



Independent Auditors' Report

To the Members of
SBI Life Insurance Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial statements of **SBI Life Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the Receipts and Payments Account (also called the "Cash Flow Statement") for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;
- b) in the case of the Revenue Account, of the net surplus for the year ended on that date;
- c) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- d) in the case of the Receipts and Payments Account, of the Receipts and Payments for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in

accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

- a) **Valuation of Investments (AUM March 31, 2024: 3,88,92,30,838 March 31, 2023: 3,07,33,94,060) (INR in Thousands)**

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

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

Total investment portfolio of the Company (i.e. Assets under Management (AUM)) represents 99.02 per cent of the Company's total assets.

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

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

The portfolio of quoted investments is 39.39 per cent of the Company's AUM and the portfolio of investments that are valued primarily using observable inputs is 58.80 per cent of the Company's AUM. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a

significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the standalone financial statements as a whole, they are considered to be one of the areas which had the significant impact on our overall audit strategy.

The portfolio of unquoted investments is 1.22 per cent of the Company's AUM. The valuation of unquoted investments involves judgement depending on the observability of the inputs into the valuation and further judgement in determining the appropriate valuation methodology where external pricing sources are either not readily available or are unreliable.

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

Auditors' Responses

Principal Audit Procedures

- We assessed appropriateness of the pricing methodologies with reference to IRDAI Investment Regulations, Financial Statement Regulations, Company's internal investment and valuation policy;
 - Assessed the process and tested the operating effectiveness of the key controls, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorisation and data input controls;
 - Fair value is best evidenced by quoted market prices in an active market. Where quoted market prices are not available, the quoted prices of similar products or valuation models with observable market based inputs are used to estimate fair value. The calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.
 - For quoted investments, the valuation was done in accordance with the independent pricing sources / market prices in an active market;
 - For unquoted investments, we critically evaluated the valuation assessment and resulting conclusions in order to determine the appropriateness of the valuations recorded with reference to the assessment made by the management for such valuation.
- b) **Information technology systems and controls (IT Controls)**

All insurance companies are highly dependent on technology due to the significant number of transactions that are processed daily. A significant part of the Company's financial processes is heavily

reliant on IT systems with automated processes and controls over the capturing, valuing and recording of transactions. Thus, there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.

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

Auditors' Responses

Principal Audit Procedures

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

c) **Contingent Liabilities and Litigations**

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

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

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

Auditors' Responses

Principal Audit Procedures

- We read the various regulatory correspondences and related documents pertaining to litigation cases and corroborated them with our understanding of legal position as per various statutes;
- We obtained legal opinion sought by management from the independent legal counsel including opinion of our own team to review



the sustainability of the dispute. We discussed the status and potential exposures in respect of significant litigation with the company's internal legal team and obtaining details regarding the progress of various litigations including management views on the likely outcome of each litigation and the magnitude of potential exposure;

- The various litigation matters were reviewed in order to assess the facts and circumstances and to identify the potential exposures and to satisfy ourselves that it is not probable that an outflow of economic benefits will be required, or in certain cases where the amount cannot be estimated reliably, such obligation is disclosed by the company as a contingent liability.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of The Insurance Act as amended from time to time, the IRDA Act, the IRDA Financial Statements Regulations, orders/directions/circulars issued

by IRDAI in this regard and the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable.

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Other Matter

The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 has been duly certified by the Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. Accordingly, we have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as contained in the standalone financial statements of the Company (Refer Note no. 5 of Schedule 16(C)).

Our opinion is not modified in respect of the above.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated April 26, 2024 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required under section 143(5) of the Act, based on our audit as aforesaid, we enclose herewith as per Annexure I, a report on the directions including additional directions issued by the Comptroller and Auditor-General of India ('C& AG') action taken thereon and its impact on the accounts and financial statements of the company.
3. As required under the IRDA Financial Statements Regulations, read with section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) As the Company's financial accounting system is centralized at Head Office, no returns are prepared at the branches and other offices of the company;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;



