

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 31st March 2020.

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 31.03.2020 is attached in form MGT-9.

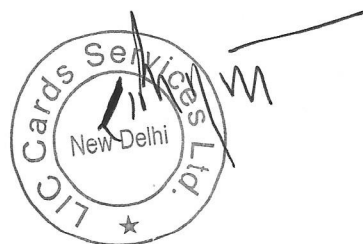
II. No. of Board Meeting

During Financial Year 2019-20, five Meetings of the Board of Directors were held on 30.05.2019, 15.06.2019, 30.08.2019, 26.11.2019 and 04.01.2020.

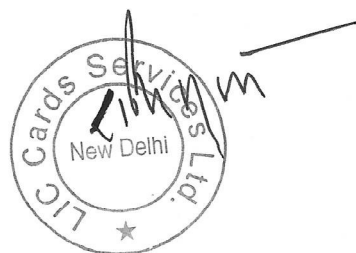
III. Directors Responsibility Statement

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.



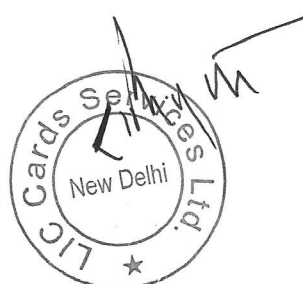
- IV. A statement on Declaration given by the independent Directors under sub-section (6) of Section 149 of Companies Act, 2013**
Since only a Public Company which is having paid up capital of more than Rs. 10 Crores OR having turnover of more than Rs. 100 Crores OR outstanding Loans or Borrowings or 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 31st March 2020 are as under



Financial Results

(Amt in lakhs)

	Particulars	F.Y. ended on 31.03. 2020	F.Y. ended on 31.03. 2019
1.	Sourcing fees on sale of Cards	707.74	413.27
2.	Income from spends	486.27	295.16
3.	Income from Activisation	79.14	51.59
4.	Income from Gift Card	20.11	18.82
5.	Income from Meal Card	105.20	Nil
6.	Interest & other income	89.40	61.68
	Total Income	1487.86	840.52
1.	Operating, Admn. & Other Expenses	93.37	73.59
2.	Employees Cost	361.54	287.60
3.	Commission and incentive to SRs & CSMs	501.85	283.81
4.	Advertisement & Business promotion expenses	29.84	21.24
	Total Expenses	986.60	666.24
	Profit/Loss before exceptional and extraordinary items & Tax	501.26	174.28
	Prior period income	0	0
	Profit/(Loss) before Tax	501.26	174.28
	Provision for Income Tax	139.45	48.40
	Profit/(Loss) after tax	361.81	125.88
	Net Fixed Assets	15.70	11.32
	Cash& Cash equivalents	203.19	52.68
	Amount due to Parent Organization (LIC of India)	1093.11	763.08
	Paid up Capital	100	100



Review of Performance and Operation

The Financial Year 2019-20 has been a very successful year for your Company. Briefly, the performance in 2019-20 was as under:

1. Sold 68786 cards being highest ever with a growth of 41.56 percent and achievement to budget is 91.71 percent.
2. The Company exceeded the income budget on various counts, 110.52 percent in Revenue from Spends, 105.86 percent in income from Gift Cards and 122.14 percent in interest and other income.
3. Overall the Company surpassed the total revenue by achieving 111.20 percent budget and recorded revenue of Rs. 14.88 crores in 2019-20 as against Rs. 8.41 crores in 2018-19.
4. Portfolio size has been increased to 3,24,057 Credit Cards at the end of 2019-20.
5. The Company achieved Net Profit of Rs. 501.26 lacs with a growth of 187.61 percent for the first time as against Rs. 174.28 lacs profit of 2018-19.
6. Finalized negotiation of new products. i.e. Co-branded Credit Card and Co-branded Cash Card (Suvidha) with IDBI Bank.

XI. Reserve and Dividend

As your Company has earned profit to the tune of Rs. 361.81 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 2019-20. 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 2019-20, Five Meetings of Board of Directors were held i.e. 30.05.2019, 15.06.2019, 30.08.2019, 26.11.2019 and 04.01.2020. Requisite quorum was there in all the five Board Meeting.

Details of last three Annual General Meetings are as below:

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.

