LIFE INSURANCE CORPORATION [2][GENERAL] RULES, 1956[1]

[Last amended on 4.3.2022]

In exercise of the powers conferred by section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules, namely:—

1. Short title.—These Rules may be called the Life Insurance Corporation [2][General] Rules, 1956.

[3][**2. Definitions**.—[4][(1) In these rules]—

(i) "Act" means the Life Insurance Corporation Act, 1956(31 of 1956);

[5][(i-a) [omitted];

[6][(ib) "audio-visual means" means video conferencing and such other means of audio-visual electronic communication which enable all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting;

(ic) "chairman" means the chairman referred to in sub-rule (6) of rule 28;

(id) "Company Secretary" shall mean a person who is a member of the Institute of Company Secretaries of India, constituted under the Company Secretaries Act, 1980 (56 of 1980) and who is the head of the secretarial function of the Corporation];

(ii) "Section" means a section of the Act;

[7][(iia) "Securities and Exchange Board of India" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);]

[8][(iib) "special business" means,—

(a) in respect of an annual general meeting, all business to be transacted thereat other than items of business specified in sub-section (2) of section 23A of the Act; and

(b) in respect of any other general meeting, all business to be transacted thereat.];

(iii) "Tribunal" means the Tribunal constituted by the notification of the Government of India in the Ministry of Finance S.R.O. No.1734 dated the 25th May, 1957.]

[9][(2) Words and expressions used herein and not defined in these rules, but defined in the Act shall have the meanings respectively assigned to them in the Act.]

[10][**3. Term of office and conditions of service of directors appointed or nominated by Central Government.—**Every director appointed or nominated by the Central Government under clause (a) or clause (b) or clause (c) or clause (e) of sub-section (2) of section 4,—

[1]*Vide* S.R.O 1889A dated the 28th August, 1956, published in Gazette of India, Ext., .Pt.-II, section 3, No. 244, dated 28th August, 1956, and last amended *vide* G.S.R.171 (E), dated the 3rd March, 2022 (w.e.f. 4.3.2022).

[2] Ins. by G.S.R.460(E), dated the 30th June, 2021, published in Gazette of India, Ext., .Pt.-II, section 3(i). dated 30th June, 2021 [3] Subs. by G.S.R.317 dated the 30th April, 1958, published in Gazette of India, Ext., .Pt.-II, section 3(i), dated 10th May, 1958. [4]Subs. by G.S.R. 460(E), dated the 30th June, 2021.

[5] Omitted by G.S.R. 460(E), dated the 30th June, 2021.

[6]Ins by G.S.R.171 (E), dated the 3rd March, 2022, published in Gazette of India, Ext., .Part II, sec.3(i), dated 4th March, 2022. [7] Ins. by G.S.R. 460(E), dated the 30th June, 2021.

[8]Ins by G.S.R.171 (E), dated the 3rd March, 2022, published in Gazette of India, Ext., .Part II, sec 3(i), dated 4th March, 2022.

[9]Ins. by G.S.R. 460(E), dated the 30th June, 2021.

[10]Subs., for rules 3, 3A, 4, 5, 6, 7, 8 and 9,*vide* G.S.R. 460(E), dated the 30th June, 2021.

(i)shall hold office during the pleasure of the Central Government, for such term not exceeding five years as the Central Government may specify and be eligible for re-appointment; (ii)may resign his office by giving notice thereof in writing to the Central Government, and the resignation shall take effect from the date, if any, specified by the director or the date on which it is accepted by the Central Government, whichever is later.

4. Certain other terms and conditions of service of whole-time directors appointed by Central Government.—(1) If a whole-time dire al Government under sub-clause (i) of

clause (a) or clause (b) or clause (c) of sub-section (2) of section 4 is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his office, the Central Government may appoint another person to act in his place during his absence.

(2) Notwithstanding anything contained in rule 3,—

(i)the Central Government shall have the right to terminate the services of a whole-time director at any time before the expiry of the term specified under that rule by giving him notice of not less than three months in writing or three months' salary and allowances in lieu thereof; (ii)a whole-time director shall have the right to relinquish his office at any time before the expiry of the term specified under that rule by giving the Central Government notice of not less than three months in writing.

(3) Notwithstanding anything contained in rule 3 or sub-rule (2) of rule 4, the Central Government may remove a whole-time director from office if it is satisfied that—

(i)in the public interest or for securing the proper management of the Corporation it is necessary so to do; or

(ii)he has abused his position or has acted in a manner prejudicial to the interests of the Corporation:

Provided that no such removal shall be made unless he has been given a reasonable opportunity of being heard in the matter.