- (e) The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that, in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/ directions/circulars issued by IRDAI in this regard;
- (g) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders / directions issued by IRDAI in this regard;
- (h) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards specified under Section 133 of the Act to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/ directions/circulars issued by IRDAI in this regard;
- (i) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2024 from being appointed as a director in terms of section 164 (2) of the Act;
- (j) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to Annexure 'II' to this report;
- (k) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of

the Act read with Section 34A of the Insurance Act, 1938. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act read with Section 34A of the Insurance Act, 1938. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.;

- (l) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements- Refer Note 1 & 2 of Part C of Schedule 16;
 - The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts if any, including derivative contracts - Refer Note 35 of Part C of Schedule 16;
 - There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024;
 - (A) The management has represented that, to the best of its knowledge and belief, the Company have not advanced or loaned or invested from any kind of funds to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
 - (B) The management has represented that, to the best of its knowledge and belief, the Company have not received funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (C) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (A) and (B) contain any material mis-statement.

- The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
- Based on our examination which included test checks, the company has used an

accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For S K Patodia & Associates LLP
Chartered Accountants
Firm Regn. No. 112723W/ W100962

Ankush Goyal
Partner
Membership No. 146017
UDIN: 24146017NKESBZ7170

Place: Mumbai
Date: April 26, 2024

For S A R C & Associates
Chartered Accountants
Firm Regn. No. 006085N

Kamal Aggarwal
Partner
Membership No. 90129
UDIN: 24090129BKENFQ9235

Place: Mumbai
Date: April 26, 2024



Independent Auditors' Certificate

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

To the Members of
SBI Life Insurance Company Limited

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

Management's Responsibility:

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

Auditor's Responsibility:

Pursuant to the requirements of IRDA Financial Statements Regulations, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C read with regulation 3 of the IRDA Financial Statements Regulations as of and for the year ended March 31, 2024.

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

We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1,

Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

Opinion:

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by SBI Life Insurance Company Limited ('the Company'), for the year ended March 31, 2024, we certify that:

1. We have reviewed the Management Report attached to the standalone financial statements for the year ended March 31, 2024, and on the basis of our review, there is no apparent mistake or material inconsistencies with the standalone financial statements;
2. Based on management representations by the officer of the Company charged with compliance, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDAI;
3. We have verified the cash balances and securities relating to the Company's loans and investments as at March 31, 2024, to the extent considered necessary, based on management certificates, Custodian certificates / Confirmations (RBI, CCIL, SHCIL, HDFC Bank Ltd, various other banks/ mutual funds etc.), documents of charge creation, as the case may be. As at March 31, 2024, the Company does not have reversions and life interests;
4. The Company is not the trustee of any trust; and
5. No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investments of the Policyholders' funds.

Restriction on use:

This certificate is issued at the request of the Company, solely for inclusion in the annual accounts of the Company in order to comply with the provisions of paragraphs 3 and 4 of Schedule C read with regulation 3 of the IRDA Financial Statements Regulations and is not intended to be and should not be used for any other purpose without our

prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S K Patodia & Associates LLP
Chartered Accountants
Firm Regn. No. 112723W/ W100962

Ankush Goyal
Partner
Membership No. 146017
UDIN: 24146017NKESBZ7170

Place: Mumbai
Date: April 26, 2024

For S A R C & Associates
Chartered Accountants
Firm Regn. No.006085N

Kamal Aggarwal
Partner
Membership No. 90129
UDIN: 24090129BKENFQ9235

Place: Mumbai
Date: April 26, 2024



Annexure 'I' to the Independent Auditor's Report

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

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

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

Additional directions issued by C&AG as applicable to SBI Life Insurance Company Limited for the year 2023-24