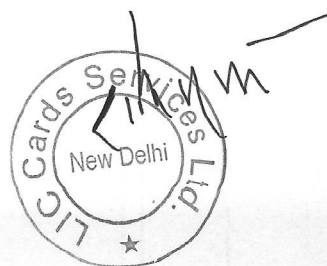
For the Financial Year 2016-17 AGM of the Company was held on 15.09.2017.

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

There are no Key Managerial Personnel as paid up capital of your Company is less than Rs.10 Crores.

XXIV. General Disclosures

The following Directors are due for retirement by rotation:

Mr. M R Kumar (DIN 03628755) and Mr. Vipin Anand (DIN 05190124). The Directors has offered themselves 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 proposes to add another 40000 new Cards, which is 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. 5 Lacs per month.



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, Corporation Bank 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:



Director



Director



Director



Chairman



LIC CARDS SERVICES LIMITED

CIN-U65100DL2008PLC184790

Annual Report 2019-20

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Note No.	Amount (Rs.)	
		As At 31.03.2020	As At 31.03.2019
I. EQUITY AND LIABILITIES			
<u>(1) Shareholders' Funds</u>			
(a) Share Capital	1	10,000,000	10,000,000
(b) Reserves and Surplus	2	60,393,465	24,212,464
<u>(2) Current Liabilities</u>			
(a) Trade Payables	3	5,986,663	6,094,317
(b) Other Current Liabilities	4	111,456,700	80,176,279
(c) Short Term Provisions	5	-	348,054
TOTAL		187,836,828	120,831,114
II. ASSETS			
<u>(1) Non-Current Assets</u>			
(a) Fixed Assets	6		
(i) Tangible Assets		1,570,484	1,132,551
(ii) Intangible Assets		1	1
(b) Deferred Tax Assets	7	101,280	125,700
(c) Other Non Current Assets	8	87,289,332	66,929,675
<u>(2) Current Assets</u>			
(a) Current Investment	9	2,568,156	8,926,635
(b) Trade Receivables	10	12,550,353	15,571,016
(c) Cash and Cash Equivalents	11	20,318,958	5,268,890
(d) Short-Term Loans and Advances	12	2,866	2,410,785
(e) Other Current Assets	13	63,435,398	20,465,861
TOTAL		187,836,828	120,831,114

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 Sandeep Jain

(Partner)

M. No. 099803

Place : New Delhi

Date:

3 SEP 2020





Chairman

(M R Kumar)

DIN- 03628755



Director

(Vipin Anand)

DIN- 05190124



Director

(Rakesh Kumar)

DIN- 08531595



LIC CARDS SERVICES LIMITED

CIN-U65100DL2008PLC184790

Annual Report 2019-20

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

Sr. No	Particulars	Note No.	Amount (Rs.)	
			As At 31-03-2020	As At 31-03-2019
I	Revenue from Operations	15	139,870,645	77,922,183
II	Other Income	16	8,916,012	6,129,917
III	Total Revenue (I +II)		148,786,657	84,052,100
IV	Expenses:			
	Employee Benefit Expenses	17	36,154,893	28,759,915
	Depreciation and Amortization Expense	6	272,491	245,991
	Other Expenses	18	62,233,112	37,618,259
	Total Expenses (IV)		98,660,496	66,624,165
V	Profit before Exceptional & Extraordinary Items & Taxes		50,126,161	17,427,935
VI	Exceptional & Extraordinary Items		-	-
VII	Profit Before Tax		50,126,161	17,427,935
VIII	Tax Expense:			
	(1) Current Tax		13,920,740	4,847,942
	(2) Deferred Tax Expense/(Income)		24,420	-7,800
IX	Profit After Tax		36,181,001	12,587,793
X	Earning per equity share: (1) Basic		36.18	12.59
	(2) Diluted		36.18	12.59

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

14

As per our report of even date annexed

For SSPJ & Co.