5. Term of office and conditions of service of directors appointed by Board.—(1) Every director appointed by the Board under clause (f) or clause (g) of sub-section (2) of section 4, and whose appointment is approved at the annual general meeting,—

(i)shall hold office for a term of four years and shall be eligible for one further term of four years: Provided that notwithstanding anything contained in this sub-rule, the first three directors appointed under the said clause (g) shall hold office for such term as the Board may decide, not exceeding six months, and shall be eligible for appointment for one further term of four years;

(ii)may resign his office by giving a notice in writing to the Corporation, and the resignation shall take effect from the date, if any, specified by the director or the date when such notice is received by the Corporation, whichever is later:

Provided that the director shall specify in such notice the reasons for his resignation and shall affirm that there is no material reason other than those specified.

(2) The members at a general meeting may, by a resolution passed by a simple majority, remove a director appointed under clause (f) or clause (g) of sub-section (2) of section 4, after giving him a reasonable opportunity of being heard:

Provided that an independent director appointed for a second term under sub-rule (1) shall be removed only by passing a special resolution, and after giving him a reasonable opportunity of being heard.

(3) Notwithstanding anything contained in sub-rules (1) and (2), in the event of the Corporation applying to list its equity shares under any regulation made by the Securities and Exchange Board of India in this behalf, higher requirements, if any, under any regulation made by the said Board in respect of listing obligations and disclosure requirements shall apply with regard to the matters provided for in the said sub-rules.

6. Disclosure of interest.—(1) Every director shall disclose his concern or interest in any body corporate (including shareholding interest), in pursuance of the provisions of sub-section (1) of section 4B, by giving a notice in writing in

Form 1 set out in the Schedule to these rules.

(2) All notices shall be kept at the central office of the Corporation and such notices shall be preserved for a period of ten years from the end of the financial year to which it relates and shall be kept in the custody of the Company Secretary or such other person authorised by the Board for the purpose.

[11][*Explanation.*—For the purposes of this rule, "body corporate" shall have the meaning assigned to it in the explanation to sub-section (6) of section 4B.]

7.Contract or arrangement with related party.—(1) Any contract or arrangement entered into by the Corporation with a related party shall be in accordance with the provisions of section 4C, clause (d) of sub-section (2) of section 19C and sub-section (3) of section 19C, and the agenda of the meeting of the Audit Committee and the Board at which such contract or arrangement is proposed to be considered shall disclose the following, namely:—

(i) the name of the related party and nature of relationship;

(ii)

the nature, duration and particulars of the contract or arrangement; (iii)the material terms of the contract or arrangement, including the value thereof, if any; (iv)advance paid or received, if any, for the contract or arrangement;

(v) the manner of determining the pricing and other commercial terms, irrespective of whether or not the same are included in the contract;

(vi)whether all factors relevant to the contract have been considered and, if not, the details of the factors not considered, along with the rationale for the same not being considered; (vii)any other information relevant for the Audit Committee or the Board, as the case may be, to take decision in the matter.

(2) Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting of the Audit Committee or the Board at which such contract or arrangement is considered.]

[12]**8.** * * * * *

[13]**9.*** * * * * *

10. Apportionment of provident fund, etc.—(1) Where all the employees of an insurer whose controlled business is transferred to and vested in the Corporation under section 7 do not become employees of the Corporation under section 11, all the moneys and other assets belonging to the provident fund or superannuation fund or any other like fund referred to in sub-section (1) of section 8 shall be apportioned between the trustees of the fund and the Corporation in the following manner, namely:—

(i) the moneys and other assets of any provident fund shall be apportioned in the proportion which the total of the amounts lying to the credit of the persons becoming employees of the Corporation bears to the total of the amounts lying to the credit of the persons who do not become employees of the Corporation;

11 Explanation subs. *vide* G.S.R.171 (E), dated the 3rd March, 2022, published in Gazette of India, Ext., .Part II, sec. 3(i), dated the 4th March, 2022, and clause (ii) thereof omitted, *vide* G.S.R.171 (E) dated the 3rd March, 2022 (w.e.f. 4.3.2022), *ibid*. 12 Subs., *vide* G.S.R. 460(E), dated the 30th June, 2021.

13*Ibid.*

(ii) the moneys and other assets of any superannuation fund shall be apportioned in the proportion which the liability of the fund in respect of the persons becoming employees of the Corporation bears to a similar liability in respect of the persons who do not become employees of the Corporation, such liability to be ascertained on such basis as may be determined [14][by the Board] and approved by the Central Government; and

(iii) the moneys and other assets of any other like fund shall be apportioned in accordance with the principles set out in clause (i) or clause (ii), as the case may be.

(2) The provisions of sub-rule (1) shall, so far as may be, apply in relation to the valuation and apportionment of moneys and other assets belonging to any provident fund or superannuation fund or any other like fund referred to in clause (f) of sub-section (2) of section 10, as they apply in relation to the

apportionment and valuation of moneys and other assets belonging to a provident fund, superannuation fund or any other like fund referred to in sub-section (1) of section 8.

Explanation.—For the purposes of this rule the assets of a provident fund, superannuation fund or any other like fund shall be valued at the market rate as on the appointed day.

11. Transfer of service of existing employees of chief agents.—The provisions of section 12 shall apply only in respect of the employees of a chief agent of an insurer who was, under the terms of his contract with the insurer, required to render the following services to the policyholders, namely:—

(a) collection of premiums from the policyholders in respect of policies secured through his insurance agents in the area for which he was appointed chief agent; and

(b) issuing of final (pucka) receipts for the premiums so collected.

15[**12. Reference to the Tribunal, etc.—**(1) Where the amount of compensation offered under sub-section (2) of section 16 is not acceptable to an insurer, or where the compensation offered under section 36 is not acceptable to a chief agent or a special agent, the insurer, the chief agent or the special agent, as the case may be, for the purpose of having the matter referred to the Tribunal, apply to the Corporation along with the documents specified, if any, in this behalf by the Tribunal in regulations made by it under section 17 (in this rule referred to as the regulations),—

(a) In cases where the compensation was offered before the 1st day of November, 1964, not later than the 31st day of January, 1965 or, if the applicant is an insurer to whom compensation is payable under Part B of the First Schedule to the Act, not later than the 31st day of April, 1965;

(b) In all other cases within three months from the date on which the compensation is offered, or, if the applicant is an insurer to whom compensation is payable under Part B of the First Schedule to the Act, within six months form the date on which the compensation is offered.

(2) The Corporation shall within three months of the date of receipt of an application under sub-rule (1) refer the matter to the Tribunal for decision along with a written statement and other documents specified, if any, by the Tribunal in the regulations.

(3) (i) Where an application under sub-rule (1) is made after the expiry of the period specified therefore in that sub-rule, the Corporation shall, notwithstanding the expiration of the said period, refer the matter within three months of the date of receipt of the application to the Tribunal for decision along with a written statement and other documents specified, if any, in the regulations.

14 Subs. for the words "by the Corporation" by G.S.R. 460(E), dated the 30th June, 2021.

15Sub. by G.S.R. 1568, dated the 31stOctober, 1964.

(ii) The Tribunal may admit a reference made under clause (i) if the applicant satisfies the Tribunal that he had sufficient cause for not making the application to the Corporation within the period specified therefor in sub-rule (1).

(4) An application to the Tribunal under section 15, or a reference to the Tribunal, other than a reference referred to in sub-rule (2) or sub-rule (3), may be made—

(a) in cases, where the cause of action arose before the 1st day of November, 1964, not later than 31st day of January, 1965,

(b) in all cases, within a period of three months from the date on which the cause of action arose:

Provided that the Tribunal may admit an application or a reference other than a reference referred to in sub-rule (2) or sub-rule (3) after the expiry of the relevant period referred to in clause (a) or clause (b) if the person making the application or reference satisfies the Tribunal that there was sufficient cause for not making in within that period.]

16[**12A. Jurisdiction of Tribunal.—**The Tribunal may exercise jurisdiction in the whole of India and shall have power to decide or determine all or any of the following matters, namely:—

(i) any question whether of title or of liability or of any nature whatsoever in relation to the assets and liabilities pertaining to the controlled business of an insurer transferred to and vested in the Corporation;

(ii) any question under section 10 or under any rules made there under whether any property is or was held or used by a composite insurer for the purposes of his controlled business;

(iii) every application made under section 15 and all claims outstanding in respect of any transaction which may be the subject matter of any such application determined in favour of the Corporation;

(iv) all claims for compensation payable under the Act to insurers whose controlled business has been transferred to and vested in the Corporation; and all matters connected with the determination, payment and distribution of such compensation;

(v) all claims for compensation payable under the Act to chief agents or special agents for contracts terminated under section 36; and all matters connected with the determination, payment and distribution of such compensation;

(vi) such supplemental, incidental or consequential matters which the Tribunal may deem it expedient or necessary to decide or determine for the purpose of securing that the jurisdiction vested in it under the Act and in respect of matters referred to above is fully and effectively exercised.]

13. Compensation.—The compensation payable under the Act shall be paid in cash.

14.Employees and Agents Relations Committee.— The representatives of the Corporation on the Employees and Agents Relations Committee constituted under sub-section (3) of section 22 of the Act for each zonal office of the Corporation and the representatives of the employees and agents on such Committee shall be nominated [17][by the Chief Executive].

[16]Ins. by G.S.R. 317, dated the 30thApril, 1958.

[17]Subs. for the words "by the Corporation" by G.S.R. 460(E), dated the 30thJune, 2021.

15. Term of office of members of Employees and Agents Relations Committee.—A member of an Employees and Agents Relations Committee shall hold office for a period of two years but shall be eligible for being re-nominated.

16. Causal vacancies in Employees and Agents Relations Committee.—(1)If any casual vacancy occurs in the office of a member of an Employees and Agents Relations Committee by death or resignation of such member or otherwise, the [18][Chief Executive] shall as soon as may be after the occurrence of the vacancy take immediate steps to fill the vacancy.

(2) Every member appointed to fill a casual vacancy of such Committee shall continue in office for the unexpired term of his predecessor.

17. **Report.—**The Annual Report to be submitted by the Corporation to the Central Government under section 27 of the Act regarding its activities during the previous financial year shall be in such form as the Central Government may, from time to time, direct and shall inter-alia contain particulars in respect of the following matters, namely:—

(a) the extent of the new business;

(b) the total amount of business in force;

(c) the total amount of claims;

(d) nature of investment; and

(e) the accounts

18. Allocation of paid-up capital of composite insurer.— For the purposes of the Explanation to sub-section (2) of section 7 and of clause (b) of sub-section (2) of section 10 of the Act, the part of the paid-up capital, or assets representing such paid-up capital as the case may be, allocated to the controlled business of an insurer shall be determined in the manner following namely:—

(i) in respect of an insurer entitled to receive compensation under Part A of the First Schedule to the Act, the paid-up capital allocable to the controlled business shall be that proportion of the total paid-up capital of the insurer which the annual average of the profits from the controlled business during the period covered by the relevant actuarial investigation bears to the total of such annual average of profits plus two times the annual average of the profits from other business during that period:

Provided that the paid-up capital so allocable to the controlled business shall not in any case exceed a sum of Rs.6 lakhs.

(ii) in respect of an insurer entitled to compensation under Part B of the First Schedule to the Act, the paid-up capital allocable all be the excess, if any, of the amount

of liabilities of the insurer appertaining to such business in existence on the 19th day of January, 1956, computed as at that date in accordance with the provisions of paragraph 4 of Part B of the First Schedule to the Act over the value of the assets of the insurer appertaining to his controlled business (excluding the paid-up capital allocable to controlled business) in existence on the 19th day of January, 1956 computed as at that date in accordance with the provisions of paragraph 3 of Part B of the First Schedule to the Act.

Explanation 1.—"Profits from controlled business" means the share of the surplus allocated to the shareholders as disclosed in the abstracts prepared in accordance with Part II of the Fourth Schedule to the Insurance Act in respect of the relevant actuarial investigations.

[18]Subs. for the words "Corporation" by G.S.R. 460(E), dated the 30th June, 2021.

Explanation 2.— "Profits from other business" means the total of the Profits less losses transferred to "Profit and Loss Account" from the fire, marine and miscellaneous Insurance revenue accounts prepared in accordance with Form F of the Third Schedule to the Insurance Act.

Explanation 3.— "Relevant Actuarial Investigations" means such minimum number of latest actuarial investigations as it dates earlier than the 1st day of January, 1956 (not being less than 2 in any case) would leave the period intervening between the date as at which the actuarial investigation immediately preceding the first of such investigations was made and the date as at which the last of such investigations was made to be not less than 4 years.

Explanation 4.— Where an insurer has allocated to shareholders more than 5 per cent of any such surplus as is referred to in Explanation 1, the insurer shall be deemed to have allocated only 5 per cent of the surplus and where an insurer has not allocated any such surplus to shareholders or has allocated to shareholders less than 5 per cent of any such surplus the insurer shall be deemed to have allocated 5 per cent of the surplus.

19. Transfer of business of certain composite insurers to the Corporation.—Every transfer by the Administrator under clause (a) of section 45 of the Act shall be made in pursuance of an agreement between the Administrator and the Corporation and no such agreement shall be entered into except with the previous approval of the Central Government.

20. Vesting of the management of the affairs of the insurer in the persons entitled thereto.—As soon as the transfer in terms of rule 19 is effected, the Administrator shall by notice call upon the persons in charge of the management of the insurer immediately prior to the appointment of the Administrator to take charge of the management of any other kind of business not transferred to and vested in the Corporation and upon such notice being given, such persons shall take the management of that other kind of business.

[19]**[21. Form and manner in which financial statement may be issued, circulated or published.—**The Corporation shall—

(i)send to each member and every other person entitled to receive the same, either by electronic mode or by despatch of physical copy by way of registered post or speed post or courier to, or delivery at, the address entered in the register of members referred to in section 5B in the case of members and at the registered office or the last known address in case of other persons, a copy each of the financial statement of the Corporation;

(ii)place its financial statements for the preceding ten years on its website after the same have been adopted at an annual general meeting.

Explanation.—For the purposes of this rule,—

(a)"financial statement" includes the consolidated financial statement of the Corporation, along with the Board's report, auditor's report and other documents required to be attached therewith under sub-section (8) of section 24B;

(b)"courier" means any person who delivers a document and provides proof of its delivery;

(c)"electronic mode" means any communication sent by the Corporation through its authorised and secured computer programme, which is capable of generating a confirmation of the communication having been sent and of keeping a record of such communication addressed to the person entitled to receive the same, at the electronic mail address of the addressee;

(d)"address" in relation to sending of financial statement by electronic mode shall mean the electronic mail address of the addr

[19]Ins., for rules 21, 22, 23, 24, 25, 26 and 27, *vide* G.S.R. 460(E), dated the 30th June, 2021.

22. Manner and procedure of selection of auditors and conditions of their appointment.—(1) The Audit Committee shall formulate and recommend to the Board for adoption of a policy for selection of auditors of the Corporation or of any branch or office of the Corporation as is referred to in sub-section (6) of section 25B (hereinafter referred to as "Auditor"):

Provided that such policy shall include submission of a certificate by the proposed Auditor that,—

(a)the individual or the firm, as the case may be, is eligible for the proposed appointment and is not disqualified for appointment under the Act and the Chartered Accountants Act, 1949 (38 of 1949), and the rules and regulations made thereunder, and that the auditor satisfies the criteria provided for eligibility for appointment as an auditor of a company under section 141 of the Companies Act, 2013 (18 of 2013);

(b)the proposed appointment is as per the term provided under the Act;

(c)the proposed appointment is within the limits laid down by or under the authority of the Act;

(d)the list of proceedings against the auditor or audit firm or any partner of the audit firm pending with respect to professional matters of conduct, to be disclosed in the certificate, is true and correct.

(2) The Board shall adopt the policy recommended under sub-rule (1) without any modifications or with such modifications as it may consider necessary.

(3) The Audit Committee shall, in accordance with the policy adopted by the Board under sub-rule (2), draw up a panel of names of auditors who may be considered for appointment as an Auditor.

(4) For selecting an Auditor from out of the panel referred to in sub-rule (3), the Audit Committee shall take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as Auditor and whether such qualifications and experience are commensurate with the size and requirements of the Corporation or its branch or office, as the case may be:

Provided that while considering the appointment, the Audit Committee shall have regard to any order or pending proceeding relating to professional matters of conduct against the proposed Auditor before the Institute of Chartered Accountants of India constituted under the Chartered Accountants Act, 1949 (38 of 1949) or any competent authority or any court.

(5) The Audit Committee may call for such other information from the proposed Auditor as it may deem fit.

(6) Subject to the provisions of sub-rule (4), the Audit Committee shall recommend to the Board for its consideration the name of an individual or a firm as Auditor.

(7) If the Board agrees with the recommendation of the Audit Committee under sub-rule (6), it shall recommend the appointment of an individual or a firm as Auditor to the members in the annual general meeting.

(8) If the Board disagrees with the recommendation of the Audit Committee under sub-rule (6), it shall refer the recommendation back to the Audit Committee for reconsideration, while citing the reasons for the disagreement.

(9) If the Audit Committee, after considering the reasons given by the Board under sub-rule (8), decides not to reconsider its original recommendation, the Board shall record the reasons for its disagreement with the Audit Committee and give its own recommendation for consideration of the members in the annual general meeting; and if the Board agrees with the recommendations of the Audit Committee, it shall place the matter for consideration by members in the annual general meeting.

(10) The Auditor appointed in the annual general meeting shall hold office from the conclusion of that meeting till the conclusion of the sixth annual general meeting, with the meeting wherein such appointment has been made being counted as the first meeting.

Explanation.—For the removal of any doubts, it is hereby clarified that until the first annual general meeting is held, the Board shall perform the functions required to be performed by the members in the annual general meeting under this rule, subject to fulfilment of the requirement of previous approval of the Central Government under sub-section (ment of duly qualified auditors.

23. Other matters to be included in auditor's report.—(1) The report of the auditor of the Corporation shall include—

(i)the auditor's views and comments in relation to the Corporation on matters prescribed by the Central Government to be included in the auditor's report for audit in respect of companies, under sub-section (2) of section 143 of the Companies Act, 2013 (18 of 2013), and (ii)a statement in relation to the Corporation on such matters whose inclusion in the auditor's report in respect of companies may be directed by any order issued by the Central Government under sub-section (11) of section 143 of the Companies Act, 2013 (18 of 2013),

subject to such modifications and exceptions as the Central Government may by notification specify.

(2) The requirement of inclusion in the auditor's report of any statement regarding reporting of fraud by the auditor of the Corporation under clause (ii) of sub-rule (1) shall also apply to the auditor's report of the auditor of a branch or office of the Corporation, to the extent it relates to such branch or office.

24. Duties and powers of Corporation's auditor with reference to audit of branch or office of the Corporation and its auditor.—For the purposes of sub-section (6) of section 25B, the duties and powers of the Corporation's auditor with reference to the audit of a branch or office of the Corporation and its auditor shall be as contained in sub-sections (1) to (4) of section 25B.

25. Resignation of auditor.—(1)For the purposes of sub-section (2) of section 25A, when an auditor has resigned from the Corporation, he shall file a statement with the Corporation in

Form 2 as set out in the Schedule to these rules.

(2) In the event of the Corporation applying to list its equity shares under any regulation made by the Securities and Exchange Board of India in this behalf, any additional requirements specified by the Securities and Exchange Board of India in respect of resignation of statutory auditors from listed entities shall be complied with.

26. Reservation in favour of and allotment to life insurance policyholders in a public issue.—(1) Any reservation made by the Corporation in favour of its life insurance policyholders on a competitive basis in a public issue under clause (a) of sub-section (9) of section 5 shall be made in a manner similar to that applicable to a reservation on a competitive basis for employees in a public issue under any regulation made and circular issued by the Securities and Exchange Board of India regarding issue of capital and disclosure requirements, to the extent not repugnant to the provisions of the Act, and be subject to fulfilment of the terms and conditions in this regard, as disclosed in the offer document approved by the Board.

(2) Allotment of equity shares to life insurance policyholders against any reservation made in their favour shall be made in consultation with the stock exchanges concerned.

Explanation.—Words and expressions used in this rule but not defined in the Act shall have the meanings assigned to them in the regulations made by the Securities and Exchange Board of India regarding issue of capital and disclosure requirements, to the extent not repugnant with the provisions of the Act.

27. Use of electronic records and electronic signature.—For the purposes of these rules, any requirement of—

(a) maintenance of a register or minutes or book or giving notice or submission of a certificate or calling for information or filing of a statement shall be satisfied if the same is maintained, given, submitted, called for or filed, as the case may be, in the form of an electronic record as defined in the Information Technology Act, 2000 (21 of 2000)];

(b) a person signing a notice, certificate, a call for information or a statement shall be satisfied if he affixes thereon his electronic signature as defined in the Information Technology Act, 2000(21 of 2000).

[20][**28. General meetings.—**(1) Persons entitled to attend and to exercise vote at a general meetings may also do so through audio-visual means, for which the Corporation may adopt such procedure as a company may adopt for holding such meetings under the framework laid down by the competent authority in the Ministry of Corporate Affairs.

(2) Save as otherwise provided for in the Act, the rules and regulations made thereunder and the procedure under sub-rule (1), for holding a general meeting of members of the Corporation and voting for a resolution by the members, the Corporation shall also observe such secretarial standards as are applicable to a company for holding general meetings under sub-section (10) of section 118 of the Companies Act.

(3) The notice for a general meeting of the Corporation shall be issued by the Company Secretary, or by such director or other officer of the Corporation as the Board may authorise in this behalf.

(4) Every notice of a general meeting of the Corporation shall be issued in like manner as is provided for a general meeting of a company under section 101 of the Companies Act and, if any item of special business is to be transacted thereat, a statement as provided for in sub-sections (1) and (3) of section 102 of the Companies Act shall be annexed to the notice.

(5) Every notice for a general meeting shall be accompanied by,—

(a)an attendance slip in Form 3; and

(b)a proxy form in Form 4,

set out in the Schedule to these rules, along with instructions for filling and submitting the same.

(6) The Chairperson shall be the chairman of a general meeting of the Corporation:
Provided that in the absence of the Chairperson, or if at any meeting he is not present within fifteen

minutes of the time appointed for holding the meeting, or if he is unwilling to chair the meeting, the directors present may choose one amongst themselves to be the chairman:

Provided further that in the event of default on the part of the Chairperson and directors present in chairing the meeting as aforesaid, or if no director is present, the members present shall choose one amongst themselves to be the chairman:

Provided also that if a poll is demanded in accordance with clause (b) of sub-rule (9) for choosing the member to chair the meeting under the second proviso of this sub-rule, it shall be taken forthwith and the person elected as a result of the poll shall be the chairman.

(7) Subject to the provisions of sub-section (1) of section 4C,—

[20] Ins. by G.S.R.171 (E), dated the 3rd March, 2022, published in Gaz. of India, Ext., .Part II, sec 3(i), dated 4th March, 2022.

(a) every member shall have a right to vote on every resolution placed before the Corporation in a general meeting; and

(b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the Corporation:

Provided that a member shall not be entitled to any voting rights in respect of any amount paid by him for the whole or a part of the amount remaining unpaid on any shares by him, until the amount paid has been called up.

(8) At a general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded under sub-rule (9) or voting is done through electronic means under the procedure referred to in sub-rule (1) or the secretarial standards referred to in sub-rule (2), be decided on a show of hands, and a declaration by the chairman of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting shall be conclusive evidence of the fact of passing of such resolution or otherwise.

(9) Before or on the declaration of the result of the voting on any resolution on show of hands in a general meeting, a poll—

(a) may be ordered to be taken by the chairman on his own motion; and

(b) shall be ordered to be taken by him on a demand made in that behalf by members present thereat or by proxy, who—

(i) have not less than such proportion of the total voting power in the Corporation; or

(ii) hold shares on which such aggregate sum has been paid up to the Corporation,

as is provided for or prescribed under clause (a) of sub-section (1) of section 109 of the Companies Act in respect of demand for poll by members in a company:

Provided that the demand for a poll may be withdrawn at any time by the persons who made the demand:

Provided further that a poll demanded for adjournment of the meeting or appointment of the chairman shall be taken forthwith.

(10) A poll ordered at a general meeting of the Corporation under sub-rule (9) shall be taken in like manner as is provided for a company under sub-sections (4) to (7) of section 109 of the Companies Act.

(11) The chairman shall appoint such number of persons as he deems necessary to scrutinise the poll process and votes given on the poll and to report thereon to him in the manner prescribed under sub-section (5) of section 109 of the Companies Act, and such person or persons shall,—

(a) arrange for polling papers, which shall be in Form 5 as set out in the Schedule to these rules, and distribute the same to the members and proxies present at the meeting and, in case of joint members, to the first named holder of their share or shares and in his absence to such joint holder attending the meeting whose name appears next in the chronological order in their share;

Form 6 as set out in the Schedule to these rules.

(12) A member which is a body corporate may, by resolution of its Board of directors or other governing body, authorise such individual as it may deem fit to act as its representative at a general meeting, and the individual so authorised shall be entitled to exercise on behalf of that body corporate the same rights and powers, including the right to vote by proxy, as such body corporate may exercise if it were an individual member.

(13) The Central Government may authorise such official of the Central Government as it may deem fit to act as its representative at a general meeting, and the official so authorised shall be entitled to exercise on behalf of the Central Government the same rights and powers, including the right to vote by proxy, as the Central Government may exercise if it were an individual member.

Explanation.—For the removal of doubts, it is clarified that for the purposes of this rule,—

(a)the applicability of the procedure referred to in sub-rule (1) and the secretarial standards referred to in sub-rule (2) shall include, among other things, matters relating to notice, quorum, attendance and exercise of vote at a general meeting (including through audio-visual means, electronic voting and proxy), postal ballot, adjournment, minutes and matters incidental thereto;

(b)where the said procedure or standards provide for a procedure or standard applicable to a company in which voting through electronic means has been prescribed under section 108 of the Companies Act or a public company, the same shall, mutatis mutandis, be applicable to the Corporation.]

SCHEDULES

SCHEDULE

FORM 1

[*See* rule 6]

Notice of interest by director To:

The Board of Directors
Life Insurance Corporation of India

Dear madam/sir,

I,....., son/daughter/spouse of Mr/Ms ……..……., resident of ……., being a director of the Corporation hereby give notice of my interest or concern in the following bodies corporate:—

S.no.	Name of the body corporate	Nature of interest or concern/ change in interest or concern	Shareholding	Date on which interest or concern arose/ changed

Note: "Body corporate" includes a company, a body corporate as defined under clause (11) of section 2 of the Companies Act, a firm, a financial institution or a scheduled bank or a public sector enterprise established or constituted by or under any Central Act or State Act, and any other incorporated association of persons or body of individuals.

Place:

Date:

Signature

Managing Director/Director/Chairperson/Chief Executive

FORM 2

[*See* rule 25]

Notice of resignation by the auditor

Life Insurance Corporation of India ("Corporation") 1. (a) Address of the Central Office of the Corporation: (b) Email address of the Corporation:
2. Category of auditor: ☐ Individual ☐ Firm 3. (a) Income tax PAN of auditor or auditor's firm: (b) Name of the auditor or auditor's firm: (c) Membership number of auditor or auditor's firm registration number: (d) Address of the auditor or auditor's firm: (e) City: (f) State: (g) PIN code: (h) Email address of the auditor or auditor's firm: 4. Reason for resignation: 5. Whether letter of resignation is enclosed: Yes/No 6. Any other facts relevant to the resignation: **Verification** I hereby confirm that the information given in this form and enclosed documents are correct and complete. I am duly authorised to sign and submit this form. Signature Auditor/Partner of the audit firm Whether Associate or Fellow? ☐ Associate ☐ Fellow Membership number: Enclosures: 1.Resignation letter, if enclosed 2.Any other document.]

[21][*"FORM 3*

[*See* rule 28(5)(a)]

Attendance slip

_____ General Meeting on the _____ day of _____, 20___ at ____ a.m./p.m.

Number of shares held: _____

Folio number: _____

OR*

DP Id: _____

Client Id: _____

I certify that I am a registered member/proxy for the registered member of the Life Insurance Corporation of India and hereby record my presence at the _____ General Meeting of the Life Insurance Corporation of India on the _____ day of _____, 20___ at _____ a.m. / p.m. at _____ (place).

Signature of registered member/proxy

*Applicable to investors holding shares in dematerialised form

FORM 4

[*See* rule 28(5)(b)] **Proxy form** To:

Life Insurance Corporation of India
Central Office
'Yogakshema'
JeevanBima Marg
Nariman Point
Mumbai – 400021

Name of the member(s):	
Registered address:	
Email address:	
Folio number: OR* DP Id: Client Id:	

*Applicable to investors holding shares in dematerialised form

[21]Ins. by G.S.R.171 (E), dated the 3rd March, 2022, published in Gazette of India, Ext., Part II, section 3(i), dated the 4th March, 2022.

I/We, being member(s) of _____* shares of the Life Insurance Corporation of India, hereby appoint the following person—

(1)Name: _____

Address: _____

_____

Email address: _____

Signature: _____,

Or, in the event of his/her failing to attend,

(2)Name: _____

Address: _____

_____

Email address: _____

Signature: _____,

Or, in the event of his/her failing to attend,

(3)Name: _____

Address: _____

_____

Email address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the _____ general meeting of the Life Insurance Corporation of India, to be held on the _____ day of _____at _____ a.m./p.m. at _____ (place), and at any adjourned meeting thereof, in respect of the resolutions indicated below:

Resolution number:

(1)_____

(2)_____

(3)_____

Signed this _____ day of _____, 20____

Signature(s) of member(s):

Member(s) to affix revenue stamp and sign across the same		

Signature(s) of proxy holder(s):

(1)	(2)	(3)

Note: In order to be effective, this form should be duly completed and deposited at the central office of the Corporation or such other office of the Corporation as its Board may determine, not less than forty-eight hours before the time fixed for the meeting.

*Specify the number of shares held

FORM 5

[*See* rule 28(11)(a)]

Polling paper

To:

Life Insurance Corporation of India
Central Office
'Yogakshema'
JeevanBima Marg
Nariman Point
Mumbai – 400021

POLLING PAPER

S. No.	Particulars	Details
1.	Name of the first named member (in block letters)	
2.	Postal address	
3.	Folio number: OR* DP Id: Client Id:	
4.	Class of share	

*Applicable to investors holding shares in dematerialised form

I hereby exercise my vote in respect of the ordinary/special resolution(s) enumerated below by recording my assent or dissent to the said resolution(s) in the following manner:

S. No.	Item number	Number of shares held by me	I assent to the resolution#	I dissent from the resolution#
1.				

#Member/proxy to place a tick [✓] in the box below, to indicate his vote.

Place: _____

Date: _____

Signature of registered member / proxy

FORM 6

[*See* rule 28(11)(b)]

Report of scrutiniser(s)

To:

Mr/Ms _____

Chairman of the ___ general meeting of members of the Life Insurance Corporation of India, held on ____ day of _____, 20___ at _____

Dear sir/madam,

I/We, _____, _____ and _____, appointed as scrutiniser(s) for the purpose of the poll taken on the resolution(s) enumerated below, at the _____ meeting of the members of the Life Insurance Corporation of India held on ____ day of _____, 20___ at _____, hereby submit my/our report as under:

(1)After the time fixed for closing of the poll by the chairman, _____ ballot boxes kept for polling were locked in my/our presence, with identification marks duly placed by me/us.

(2)The locked ballot boxes were subsequently opened in my/our presence, and poll papers were scrutinised diligently and reconciled with the records maintained by the Life Insurance Corporation of India /its registrar and transfer agents and the authorisations/ proxies lodged with the Life Insurance Corporation of India.

(3)The poll papers, which were incomplete and/or which were otherwise found defective have been treated as invalid and kept separately.

OR

I/We did not find any invalid poll papers.

(4)The result of the poll is as under:

(a)Resolution ____-_____

(Reproduce Item No. and heading of the Resolution)

(i)Voted **in favour** of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast

(ii)Voted **against** the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast

(iii)Invalid votes:

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them

(b)Resolution ____-_____

(Reproduce Item No. and heading of the Resolution)

(i)Voted **in favour** of the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast

(ii)Voted **against** the resolution:

Number of members present and voting (in person or by proxy)	Number of votes cast by them	% of total number of valid votes cast

(iii)Invalid votes:

Total number of members (in person or by proxy) whose votes were declared invalid	Total number of votes cast by them

(c)_____*

(5)An electronic record listing in respect of each resolution the members who voted for the resolution, against the resolution and whose votes were declared invalid is sent herewith as/in _____#.

(6)The poll papers and all other relevant records were sealed and handed over to the Company Secretary/director authorised by the Board for safe-keeping.

Thanking you,

Yours faithfully,

Place: _____
Date: _____

Name(s) and signature(s) of the scrutiniser(s)

* To be enumerated depending on the number of resolutions for which poll is taken

#Specify the form of the electronic record [such as an electronic attachment to report submitted in electronic form, or a pen drive, hard disk or other external data storage device {to be specified and with identification marks duly placed on it by the scrutiniser(s)} submitted with report submitted in physical form.]