Sr. No.	Additional Directions under section 143(5) of the Act	Auditors' Comments
1.	Number of titles of ownership in respect of CGS/SGS/Bonds/Debentures etc. available in physical/demat form and out of these, number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.	The Company holds investments both in physical and dematerialized form with clear title of ownership. The holdings are in agreement with the respective amounts shown in the books of accounts of the Company as on March 31, 2024. IRDAI vide its order dated June 2, 2023 ('IRDAI order') has directed to transfer the life insurance business of Sahara India Life Insurance Company Limited ('SILIC') involving policy liabilities and policyholders' investment/ assets to SBI Life Insurance Company Limited. The Company maintains separate records of all the transactions pertaining to SILIC. The holdings are in agreement with the records maintained by the Company. The Company has SILIC investment assets with book value of ₹ 13,342,938 thousand (Market value of ₹ 14,147,399 thousand) as on March 31, 2024. - (Refer Note to Accounts 16 C (42)).
2.	Whether Investment Policy exists and includes mechanism to review investment portfolios and also whether stop loss limits are prescribed? If yes, whether it was adhered to? If not in existence or not adhered to, details may be given.	The Company's cut loss policy for equity investments in Linked and Non-linked portfolios have been prescribed in the Investment Policy as approved by the Board. As per the cut loss policy of the Company, Investment compliance team monitors market price of all equity securities falling below 30% of the 'Average Purchase Price'. The decision on to hold, partially sell or completely sell of cut loss securities is recorded and reported to investment sub-committee and Board investment committee periodically. During the year, the Company has adhered to the cut loss policy.

Annexure 'II' to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to standalone financial statements of **SBI Life Insurance Company Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Insurance Act, 1938 (the "Insurance Act"), as amended from time to time, including amendment brought by Insurance Laws (Amendment), Act 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/ directions/circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") and the Companies Act, 2013 (the "Act"), to the extent applicable.

Auditors' Responsibility

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

maintained and if such controls operated effectively in all material respects.

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

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

Meaning of internal financial controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial



controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal financial control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For S K Patodia & Associates LLP
Chartered Accountants
Firm Regn. No. 112723W/ W100962

Ankush Goyal
Partner
Membership No. 146017
UDIN: 24146017NKESBZ7170

Place: Mumbai
Date: April 26, 2024

Other Matter

The actuarial valuation of liabilities for life policies in force and policies in respect of which premium has been discontinued but liability exists as at March 31, 2024 has been certified by the Appointed Actuary as per the IRDA Financial Statements Regulations, and has been relied upon by us, as mentioned in “Other Matter” of our audit report on the standalone financial statements for the year ended March 31, 2024. Accordingly, our opinion on the internal financial controls with reference to the standalone financial statements does not include reporting on the operating effectiveness of the management’s internal controls over the valuation and accuracy of the aforesaid actuarial valuation.

Our opinion is not modified in respect of the above matter.

For S A R C & Associates
Chartered Accountants
Firm Regn. No.006085N

Kamal Aggarwal
Partner
Membership No. 90129
UDIN: 24090129BKENFQ9235

Place: Mumbai
Date: April 26, 2024

Independent Auditors’ Certificate

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

To the Board of Directors
SBI Life Insurance Company Limited

1. This certificate is issued in accordance with terms of our engagement letter with SBI Life Insurance Company Limited (the “Company”). Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 dated August 1, 2016 (the “Regulations”) require the auditors to issue certificate regarding applicable Net Asset Value (“NAV”) for applications received as at March 31, 2024 in terms of Schedule I (B) (11)(d) of the Regulations.

Management’s responsibility:

2. The preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal controls relevant to the applicability of NAV for applications received as at March 31, 2024.
3. The Company’s management is responsible for complying with conditions stated in the Regulations.

Auditor’s Responsibility:

4. Pursuant to the requirement of this certificate, it is our responsibility to provide reasonable assurance as to whether:
 - a) The Company has declared March 31, 2024 as a business day for accepting applications;
 - b) The Company has declared NAV for March 31, 2024 on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2024;
 - c) The applications received on March 31, 2024, upto 3.00 p.m. have been stamped and that the NAV of March 31, 2024 is applied for applications received upto 3.00 p.m as per Policy Issuance Procedure;
 - d) The applications received on March 31, 2024, after 3.00 p.m. have been stamped and that the NAV of next business day of financial year i.e. April 01, 2024 is applied for applications received after 3.00 p.m. as per Policy Issuance Procedure.
5. We audited financial statements of the Company as of and financial year ended March 31, 2024 on which we issued an unmodified audit opinion vide our report dated April 26, 2024. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable

- authoritative pronouncements issued by the Institute of Chartered Accountants of India (the “ICAI”). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
6. In this connection, we have performed the following procedures:
 - a) Obtained representation from the management that the Company has declared March 31, 2024 as a business day for accepting application forms and that it has declared NAV for March 31, 2024;
 - b) Obtained the list of applications for New Business, Renewal Premium, Top-up, Surrender, Free – Look Cancellation, Fund Switches, Withdrawal, and Partial Withdrawal in respect of Unit linked Products on March 31, 2024 (together referred to as “Application Forms”), from the Company;
 - c) Selected samples of Application Forms from the listing mentioned in paragraph 6(b) above and verified whether:
 - i. The applications received on March 31, 2024, upto 3.00 p.m. have been appropriately stamped; and the NAV of March 31, 2024 is applied for such applications for the selected samples as per Policy Issuance Procedure; and
 - ii. The applications received on March 31, 2024, after 3.00 p.m. hours have been appropriately stamped; and the NAV of next business day of financial year i.e. April 01, 2024 is applied for such applications for the selected samples as per Policy Issuance Procedure.
 - d) We have read the certificate dated April 20, 2024 of the concurrent auditors of the Company, M/s. S Panse & Co LLP, Chartered Accountants which has been furnished to us certifying compliance with Schedule I-B(5) read with Schedule I-B(11)(c) of IRDAI (Investments) Regulations, 2016 .
 7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.



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

Opinion:

9. Based on the procedures performed by us, as mentioned in paragraph 6 above, and according to the information and explanations and representations provided to us by the Company's management, we report that:
- (a) The Company has declared March 31, 2024 as a business day for accepting applications;
- (b) The Company has declared NAV for March 31, 2024 on a basis consistent with its accounting policy as disclosed in its financial statements for the year ended March 31, 2024;

(c) The applications received on March 31, 2024 upto 3.00 p.m. have been stamped and that the NAV of March 31, 2024 is applied for applications received upto 3.00 p.m. as per Policy Issuance Procedure and

(d) The applications received on March 31, 2024 after 3.00 p.m. have been stamped and that the NAV of immediate next business day of financial year i.e. April 01, 2024 is applied for applications received after 3.00 p.m. as per Policy Issuance Procedure.

10. This certificate is addressed to and provided to the Board of Directors of the Company, solely for inclusion in the annual accounts of the Company as per Schedule I (B) (11)(d) of the Regulations and should not to be used by any other person or distributed for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

For S K Patodia & Associates LLP
Chartered Accountants
Firm Regn. No. 112723W/ W100962

Ankush Goyal
Partner
Membership No. 146017
UDIN: 24146017BKESCF9287

Place: Mumbai
Date: April 26, 2024

For S A R C & Associates
Chartered Accountants
Firm Regn. No.006085N

Kamal Aggarwal
Partner
Membership No. 90129
UDIN: 24090129BKENFR3197

Place: Mumbai
Date: April 26, 2024

Comments of Comptroller and Auditor General of India (C&AG)

Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statements of SBI Life Insurance Company Limited for the year ended 31 March 2024

The preparation of financial statements of SBI Life Insurance Company Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are 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 26 April 2024.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Financial Statements of SBI Life Insurance Company Limited for the year ended 31 March 2024 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.

Based on of my supplementary audit, I would like to highlight the following significant matter under section 143(6)(b) of the Act which have come to my attention and which in my view is necessary for enabling the better understanding of Financial Statements and the related audit report.

A. Comment of Disclosure

Significant Accounting Policies and Notes forming part of the accounts for the year ended March 31, 2024

Notes to Accounts (Schedule 16 (C))

Contingent Liabilities (Note No.C1) and Pending Litigation (Note No.C2)

The above does not include disclosure for contingent liability in respect of income tax demands (₹ 3093.31 crore) and demands raised by GST Authorities (₹ 78.09 crore) for ₹ 3171.40 crore.

This has resulted in non-disclosure of contingent liabilities as warranted by Accounting Standard - 29 (Provisions, Contingent Liabilities and Contingent Assets) and Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002.

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

Guljari Lal
Director General of Audit (Shipping), Mumbai

Place: Mumbai
Date: 26.07.2024