Chartered Accountants

Firm Reg No. 018083N

For LIC Cards Services Limited

CA SANDEEP JAIN

(Partner)

M. No. 099803

Place : New Delhi

Date:



3 SEP 2020

(Signature)

Chairman

(M R Kumar)

DIN- 03628755

(Signature)

Director

(Vipin Anand)

DIN- 05190124

(Signature)

Director

(Rakesh Kumar)

DIN- 08531595



LIC CARDS SERVICES LIMITED
CIN-U65100DL2008PLC184790

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	As At 31.03.2020 (Rs.)	As At 31.03.2019 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) Before Tax	50,126,161	17,427,935
Adjustments for:		
Depreciation	272,491	245,991
Interest & Other Income	(8,916,012)	(6,129,917)
Operating Profit before Working Capital Changes	41,482,640	11,544,008
Adjustment For:		
(Increase)/Decrease in Debtors	3,020,663	-6,964,727
(Increase)/Decrease in Other Receivables	(74,842,016)	(41,890,559)
Increase/(Decrease) in Trade Payables and Other Payables	30,824,713	32,179,250
Cash Generated from Operations	486,000	-5,132,028
Refund/(Payment) of Taxes (including TDS)	-	-
Net Cash from/(used in) Operating Activities	486,000	-5,132,028
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale/(purchase) of Fixed Assets	(710,424)	(248,737)
Proceeds from Mutual Funds	32,400,000	29,300,000
Investment in Mutual Funds	(26,041,520)	(36,931,377)
Interest & Other Income Received	8,916,012	6,129,917
Net Cash Used in Investing Activities	14,564,068	(1,750,197)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Equity shares	-	-
Net Cash Used in Financing Activities	-	-
D. Net Cash Flows during the year (A+B+C)	15,050,068	-6,882,225
E. Cash and cash equivalents at the beginning of the year	5,268,890	12,151,115
F. Cash and cash equivalents at the end of the year	20,318,958	5,268,890
Net Increase/(decrease) in cash and cash equivalents	15,050,068	-6,882,225

As per our report attached

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

CA Sandeep Jain
(Partner)
M. No. 099803

Place : New Delhi
Date :



(Signature)
Chairman
(M R Kumar)
DIN- 03628755

For LIC Cards Services Limited

(Signature)
Director
(Vipin Anand)
DIN- 05190124

(Signature)
Director
(Rakesh Kumar)
DIN - 08531595

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LIC CARDS SERVICES LIMITED
Annual Report 2019-20

NOTE - 1 Share Capital		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2020	As At 31-03-2019
1	AUTHORIZED CAPITAL 10,00,000 Equity Shares of Rs. 10/- each with voting rights	10,00,000	10,00,000
		10,00,000	10,00,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 10,00,000 Equity Shares of Rs. 10/- each, Fully Paid with voting rights	10,00,000	10,00,000
		10,00,000	10,00,000
3	Reconciliation 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 Life Insurance Corporation of India	No. of Shares & % 9,99,994 & 99.9994%	No. of Shares & % 9,99,994 & 99.9994%
	Total	10,00,000	10,00,000

NOTE - 2 Reserves & Surplus		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2020	As At 31-03-2019
1	STATEMENT OF PROFIT & LOSS Opening Balance Add: Profit / (Loss) during the Year	24,212,464 36,181,001	11,624,671 12,587,793
	Closing Balance	60,393,465	24,212,464

NOTE - 3 Trade Payables		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2020	As At 31-03-2019
1	Expenses Payable	5,537,597	5,989,223
2	Commission Payable (NEFT Returned)	449,066	105,094
	Total	5,986,663	6,094,317

NOTE - 4 Other Current Liabilities		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2020	As At 31-03-2019
1	Duties & Taxes Payable	2,070,395	3,796,169
2	Security Deposits	11,300	7,800
3	Audit Fee Payable	63,900	63,900
4	Amount Due to LIC of India	109,311,105	76,308,410
	Total	111,456,700	80,176,279

NOTE - 5 Short Term Provisions		Amount (Rs.)	Amount (Rs.)
Sr. No	Particulars	As At 31-03-2020	As At 31-03-2019
1	Provision for Income Tax (Net of Advance Tax, TDS and MAT set off)	-	348,054
	Total	-	348,054

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LIC CARDS SERVICES LIMITED
Annual Report 2019-20

