has exercised any right of lien, have been paid.
81. (1) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (2) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision thereon shall be final and conclusive.
82. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
83. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
84. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

85. The number of Directors of the Company shall not be less than three and not more than fifteen.

86. The following shall be the first directors of the Company:-
1. Shri T.S. Vijayan
  2. Shri D.K. Mehrotra
  3. Shri Hemant Bhargava
- 86A. The Company will have such ex-officio directors as may be decided by the LIC of India.
- 86AA. The LIC of India shall also be entitled to appoint such other individuals as Directors of the Company. These Directors shall be appointed by the LIC of India on such terms and conditions as it deems fit and it may remove or replace at any time by notice to the Company any Director appointed by it. Such power of appointment, removal or replacement vested with the LIC of India shall be exercised by it through the Chairperson/CE & MD for the time being of the LIC of India. LIC of India shall also be entitled to appoint alternate directors in respect of the aforementioned Directors.
87. At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 152 of the Act or if their number is not three or a multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 152 of the Act.
88. (1) Subject to the provisions of Section 197 of the Act, the Directors shall be paid such further remuneration, whether in the form of monthly payment or by a percentage of profit or otherwise, as the Company in General Meeting may, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and in such manner as the Board may, from time to time, determine and in default of such determination, shall be divided among the directors equally of is so determined paid on a monthly basis.
- (2) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (3) Subject to the provisions of Sections 197 of the Act, if any Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Director at the cost and expense of the Company such facilities or amenities (such as rent free house, medical aid and free conveyance) as the Board may determine from time to time.
- (4) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid in accordance with company's rules to be made by the Board all travelling, hotel and other expenses properly incurred by them :-
- (a) In attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof; or
  - (b) In connection with the business of the Company.
89. The Directors shall not be required to hold any qualification shares in the Company.
90. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the

directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

91. If it is provided by any trust deed securing or otherwise in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the persons having such power may exercise such power, from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as a Debenture Director. A Debenture Director may be removed from office at time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture Director shall not be liable to retire by rotation.
92. In the course of its business and for its benefit the Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm, corporation, government, financing institution or other authority that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Directors may deem fit. Such nominees and their successors in office appointed under this Article shall be called Nominee Directors. Nominee Directors shall be entitled to hold office until requested to retire by the government, authority, person, firm, institution or corporation who may have appointed them and will not be bound to retire by rotation. As and whenever a Nominee Director vacates office whether upon request as aforesaid or by death, resignation or otherwise the government, authority, person, firm, institution or corporation who appointed such Nominee Director may if the agreement so provide, appoint another Director in his place.
93. Subject to the provisions of Section 161 of the Act, the Board of Directors shall have power to appoint an alternate Director to act for a Director during his absence for a period of not less than three months from India.
94. The Directors shall have power, at any time and from time to time, to appoint any qualified person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.
95. A person may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as director or shareholder of such company. Such Director, before receiving or enjoying such benefits in case in which the provisions of Section 188 of the Act are attracted will ensure that the same have been complied with.
96. Every nomination, appointment or removal of a Special Director shall be in writing and in accordance with the rules and regulations of the government, corporation or any other institution. A Special Director shall be entitled to the same rights and privileges and be subject to same obligations as any other Director or the Company.
97. The office of a Director shall become vacant:-
  - (i) on the happening of any of the events provided for in Section 167 of the Act;
  - (ii) on the contravention of the provisions of Sections 188 of the Act, or any statutory modifications thereof;
  - (iii) if a person is a Director of more than twenty Companies at a time, out of which not more than 10 (Ten) shall be Public Companies.



- (iv) in the case of alternate Director on return of the original Director to the State, in terms of Section 161 of the Act; or
  - (v) on resignation of his office by notice in writing and is accepted by the Board.
98. Every Director present at any meeting of the Board or a committee thereof shall sign his name in a book to be kept for that purpose, to show his attendance thereat.

