

February 02, 2023

SBIL/F&A-CS/NSE-BSE/2223/391

Assistant Vice President,
Listing Department,
National Stock Exchange of India,
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra - East,
Mumbai 400051

General Manager,
Listing Department,
BSE Limited,
Phiroze Jejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Dear Sir / Madam,

Subject: Budget Announcement – 2023 (Proposal on taxation of non-linked life insurance policies)

With reference to recent Finance Bill and Budget Announcement, few proposals have been made for non-linked life insurance policies.

At present, any sum received under life insurance policies, issued on or after 1 April 2012, is exempt from tax under section 10(10D) if the premium payable for any of the years during the policy term does not exceed 10 percent of the actual capital sum assured. Where the percentage cap is not met, sum received is taxable except where it is received on death of the person.

It is now proposed that, in addition to taxability based on percentage cap, any sum received (including bonus) under Life Insurance Policies (other than ULIPs for which aforesaid provision already exist), issued on or after 1 April 2023, shall be taxable if the amount of premium or aggregate of premium exceeds INR 5,00,000 in a year.

Death proceeds from aforesaid Life Insurance Policies to continue to be exempt from tax under section 10(10D).

As disclosed in our financial results for 9M-FY2023, the Annualised Premium Equivalent (APE) product mix is well diversified at 56.4% unit linked, 27.4% non-unit linked, 10.1% protection, 2.8% annuity and 3.3% group funds.

The Company would like to inform that the share of business of non - linked policies with annual premium of above ₹ 500,000 is less than 2% of the total APE for 9M-FY2023. The Company strongly believes that the impact is insignificant.

You are requested to kindly take the same on records.

Yours faithfully,

Vinod Koyande
Company Secretary
ACS No. 33696