Particulars	GROSS BLOCK					DEPRECIATION					Amount (Rs.)	
	As at 1-Apr-2019	Additions for the year	Deletion for the year	As at 31-Mar-2020	As at 1-Apr-2019	Accumulated Depreciation on Assets sold during the year	Depreciation after Assets sold during the year	Depreciation for the year	Accumulated as at 31-Mar-2020	As at 31-Mar-2020	As at 31-Mar-2019	
Tangible Assets												
Computer & Printers	1,766,243	578,988	-	2,345,231	1,637,306	-	1,637,306	57,755	1,695,061	650,170	128,937	
Office Equipments	1,155,886	131,436	-	1,287,322	873,011	-	873,011	61,233	934,244	353,078	282,875	
Furniture & Fixture	2,001,274	-	-	2,001,274	1,280,535	-	1,280,535	153,503	1,434,038	567,236	720,739	
Total (A)	4,923,403	710,424	-	5,633,827	3,790,852	-	3,790,852	272,491	4,063,343	1,570,484	1,132,551	
Intangible Assets												
Accounting Software	12,500	-	-	12,500	12,499	-	12,499	-	12,499	1	1	
Total (B)	12,500	-	-	12,500	12,499	-	12,499	-	12,499	1	1	
Grand Total	4,935,903	710,424	-	5,646,327	3,803,351	-	3,803,351	272,491	4,075,842	1,570,485	1,132,552	
Previous Year	4,800,384	254,696	119,177	4,935,903	3,670,578	113,218	3,557,360	245,991	3,803,351	1,132,552	1,129,806	

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LIC CARDS SERVICES LIMITED

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Sr. No.	NOTE - 7 Deferred Tax Assets/Liability	Amount (Rs.)	Amount (Rs.)
1	Opening DTA/DTL	125,700	117,900
	Add/(Less): DTA for the year	-24,420	7,800
	Total	101,280	125,700

Sr. No.	NOTE - 8 Other Non Current Assets	Amount (Rs.)	Amount (Rs.)
		As At	As At
		31-03-2020	31-03-2019
1	Fixed Deposit (Maturing Beyond 12 Months)	85,000,000	65,000,000
2	Interest Accrued on Deposits	2,289,332	1,929,675
	Total	87,289,332	66,929,675

Sr. No.	NOTE - 9 Current Investments	Amount (Rs.)	Amount (Rs.)
		As At	As At
		31-03-2020	31-03-2019
1	LIC Nomura MF Liquid Fund	2,568,156	8,926,635
	Total	2,568,156	8,926,635

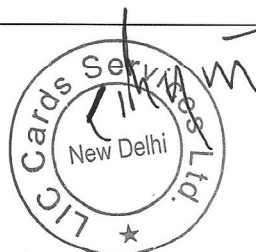
Sr. No.	NOTE - 10 Trade Receivables	Amount (Rs.)	Amount (Rs.)
		As At	As At
		31-03-2020	31-03-2019
	Within 6 months		
	(Doubtful Debts - Nil, Provision for Doubtful Debts - Nil)		
1	Axis Bank	11,426,236	15,399,942
2	C.P.P.	1,798	3,154
3	Sodexo SVC India P Ltd.	1,017,247	-
4	Corporation Bank-LIC Cards Centre	104,427	167,275
	Sub Total (A)	12,549,708	15,570,371
	More than 6 Months		
	(Doubtful Debts - NIL, Provision for Doubtful Debts - NIL)		
1	Axis Bank	-	-
2	LIC of India	645	645
	Sub Total (B)	645	645
	Total [A + B]	12,550,353	15,571,016

Sr. No.	NOTE - 11 Cash & Cash Equivalent	Amount (Rs.)	Amount (Rs.)
		As At	As At
		31-03-2020	31-03-2019
1	Cash-on-Hand		
	Cash Balance	-	-
	Silver Coin	6,600	6,600
	Sub Total (A)	6,600	6,600
2	Bank Balance		
	With Scheduled Banks in Current account	7,812,358	262,290
	Fixed Deposits : Maturing within 3 Months	12,500,000	5,000,000
	Sub Total (B)	20,312,358	5,262,290
	Total [A + B]	20,318,958	5,268,890

Sr. No.	NOTE - 12 Short Terms Loans and Advances	Amount (Rs.)	Amount (Rs.)
		As At	As At
		31-03-2020	31-03-2019
1	MAT Credit Entitlement Account F.Y 2014-15	-	615,377
2	MAT Credit Entitlement Account F.Y 2015-16	-	1,451,301
3	MAT Credit Entitlement Account F.Y 2016-17	-	341,241
4	Prepaid Expenses	2,866	2,866
	Total	2,866	2,410,785