#### **POWERS OF BOARD OF DIRECTORS**

99. The Board of directors may pay all expenses incurred in the formation, promotion and registration of the Company.
100. The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit with respect to the keeping of any such register.
101. The Directors may enter into contracts or arrangements on behalf of the Company subject to the necessary disclosures required by the provisions of Section 184 of the Act being made wherever any Director is in any way, whether directly or indirectly concerned or interested in the contract or arrangements.
- 101A. Subject to the provisions of the Act and subject to the directions as may be given by LIC of India, from time to time, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or in other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or things, the Board shall be subject to the provisions in that behalf contained in the Act or in any other Act or in the Memorandum of the Company or these Articles or any regulations not inconsistent therewith and duly made there under including regulations made by the Company in a general meeting. No 41 regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if those regulations had not been made.

#### **BORROWING POWER**

102. Subject to the provisions of Sections 73, 76, 179, and 180 of the Act, and the Regulations thereunder and Directions issued by the RBI, Directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property (both present and future), or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
103. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit subject to the provisions of Section 73 & 76 of the Act and rules framed thereunder.
104. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

#### **PROCEEDINGS OF THE BOARD**

105. Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two Directors, whichever is higher; provided that where at any time the number of

- interested Directors exceeds or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of directors, who are not interested, present at the meeting, being not less than two, shall be the quorum during such time.
106. The participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under clause 105 of the Articles.
107. If a meeting of the Board could not be held for want of quorum, whatever number of Directors not being less than two, shall be present at the adjourned meeting, notice where of shall be given to all the Directors, shall form a quorum.
108. (1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of vote.
- (2) In case of an equality of votes, the Chairperson of the meeting shall have a second or casting vote.
109. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or for summoning a General meeting of the Company, but for no other purpose.
110. The Chairperson or the Chief Executive of the company on his own motion or the Secretary of the Company, if any, shall upon the request in writing of two directors of the company or if directed by the Chief Executive or Chairperson, if any, convene a meeting of the Board by giving a notice, in writing to every director to the time being in India and at his usual address in India to every other director.
111. The Chairperson/CE& MD of LIC of India may be appointed as the Chairperson of the Board of Directors of the Company, provided written consent to this regard is given by him/her. However, if the Chairperson/CE & MD of LIC of India does not consent for appointment as Chairperson of the Board of Directors of the Company, LIC of India shall appoint some other person as the Chairperson on such terms and conditions as may be deemed fit and proper.
112. The meetings and proceedings of any such committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last proceeding Article.
113. (1) A committee may elect a Chairperson of its meetings.
- (2) If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes of the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
114. (1) A committee may meet and adjourn as it think proper.
- (2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present and in case of an equality of votes, the Chairperson shall have a second or casting vote.
115. All acts done by any meeting of the Board or by a committee thereof by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or persons acting as aforesaid: or that they or any of them were disqualified or had vacated office or were not entitled to act as such or that the appointment of any of them had been terminated

by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, had duly continued in office was qualified, had continued to be a Director his appointment had not been terminated and he had been entitled to be a Director provided that nothing in this Article shall be deemed to give validity to any act done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

116. Subject to Section 175 of the Act and except a resolution which the Act requires specifically to be passed in any board meeting, a resolution in writing, signed by the majority members of the Board or of a committee thereof; for the time being entitled to receive notice of a meeting of the Board or committee, shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)**

117. Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5 (five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Companies Act, 2013 and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall automatically be determined if he ceases to be a Director.

118. The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time revoke, withdraw, alter or vary all or any of such powers.

119. Subject to Section 203 of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

119A. LIC of India, may from time to time appoint Chief Executive and/or Whole time Director of the Company for such period as it shall think fit, and LIC of India may also, from time to time (subject to the provisions of any agreement between such Director and LIC of India) remove him from office, and appoint another in his place. Such power of appointment, removal or replacement vested with the LIC of India shall be exercised by it through the Chairperson/CE & MD for the time being of the LIC of India.

119AA. The Chief Executive and/or Whole time Director shall receive such remuneration and be subject to such terms and conditions of service as may from time to time be determined by LIC of India.

119AAA. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained thereof the Board may from time to time entrust to and confer upon the Chief Executive for the time being such of the powers exercisable under these presents by the Directors as they may think fit and may confer such powers for the time and to be exercised for such objects and purpose and upon such terms and conditions and with such restrictions as they think fit; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### **THE SEAL**

120. (1) The Board shall provide a common seal for the purposes of the Company and shall have power, from time to time, to vary or cancel the same and substitute a new seal in lieu thereof. The Board shall provide for the safe custody of the seal for the time being.
- (2) Subject to any statutory requirements as to Share Certificates or otherwise, the seal of the company shall not be affixed to any Instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

### **DIVIDENDS AND RESERVES**

121. The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
122. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
123. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
124. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
125. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
126. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.



- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
127. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
128. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
129. No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

### **ACCOUNTS**

130. (1) The Board shall cause proper books of accounts to be maintained under Sections 128 & 129 of the Act.
- (2) The Board shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company or any or them, shall be open to the inspection of members not being Directors.
- (3) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

131. Balance Sheet and Profit and Loss Account of the Company will be audited once in a year by a qualified auditor for correctness as per provision of the Act.

### **AUDIT**

132. (a) The first Auditor of the Company shall be appointed by the Board of Directors within thirty days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- (b) The auditor shall be hold office from the conclusion of First Annual General Meeting till conclusion of Sixth Annual General Meeting
- (c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- (d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

### **CAPITALISATION OF PROFITS**

133. (1) The company in General Meeting may, upon the recommendation of the Board resolve:-
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss Account, or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) among the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - (2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in clause (3), either in or towards :-
    - (i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or
    - (iii) partly in the way specified in sub - clause (i) and partly in that is specified in sub-clause (ii).
  - (3) Any share/securities premium account and any capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued share to be issued to members of the Company as fully paid bonus shares.
  - (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
134. (1) Whenever such as resolution as aforesaid shall have been passed, the Board shall:-
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
  - (b) do all acts and things required to give effect thereto.
- (2) The Board shall have full power :-
- (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit in the case of shares becoming distributable in fractions; and also
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (3) Any agreement made under such authority shall be effective and binding on all such members.

### **SECRECY**

135. Subject to the provisions of law of land and the act, every manager, auditor trustee, member of a committee, officer servant, agent accountant or other persons employed in the business of the company shall, if so required by the Board of Directors before entering upon his duties, sign, declaration, pledging himself to observe strict secrecy respecting all transactions of the Company with its customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself, not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

### **WINDING UP**

136. Subject to the provisions of Chapter XX of the Act and rules made thereunder:-

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

137. Subject to the provisions of Companies Act 2013, every Director, Manager, Auditor, Secretary and other officers or servants of the Company shall be indemnified, out of the assets of the Company against any bonafide liability incurred by him in defending any bonafide proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 463 of the Companies Act 2013, in which relief is granted to him by the Court.

### **MANAGEMENT OF BUSINESS**

138. The general management of the business of the Company shall, subject to the provisions of the Act and subject to the superintendence, control and directions of the Board, be with the Chief Executive and/or Whole-time Director and/or any other officer appointed by the Board for the purpose.

139. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

140. Printed or typewritten copy of any resolution of the Board of directors of the Company or the agreement relating to the appointment re-appointment or renewal of the appointment of the Chief Executive and/or whole-time Director varying the terms of any such agreement, executed by the Company and duly certified under the signature of the Secretary or any other officer of the Company so authorized, shall be filed with the Registrar of Companies within thirty days after the making thereof, as required by the Act.

141. Subject to the general supervision, control and direction of the Board and subject as hereinabove provided, the Chief Executive and/or Whole-time Director shall have the conduct and management of the business and affairs of the Company and shall have Power and Authority on behalf of the Company to acquire any properties, rights and privileges and to make all purchases and sales and to enter into all contracts and execute all agreements or other documents and to do all other acts and things usual, necessary or desirable in the management of the affairs of the Company or in carrying out its objects; and shall have power to institute, conduct, defend, compromise, refer to arbitration and abandon legal and other proceedings, claims and disputes in which the company is concerned and shall have power to appoint and employ in or for the purpose of the transaction and management of the affairs and business of the company or

otherwise for the purposes thereof such managers, experts, secretaries, chemists, technicians, engineers, brokers, lawyers, clerks, work men, servants and other employees as they shall think proper with such powers and duties and upon such terms as to duration of office, remuneration or otherwise as they shall think fit and from time to time to remove and suspend them or any of them and generally to appoint and employ any person or persons in the services or for the purposes of the Company as they shall think fit upon such terms and conditions as they shall think proper.

142. The Chief Executive and/or Whole-time Director or any other employee duly authorized by the Board to act severally or jointly shall have power to sign cheques on behalf of the company and to operate on all banking accounts of the Company and to sign and endorse cheques, interest warrants, dividend warrants and other instruments payable to the Company and to recover and receive interest and dividend on shares and securities belonging to the Company.

143. Receipts signed by the Chief Executive and/or Whole-time Director or any other employee duly authorized by the Board to act severally or jointly for any moneys or property received in the usual course of business of the Company or for any moneys, goods or property lent or payable or belonging to the Company shall be effectual discharge on behalf of and against the Company for the moneys, funds or property which such receipts shall acknowledge to have been received and the person paying any such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Chief Executive and/or Whole-time Director shall also have power to open current, overdraft, cash credit or fixed deposit accounts with any bank, company, firm or individual and to operate thereon.

144. The Chief Executive and/or Whole-time Director shall have power to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them and in particular from time to time to provide, by the appointment of any attorney or attorneys, for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.



We, the several persons whose names, addresses and descriptions are subscribed thereto, are desirous of being formed into a company in pursuance of these Article of Association.

S. No.	Name, Address, Description and occupation of the subscriber	Signature of Subscriber	Name , Address, Description & Signature of Witness
1	Life Insurance Corporation of India. Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021. Through Mr. T.S.Vijayan Chairman, Life Insurance Corporation of India, S/o Shri Salas Address :- B-6, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai- 400 026 Occupation :- Service	Sd/-	<p><i>I witness the signatures of all the subscribers</i></p> <p>Sd/- Sarwar Raza FCS, M. No. 5552, S/o, Mr. Masoom Raza F-8, Nizamuddin West, New delhi-110013.</p>
2	T.S.Vijayan S/o Shri Salas Add:- B-6, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai-40 026. Occupation:- Service Nominee of Life Insurance Corporation Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021.	Sd/-	
3	Dinesh Kumar Mehrotra S/o Shri J.N.Mehrotra Add:- C-1, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai-40 026. Occupation:- Service Nominee of Life Insurance Corporation Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021	Sd/-	

4	<p>Thomas Mathew Thumpeparambil S/o Thumpeparambil Mathai Mathew Add:- A-1, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai- 40 026. Occupation:- Service Nominee of Life Insurance Corporation Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021</p>	Sd/-	<p><i>I witness the signatures of all the subscribers</i> Sd/- Sarwar Raza FCS, M. No. 5552, S/o, Mr. Masoom Raza F-8, Nizamuddin West, New delhi-110013.</p>
5	<p>Arun Kanti Das Gupta S/o Phanindra Chandra DasGupta Add:- D-2, Jeevan Jyot, Setalwad Lane, Napean Sea Road, Mumbai- 40 026. Occupation:- Service Nominee of Life Insurance Corporation Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021</p>	Sd/-	
6	<p>N.Mohan Raj S/o Late Shri K.N.Nair Add: 22, Gaurav Appts., Sayani Road, Prabhadevi, Mumbai- 400 025. Occupation:- Service Nominee of Life Insurance Corporation Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021</p>	Sd/-	
7	<p>Hemant Bhargava S/o Shri S.K.Bhargava Add:- Flat No. 6, Jeevan Deep Building, Parliament Street, New Delhi-110 002. Occupation:- Service Nominee of Life Insurance Corporation Regd. Add:- Yogakshema, Jeevan Bima Marg, PB No. 19953, Mumbai-400 021</p>	Sd/-	

Place : New Delhi

Date; 04/11/2008.