Sr. No.	NOTE - 13 Other Current Assets	Amount (Rs.)	Amount (Rs.)
		As At	As At
		31-03-2020	31-03-2019
1	Advance Tax/TDS Recoverable (Net of Provision for Income Tax)	4,327,662	4,940,076
2	Interest on Fixed Deposits	6,538,900	1,444,166
3	Input Tax Credit Recoverable	46,836	59,620
4	Security Deposit	22,000	22,000
5	Fixed Deposit Maturing after 3 months but before 12 months	52,500,000	14,000,000
	Total	63,435,398	20,465,861

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LIC CARDS SERVICES LIMITED

Annual Report 2019-20

NOTE - 15 Revenue from Operations			
Sr. No	Particulars	Amount (Rs.)	
		As At 31-03-2020	As At 31-03-2019
1	Sourcing Fee		
2	Income from Spends on Cards	70,773,450	41,327,050
3	Income from Activization of Cards	48,627,545	29,515,932
4	Income from Sale of Gift Cards	7,913,600	5,159,400
5	Marketing Fee for CPP	2,011,275	1,881,449
6	Income from Sodexo Meal Cards	24,289	38,351
	Total	10,520,486	-
		139,870,645	77,922,183

NOTE - 16 Other Income			
Sr. No	Particulars	Amount (Rs.)	
		As At 31-03-2020	As At 31-03-2019
1	Interest Received		
2	Interest on Income Tax Refund	8,346,570	4,830,113
3	Income on Mutual Fund Investments	127,748	79,496
4	Profit/Loss on Sale of Assets	441,520	431,377
5	Miscellaneous Income	-	4,209
	Total	174	784,722
		8,916,012	6,129,917

NOTE - 17 Employee Benefit Expenses			
Sr. No	Particulars	Amount (Rs.)	
		As At 31-03-2020	As At 31-03-2019
1	Salaries & Allowances		
2	Leave Travel Concession	32,083,340	27,097,400
3	Staff Welfare	554,709	109,022
	Total	3,516,844	1,553,494
		36,154,893	28,759,915

NOTE - 18 Other Expenses			
Sr. No	Particulars	Amount (Rs.)	
		As At 31-03-2020	As At 31-03-2019
1	Commission/Incentive to City Sales Managers and Sales Representatives		
2	Advertisement and Business Promotion Expenses	50,184,682	28,380,621
3	Repairs & Maintenance	2,984,051	2,124,093
4	Filing Fee and Professional Fee	187,579	116,806
5	Travelling & Conveyance Expenses	294,603	196,208
6	Printing & Stationery	4,241,108	3,415,751
7	Telephone Expenses	308,075	281,410
8	Office Upkeep & Maintenance Charges	285,506	297,612
9	Audit Fee	627,938	508,155
11	Subscription to Newspapers	71,000	71,000
12	Postage & Telegram	9,267	6,905
13	Rent for Office Premises	1,098,097	858,643
14	Electricity & Water Expenses	309,938	179,747
15	Agent Training Expenses	388,812	363,788
16	Interest on GST	775,349	376,968
17	Miscellaneous Expenses	12,924	-
	Total	454,183	440,551
		62,233,112	37,618,259

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

CA SANDEEP JAIN

(Partner)

M. No. 099803

Place : New Delhi

Date:



For LIC Cards Services Limited

Chairman
(M R Kumar)
DIN- 03628755

Director
(Vipin Anand)
DIN- 05190124

Director
(Rakesh Kumar)
DIN- 08531595



Note – 14 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.

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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.

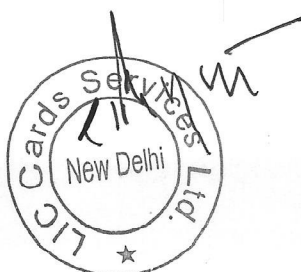
Deferred Tax is recognized, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. Deferred Tax is accounted by using the tax rates and laws that have been enacted or substantially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

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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

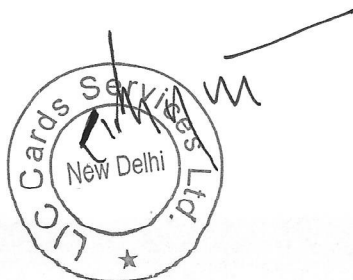
Provisions are recognized in terms of Indian Accounting Standard 37 - 'Provisions, Contingent Liabilities and Contingent Assets' issued by Ministry of Corporate Affairs, when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of 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 Fixed Deposit of Banks, LIC Housing Finance Limited and Mutual Funds on the basis of liquidity, safety of funds and risk-free return. Investment in Fixed Deposit of Banks and LIC Housing Finance Limited are valued at cost.



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14. 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. Sundry creditors 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 staffs 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 through Debit Note.
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. Further, the Input Tax Credit claimed and liabilities discharged are subject to GST audit as mandated under the relevant law.
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 and their response is still awaited.
9. There is neither any income nor expenditure in foreign exchange during the Financial Years 2019-20 and 2018-19



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10. 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. Narendra Pal Chawla	Director (Executive)
3	Mr. Rakesh Kumar	Director (Executive)
4	LIC Housing Finance Limited	Associate Company
5	LIC Mutual Fund Assets Management Ltd	Associate Company

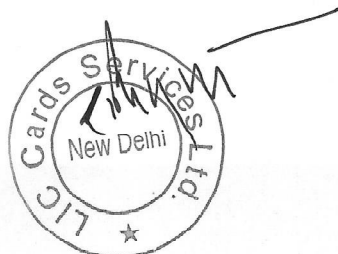
b) Details of transactions with related parties during the year

Name of related party	Nature of transaction	Amount (In Rs.)	
		2019-20	2018-19
Life Insurance Corporation of India	Reimbursement of Payroll cost of the staff posted at the company	3,30,02,695	2,70,97,400
Life Insurance Corporation of India	Rent Expense	3,09,938	1,79,747
Life Insurance Corporation of India	Electricity & Water Charges	3,59,392	3,75,395
Mr. Narendra Pal Chawla	Remuneration	8,77,451	27,91,772
Mr. Rakesh Kumar	Remuneration	35,69,116	Nil
Mr. Prakash Chand	Remuneration	Nil	1,72,951
LIC Housing Finance Ltd.	Interest Income	22,89,332	Nil
LIC Mutual Fund Assets Management Ltd	Investment Income	4,41,520	4,31,377

c) Closing balance with related parties as at year end

Name of related party	Nature of transaction	Amount (In Rs.)	
		As at 31.03.2020	As at 31.03.2019
Life Insurance Corporation of India	Outstanding as at year end	10,93,11,105	7,63,08,410
LIC Housing Finance Ltd	Fixed Deposit Balance as at year end	8,50,00,000	Nil
LIC Housing Finance Ltd	Interest Accrued as at year end	25,43,702	Nil
LIC Mutual Fund Assets Management Ltd	Outstanding as at year end	25,68,155	89,26,635

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.



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

Amount (in Rs.)

Particulars	Year ended 31-03-2020	Year ended 31-03-2019
Net Profit attributable to shareholders (in Rs.)	3,61,81,001	1,25,87,793
Weighted Average no. of Equity shares outstanding	10,00,000	10,00,000
Basic & Diluted Earning per share of Rs. 10/- each (in Rs.)	36.18	12.59

12. Auditor's Remuneration

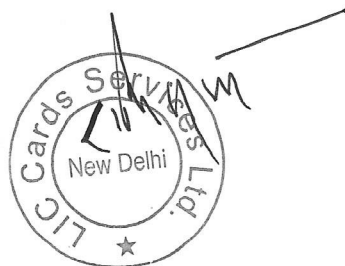
Amount (in Rs.)

Particulars	Year ended 31-03-20	Year ended 31-03-19
Audit Fees (Statutory Audit)	55,000/-	55,000/-
Other certification work (Tax Audit)	16,000/-	16,000/-
ITR filing & Other related work	78,500/-	46,500/-

13. 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	2019-20	2018-19
Opening Deferred Tax Assets (in Rs.)	1,25,700/-	1,17,900/-
Deferred tax Income/(Expense) for the year (in Rs.)	- 24,420/-	7,800/-
Net Deferred Tax Assets/(Liabilities) as at year end (in Rs.)	1,01,280/-	1,25,700/-

14. 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 could 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.



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

16. 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



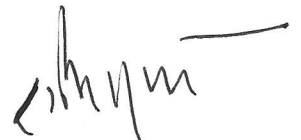
CA SANDEEP JAIN
(Partner)
M.No.: 099803



CHAIRMAN
(M R Kumar)
DIN-03628755



DIRECTOR
(Vipin Anand)
DIN-05190124



DIRECTOR
(Rakesh Kumar)
DIN-08521595

Place: New Delhi
Dated:

