

Management Discussion & Analysis

I. Global Economic Environment

While the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones, crisis of Russia's invasion of Ukraine unfolds. The economic outlook has deteriorated, largely because of Russia's invasion of Ukraine, causing a tragic humanitarian crisis in Eastern Europe and the sanctions aimed at pressuring Russia to end hostilities. In addition to this, frequent and wider-ranging lockdowns in China, including in key manufacturing hubs have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging.

Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further. As per IMF projections, global economy will grow at 3.6 percent in 2022 and 2023. Both Russia and Ukraine are projected to experience large GDP contractions in 2022. The severe collapse in Ukraine is a direct result of the invasion, destruction of infrastructure and exodus of its people. In Russia, the sharp decline reflects the impact of the sanctions with a severing of trade ties, greatly impaired domestic financial intermediation and loss of confidence.

Even prior to the war, inflation had surged in many economies because of soaring commodity prices and pandemic-induced supply-demand imbalances. Some emerging markets and developed economies' central banks, such as the US Federal Reserve and those in Latin America, had already come under pressure before the war, bringing forward the timing of their monetary policy tightening. On the fiscal side, policy space was already eroded in many countries by necessary COVID-19 related spending. Debt levels have risen significantly, and extraordinary fiscal support was expected to be removed in 2022-23. The war and the impending increase in global interest rates will further reduce fiscal space in many countries, especially oil and food importing emerging market and developing economies.

II. Indian Economy Outlook

As per the Economic Survey 2021-22, advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe. India has administered over 190 crore doses that covered 100 crore people with at least one dose

and 91 crore people with both doses. The vaccination process for boosters and for the 15-18 year age group also gathered pace.

Inflation has reappeared as a global issue in both advanced and emerging economies. The surge in energy prices, non-food commodities, input prices, disruption of global supply chains and rising freight costs stoked global inflation during the year. In comparison to many Emerging Markets and Developing Economies (EMDEs) and advanced economies, consumer price inflation in India remained range bound in the recent months, touching 4.9 per cent in November 2021 and 5.6 per cent in December 2021, owing to the proactive steps taken by the Government for effective supply management. (Source: Economic Survey 2021-22)

Combination of high Foreign Exchange Reserves, sustained Foreign Direct Investment and rising export earnings will provide an adequate buffer against possible global liquidity tapering in 2022-23.

It's not just India, but almost all emerging economies are reeling under the external shocks. However, India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The results of growth enhancing policies and schemes (such as production-linked incentives and government's push toward self-reliance) and increased infrastructure spending will start kicking in from 2023, leading to a stronger multiplier effect on jobs and income, higher productivity, and more efficiency, all leading to accelerated economic growth.

III. Life Insurance Industry Developments

Insurance industry faced enormous challenges as a result of COVID-19 resulting in to develop new business strategies, prioritize investments, rethink what industry verticals and customer segments to target, and develop products, services and pricing strategies for prioritized segments. The current crisis has accelerated the trend toward automation and digitization, both of which were previously fuelled by changing demographics, customer expectations and competitive pressures. Consumers have quickly adapted to online channels and increasingly prefer to transact digitally at all insurance touchpoints.

The annual rate of inflation in the U.S. hit 6.2% in October 2021, a three-decade high, yet life insurance prices stayed consistent throughout the year, with only nominal changes from January to December. Though insurers made strategic pricing adjustments, the impact was minimal and mostly beneficial to consumers.

India is one of the fastest growing insurance markets in the world. In terms of total premium volumes, it was the 10th largest globally in 2021, with an estimated market share of 1.9%, and the second largest of all emerging markets. Estimations says that global life premiums will contract slightly (-0.2%) in real terms in 2022 after last year's robust recovery from pandemic-induced lows while expected recovery to 1.9% in real terms in 2023 as inflation pressures ease and economic conditions



improve. Moderate improvement is expected in life sector profitability this year, based on rising interest rates. (source – Swiss Re sigma no. 4/2022)

Life Insurance Penetration

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium).

India's life insurance penetration was 3.2% in 2021, almost twice more than the emerging market and slightly above the global average. In terms of insurance density, India's life insurance density stood at US\$ 69 in 2021. As per Swiss Re sigma report, globally insurance penetration and density were 3.0 per cent and USD 382 respectively for the life segment. Most life insurance products sold in India are savings-linked, with just a small protection component. Hence households remain exposed to a large financing gap in the event of premature death of a main breadwinner. The mortality protection gap in India stood at USD 17 trillion in 2019, (or 83% of total protection needed), one of the largest in the world. (source – Swiss Re sigma no. 4/2022)

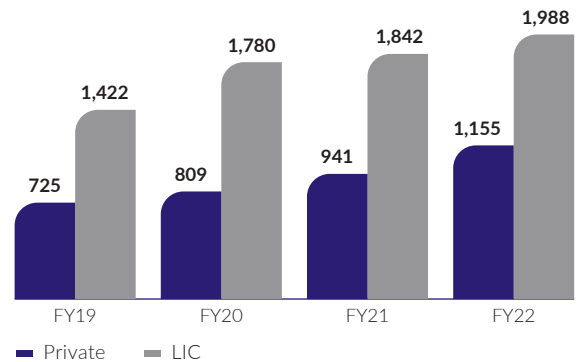
New Business Premium, Market Share, Product Mix and Distribution Mix

The domestic life insurance industry registered growth of 12.9% for new business premium in FY 2022. Private players grew by 22.7% while Life Insurance Corporation (LIC) grew by 7.9%. More than 29 million policies were sold in FY 2022 by all insurance players including LIC. While LIC grabbed a market share of 63.2% of total new business premium, the private players took a share of 36.8% in FY 2022. In terms of individual rated premium, private players have fared better, capturing a market share of 62.9% while LIC held a share of 37.1% in FY 2022.

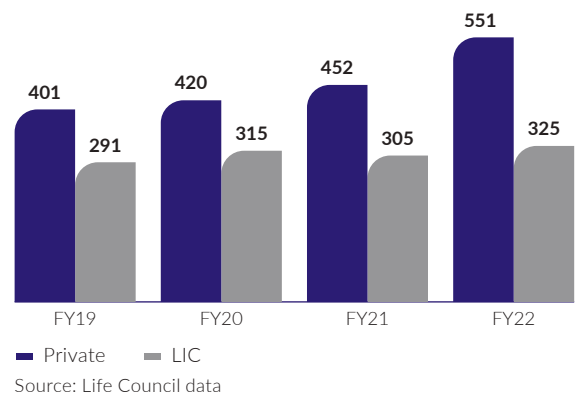
The traditional products registered a growth of 10.0% in 2021-22, with gross written premium of ₹5.91 lakh crore as against ₹5.37 lakh crore in the previous year. On the other hand, Unit-linked products (ULIPs) registered a growth of 10.2% with increase in premium from ₹90,992 crore in 2020-21 to ₹100,315 crore in 2021-22. The share of unit-linked products in total premium marginally increased to 14.50% in 2021-22 as against 14.48% in 2020-21.

The individual agents continue to be the major distribution channel for individual new business. However, the contribution of individual agents to the individual new business premium has decreased to 55.03% during the year 2021-22 compared to 58.14% in 2020-21. For LIC, individual agents are the dominant channel of distribution with a share of 96.26% in individual new business premium while it was 22.90% for the private sector. The contribution of corporate agents in individual new business premium of industry has increased to 33.94% in the year 2021-22 from 30.78% in the year 2020-21.

New Business Premium (₹ in billion)



Individual Rated Premium (₹ in billion)



IV. Opportunities, risks and way forward

The Indian Insurance sector has historically witnessed growth between 12 to 15 % over a five to six year time horizon. This growth has primarily been driven by the inherent under-penetration of the sector as well as concerted efforts by the Industry and the regulatory authority to increase awareness and adoption. The pandemic has cemented positive paradigm shifts for insurance. Higher risk awareness and acceleration in digitization are positive structural trends for insurance. Life insurance is benefiting from the COVID-19 effect on consumer risk awareness. This should be supported by higher household incomes as labour markets recover, and by accelerated digital adoption.

A. Opportunities and Strategy

The insurance industry in India has been growing dynamically, with total insurance premiums increasing rapidly, as compared to global counterparts. In the last two years, the life insurance industry continued to take some of its biggest leaps. Though it had its share of challenges owing to the pandemic and uncertainty, increased awareness and need for protection, falling interest

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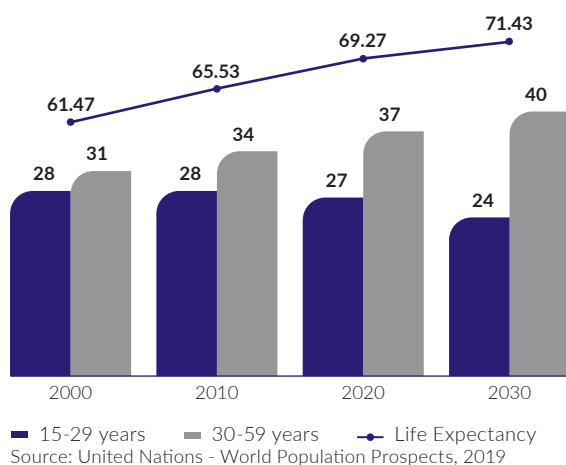
rates played a key role in increasing demand for solutions offering guaranteed returns and assured savings. The focus will be on insurance offerings which will combine risk transfer with proactive and value-added services. Low insurance penetration and density rates in India will continue to provide significant opportunity to grow further in the insurance industry.

Some of the factors which will provide growth opportunities are as below:

i. Demographic profile

Demographic profile on India has been its biggest strength for economic growth. India is estimated to surpass China as the most populous country in the world around 2027 according to United Nations- World Population Prospects, 2019. Nearly 40% of India's population will be between 30-59 years by 2030.

Increasing share of working population (%) and life expectancy (years)

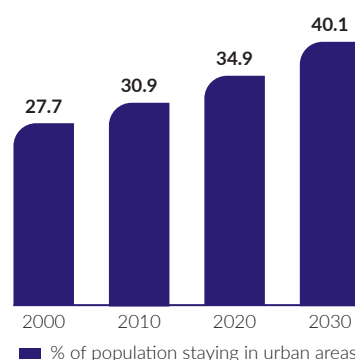


Strategy – Life Insurance provides financial risk mitigation by offering products which mobilize long term savings, provide life protection as well as annuity solutions for longevity risk. Younger working population proportion & rise in nuclear family structures has been largely driving insurance coverage. Also, with the company's focus on insurance awareness and diverse product portfolio helps in capturing sizeable market share. This is further supported by a wide distribution network of 205,717 trained insurance personnel comprising of 146,057 Individual agents, 53,649 Certified Insurance Facilitators (CIFs) and 6,011 Specified persons(SP) on the ground.

ii. Urbanisation

Over the years the world has seen an increase in urban population. India is no different. The share of urban population in India has been rising and from 27.7% in 2000 is expected to reach 40.1% by 2030. Increase in urbanisation leads to increase average income levels, overall lifestyle improvement and awareness of insurance and financial products for savings and investments.

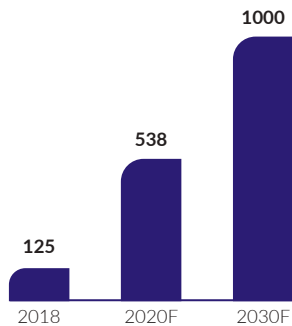
India's growing urban population (%)



Strategy – Diverse product portfolio of the company is well suited to provide increased coverage through high ticket size policies and catering to various customer needs in the life, health, pension, annuity & micro-insurance segments. Increase in per capita income levels and maintenance of higher living standard entails increase in insurance coverage. During the FY 2021-22, the Company has launched SBI Life – Smart Platina Plus which provides security, flexibility and reliability through a regular guaranteed long term income, flexibility to suit life goals and financial protection along with tax benefits.

iii. Digitisation

Digital disintermediation is proceeding strongly in the Indian insurance industry. Omni-channel sales and novel ways of interacting with the customers through hyper-personalization and more intimate digital sales interaction will encourage companies to explore newer ways to enhance customer engagement and experience. Customer preference for easy process and digital channels will continue to be on the rise.

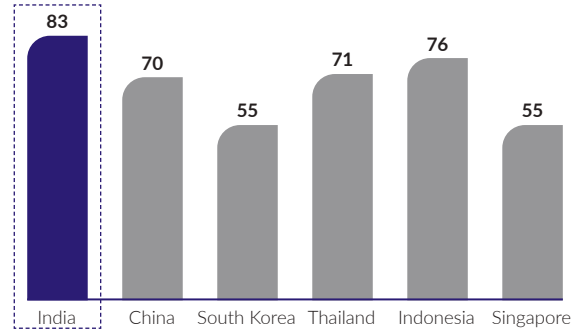
**India's internet economy (US \$ in billion)**

(Source: IBEF – Ecommerce)

Strategy – The company is steadily continuing its path of Digital transformation by adopting various Digital initiatives. The whole motive is to make the transition from Customer Satisfaction to Customer Delight. Our Digital Platforms are contributing towards making processes & services faster and automated. Continuing the thrust to adopt 'Go Digital', more than 99% of the Individual New Proposals are sourced through our Mobile Application. 93% of renewal premium is collected through digital mode. The company has adopted OCR technology for faster digital onboarding making penetration seamless.

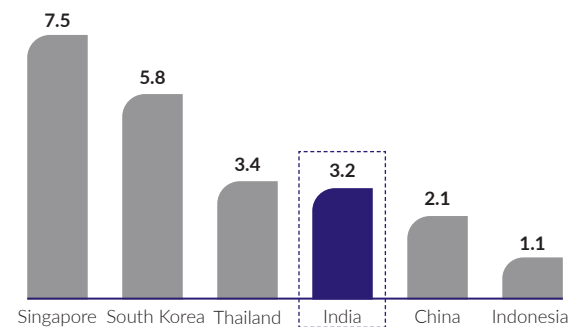
iv. Insurance penetration

As per Swiss Re sigma report mortality protection gap in India still stands at 83% of the total protection needed. Understanding human behaviour and how people make insurance decisions is a critical first step to effectively closing the protection gap. Market penetration can be improved by accessing previously untapped segments, and by leveraging new channels and technologies. Technological innovation along with solid financing and the right policies will be needed to make sure as many people as possible in the region get the insurance protection they need. Changing consumer mind-set towards protection along with increased awareness will aid in closing the protection gap.

Protection margin highest amongst peers (%)

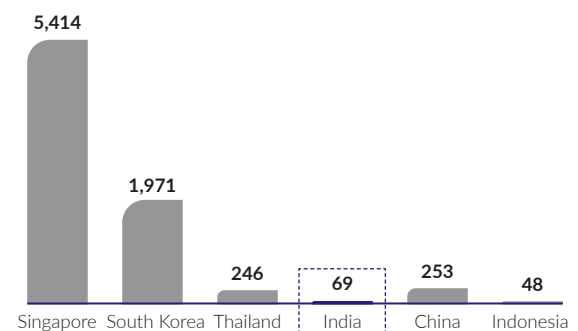
Protection margin

(Source: Swiss Re, "Closing Asia's Mortality Protection Gap 2020")

Life Insurance Penetration (%)

Premium as a % GDP in 2021

(Source : SwissRe Sigma 4/2022)

Life Insurance Density (in USD)

Premium underwritten in a given year to total population in 2021

(Source : SwissRe Sigma 4/2022)

Management Discussion & Analysis (Contd.)

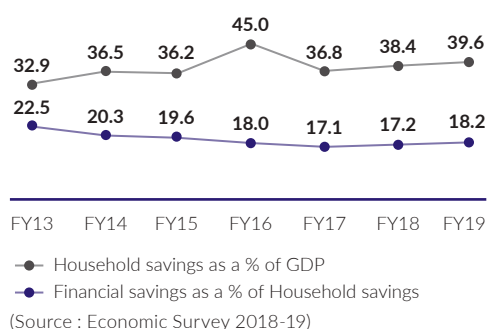
Strategy – Based on survey conducted by SBI Life in association with Nielsen, Indians remains underinsured as the life cover to personal annual income ratio is only 3.8 times, which is way below the recommended 10x to 25x of annual income. To plug in the protection gap, the company is focused on its diverse range of protection products. During the year, Company has launched two Individual protection products like SBI Life - eShield Next and Arogya Shield to increase the protection business. SBI Life - eShield Next is a pure risk premium product to give boost to financial immunity. Arogya shield is a Health plus Life combi product which offers comprehensive health cover by SBI General along with assured life cover by SBI Life. Apart from this, company also has credit life protection (loan coverage) and group term products.

v. Financialisation of savings

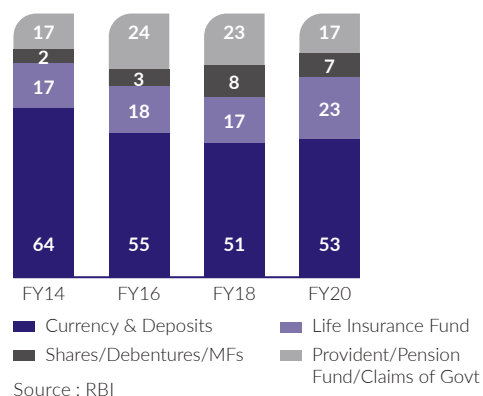
Majority of Indian households invest their hard earned money in physical assets, which have not been able to beat inflation. Financialisation of savings means changing mindset from investing in physical assets to financial assets. In the previous two fiscals (i.e., FY20 & FY21), the cumulative gross financial savings increased by ₹ 8.5 lakh crore. The savings in the form of gold and silver ornaments exhibited decline in FY21 as people chose to save in the form of financial assets. Subscription rate to insurance funds by households remained high, reflecting the pandemic led increased awareness of life insurance.

With the increasing financialisation of the economy, banks have started aggressively selling a number of financial products to their customers as mutual funds (MFs) and insurance policies.

Household Savings and Financial Savings (%)



Share of life insurance in financial savings (%)



Strategy – Company's diverse product portfolio meets the twin goal of savings and protection. This makes insurance an attractive proposition to channelize household savings. Traditional & digital distribution network of the company provides direct touch points for customer and an end-to-end smooth customer journey. Company is also highly focused on increasing insurance awareness. The Company offers 40 different products to meet different end-goals (ranging from long-term investment to pure protection under individual as well group platform) depending on the risk profile of the customer through a strong distribution network of 2,05,717 trained insurance professionals and 952 offices.

vi. Pension and Annuities

With a median age of 28, India is among the youngest major economies. India's share of population above the age of 60 years is expected to rise to 13% by 2030 and 19% by 2050 from the current level of 10%. An expected improvement in life expectancy and a decline in fertility rates could combine to shore up the share of the population that needs support in old age significantly, driving a huge potential demand for annuity and pension type products.

Strategy - The company offers individual immediate annuity product, group immediate annuity product, a unit linked pension product and a participating pension product. NPS scheme of the government also offers a huge opportunity as at the time of vesting of the corpus 40% has to be annuitized. Due to continuous focus, Annuity share in individual NBP has increased to 11% along with Individual Annuity growth of 49%. AUM



of pension and annuity products account for 15% of the total AUM. SBI Life is also one of the insurance companies authorised as Annuity Service Providers under NPS scheme by PFRDA.

B. Risks and concerns

Risks such as business practices and quality of risk management are the major risks the Indian insurance industry currently faces. Growing concerns over unethical sales practices and a public distrust of insurers as a consequence of mis-selling have driven reputational risk. Despite the steps taken by the companies and regulators to clean up practices such as mis-selling, this is still seen as an area of high risk particularly in the current scenario of fierce competition.

Also insurance industry by sector concerned about the impact of low interest rates on investment performance, and the task of managing complex and competitive retail distribution networks.

Low levels of penetration and density of insurance in India clearly imply that a large section of the population is still uninsured. To harness the potential of the insurance sector as a driving force of economic growth in India, these low penetration rates will have to be dealt with. In order to increase the penetration rates and density, uninsured rural areas and the urban poor must be brought under the scope of insurance coverage.

The Company has instituted an enterprise risk management framework which details the governance and management of all aspects of risks that we face. Company's risks and the approach towards managing them has been highlighted in the Enterprise Risk Management section of the Annual Report.

C. Future Outlook

- The world economy is making a strong recovery from the COVID-19 shock and the outlook is positive. However, peak growth is behind us and this cyclical recovery is not a structural one. The recovery will be uneven, with risks tilted to the downside.
- Inflation is a major near-term macro risk and we expect it to be elevated for some time, stemming from the same supply-side factors that are constraining growth.
- As per Sigma (Swiss Re), the outlook for global insurance premiums is expected to show above-trend real growth of 3.3% in 2022 and 3.1% in 2023.
- Growth is benefiting from rising risk awareness in both life and non-life segments, as consumers and businesses alike seek protection following

the shock of COVID-19 pandemic and above-average natural catastrophes.

- It is estimated that the global insurance premiums should exceed USD 7 trillion for the first time by mid-2022.
- Indian insurance market can gain from the right use of technology and innovation, if a comprehensive framework is created for the sector, keeping the associated challenges in mind.
- Demographic factors, coupled with increasing awareness and financial literacy, are likely to catalyse the growth of the insurance sector.

V. Regulatory updates and developments

The key highlights on recent regulatory changes impacting the Indian life insurance sector are as follows:

a) IRDAI (Indian Insurance Companies) (Amendment) Regulations, 2021

IRDAI through this amendment has aligned the said Regulation in line with Amendments made in Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 relating to foreign investment limit in Indian Insurance Companies.

b) Public Disclosures by Insurers

IRDAI has issued detailed instructions (including formats) regarding publication of Financial reports, Analytical Ratios etc. in Newspaper and on Website of insurer, effective from the period ending 30 September, 2021.

c) Enhancement of Lump Sum Withdrawal limit on Exit from NPS

Pension Fund Regulatory & Development Authority has modified the provisions related to lump sum withdrawal from National Pension Scheme for the benefit of Subscribers.

d) Aadhaar (Authentication and Offline Verification) (First Amendment) Regulations, 2022

Unique Identification Authority of India has given instructions regarding verification of Aadhaar Number, for entities desirous of verifying the identity of the Aadhaar number holder through offline verification.

VI. Business Overview

SBI Life have successfully maintained the new business thrust and have again delivered enduring performance in this financial year. We strongly believe that our wide distribution network along with customer centric product portfolio are well positioned to capitalise on the emerging opportunities in order to enhance the insurance penetration. Digitalisation allowed us to maintain business continuity, introduce new products

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and serve our customers efficiently while protecting the health and safety of our employees. We continue to use our digitalisation strategy effectively to enhance the positive impact of our business on the natural environment and the community wherever we operate.

Segment-wise business performance

The life insurance sector can be classified based on products into participating, non-linked and unit-linked

products. Non-linked products are traditional products with a protection and savings element built in or only pure-protection products. Non-linked products are further classified into participating products and non-participating products. Participating products have variable returns, as it is linked to the performance of the insurance company. Linked products' returns, on the other hand, are tied to the performance of debt and equity markets.

New business performance of the Company can be analysed based on the following segments –

| (₹ in billion) | | | | | | |
|----------------|---------------------------|---------|---------|-----------------------|--------------|--------------------------|
| Sr. No. | Segments | FY 2022 | FY 2021 | Product Mix (FY 2022) | Y-o-Y Growth | CAGR (FY 2017 – FY 2022) |
| 1. | Participating Segment | 7.69 | 9.66 | 3.0% | (20.4%) | (6.8%) |
| 2. | Non Participating Segment | | | | | |
| - | Individual Savings | 34.73 | 22.37 | 13.6% | 55.3% | 82.5% |
| - | Group Savings | 68.08 | 63.73 | 26.8% | 6.8% | 15.8% |
| - | Individual Protection | 9.38 | 7.42 | 3.7% | 26.4% | 57.7% |
| - | Group Protection | 21.14 | 17.17 | 8.3% | 23.1% | 40.1% |
| 3. | Linked Segment | 113.55 | 85.89 | 44.6% | 32.2% | 17.3% |
| | Total NBP | 254.57 | 206.24 | 100.0% | 23.4% | 20.2% |

A brief description of the segments is given below:

1. Participating Segment

Participating life insurance products are products where the insured participates in the profits of the underlying investment pool during the term of the policy. These are savings cum protection products that provide a guaranteed sum assured and long term returns through participation in surplus, if any, generated from these policies. The policyholder is entitled to at least a 90% share of the surplus emerging in the participating fund and the remaining belongs to the shareholders. The Company offers participating insurance products that are designed to provide benefits over the entire life of the policyholders (whole life insurance), as well as products that provide benefits over defined periods (endowment life insurance).

New business premium from participating segment constitutes 3.0% of the total new business premium of FY 2022.

2. Non Participating Segment

The non-participating segment comprises of individual savings, group savings and protection segments. These products cover the insured for a specific period and the insured do not participate in profits of the underlying investment pool. Surplus arising in case of Non-participating business is transferred to shareholders' account on recommendation of Appointed Actuary.

i) Individual Savings

The individual savings segment comprises of an endowment product, a variable insurance plan and an immediate annuity product.

An endowment product pays the sum assured to the beneficiary in case of any unfortunate event before the maturity date or pays the amount to the insured on completion of the specified term.

In a variable insurance plan, the benefits are partially or wholly dependent on the performance of an approved external index/benchmark which is linked to the product.

An immediate annuity product guarantees a defined income, for the lifetime of the policyholder thereby covering their longevity risk. These pay-outs begin immediately on purchasing the product.

New business premium of individual savings segment constitutes 13.6% of the total new business premium for FY 2022 and has increased from ₹ 22.37 billion in FY 2021 to ₹ 34.73 billion in FY 2022, registering growth of 55.3%.

ii) Group Savings

Group savings segment consists of group fund management products and an immediate annuity product.



Fund based group insurance products cater to the needs of employers looking at financial solutions to fund their employees' benefit schemes including gratuity, superannuation and leave encashment.

Group immediate annuity product is primarily for corporate clients (employer-employee groups) and other informal groups, who wish to purchase an annuity to provide for their annuity liability.

New business premium from group savings segment has increased by 6.8% in FY 2022 as compared to FY 2021.

iii) Protection

The protection segment includes both individual as well as group products.

Individual protection products offer benefits that are guaranteed in absolute terms on occurrence of a particular event during the policy term which expires if the designated event does not occur. The risk covered in most cases covers death of the insured but may also include permanent disability or diagnosis of critical illness. This segment also includes health products which insure against expenses arising due to medical emergencies such as hospitalisation or critical illness.

Group protection segment includes credit life products which provide insurance to banks, financial institutions in relation to repayment of outstanding loan amount in event of

death or disability of the insured members of the group.

Group protection segment also includes products which provide life insurance coverage to a group of individuals, where, upon the death of a member, the sum assured is paid to the member's nominee. These products are employee- employer schemes where the Master Policy holder is the employer and members are employees.

New business premium from protection segment has registered a strong growth of 24.1% in FY 2022. Due to continuous focus, Individual New Business Premium for the Protection segment has increased by 26.4% in FY 2022.

3. Linked Segment

Linked products provide the benefit of investment as well as protection. They provide returns directly linked to the performance of the underlying funds and have a transparent charge structure which is explicitly stated at the outset. The investment risk on these products is borne by the policyholder. This segment also includes a fund based group gratuity, superannuation and leave encashment product for employers.

New business premium from linked segment constitutes 44.6% of the total new business premium of FY 2022, has increased from ₹ 85.89 billion in FY 2021 to ₹ 113.55 billion in FY 2022, registering growth of 32.2%. The growing popularity of linked products is due to favourable market movement over a few years.

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VII. Analysis of Financial Statements

A. Revenue Account

The summary of Revenue Account of the Company for FY 2022 along with comparative and detailed analysis is given below:

| (₹ in billion) | | | |
|--|---------------|---------------|-------------|
| Particulars | FY 2022 | FY 2021 | % Growth |
| Income | | | |
| Gross written premium | 587.60 | 502.54 | 16.9 |
| Reinsurance ceded | (3.27) | (4.86) | (32.6) |
| Net earned premium | 584.33 | 497.68 | 17.4 |
| Income from investments ¹ | 235.28 | 316.27 | (25.6) |
| Contribution from the Shareholders' Account | 9.82 | 8.25 | 19.1 |
| Other miscellaneous income | 0.45 | 0.36 | 25.1 |
| Total Income | 829.88 | 822.56 | 0.9 |
| Expenses | | | |
| Commissions ² | 21.58 | 17.79 | 21.3 |
| Operating expenses relating to insurance business ³ | 29.76 | 24.12 | 23.4 |
| Provision for taxation | 1.26 | 0.98 | 29.3 |
| Goods and Service Tax | 7.42 | 6.43 | 15.3 |
| Benefits paid (net) ⁴ | 313.40 | 215.83 | 45.2 |
| Change in valuation of liability in respect of life policies | 437.62 | 539.34 | (18.9) |
| Total Expenses | 811.04 | 804.49 | 0.8 |
| Surplus/(deficit) | 18.84 | 18.07 | 4.2 |
| Transfer to Shareholders' Account | 17.33 | 16.79 | 3.2 |
| Balance being funds for future appropriations | 1.51 | 1.28 | 17.6 |

1. Net of Provision for diminution in the value of investment, provision for standard assets and investment receivables write-off
2. Commission expense includes Rewards
3. Includes provision for doubtful debt (including write off)
4. Includes Interim and Terminal Bonus

i. Premium Income

The summary of premium income is as follows:

| (₹ in billion) | | | | | | | | |
|------------------------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|
| Particulars | FY 2022 | | | | FY 2021 | | | |
| | Par | Non Par | Linked | Total | Par | Non Par | Linked | Total |
| New Business Premium | 7.69 | 133.33 | 113.55 | 254.57 | 9.66 | 110.69 | 85.89 | 206.24 |
| Individual | 7.69 | 44.11 | 113.19 | 165.00 | 9.66 | 29.78 | 85.55 | 124.99 |
| Group | - | 89.22 | 0.36 | 89.58 | - | 80.91 | 0.34 | 81.25 |
| Renewal premium | 68.25 | 44.43 | 220.35 | 333.02 | 66.39 | 31.14 | 198.77 | 296.30 |
| Gross Written Premium | 75.94 | 177.76 | 333.90 | 587.60 | 76.05 | 141.83 | 284.66 | 502.54 |
| Less: Reinsurance ceded | (0.01) | (3.05) | (0.21) | (3.27) | (0.01) | (4.62) | (0.23) | (4.86) |
| Net Premium | 75.93 | 174.71 | 333.69 | 584.33 | 76.04 | 137.21 | 284.43 | 497.68 |

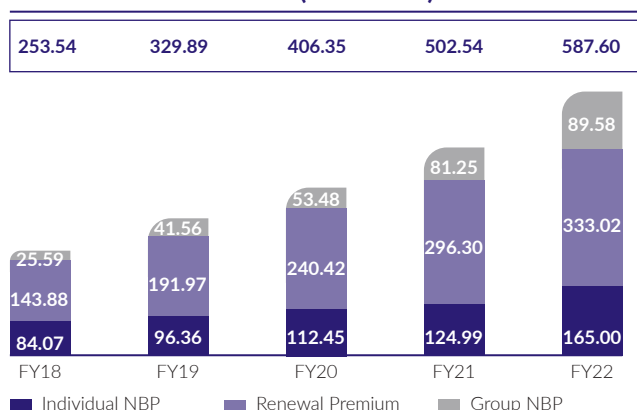
- a. Gross written premium has increased by 16.9% from ₹ 502.54 billion in FY 2021 to ₹ 587.60 billion in FY 2022 mainly due to strong growth in renewal premium by 12.4% and increase in individual single premium by 59.4%.
- b. Individual new business premium has increased by 32.0% from ₹ 124.99 billion in FY 2021 to ₹ 165.00 billion in FY 2022 due to increase in new business premium from Non Par Life, Annuity, linked life and health segment.
- c. The group new business premium has increased by 10.2% from ₹ 81.25 billion in FY 2021 to ₹ 89.58 billion in FY 2022 mainly on account of increase in new business premium from Protection business and Fund Management business.



- d. The renewal business has increased by 12.4% from ₹ 296.30 billion in FY 2021 to ₹ 333.02 billion in FY 2022 majorly due to increase in individual renewal business from Linked pension and Non par life segment.

The following chart depicts the growth in Company's total premium over the years

Gross Written Premium (₹ in billion)



ii. Investment Income

The summary of investment income is as follows:

| Particulars | FY 2022 | | | | FY 2021 | | | |
|--|--------------|--------------|---------------|---------------|--------------|--------------|---------------|---------------|
| | Par | Non Par | Linked | Total | Par | Non Par | Linked | Total |
| Interest and Dividend ¹ | 26.55 | 41.20 | 44.08 | 111.83 | 22.51 | 35.29 | 39.65 | 97.45 |
| Profit/ (Loss) on sale of investments | 11.53 | 8.23 | 61.45 | 81.21 | 8.01 | 4.52 | 49.48 | 62.02 |
| Change in fair value | - | (0.48) | 43.12 | 42.64 | - | (0.05) | 155.14 | 155.09 |
| Provision for diminution , standard assets and investment receivable write-off | (0.64) | 0.01 | 0.23 | (0.40) | 1.54 | 0.17 | - | 1.71 |
| Total | 37.44 | 48.96 | 148.88 | 235.28 | 32.06 | 39.94 | 244.27 | 316.27 |

¹ Interest and Dividend includes net of Accretion of discount/(Amortization of premium)

Total income from investment was ₹ 235.28 billion in FY 2022 comprised of ₹ 148.88 billion under unit-linked portfolio and ₹ 86.40 billion under traditional portfolio. Total investment income has decreased by ₹ 80.99 billion from ₹ 316.27 billion in FY 2021 to ₹ 235.28 billion in FY 2022, mainly due to decrease in change in fair value on account of fall in valuation of equity portfolio under linked segment.

Traditional Portfolio (Par and Non Par):

Total investment income under traditional portfolio has increased by ₹ 14.39 billion from ₹ 72.00 billion in FY 2021 to ₹ 86.39 billion in FY 2022 majorly due to following:

- Interest income under traditional portfolio has increased by ₹ 9.93 billion from ₹ 55.59 billion in FY 2021 to ₹ 65.52 billion in FY 2022 due to increase in investment of debt securities by 22.2% under traditional portfolio.
- Net profit on sale of investment under traditional portfolio has increased by ₹ 7.23 billion from ₹ 12.53 billion in FY 2021 to ₹ 19.76 billion in FY 2022 due to profit booking.

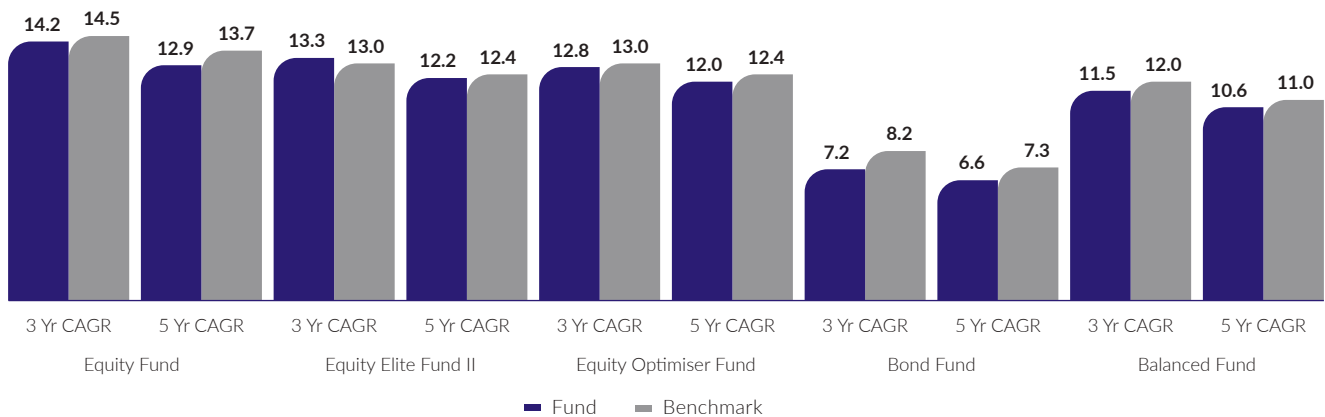
Unit Linked Portfolio:

Total investment income under unit linked portfolio has decreased by ₹ 95.39 billion from ₹ 244.27 billion in FY 2021 to ₹ 148.88 billion in FY 2022 mainly due to fair value change. Fair value change has decreased by ₹ 112.02 billion from ₹ 155.14 billion in FY 2021 to ₹ 43.12 billion in FY 2022 primarily due to mark to market loss in the unit linked segment in FY 2022 as compared to previous year. During FY 2022, Sensex has increased by 18.3% as against an increase of 68.0% in the previous year. The change in fair value is an off-set with the corresponding increase in unit-linked liability (fund reserves) as it is pass-through to linked policyholders¹.

Management Discussion & Analysis (Contd.)

The performance of the fund vis-a-vis the benchmark as on March 31, 2022 is given below:

Fund Performance (%)



iii. Other Miscellaneous Income

Other miscellaneous income includes fees and charges, income on unclaimed fund, etc. Other miscellaneous income for FY 2022 has increased from ₹ 0.36 billion in FY 2021 to ₹ 0.45 billion for FY 2022.

iv. Commission

The summary of commission expenses is as follows:

| Particulars | Individual | | Group | | Total | |
|--------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|
| | FY 2022 | FY 2021 | FY 2022 | FY 2021 | FY 2022 | FY 2021 |
| Premium | | | | | | |
| First year premiums | 124.69 | 99.70 | 4.73 | 3.68 | 129.42 | 103.38 |
| Renewal premiums | 321.36 | 285.70 | 11.67 | 10.60 | 333.02 | 296.30 |
| Single premiums | 40.31 | 25.29 | 84.85 | 77.58 | 125.16 | 102.86 |
| Total | 486.36 | 410.69 | 101.25 | 91.86 | 587.60 | 502.54 |
| Commission on | | | | | | |
| First year premiums | 10.76 | 8.62 | 0.04 | 0.02 | 10.80 | 8.64 |
| Renewal premiums | 8.42 | 7.45 | 0.14 | 0.22 | 8.56 | 7.67 |
| Single premiums | 0.63 | 0.41 | 0.85 | 0.71 | 1.48 | 1.12 |
| Total | 19.81 | 16.48 | 1.03 | 0.95 | 20.84 | 17.43 |
| Commission % of Premium | | | | | | |
| First year premiums | 8.6% | 8.6% | 0.8% | 0.5% | 8.3% | 8.4% |
| Renewal premiums | 2.6% | 2.6% | 1.2% | 2.1% | 2.6% | 2.6% |
| Single premiums | 1.6% | 1.6% | 1.0% | 0.9% | 1.2% | 1.1% |
| Total | 4.1% | 4.0% | 1.0% | 1.0% | 3.5% | 3.5% |

Commission expense is majorly pertaining to individual business. The commission expense has increased by 19.6% from ₹ 17.43 billion in FY 2021 to ₹ 20.84 billion in FY 2022 mainly due to following:

- First year commission for individual business has increased by 24.8% from ₹ 8.62 billion in FY 2021 to ₹ 10.76 billion in FY 2022.
- Renewal commission from Individual Business has increased by 13% from ₹ 7.45 billion in FY 2021 to ₹ 8.42 billion in FY 2022 on account of higher renewal premium collection.

**v. Operating expenses related to Insurance business**

The summary of operating expenses is as follows:

| (₹ in billion) | | |
|--|--------------|--------------|
| Particulars | FY 2022 | FY 2021 |
| Employees' remuneration and welfare expenses | 18.16 | 14.91 |
| Advertisement, Publicity and marketing | 0.96 | 0.21 |
| Depreciation | 0.75 | 0.99 |
| Legal and Professional expenses | 1.57 | 1.42 |
| Others | 8.30 | 6.59 |
| Operating expenses | 29.74 | 24.12 |

Operating expenses relating to insurance business has increased by 23.3% from ₹ 24.12 billion in FY 2021 to ₹ 29.74 billion in FY 2022. The Employees' remuneration has increased by 21.8% from ₹ 14.91 billion in FY 2021 to ₹ 18.16 billion in FY 2022 due to increments and increase in number of employees to support an increase in the size of business operations. Advertisement, Publicity and marketing expenses have increased by 352.8% from ₹ 0.21 billion in FY 2021 to ₹ 0.96 billion in FY 2022 due to new product launch campaign along with brand re-imagine as compared to last year where no major campaign took place on account of pandemic.

vi. Goods and Service Tax on charges

Goods and service tax on charges has increased by 15.3% from ₹ 6.43 billion in FY 2021 to ₹ 7.42 billion in FY 2022 due to increase in linked income charges namely fund management charges, premium allocation charges, etc.

vii. Benefits paid (net) and interim and terminal bonus paid

The summary of benefits paid is as follows:

| (₹ in billion) | | |
|-------------------------------------|---------------|---------------|
| Particulars | FY 2022 | FY 2021 |
| Death claims | 55.22 | 30.13 |
| Maturity claims | 97.25 | 62.01 |
| Annuities/ Pension payments | 5.45 | 3.57 |
| Survival benefits | 12.84 | 14.27 |
| Surrenders | 71.02 | 47.16 |
| Discontinuance/ lapsed termination | 35.66 | 24.32 |
| Withdrawals | 41.36 | 37.15 |
| Others | 1.45 | 0.37 |
| Total benefits | 320.25 | 218.98 |
| Less: Reinsurance on claims | (7.87) | (4.05) |
| Net benefits paid | 312.38 | 214.93 |
| Interim & terminal bonus | 1.02 | 0.90 |

Claims and benefits payout increased by 45.3% from ₹ 214.93 billion in FY 2021 to ₹ 312.38 billion in FY 2022 primarily on account of increase in Maturity claims by ₹ 35.24 billion in FY 2022 as compared to FY 2021 and increase in death claims by ₹ 25.09 billion in FY 2022 due to Covid.

Management Discussion & Analysis (Contd.)

viii. Change in Actuarial Liability

The summary of change in actuarial liability is as follows:

| (₹ in billion) | | |
|--|---------------|---------------|
| Particulars | FY 2022 | FY 2021 |
| Policy liabilities (non-unit/ mathematical reserves) (gross) | 173.93 | 163.17 |
| Amount ceded in reinsurance | (1.02) | (0.46) |
| Fund reserve | 252.49 | 357.63 |
| Funds for discontinued policies | 12.21 | 19.00 |
| Change in actuarial liability | 437.62 | 539.34 |

Change in actuarial liability has decreased from ₹ 539.34 billion in FY 2021 to ₹ 437.62 billion in FY 2022.

- Fund reserve, which represents liability carried on account of units held by unit-linked policyholders, has decreased from ₹ 357.63 billion in FY 2021 to ₹ 252.49 billion in FY 2022.
- Traditional policyholders' liability (including non-unit liability) has increased from ₹ 163.17 billion in FY 2021 to ₹ 173.93 billion in FY 2022.

ix. Surplus (Revenue account), transfer to Shareholders' account (Profit and loss account) and Fund for future appropriation (FFA)

a. Surplus (Revenue account)

As a result of the above changes in income and expenses, surplus has increased from ₹ 18.07 billion in FY 2021 to ₹ 18.84 billion in FY 2022.

Segment wise breakup of Surplus is as under:

| (₹ in billion) | | |
|---|--------------|--------------|
| Particulars | FY 2022 | FY 2021 |
| Participating segment | 3.32 | 2.94 |
| Non participating segment | (2.77) | (2.88) |
| Unit linked segment | 8.47 | 9.77 |
| Surplus (net of Contribution from Shareholders) | 9.02 | 9.83 |
| Add: Contribution from Shareholders | 9.82 | 8.24 |
| Surplus | 18.84 | 18.07 |

b. Transfer to Shareholders' account (Profit and loss account)

The surplus generated in the Revenue account after setting aside fund for future appropriation is transferred to the Profit and loss account (Shareholders account) based on the recommendation of the Appointed Actuary. Transfer to Shareholders' account has increased by 3.2% from ₹ 16.79 billion in FY 2021 to ₹ 17.33 billion in FY 2022. The remaining surplus of ₹ 1.51 billion was retained as fund for future appropriation.

Participating segment: Profits from participating business depend on the total bonuses declared to policyholders on an annual basis. Currently an amount of one-ninth of the bonus declared to policyholders is transferred to shareholders. Bonus declared as per regulatory provisions has increased from ₹ 14.85 billion in FY 2021 to ₹ 16.23 billion in FY 2022. The amount transferred to shareholders increased to ₹ 1.80 billion in FY 2022 from ₹ 1.65 billion in FY 2021.

Non Participating segment: In case of Non-participating business, profit arises primarily from premium and investment income net of expenses, claims and policyholder liabilities. Loss in non-participating segment has decreased from ₹ (2.88) billion in FY 2021 to ₹ (2.77) billion in FY 2022.

Unit Linked (ULIP) segment: In case of unit linked business, profit arises only from the charges (net of expenses) levied on policyholders. Under unit linked business, AUM has increased by 22.7% on account of better market performance, also total business from linked segment has increased by 17.3%.

**c. Funds for future appropriations (FFA)**

Funds for future appropriations represent surplus funds which have not been allocated either to policyholders or to shareholders as at the valuation date. During the year a sum of ₹ 1.51 billion has been transferred to fund for future appropriation.

B. Profit and Loss Account (Shareholders' Account)

| (₹ in billion) | | | |
|--|---------------|--------------|--------------|
| Particulars | FY 2022 | FY 2021 | % Growth |
| Amounts transferred from Policyholders' Account | 17.33 | 16.79 | 3.2% |
| Income from investments and other income ¹ | 9.67 | 7.19 | 34.5% |
| Expenses other than those directly related to the insurance business | 1.57 | 0.31 | 406.6% |
| Contribution to Policyholders' Account | 9.82 | 8.25 | 19.1% |
| Profit before Tax | 15.61 | 15.43 | 1.2% |
| Provision for Taxation | 0.55 | 0.87 | (36.8%) |
| Profit after Tax | 15.06 | 14.56 | 3.4% |
| Profit at the beginning of the year | 90.88 | 78.82 | 15.3% |
| Total profit available for appropriation | 105.94 | 93.38 | 13.4% |
| Interim dividend | 2.0 | 2.5 | (20.0%) |
| Profit carried to the balance sheet | 103.94 | 90.88 | 14.4% |

¹Net of provision for diminution

i. Income from investments and other income

Investment income and other income under shareholder portfolio have increased by ₹ 2.48 billion from ₹ 7.19 billion in FY 2021 to ₹ 9.67 billion in FY 2022, mainly due to booking of profit on sale of investment. Other Income represents rental income from let-out property, interest on tax refund and Foreign exchange gain.

ii. Expenses other than those directly related to the insurance business

Expenses other than those directly related to the insurance business have increased by 406.6% from ₹ 0.31 billion to ₹ 1.57 billion in FY 2022 on account of administrative fees of ₹ 0.84 billion plus applicable interest as per IRDAI order dated January 11, 2017.

iii. Contribution to Policyholders' Account

Contribution to Policyholders' Account represents amount transferred to policyholders' account for funding the deficits in business segments. During the current year, non-par Individual Life, One Year Renewable Group Term assurance (OYRGTA) and Health segments incurred loss of ₹ 9.82 billion.

iv. Profit after tax

Profit before tax has increased from ₹ 15.43 billion in FY 2021 to ₹ 15.61 billion in FY 2022. Tax expense for shareholders has decreased from ₹ 0.87 billion in FY 2021 to ₹ 0.55 billion in FY 2022. Profit after tax has increased by 3.4% from ₹ 14.56 billion in FY 2021 to ₹ 15.06 billion in FY 2022.

v. Interim dividend

The Board of directors has declared an interim dividend of 20% (₹ 2.0 per equity share of face value of ₹ 10) at its meeting held on March 22, 2022. Profit carried to balance sheet is ₹ 103.94 billion in FY 2022.

Management Discussion & Analysis (Contd.)

C. Financial Position/ Balance Sheet

| (₹ in billion) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Sources of Funds: | | |
| Equity capital and reserves (including change in fair value) | 116.22 | 104.00 |
| Policyholders' Funds/Policy Liabilities | 2,555.91 | 2,113.50 |
| Funds for Future Appropriations | 9.94 | 8.42 |
| Total | 2,682.07 | 2,225.92 |
| Application of Funds: | | |
| Investments | | |
| - Shareholders' | 100.76 | 86.05 |
| - Policyholders' | 1,121.31 | 939.36 |
| Assets held to cover linked liabilities | 1,426.25 | 1,162.15 |
| Loans | 3.62 | 3.58 |
| Fixed assets | 5.27 | 5.65 |
| Current assets and advances (A) | 76.16 | 71.51 |
| Current liabilities and provisions (B) | 51.30 | 42.38 |
| Net current assets (A) - (B) | 24.86 | 29.13 |
| Total | 2,682.07 | 2,225.92 |

Sources of Funds

i. Equity Capital and Reserves/ Shareholders' fund

The breakup of capital and reserves is as follows –

| (₹ in billion) | | |
|--|-------------------------|-------------------------|
| Particulars | As at March 31, 2022 | As at March 31, 2021 |
| Share Capital | 10.00 | 10.00 |
| Reserves and Surplus | 104.18 | 90.92 |
| Credit/ (Debit) Fair Value Change Account | 2.04 | 3.08 |
| Equity capital and reserves/ Shareholders' fund | 116.22 | 104.00 |

a. Equity Share Capital

Equity Share Capital of the Company comprises of 1,000,370,562 equity shares of face value of ₹ 10 each as at March 31, 2022 (1,000,070,908 equity shares as at March 31, 2021). Out of the total equity share capital, 555,000,000 (55.48%) equity shares are held by the State Bank of India (555,000,000 (55.50%) as at March 31, 2021).

The equity shares of the Company were listed on National Stock Exchange of India Limited ("NSE") and BSE Limited (formerly known as Bombay Stock Exchange) on October 03, 2017.

b. Reserves and Surplus

Increase in reserves and surplus is on account of profit earned during the financial year and increase in securities premium due to allotment of equity shares of the Company pursuant to exercise of stock options by eligible employees.

c. Fair value change account

Fair value change account represents unrealized gains (net of unrealized losses) on equity and mutual fund holdings in shareholders' investments as on the respective Balance Sheet dates. The decrease in fair value change is predominantly because of the lower growth in equity market for current financial year compared to previous financial year.



ii. Policyholders' Funds

The summary of policyholders' funds is as follows –

(₹ in billion)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Policyholders' traditional liabilities | 1,129.66 | 951.35 |
| Credit/ (debit) fair value change account | 32.07 | 27.28 |
| Policy liabilities | 1,097.59 | 924.07 |
| Policyholders' linked liabilities | 1,426.25 | 1,162.15 |
| Linked liabilities | 1,174.87 | 965.50 |
| Credit/ (debit) fair value change account | 169.66 | 126.54 |
| Funds for discontinued policies | 81.72 | 70.11 |
| Total Policyholders' Funds | 2,551.91 | 2,113.50 |

Policyholders' traditional liabilities

Fair value change account represents: -

1. unrealized gains (net of unrealized losses) on equity and mutual fund holdings in non-linked policyholders' investments as on the respective Balance Sheet dates and
2. effective portion of fair value gain / loss on the interest rate derivative i.e. "Hedge Fluctuation Reserve" or HFR

The movement in policy liabilities is a consequence of various factors such as receipt of premium (both new business and renewal), surrenders & other claims, various actuarial assumptions and other factors varying on a product to product basis.

The reserves on traditional policies are estimated by using prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience e.g. interest rates, inflation, mortality, morbidity and expense.

Policyholders' linked liabilities

The policyholders' linked liabilities represents the unit liability in respect of linked business and has been considered as the value of the units standing to the credit of the policy holders, using the net asset value (NAV) as on the valuation date.

iii. Funds for future appropriation

Funds for future appropriation amounting to ₹ 9.94 billion is appearing in the participating segment. It represents funds, the allocation of which, either to participating policyholders' or to shareholders', has not been determined as at the Balance Sheet date.

Application of Funds

i. Investments

The summary of investments as on balance sheet dates is as follows:

(₹ in billion)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Investments | | |
| - Shareholders' | 100.76 | 86.05 |
| - Policyholders' (Non Linked) | 1,121.31 | 939.36 |
| Assets held to cover Linked Liabilities | 1,426.25 | 1,162.15 |
| Total | 2,648.32 | 2,187.56 |

Total investments grew by ₹ 460.76 billion from ₹ 2,187.56 billion as at March 31, 2021 to ₹ 2,648.32 billion as at March 31, 2022. Equity investment portfolio constitutes 29% and Debt portfolio constitutes 71% of the total AUM as at March 31, 2022. For detailed category wise breakup of investments, refer Schedule 8, 8A and 8B of the financial statements.

Management Discussion & Analysis (Contd.)

Shareholder's portfolio grew by 17.1%, non-linked policyholder's investment grew by 19.4% and unit linked assets grew by 22.7% as compared to previous year ended March 31, 2021.

Increase in policyholders' portfolio is attributable to increase in premium and investment income offset by net outgo due to operating expenses and claims.

Company's investment philosophy has always been to maximize returns at an optimal level of risk on a continuous long-term basis. This calls for investing in high quality securities, which are suitably matched to the duration of Company's liabilities. The Company invests strictly within the framework of rules and regulations prescribed by IRDAI. Further, the Company has implemented sound and robust investment risk management systems & processes.

ii. Loans

Loans comprises of Loan against policy and corporate loans. Loans have increased from ₹ 3.58 billion to ₹ 3.62 billion. Loans disclosed in balance sheet are net of provision for standard assets made in accordance with IRDAI investment regulations and Master circular on preparation of financial statements and filing of returns of life insurance business. The Company has no NPAs as on March 31, 2022.

iii. Fixed Assets

Fixed Assets (net of depreciation) have decreased from ₹ 5.65 billion to ₹ 5.27 billion. There is no major capital expenditure incurred during the year.

iv. Net current Assets

Net current assets have decreased by 14.6% from ₹ 29.13 billion to ₹ 24.86 billion. Current assets have increased by 6.5% from ₹ 71.51 billion to ₹ 76.16 billion and current liabilities have also increased by 21.0% from ₹ 42.38 billion to ₹ 51.30 billion.

Current assets and advances

The summary of current assets and advances is as follows –

| Particulars | (₹ in billion) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Cash and bank balances | 32.04 | 27.11 |
| Advances | | |
| - Prepayments | 0.67 | 0.44 |
| - Advance to suppliers and employees | 0.08 | 0.14 |
| Other Assets | | |
| - Income accrued on investments | 26.62 | 24.93 |
| - Outstanding premiums | 3.60 | 3.57 |
| - Due from reinsurers | 1.02 | 1.24 |
| - Security deposit | 3.29 | 2.13 |
| - GST and Service tax advance and unutilized credit | 1.52 | 1.49 |
| - Assets held for unclaimed amounts (including income accrued) | 3.63 | 3.65 |
| - Other receivables (incl. Agent balance) | 3.67 | 6.81 |
| Total current assets | 76.16 | 71.51 |

Some of the key items impacting current assets and advances are explained below:

- The cash and bank balances represent premium collected during last few days of the financial year including fixed deposits held with banks, cheques on hand and cheques deposited but not cleared.
- Income accrued on investments represents interest income accrued, however not due as at March 31, 2022. It is mainly on government securities, debentures and fixed deposits.
- Outstanding premium represents the premium due but not received on traditional products as at March 31 and which are within the grace period.
- Due from reinsurers represents amounts to be received from reinsurers regarding claims admitted by the company. This amount is net of premium ceded to reinsurers.



- v. Security Deposits represent deposits placed for premises taken on lease for setting up branches as well as for leased accommodations for employees, electricity deposits, telephone, legal deposits and other utility deposits. It also includes margin money kept with Clearing Corporation of India Ltd (CCIL) and with Stock exchanges for trading in Government securities, equities & derivative contracts respectively.
- vi. GST and Service tax advance and unutilized credit represents CENVAT credit which will be utilized in the future for set off against payment of GST liabilities.
- vii. Pursuant to IRDAI circular on "Handling of unclaimed amounts pertaining to policyholders", the Company has created a single segregated fund to manage all the unclaimed monies of policyholders with effect from April 1, 2016. Amount standing in the segregated fund for unclaimed amounts is ₹ 3.63 billion as at March 31, 2022.
- viii. Other receivables represents the sales proceeds pending to be received (but not overdue) on sale of investment securities, dividend receivable and amount receivable from unit linked funds etc.

Current liabilities and provisions

The summary of current liabilities is as follows –

| Particulars | (₹ in billion) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Current liabilities | | |
| - Agents' balances | 1.09 | 0.90 |
| - Balance due to other insurance companies (including reinsurers) | 0.17 | 0.12 |
| - Premium received in advance | 0.13 | 0.06 |
| - Unallocated Premium and other deposits | 6.39 | 3.62 |
| - Sundry creditors | 10.14 | 7.42 |
| - Due to subsidiaries/ holding companies | 0.01 | 0.45 |
| - Claims outstanding and annuities due | 5.68 | 6.19 |
| - Unclaimed amounts of policyholders | 3.63 | 3.65 |
| - Others | 18.35 | 15.63 |
| Provisions | | |
| - Provision for tax | 2.60 | 0.75 |
| - Provision for employee benefits | 1.32 | 1.08 |
| - Provision for interim dividend | 1.79 | 2.50 |
| Total current liabilities and provisions | 51.30 | 42.38 |

Some of the key items impacting current liabilities and provisions are explained below:

- i. Agents' balances represents amount payable to insurance advisors towards commission as on the Balance Sheet date. Amount outstanding is mainly attributable to business sourced during the last month of the financial year.
- ii. Premium received in advance represents premium paid in advance by policyholders which will be recognised as premium income on the due date of the policy.
- iii. Unallocated premium and other deposits are primarily attributable to monies received from policyholders but pending to be allocated on issuance of insurance policy. It mainly includes amount received during the last few days where policy could not be issued due to underwriting requirements or pending documents.
- iv. Sundry creditors represent amounts payable to various service providers towards goods and services availed by the Company along with the provision for the services availed or goods received but invoices are not received.
- v. Policyholders' claims outstanding represents amounts payable to the policyholders for all claims viz. death, survival, surrenders, annuity, etc. that are intimated to the Company and are outstanding as on date due to pending investigation as a part of the normal claim process or are pending due to documents pending from policyholders.
- vi. Other liabilities includes amount to be paid for securities purchased including brokerage, GST and TDS payable and amount payable to unit linked funds etc.
- vii. Provision for tax is shown net of advance tax paid by the Company.
- viii. Provision for employee benefits represents company's liability towards gratuity, leave encashment, long term service award & COVID ex-gratia scheme computed as per the requirements of Accounting Standard 15 (Revised) on Employee Benefits.

Management Discussion & Analysis (Contd.)

- ix. The Board at its meeting held on March 22, 2022 had declared an interim dividend of 20.0% (₹ 2.00 per share) on the equity shares of face value of ₹ 10 each amounting to ₹ 1.79 billion net of TDS. (Gross Dividend amounting to ₹ 2.00 billion)

D. Cash Flow Statement

The summary of Cash Flow Statement is given below –

| Particulars | (₹ in billion) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| Net cash generated from/ (for) operating activities | 218.52 | 238.78 |
| Net cash generated from/ (for) investing activities | (216.11) | (192.03) |
| Net cash generated from/ (for) financing activities | (2.31) | 0.03 |

Cash flows from operating activities

Net cash flows generated from operating activities decreased from ₹ 238.78 billion in FY 2021 to ₹ 218.52 billion in FY 2022. This decrease was primarily due to an increase in policy benefits paid and commission and vendor pay outs which is partially off-set by increase in premium collection.

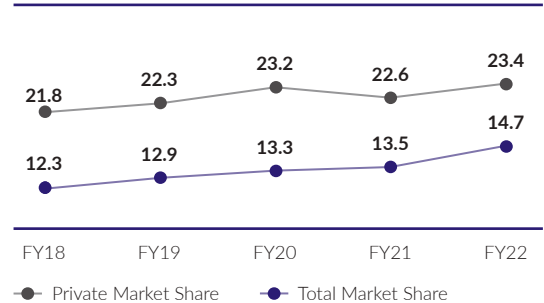
Cash flows from investing activities

Net cash flows used in investing activities increased from ₹ 192.03 billion in FY 2021 to ₹ 216.11 billion in FY 2022. This increase was primarily due to an increase in investment in bonds, Government securities, etc.

Cash flows from financing activities

Net cash flows from financing activities decreased from ₹ 0.03 billion in FY 2021 to ₹ (2.31) billion in FY 2022 on account of payment of interim dividend.

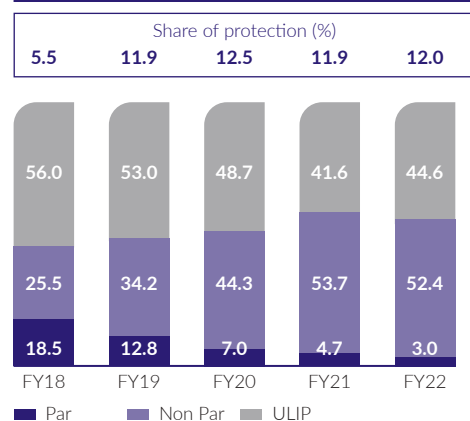
IRP Market Share (%)



Product mix

The Company has maintained a balanced product mix over the years.

NBP Product mix (₹ in billion)



Distribution mix

The Company continues to ensure diversification and strengthening of its distribution channels. All key distribution channels of the Company have demonstrated growth over the years. The share of Banca channel has increased over the years. For FY 2022, the share of Banca channel is 52.6%. Apart from agency and bancassurance channel, others comprise of Company's corporate agents, brokers, Point of Sale persons (POS), insurance marketing firm (IMF) and direct business.

VIII. Key performance indicators

Following are the key parameters on which performance of the Company is measured

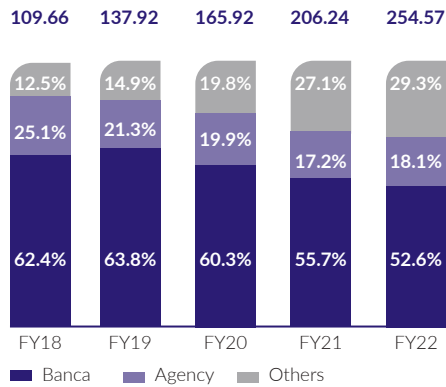
i. Market share, product mix and distribution mix

Market Share

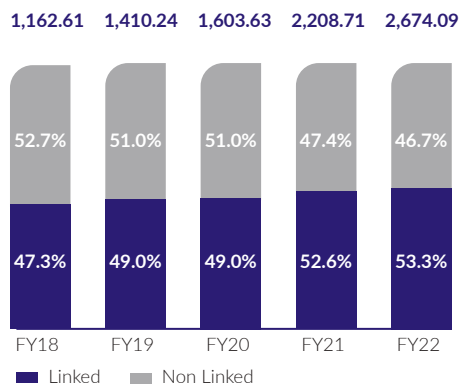
The Company's individual rated premium has increased from ₹ 102.23 billion in FY 2021 to ₹ 128.72 billion in FY 2022.

The Company's market share in individual rated premium has increased over the years on account of growth in individual regular new business premium. Individual new business premium has increased by 32% from ₹ 124.99 billion in FY 2021 to ₹ 165.00 billion in FY 2022.

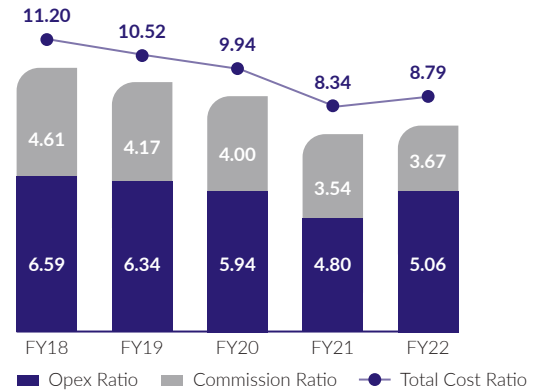
Total market share has increased from 13.5% in FY 2021 to 14.7% in FY 2022.

**NBP Channel mix (₹ in billion)****ii. Assets under management**

The assets under management have significantly grown over the years due to increasing premium inflows. The Company has registered a growth of 21.1% from ₹ 2,208.71 billion in FY 2021 to ₹ 2,674.09 billion in FY 2022. The Company has a consistent debt-equity mix of 71:29 and over 96% of the debt investments are in AAA rated and sovereign instruments as on March 31, 2022.

Assets under Management (₹ in billion)**iii. Cost Efficiency**

The Company is continuously focusing on cost containment activities to reduce operating expenses. The Company's 'Operating Expense to Gross written Premium (GWP) Ratio' is one of the lowest amongst private life insurance players on a consistent basis.

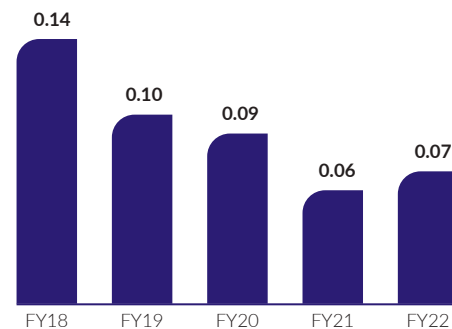
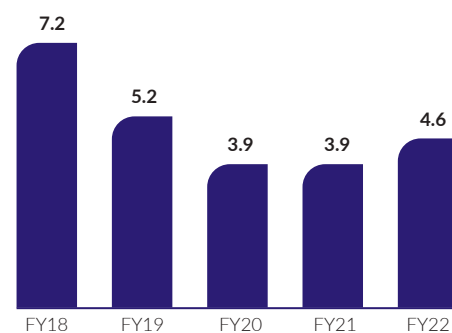
Cost ratio (%)

* Commission includes rewards

Total cost ratio is calculated as operating expenses, commission, provision for doubtful debts and bad debts written off divided by gross written premium.

iv. Customer Satisfaction

The Company promotes ethical sales and aims to improve overall customer experience. Continuous customer engagement and awareness campaigns have reduced mis-selling complaints and surrender ratio.

Unfair Business Practices (%)**Surrender Ratio (%)**

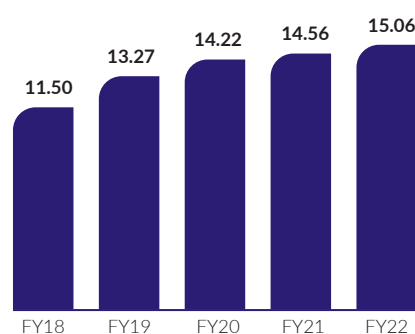
Surrender ratio-individual linked products (Surrender/average AuM).

Management Discussion & Analysis (Contd.)

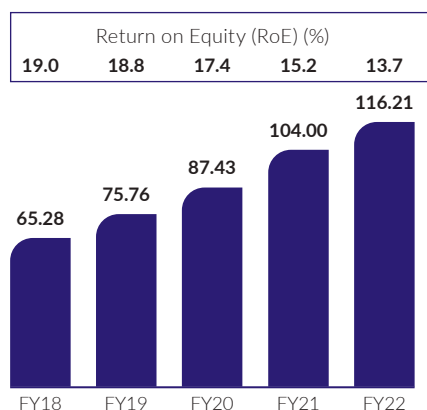
v. Profitability and Net worth

Profits have witnessed an increase of 3.4% from ₹ 14.56 billion in FY 2021 to ₹ 15.06 billion in FY 2022. Net worth of the company has also consistently increased from ₹ 65.28 billion in FY18 to ₹ 116.21 billion in FY 2022.

Profit after Tax (₹ in billion)



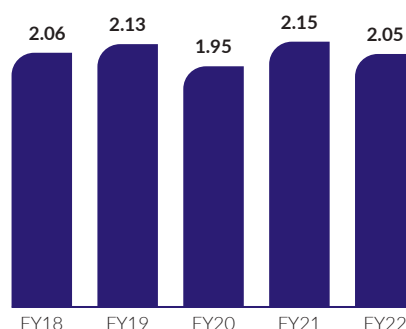
Networth (₹ in billion)



vi. Solvency

Solvency is a regulatory measure of capital adequacy. It is expressed as a ratio of available capital and required capital. It is critical in determining our ability to meet future contingencies and fund growth plans. As at March 31, 2022, the Company has a solvency of 2.05 against the mandatory requirement of 1.50. There has been no capital infusion by the promoters in the company after FY 2008.

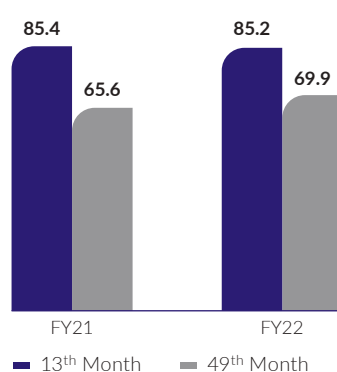
Solvency Ratio



vii. Persistency

Persistency is a key parameter for insurance companies. It measures the proportion of policy holders who have continued with their policies. It indicates the ability of the Company to retain customers. Maintaining a high level of persistency is critical as it provides scope of regular revenues through renewal premiums. Persistency ratio based on Regular Premium/Limited Premium Payment under Individual category for 13th Month & 49th Month stands at 85.2% and 69.9% respectively for FY 2022. 13th month persistency for Agency channel has improved from 89.1% in FY 2021 to 90.1% in FY 2022 and for Bancassurance channel has increased marginally from 85.4% in FY 2021 to 85.9% in FY 2022.

Persistency (%)

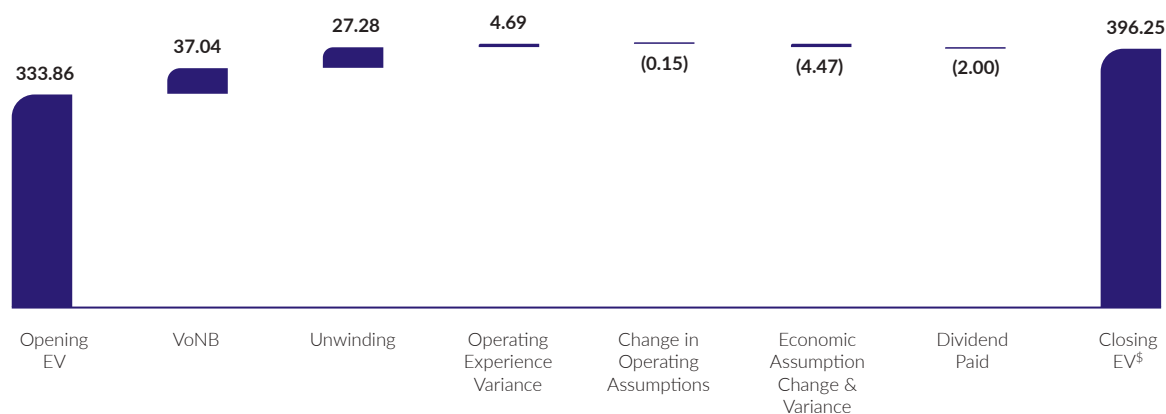


Note: The persistency ratios are calculated as per IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021. Regular Premium and Limited Premium Paying Term policies of only Individual Segment are considered in above calculation. Persistency Ratios are calculated using policies issued between 1st March to 28th February period of the relevant years.

**viii. Embedded Value and Value of New Business (VoNB) Margin analysis**

- Embedded value (EV) of the Company as at March 31, 2022 stands at ₹ 396.25 billion.
- Value of new business (VoNB) stands at ₹ 37.04 billion in FY 2022.
- VoNB margin stands at 25.9% in FY 2022.

Embedded Value has increased on account of value of new business added. Increase in New Business Margin is mainly driven by shift in product mix.

Analysis of movement in IEV**(₹ in billion)**

^{\$} As per new methodology.

Sensitivity Analysis

| Scenario | Change in IEV% | Change in VoNB% |
|--|----------------|-----------------|
| Reference Rate +100 bps | (1.8%) | (0.4%) |
| Reference Rate -100 bps | 2.1% | 0.1% |
| Decrease in Equity Value 10% | (1.5%) | (0.2%) |
| Proportionate change in lapse rate +10% | (1.2%) | (3.7%) |
| Proportionate change in lapse rate -10% | 1.5% | 4.7% |
| Mortality / Morbidity +10% | (1.9%) | (5.7%) |
| Mortality / Morbidity -10% | 1.9% | 5.7% |
| Maintenance Expense +10% | (0.6%) | (1.6%) |
| Maintenance Expense -10% | 0.6% | 1.6% |
| Mass Lapse for ULIPs in the year after the surrender penalty period of 25% * | (2.8%) | (7.5%) |
| Mass Lapse for ULIPs in the year after the surrender penalty period of 50% * | (6.2%) | (17.0%) |
| Tax Rate Change to 25% on Normal tax rate basis | (4.7%) | (7.0%) |

*Mass lapse sensitivity (of 25% or 50%) for ULIP business is applied at the end of surrender penalty period as defined by APS 10, which is taken to be the beginning of 5th policy year for current generation of our ULIP products.

Management Discussion & Analysis (Contd.)

IX. Internal control systems and their adequacy

The Company has aligned its internal financial control system with the requirements of the Companies Act 2013, on lines of globally accepted risk based framework as issued by Committee of Sponsoring Organizations (COSO). The internal control framework is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires the Company to identify and analyse risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness.

The Company's internal financial control framework is based on 'three lines of defence model'. The Company has laid down standard operation procedures and policies to guide the business operations and has a well-defined delegation of power with authority limits for approving revenue and capital expenditure. Statutory, Concurrent and Internal Auditors undertake testing of the control environment of the Company. The Company also has a Chief Audit Officer with a dedicated in-house internal audit team which is commensurate with the size, nature & complexity of operations of the Company. The internal audit plan covers Information System Audit, different process audit as well as transaction based audits at the Head office, Regional Offices and across various branches of the Company. The approach of the audit is to verify compliance with the regulatory, operational and system related controls.

X. Material developments in Human Resources

SBI Life unveiled its 'reimagined' brand identity which is a unique expression of our core belief 'independence in thinking'. We aligned our brand with the changing societal value system and consequent evolution of individual attitudes. Our employees stand at the heart of our success in addressing and serving the changing aspirations of new India. In order to attract, develop and retain quality talent, we have built a caring, equitable and growth-oriented work environment, where employees feel valued, empowered and motivated to give their best at work. We support our employees in achieving their career and development goals by means

of various learning programmes and opportunities for internal mobility. Along with these we also organize numerous employee engagement activities to promote employee bonding and camaraderie at work place.

With a view to promote diversity and improve the gender mix, we launched a dedicated recruitment programme called 'Project Shakti' for hiring female employees. The project helped us in capitalizing the untapped potential of female workforce and widening our talent pool.

In this extraordinary year, employee wellbeing was at the centre of our initiatives. We took every precaution and measure to protect our employees from the Covid-19 pandemic. We organized vaccination camps for employees as well as their family members. Employees were provided with special leaves, health and wellness sessions, diagnostic test facility, flexible work schedule and work from home options which helped them in managing work while maintaining their safety.

We also introduced covid - ex-gratia policy to support dependent family members of employees in event of untimely death due to Covid-19, by providing financial assistance on a monthly basis.

We have a best-in-class mediclaim policy for our employees which offers top-up options along with the base sum assured. We added the facility of teleconsultation with doctor during the year. We also partnered with an NGO to provide professional counselling sessions for mental wellness of our employees. These sessions were conducted by medical practitioners and professionals. An annual medical health check facility was also given to all our employees. We are committed to ensure a safe workplace for our employees while continuing to serve our customers.

SBI Life, one of the most trusted private Life insurance brands is now more than 21 years old. SBI Life family has grown from 17,464 employees as on March 31, 2021 to 18,515 employees as on March 31, 2022 which depicts a growth of 6%. The average age of employees is 36 years 7 months. We saw an improvement in the average tenure of the employees, which grew from 5 years to 5 years 3 months during the year.



Directors' Report

To,

The Members of

SBI Life Insurance Company Limited

The Directors are pleased to present the 22nd Annual Report of SBI Life Insurance Company Limited ("SBI Life" or "the Company") along with the audited financial statements for the financial year ended March 31, 2022.

1. Summary of financial performance

The summary of the financial performance of the Company for FY 2022 is presented below:

| | | (₹ billion) | |
|---|----------|-------------|--|
| Particulars | FY2022 | FY2021 | |
| A. Financial parameters: | | | |
| Gross Written Premium (GWP) | 587.60 | 502.54 | |
| - New Business Premium (NBP) | 254.57 | 206.24 | |
| - Renewal Premium (RP) | 333.02 | 296.30 | |
| Profit / (Loss) before taxation | 16.87 | 16.40 | |
| Provision for taxation | 1.81 | 1.84 | |
| Profit / (Loss) after taxation | 15.06 | 14.56 | |
| Profit at the beginning of the year | 90.88 | 78.82 | |
| Total profit available for appropriation | 105.94 | 93.38 | |
| Interim dividend | 2.00 | 2.50 | |
| Profit carried to the balance sheet | 103.94 | 90.88 | |
| Earnings per equity share (EPS) | | | |
| - Basic (in ₹) | 15.06 | 14.56 | |
| - Diluted (in ₹) | 15.04 | 14.55 | |
| Net worth | 116.21 | 104.00 | |
| B. Business parameters: | | | |
| Indian Embedded Value (IEV) | 396.25 | 364.02 | |
| Annualized Premium Equivalent (APE) | 142.98 | 114.48 | |
| Value of New Business (VoNB) | 37.04 | 26.60 | |
| New Business Margin (VoNB Margin) | 25.9% | 23.2% | |
| Assets under Management (AUM) | 2,674.09 | 2,208.71 | |
| Individual Rated Premium (IRP) | 128.72 | 102.23 | |
| Total Protection NBP (Individual + Group) | 30.52 | 24.59 | |
| Total Protection NBP Share | 12.0% | 11.9% | |
| NBP Product mix (%) (Par/Non Par/ULIP) | 3/52/45 | 5/54/41 | |
| NBP Channel mix (%) (Banca/Agency/Others) | 53/18/29 | 56/17/27 | |
| Operating expense ratio | 5.1% | 4.8% | |
| Commission ratio ^{\$} | 3.7% | 3.5% | |
| Total cost ratio [*] | 8.8% | 8.3% | |
| Solvency ratio | 2.05 | 2.15 | |
| 13 th month Persistency ratio (premium basis) [#] | 85.18% | 85.39% | |
| Number of new policies issued (in 000's) | 1,923.24 | 1,656.89 | |

^{\$} Commission ratio = Commission (including rewards) / Gross Written Premium (GWP)

^{*} Total Cost = Operating expenses + Commission + Provision for doubtful debt + Bad debts written off

[#] Persistency ratio for Regular premium/Limited premium payment under individual category

Directors' Report (Contd.)

2. Highlights of Financial Performance and State of Company's Affairs

The Company witnessed a growth and consistent performance in FY2022. The key financial parameters of the Company are as follows:

- Gross Written Premium (GWP) has increased by 17% to ₹ 587.60 billion
- New Business Premium (NBP) has increased by 23% to ₹ 254.57 billion
- Strong growth in Individual New Business Premium by 32% to ₹ 165.00 billion
- Protection New Business Premium has increased by 24% to ₹ 30.52 billion
- Private market leadership in Individual Rated Premium with 23.4% private market share
- Individual Rated premium (IRP) has increased by 26% to ₹ 128.72 billion
- APE has increased by 25% to ₹ 142.98 billion
- The Company's profit after tax stands at ₹ 15.06 billion
- The operating expense ratio (Operating Expense to GWP) stands at 5.1%
- AUM grew by 21% to ₹ 2,674.09 billion with debt-equity mix of 71:29.
- Solvency ratio of the Company stands at 2.05 as against the regulatory requirement of 1.50 indicating the strong and stable financial health of the Company
- Indian Embedded Value stands at ₹ 396.25 billion
- Value of New Business stands at ₹ 37.04 billion and Value of new business margin stands at 25.9%.

• Distribution reach

The robust distribution network is key to success of the Company which ensures that products and services provided by the Company reaches target customers in the cost-efficient manner. The Company aims at targeting underpenetrated market through expansion of its distribution reach by opening up of new offices, quality recruitments and new business partnerships.

As at March 31, 2022, the Company has 952 offices, 146,057 Insurance Agents (IAs) and 53,649 Certified Insurance Facilitators (CIFs) across the country.

• Distribution Mix

During the year, the Company collected New Business Premium of ₹ 254.57 billion, comprising of ₹ 133.92 billion from 'Bancassurance' which represents company's largest distribution network, ₹ 46.17 billion from Retail Agency and ₹ 74.48 billion from other distribution channel which includes direct sales, sales by corporate agents, brokers, Point of Sale persons (POS), insurance marketing firms (IMFs) and Web aggregators.

The Company's direct sales primarily comprise sale of group products, as well as standardised individual products sold through online offerings.

3. Industry and company outlook

The insurance industry in India has witnessed an impressive growth rate over the last two decades driven by the greater private sector participation and an improvement in distribution capabilities, along with substantial improvements in operational efficiencies.

In life insurance business, India is ranked tenth in the world. India's share in global life insurance market was 2.90% during 2020. Compared to the FY 2020, the life insurance premium in India increased by 9.74%.

The New Business Premium for Life Insurers has grown at a CAGR of 13% over FY14-22 led by the financialization of savings and new product launches, and the insurance industry size in India is expected to grow at 12.5% CAGR over the next decade 2020-30 led by specialized products such as protection and annuities.

Life insurers recorded new business premium of ₹ 3.14 trillion in FY2022 growing at 12.93% over the last year with private life insurers growing at 22.74%. Private Life Insurers account for 36.75% of the industry's new business premium (FY2022) with the rest being accounted for by the Life Insurance Corporation of India (LIC).

The past two years may have been the most peculiar due to COVID-19 Pandemic. In 2020, the human tragedy of the COVID-19 pandemic triggered a global economic downturn that was initially sharper. As government support programs took shape, the recession rapidly bottomed out, leading to a strong economic recovery in 2021. Global financial markets also witnessed the significant volatility.

The recovery of the insurance market is being supported by important government initiatives, strong democratic factors, conducive regulatory environment, increased partnerships, product innovations and vibrant distribution channels.

The recent pandemic has emphasized the importance of healthcare on the economy, and health insurance would play a critical role in the effort to strengthen the healthcare ecosystem.

There was great uncertainty due to the pandemic but as we begin recovery from the same, insurance industry has demonstrated strong recovery. Further, innovation and technology continues to help the industry to cope up with the evolved needs of the stakeholders.

In coming years, the insurance industry will be poised for strong growth owing to the positive changes in the macroeconomy and competitive dynamics. The most crucial change may be changes in customer behaviours and technological landscape. The Company is well



positioned to capitalise on the emerging opportunities, backed by a favourable regulatory environment and government policy support in order to increase the insurance penetration with the help of its expansive and robust distribution network.

Regulatory update:

IRDAI (Indian Insurance Companies) (Amendment) Regulations, 2021

IRDAI through this amendment has aligned the said Regulation in line with Amendments made in Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 relating to foreign investment limit in Indian Insurance Companies.

Public Disclosures by Insurers

IRDAI has issued detailed instructions (including formats) regarding publication of Financial reports, Analytical Ratios etc. in Newspaper and on Website of insurer, effective from the period ending 30 September, 2021.

- Listed Life insurers required to disclose Embedded Value as a part of Annual Public Disclosure
- Additional compliance requirements for website disclosures have been prescribed

Enhancement of Lump Sum Withdrawal limit on Exit from NPS

Pension Fund Regulatory & Development Authority has modified the provisions related to lump sum withdrawal from National Pension Scheme for the benefit of Subscribers.

- Conditions and limits for lump sum payment of corpus to subscribers from Government and Non-Government sector has been revised and is based on 3 categories i.e.
- Premature Exit - Exit before 60 years/Superannuation,
- Normal Exit - Exit on 60 years or beyond and Superannuation
- Unfortunate Death of subscriber

Aadhaar (Authentication and Offline Verification) (First Amendment) Regulations, 2022

Unique Identification Authority of India has given instructions regarding verification of Aadhaar Number, for entities desirous of verifying the identity of the Aadhaar number holder through offline verification.

- Where Aadhaar is provided in physical form, entity shall - verify the printed details on Aadhaar letter/ printed e- Aadhaar/ Aadhaar PVC card with digitally signed Aadhaar Secure QR code
- Aadhaar provided in electronic form, OVSE shall - verify the digital signature on e-Aadhaar/ Aadhaar Paperless Offline e-KYC (XML)/m-Aadhaar

For authentication of Aadhaar number, lawful purpose and informed consent of the Aadhaar number holder is necessary.

4. COVID 19

In view of COVID-19 pandemic, the Company has assessed the overall impact of this pandemic on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended March 31, 2022. Based on the evaluation, the Company have made an additional reserve amounting to ₹2,893,383 thousand towards COVID-19 pandemic and the same has been provided for as at 31/03/2022 in the actuarial policy liability.

With the robust protective effect of pragmatic COVID-19 vaccination drive covering vast majority of the eligible population, the intensity of any subsequent COVID-19 wave is expected to largely remain muted. The recent macroeconomic data suggests strong recovery giving an opportunity for the businesses to capitalise more effectively on the emerging marketplace and build strategic resilience for tomorrow.

The Company will continue to closely monitor any future developments relating to COVID-19 which may have any impact on its business and financial position.

5. Dividend and reserves

The Board of Directors of the Company at its meeting held on March 22, 2022 has declared an interim dividend of ₹ 2.00 per equity share with face value of ₹ 10 each (previous year ₹ 2.50 per equity share with face value of ₹ 10 each). The total interim dividend pay-out amounts to ₹ 2.00 billion. No final dividend is recommended for the year ended March 31, 2022 and the said interim dividend declared is to be confirmed as final dividend.

In terms of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Dividend Distribution Policy of the Company is disclosed on the website <https://www.sbilife.co.in/en/about-us/investor-relations>

The Company has uploaded the details of unpaid and unclaimed dividend on the Company's website: <https://www.sbilife.co.in/en/about-us/investor-relations>

6. Capital and shareholding

During the year there was no fresh capital infusion by the promoters in the Company. The authorized share capital and paid up share capital of the Company stands at ₹ 20.00 billion and ₹ 10.00 billion respectively. The shareholding pattern during the year under review is in compliance with the statutory requirement. The shareholding pattern is provided as a part of Form No. MGT-9 which is annexed to this Report and under Schedule - 5A which forms part of the Financial Statement.

Directors' Report (Contd.)

During the year ended March 31, 2022, the Company has allotted 299,654 equity shares of ₹10 each pursuant to exercise of stock options by the eligible employees. This allotment has resulted in increase in paid-up equity share capital by ₹ 2,997 thousands and increase in securities premium by ₹ 187,334 thousands.

7. Deposits

During the year under review, the Company has not accepted any deposits from the public as per Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

8. Awards & recognitions

The Company has received various awards during the year across brand management, technology, CSR initiatives etc. Brief highlight of some of the major awards are mentioned below:

- Won 'Gold' in Editor's Choice Awards for 'Customer Orientation in Life Insurance' at the 20th Outlook Money Awards 2021
- Won 'Gold' Honour' at DIGIXX Awards 2021 for Digital Marketing Excellence in Technology for M.Connect Life Mobile Application
- Won the 'Golden Peacock National Training Award' (GPNTA) by Golden Peacock Awards
- Won the "Best COVID response – towards Customers, towards Employees, towards Communities" category at the ASSOCHAM 13th Global Insurance E-Summit & Awards 2020
- Won 'Bronze' award under the 'Rural Health Initiative' category at the 5th edition of CSR Health Impact Awards organised by Integrated Health & Well-Being Council (IHWC)
- Won the Insurer of the Year - Life Category at the FICCI Insurance Industry Awards 2021
- Won an award for COVID-19 Response Project under the category (COVID-19) – Health at the 10th India CSR Awards
- Won award for the 'Best CSR Initiative' at InsureNext Awards by Banking Frontiers
- Won an award for 'Best HR Initiatives' at InsureNext Awards by Banking Frontiers
- Won an award for 'Best Risk Management Practices' at InsureNext Awards by Banking Frontiers
- Won 'Excellence in Community Support for Covid Relief' Category at ASSOCHAM CSR & Sustainability Awards

As we work to deliver performance with purpose, we are proud that numerous organisations have recognised our efforts and achievements. These awards demonstrate the Company's commitment to achieve excellence, across all spheres of its activities and operations.

9. Products

SBI Life has a wide range of products catering to various customer needs in the life, health, pension & micro-insurance segments. These products are customer centric, simple to understand and have competitive features.

To maintain its competitive edge in the market, the Company has reviewed and modified eight existing products (individual and group) during financial year 21-22. The products pertaining to various categories which were modified and re-launched are as given below:

- 1) SBI Life – Smart Shield
- 2) SBI Life – Smart Platina Assure
- 3) SBI Life – Annuity Plus
- 4) SBI Life – Saral Swadhan +
- 5) SBI Life – Smart Wealth Builder
- 6) SBI Life – Smart Privilege
- 7) SBI Life – Smart Elite
- 8) SBI Life – Swarna Jeevan Plus

The product SBI Life – Smart Wealth Builder was modified to reduce the minimum entry age and maximum premium under the product and to add new distribution channels.

The product SBI Life – Smart Elite was modified to increase the minimum premium, reduce sum assured multiplier factor and to add new distribution channel.

The products SBI Life – Smart Platina Assure, SBI Life – Annuity Plus and SBI Life – Swarna Jeevan Plus were mainly modified in view of the changing interest rate scenario and to accommodate market demand.

The products SBI Life – Smart Privilege was modified to reduce sum assured multiplier factor and to add new distribution channels.

The product SBI Life – Saral Swadhan + was modified to add new distribution channels.

The product SBI Life – Smart Shield was modified in line with the experience for the product and due to change in Reinsurance premium rates.

SBI Life - Pradhan Mantri Jeevan Jyoti Bima Yojana product was also modified in order to ensure compliance with the communication issued by the Government of India with regard to amendment of rules for implementation of PMJJBY scheme.

The Company launched four new products considering business requirement and also launched one product in line with the IRDAI Guidelines on Standard Individual Immediate Annuity Product, 2021.



The following new products were launched during Financial Year 21-22:

- 1) SBI Life – Swarna Jeevan Plus
- 2) SBI Life – eShield Next
- 3) SBI Life – Smart Platina Plus
- 4) Arogya Shield
- 5) SBI Life – Saral Pension

Arogya Shield is a Health plus Life combi product which is a combination of Arogya Plus Policy of SBI General Insurance and our product SBI Life – Saral Jeevan Bima.

On launching the mandatory Standard Individual Immediate Annuity Product, SBI Life – Saral Pension, the existing individual pension savings product SBI Life - Saral Pension was renamed as SBI Life – Saral Retirement Saver.

10. Customer and Partner Service Enablement for business growth

During the year under review, the Company has sourced new business volume of 19.23 lakhs individual policies with total New Business Premiums of ₹ 165.00 billion, resulting in 23% growth in New Business Premium. Apart from this, the Company has also managed to collect Renewal Premium of ₹ 333.02 billion, reflecting a growth of 12% in Renewal Premium Business. During the year, the Company has made policy pay-out (net of reinsurance) of ₹ 312.38 billion to individual policy holders and members of group master policy.

We effectively organised and responded to crisis situation created by the outbreak of Covid-19 pandemic. During the pandemic period, the Company adopted various digital initiatives / strategies for end-to-end digital customer on-boarding to customer servicing. Customer experience has taken a new meaning against this backdrop. While working towards raising the bar in 'End-to-End' digital services, the Company has also ensured the health & safety of its stakeholders viz. Customers, Distributors, Employees and Business Partners.

With the help of newer technologies like Artificial Intelligence (AI) and Machine Learning (ML) capabilities, we have implemented the automation of high-volume and repeatable tasks. Further, Robotic Process Automation (RPA) helps in scalability in the long - run and reduces the cycle time for processing of activities while keeping in mind error-free delivery. The introduction of Robotics has given a major boost to process automation and has the power to replicate human tasks without affecting the underlying systems.

Moreover, with an expeditious online Claims processing system in place, we have attempted to provide pragmatic help to customers in financial distress. Keeping in mind the situation and the substantial demand for digital servicing, the shift to online and digital servicing

channels has proven effective in the day-to-day functioning of our organisation.

The details of various activities undertaken by various departments are highlighted below:

Robotic process automation (RPA):

Robotic process automation (RPA) is an emerging form of business process automation technology based on the notion of software robots. It uses software with artificial intelligence (AI) and machine learning (ML) capabilities to handle high-volume and repeatable tasks. RPA helps in scalability in the long run and also helps in decreasing the cycle time for processing of activities. Robots can replicate human tasks without affecting the underlying systems; this can lead to manifold increase in productivity levels without a corresponding increase in manpower budgets. Depending on the requirements on the process, robotics can help in making processes run 24x7x365, resulting in increased stakeholder satisfaction and service availability for customers. Under this project, currently, 30 processes have been automated, reducing manual work and freeing up manpower to engage in more productive work.

Smart Care: (Customer Engagement app.)

The 'Smart Care' has been developed with the objective of re-defining the digital servicing experience of our policyholders as well as prospective clients, keeping in mind the expectations of the present-day users with digital platforms. The Progressive Web Application (PWA) platform makes this Smart Care application device agnostic; it provides the user with seamless experience and to have the same functionalities and experience on any device ranging from mobile to web applications. A host of self-servicing options also have been provided that will enable the user to transact on their policy at the click of a button with minimum dependency. Current policy related functionalities available in CSSP and Easy Access mobile application have been moved to the application. Additionally, for the first time, a tracker for insurance proposals has been included where users can not only track but also upload pending documents and download PDF copies of their policy for future reference. Apart from this, users can also check through various products available and can proceed online (redirected to the relevant page on the website) to buy the policies. More engaging functionalities have been planned for successive releases in the application.

Customer On-boarding experience:

New Business Department is pivotal in ensuring a smooth on-boarding experience to the customers as well as sourcing partners. The initiatives taken throughout the year are focussed on improving the customer on-boarding experience through improving the processes thereby leading to faster issuance, digitization and better communication.

Directors' Report (Contd.)

- **Implementation of Digilocker-**

DigiLocker is a secured cloud-based storage facility. Customers can link their Aadhaar and Mobile number and get instantaneous access to their policy document anywhere and anytime. The Company has been integrated with DigiLocker wherein customers can store their policy document in DigiLocker thereby ensuring a safe keeping of their documents.

- **Increased adoption of eIA -**

Dematerialization of policies is beneficial to both the customer and organization. The customer is able to get quick access to their policy document on their fingertips without having to wait for the actual physical delivery of their document. In this regard, the Company have popularized this digital initiative and have increased eIA adoption from 1.14% in FY2021 to 12.96% in FY2022.

- **Robotics Process Automation**

Leveraging of technology and its integration in the day-to-day functioning is the need of the hour due to its multifold benefits such as faster processing, reduction in manpower, standardized results etc.

a. Rinn Raksha Communication:- Have automated the entire communication printing process and have eliminated the need for manual preparation of letters thereby improving communication TAT and risk of incorrect communications.

b. Policy Document and COI printing:- Have automated the document generation and sharing the data with vendor. This has also helped in improved reconciliation process resulting in faster processing and dispatch of documents.

- **Improvement in cKYC**

Importance of cKYC is being recognized all over as it not only offers a more secured method of storing KYC documents but also eliminates the need to submit physical KYC documents in multiple places. It also offers a faster processing of requests as no physical documents have to be submitted and processed. In view of this endeavour, SBI Life has implemented cKYC as the preliminary KYC option in M connect journey due to which, we are cKYC compliant to the extent of 30% - 35% at on-boarding stage itself. This ensures that no physical documents are being collected at on-boarding stage thereby making it a "Paperless and Penless" process for customers.

Underwriting process simplification:

The changes in underwriting process were aimed at improving the overall process efficiency at the same time ensuring risk mitigation. The concept was improvised in accordance with the ideology of Digital Transformation and Customer oriented approach aimed

at reduction of issuance TAT, thus ensuring improved customer satisfaction.

Major Initiatives/process Changes Implemented in Underwriting Department are as follows:

A. Integration with CIBIL (Credit Bureau) for Financial Underwriting:

CIBIL information is now available in NB workflow, which aids in financial underwriting.

B. Integration of IIB risk calculator and Reinsurer's dynamic risk calculator for assessment of risk:

Underwriting validations are built basis Aggregate Score (Risk Score comprising of SBIL Risk Score, IIB Score and DRC Score).

C. Real time bank account verification in NB workflow:

Along with online verification of bank details built in M-Connect, the same is now available in NB Workflow. Basic details including name of account holder would be available in NB Workflow.

D. Enhanced rule based auto underwriting:

The rule based model aims at guiding the sales person for correct sourcing so as to ensure minimal requirements and faster issuance of policies.

E. Digital KYC:

Digital KYC aims at reducing the multiple iterations on requirements for basic KYC documents. This includes cKYC, off line eKYC and KYC done in existing policies.

F. Bitly link for management of requirements:

Customers may now submit pending requirements through bitly link – including submission of questionnaires, shortage premium, consent for altered terms etc.

Policy holder services and customer retention:

Policy Servicing is a critical aspect of a policyholder's journey with the company as they gain several experiences during the policy life-cycle. During the times of pandemic, it became utmost important to provide customers with digital servicing platforms for faster hassle-free services and also abiding to the new normal of social distancing.

The company has taken several steps to enhance customer experience in Policy Servicing resulting in higher persistency of the policies. Longer duration and good persistency of the policy creates great value for the customer, company and shareholders. Major initiatives being given below:



Digital initiatives

The Company is steadily continuing its path of Digital transformation by adopting various Digital initiatives. The whole motive is to make the transition from Customer Satisfaction to Customer Delight. Our Digital Platforms are contributing towards making processes & services faster and automated. Listed below are some of the initiatives taken by the PS & Payouts during FY2022. These initiatives were introduced for customers, both internal and external.

Digital Platforms for Policyholders:

- **Easy Access**

Enhancements were made to the Easy Access App (Customer Engagement app) to enable customers to place requests for FLC, Partial Withdrawal, LTR Withdrawal, Correction in personal details. These requests are being authenticated using OTP and Geo Tagging of Location based verification. The experience was enhanced by creating back-end logics at the policy level to authenticate validity of the request at the time of request initiation.

- **Customer Self Service Portal – (CSSP)**

Enhancements were made to the CSSP to provide customer with better experience. CSSP accounted for 48% of the total servicing transactions in FY2022 as compared to 28% last year. We had introduced validations of PAN through NSDL on real time basis, option for customer to generate Unit Statement even after exit of policy, track SR details. New Auto Debit Facility for Credit Card has been added in CSSP. As per RBI directive, all Credit Card Standing Instruction (CSI) registrations should be carried through API based two factor authentications. It is an end-to-end automated process for premium collection. All transactions of value ₹ 15,000/- and above will require authentication from the customer each time premium debit is requested by the insurer. Also, the banker will send SMS to the customer for authorizing the transaction. The customer is given an option to opt out of the auto debit/transaction, if needed. Enhancements were made to the CSSP enabling the Customers to submit COVID and NRI questionnaire along with an e-DGH revival request.

- **OneConnect** - A single page module is developed where the policyholder can view, update, verify his personal details, like email id, PAN, Bank Account number, register for CSS, Auto-pay registration, Demat registration, opt in for WhatsApp services etc.

- **Enhancing Process Efficiency**

Several projects have been conceptualized and developed in order to bring in efficiency in the current processes handled in SBI Life, keeping in mind both branches and CPC. Some of the important projects has been enumerated below:

- **Email ID Purification and Validation**

As a part of risk mitigation planning and increasing correctness in the communication being sent to the policyholders, we have undertaken two pronged approach for email ids – cleaning of spurious / incorrect email id and validations of existing email ids through policyholders. Various touchpoints have been identified for treating email to be considered genuine / validated.

- **Surrender Retention**

In order to reduce surrenders, we had intensified the Surrender Retention activity. As a major game changer, we had front ended the retention activity to our branches. This has led to Surrender Retention of 11% for FY 22. The strategy for front ending was to create a better impact, understand customer reasoning of early exit and provide suitable alternative or make them understand the losses due to surrender of policy. This strategy is backed by providing suitable talking scripts and training to branch users.

Renewal Collection & Customer Retention Approach

The financial strength and stability of an Insurance Company lies in the strength of its renewals. Higher Customer retention leads to continued growth & profitability. The key functional areas revolve around improving renewal collection, collection efficiency, persistency and on the other hand controlling exits through customer retention measures like surrender control and lapsation control.

It gives an insight into what the customer feels about the product, the company and its services rendered. This is also an important parameter in assessing the persistency of the policies. This also gives the company a view of how long the customer might stay with the company and keep on paying their premiums regularly. The 13th month persistency at 85.18% exhibits strong customer retention.

Retention of policies needs to be tracked continuously and very closely with an aim to prevent exits at all stages. Premiums which are not getting paid on the due date or within the grace period and policies which are moving into lapsed status on account of non-payment of premium are very important from a customer retention perspective.

Various initiatives under below areas has been taken up to achieve desired objectives:

Revival campaign

A Customer Retention Initiative:

During the period under review, a very successful Revival Campaign was launched with the motive of reviving lapsed policies and rebuilding the relationship with our policyholders. A total of over 1.4 lakhs policies (14.81%) were revived leading to a renewal premium collection of ₹ 727.28 Cr (17.24%). Strategic inputs generated through Renewal Analytics were utilized

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to identify likelihood of revival of any policy. Call centre engagement was done based on the Analytics by targeting on 13M & 61M persistency buckets and Likely & Moderate bucket customer through specialized callers. This has helped the company to improve the persistency still further.

Predictive Analytics Enabled Call Centre Management.

The call centre acts as a strategic enabler in the renewal follow-up process and thus form an integral part of Renewals and customer retention department. Customers are being called up for various renewal and customer retention activities based on outputs of analytical models. For each and every activity there are dedicated callers who have been provided with customized scripts which enable them to convince the customers for payment and to continue their policies with the Company.

Predictive analytics play a key role in determining the day-to-day functioning of the department. These models give the probability of happening of a particular event (e.g. probability of renewal payment of a particular policy, probability of collection of a tech lapsed policy, probability of collection of a lapsed policy, probability of a policy getting surrendered etc.) and based on that various strategies are adopted by the department.

- **Renewal Analytics**

This model provides the probability of collecting renewal premium of a policy which is in force and is in 13th month & Non 13th Month bucket, within the grace period. The primary aim of this calling is to ensure that the customers pay within the grace period so that collection efficiency from recent dues increase.

- **Tech Lapse Analytics**

Based on the analytical flag, policies moving into Tech-lapse are extracted and shared with the call centers for customized calls to the customers. Conversions rates are monitored regularly to leverage maximum results under this bucket.

- **Lapse Analytics**

This model provides the probability of renewal collection of a policy which is in lapse status, within the next six months from the date of prediction. Specialized scripts are used as per the nature of the product so as to explain the loss of benefits on lapsation and the gain on continued premium payment. Conversions are tracked from this bucket. Revival campaign calling remarks are available in Smart Advisor and CRM Next on real time basis for Regional Operations Team and Sales Team for monitoring purpose.

- **Surrender Analytics**

The call centers have also been assigned responsibility of collecting renewal premium from customers whose policies have a high propensity to surrender based on surrender analytics model. This is also based on a script designed for this purpose.

Apart from the above analytical models, Probable Discontinuance calling, Product Specific Calling & Alternate mode Failure calling is being done to control various exits. Customized calling script ensures higher conversion rates from these buckets.

Digital Enablers & Enhancing Process Efficiencies

- **Personalized video payment link**

SMS with customized Video link is sent to the policyholders targeted in revival campaign explaining the policy benefits and revival process.

- **Missed Call based Premium Collection**

When customer gives a missed call to the designated number, a payment link is sent to the customer depending on their policy status.

- **RPA BOT & IQ BOT for Online Payment Collection, Bulk Communication**

The manual process of examining, verifying and reconciling the enormous transactions involved in the process of premium collection/refunds and sending communications to the policyholders is time consuming and involves multiple complex tasks. Automation of the process will ensure managing high transaction volumes and to have appropriate levels of controls to drive collections efficiencies and provide a seamless payment process for the policyholders. It aims at ensuring better controls including mitigation of financial risks.

- **BBPS Online Payment**

Integration of Bharat Bill Pay Services has resulted in facilitating renewal premium collection through policyholders having their accounts with banking, non- banking institutions and UPI enabled applications. It has emerged as a major contributor in premium collection among other collection partners.

- **Revival workflow**

Revival Work Flow has empowered branches to handle revival request efficiently and effectively. The end-to-end processing of revival request through the workflow has resulted in fetching visibility of the case with intermittent status, requirement details, instrument realization details, case decision, enablement of various reports. We have been able to gain faster processing, better reconciliation and error free smoother processing.

**Customer communication enhancements**

- **Revamp of the Digital Customer Communications:**

With a view to deliver timely communications to policyholders SMS / WhatsApp messages with bitly link is sent to customer's registered mobile number for premium collection and sending Renewal Premium Notices/ Renewal Premium Receipts. Further, SMS with bitly link is sent to all customers as part of revival campaign having Revival quote, e-DGH and payment link. QR Code based Renewal Premium Notices is being sent to policyholders to facilitate collections and ensuring customer retentions.

- **Missed Call Service was enabled for Customers:**

When customer gives a missed call to the designated number, a payment link for paying the due premium is sent to the customer depending on their policy status. Also, information regarding Fund Value, Premium Paid Certificate and update on premium payment can be requested through missed call service.

- **WhatsApp Based Services:**

With the implementation of WhatsApp based services, various policy related information is imparted to the policyholder based on customer request. This has empowered the customer to get information as per their needs and convenience. The whatsapp based services available are as under:

- Sending Renewal intimation
- Payout details to policyholders
- Enabling options for generating Premium Paid Certificates, Renewal Premium Receipts, TDS Certificate
- Using it as a medium to popularize various servicing options
- Download forms

Sales digital platforms - Sales Intermediary app

- **Smart Advisor** - Enhancements in Smart Advisor app were made to disseminate information & tools to sales team for monitoring unrealized premium data and Sending e-Mandate link in addition to the existing feature of tracking unpaid dues through Geolocation based functionality.

Assisted servicing requests in Smart Advisor has enabled the LM / CIF to login to Smart Advisor and fill eDGH, Covid Questionnaire in the app, complete KYC, collect online premium and complete the revival initiation process under one umbrella.

- **Smart Advisor - Desktop Version**

Access provided on the mobile platform to all users across the Regions enables usage with the following functionalities.

- The Renewal due list was updated and details were made available on this app.
- The granular data with regards to Persistency was made available. This platform was fully leveraged during the lockdown where our staff in the Region / Branches effortlessly switched to Renewal follow up through their Mobile Handsets.
- Ongoing Revival Campaign updates are made available on the Smart Advisor (Desktop Version).
- Dashboards to display Digital Campaign Data (Region/HPC and Primary Branch wise) were made available.
- Updating and view rights were made available in order to update the calling disposition and sub dispositions.
- Real Time Revival Calling Remarks based on call centre calling are displayed on Smart Advisor Desktop to branches to review and act
- Different Month-wise persistency for various channel were also updated for intermediaries.

Claims settlement – The ultimate customer service goal:

Claims management is at the heart of any insurance company. Today, when product offerings from Life insurance companies are similar in nature, efficient claim management can be one of the differentiator.

The FY2021 had presented some unique challenges in the form of a pandemic, sudden lockdowns resulting in uneven claim intimations etc. The FY2022 was more of a challenge that witnessed a surge in Total death claim intimations under, both, Individual and Group Portfolio. Total Death Claim intimation in FY2022 has increased by 77% as compared to FY2021.

As far as Living Benefit Portfolio is concerned, your company has processed 18.55 lakhs pay outs amounting to ₹ 14,814 crores.

Covid related Claims:

Your company has reported 28,431 COVID Claims amounting to ₹ 1,947 Crores.

Digital Initiatives / Enablers available to assist claimants & claim processing:

- **Option to Upload Living Benefits Documents in Easy Access app -**

SMSs are being sent to policyholders whose policies were due (either Maturity / Survival Benefits) with Bitly links for accessing SBI Life's "Easy Access" mobile app. Using this link, policyholders can upload the required documents such as bank account proof, KYC docs and scan copy of policy document. This functionality was crucial during the pandemic times as this option enabled our policyholders to submit necessary documents right from their homes.

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- **Living Benefit claims – Certificate of Existence Follow-up**

We have started reaching our Group annuitant members through our call centre for submission of COE. Through this initiative, our customers get call reminder before due date for submitting the COE. This will further assist our annuitants to get their annuity pay-out on due date.

- **Efforts/Steps taken to handle the steep increase in the volume of Death Claim Intimations:**

The FY2022 was a very challenging year for claims with a steep rise in death claim intimations. The below proactive measures were taken by the Company to handle the additional spike in volumes:

- Setting up a framework for scaling up additional resources as per the requirement
- Decentralizing of activities to our Regions /Branches
- Assistance for our claimants – Assisting them for early claim settlement
- Digitization of all processes – ensuring seamless, end to end integration from initiation to settlement
- Implementing First Time Right concept for efficient & faster closure

Reduction of unclaimed amounts

- **Proactive Multi-Pronged Communication with Customers:**

- Immediately upon occurrence of a payment failure or on movement of any amount to Unclaimed fund, a letter is sent to the Policyholders/Claimants in order to bring it to their notice and thereby elicit a quick response
- As an additional communication initiative, messages are also being sent via SMS/WhatsApp to the customer on their registered mobile number advising them to claim the same.
- Follow up by our Regional teams with the customers / claimant

Group business process redesign:

The core activities of the Group Operations department involve processing of Group Business (Group Term Insurance, Fund NB & claims, PMJJBY issuance & claims) & servicing Group Corporate & Non-Corporate Customers. With changes in the business environment along with frequent customization of products and processes, need was felt to build systems to facilitate processing across various group business activities & cater to the needs of high value customers/corporates. With the focus on Digitization, Process improvements & Enhancing Customer Experience, following initiatives were undertaken during the period under review:

- **PMJJBY**

- Data Entry module was developed for facilitating claims intimation, this has eliminated dependency on physical claim documents.
- Towards creating visibility on PMJJBY claims, dashboard for SBI has been created. Through this dashboard, Bank team can generate circle wise details on the pending cases and can support for settlement of pending claims.
- PMJJBY Claim status update in DFS Portal through RPA process for real time updation of data base.
- In order to streamline the reporting to DFS, Report on State Wise summary on PMJJBY Business & Claim figure is made available in AASAAN.

- **New Enrolments under YONO ILS Scheme:**

For the period under review, a total 2.19 lakhs new members were enrolled, thus as on March 31,2022, the total lives covered under Master Policy stand at 6.10 lakhs. In this policy group members can avail upto a maximum of ₹ 20 lakhs sum assured risk coverage just on three clicks, a most seamless process enabling issuance of e-COI instantly upon completion of on-boarding process. This is by far the best example of close integration with the banking partner app to market Life Insurance to its customers through API integration.

- Supported Bank for Revamping of proposal Journey in SBI YONO Application.
- Revision in Sum Assured implemented in BaNCS and YONO application.

- **Group Term Insurance Process Modification**

With the customization of products, change in the macro business environment, changing regulations & ever-increasing customer expectations, GTI processes were revisited & enhanced to mitigate associated risks.

- Implementation of revised NTU process guidelines for Group Products.
- Introduction of Scheme Specific SOP's under Group Term Insurance non-employer employee policies to avoid any ambiguity with respect to Policy Term & Conditions.
- Process Modification of GTI Affinity Policies in light of revised UW Guidelines.
- Bottlenecks in GTI process were addressed through standardization of process, issuance of various guidelines & circulars.

- **Revamping of communication under Group Products:**

- Auto mailer of Renewal Intimation of Sampoorana Suraksha is initiated at defined intervals at 15days,



30days & 60days to the MPH and Marketing team ahead of ARD.

- Auto generation of Endorsements for Non-Annual Sampurna Suraksha Policies post Renewal.

- **New Enrolments under PMJJBY Scheme:**

- During the period under review, 1.12 Cr new members were enrolled through various partner Banks under PMJJBY, which is 39% higher than the corresponding period of previous financial year.
- As on March 31, 2022, there were total 2.58 Crores active members under PMJJBY Scheme, which is a 45% increase over the corresponding period of last Financial year & highest in the private sector life insurance segment, with a total premium collection of ₹ 628.23 Cr for FY 2022.

- **Settlement of Claims Under PMJJBY Scheme:**

- During the year under review, the company has settled 37,391 claims amounting to ₹ 747.83 crs.
- Overall 110% increase in claim settlement under PMJJBY.

Customer grievance redressal and engagement:

The Client Relationship Department plays a pivotal role in ensuring that Customer Queries and Grievances are resolved swiftly to the full satisfaction of the customer and within the defined timelines. Client Relationship includes both Reactive Functions (efforts to solve customers' issues) and Proactive Functions (measures taken to ensure a long-term relationship with customers) performed by the company. Therefore, the company's initiatives in the year under review has been to empower its employees to improve the Query/ Grievance handling techniques, provide efficient and effective Resolution to Customers' Grievances and to devise mechanisms to enhance the Customers' overall experience at the post-sale service stage.

We have developed and are constantly upgrading our Portals and Digital Tools to improve our processes. CRM Next is an automated workflow that has been created for handling Customer Grievances, obtaining Sales Teams' comments & recommendation from the Regional Leadership Group, initiating Investigation wherever necessary, and seeking necessary approvals from the Competent Authority.

A web-based, real-time integration of Parivartan Module with our CRM Next Module has also been established. This is a module designed to empower SBI (Partner Banks) to log in Customer Queries / Complaints pertaining to SBI Life received at their end, to help us track and provide a quick Resolution to the same.

Another key initiative has been taken to enhance one of our major Touchpoints, which is the SBI Bank Branches. We have Integrated our CRM Module with

the SBI CRM, wherein Requests (Queries or Grievances) can be directly captured at SBI's end, for Customers who approach the Bank Branch. The Request will automatically reflect in our CRM, enabling us to provide quick, efficient and effective Resolution to the Customer with ease.

The Net Promoter Score (NPS) has been one more of our Key Focus Areas in this Financial Year. We are a Customer-oriented Organization and in order to excel in our mission, it is essential to 'Listen' to our valued Customers. In this aspect, the NPS is a unique and accurate methodology to capture our Customers' Feedback and Suggestions, which will aid in enhancing our Quality of Service manifold. Continuous efforts are taken to improvise in this avenue, by reaching out to more and more Customers across the Country and taking proactive and instantaneous action with regard to the feedback received from the Customers. This in turn will help us in Increasing the Customer Satisfaction quotient, in our quest for Customer Delight.

We observed that despite the significant Increase of over 16% in No. of Policies Issued, from FY21 to FY22, the Ratio of Customer Grievances to Issuance has remained constant at 0.19% in the current year. Thus, we have been able to keep a tab on the number of Customer Grievances in the current year and we shall continue to put in our best efforts to increase the Customer Satisfaction levels through Proactive, Tech-enabled Customer Engagement, in order to ensure that Customer Grievances are further reduced in the coming years.

Contact Center -

Your company handled over 13.06 lacs Calls at Customer care Toll free number in FY2022, out of which 2.32 lacs calls are responded through Self Service Option in IVRS and remaining 10.74 lacs handled by Contact Centre Executives.

Although, the call volume at toll-free number increased by 14.25% against FY 2021 however Self-Service Option helped to reduce the call volume at Contact Centre by 5.61%. In FY 2022 usage of Self-Service Option in IVRS increased to 2.32 lacs against 0.43 lacs in FY 2021 as we introduced 13 Self Service Option in IVRS.

Customer satisfactory feedback in IVRS for Contact centre services improved from 88.32% in FY 2021 to 90.51% in FY 2022.

Some of the customer-centric initiatives in the FY2022 are elaborated below:

- **Initiatives that improves services offered by the company -**

- **E bot:** Currently at contact center we are handling approx. 3.36 lakhs email queries in year. From categorization to final response all activities

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were handled manually by our agents. In order to automate the email response, we have adopted E Bot technology which has capacity to read customer email, categorize and prepare final response to the customer queries.

- **Self Service Option on IVR** has been introduced to Customer to access bitly link of 13 commonly used services via SMS on their Mobile number (Services like CSS Portal, Address change, Policy Revival, E Mandate Registration, TDS Certificate, Renewal Payment, Premium Paid Certificate, E Policy document, Branch Locator, E-mail ID updation, E COE, Fund value, policy status). This has helped us to handle approx. 2.32 lacs call volumes at the Contact Centre.
- **Bitly link for 8 Services for CCEs during customer call:** We have introduced 8 Bitly links in CRM application. It helped CCEs (Customer Care Executive) to send bitly link of 8 Services via SMS during Customer call and improving Customer experience. Approx. 1.79 lakhs bitly links were sent through CRM application to customer while handling telephone queries.
- **Missed call service:** Customer can avail Missed call for 5 Services viz. Fund value, Policy Not received (PNR), Premium Paid Certificate (PPC), Offline product, Renewal premium.
- **Email campaigns for customer awareness.** We have taken various Email Campaign for Policy holders to increase awareness on our available Digital Services and importance to update information in the policy details. Please find below details of Campaign launched in FY2022.

| Sr. | Month | Customer Awareness Campaign Name |
|-----|------------------------------|---|
| 1 | February 2022 | Email campaign to update personal details and Demat (E-Insurance Account) |
| 2 | January 2022 | Email campaign for Nomination and SMS campaign for fraud alert |
| 3 | December 2021 | Awareness on SBI Life Touch Point in 12 Multi Language |
| 4 | September 2021 & July, 2021 | Awareness on Missed Call Services |
| 5 | August, 2021 & February 2022 | Awareness on Demat (E Insurance Account) |
| 6 | June, 2021 | Awareness on Self Service Option |
| 7 | June, 2021 | Awareness on Digi Locker |

Leveraging Big Data Analytics:

The Company has been leveraging Analytics to help mitigate and control Risks in various business functions like Underwriting, Claims, Persistency etc. The outcomes of the various models are helping the respective functions to take more informed decisions, and helping in creating more efficient business processes.

• Redevelopment of Risk score model

Underwriting decision evaluate multiple risk factors and their combined effects which involves number of steps to be performed simultaneously. Manual underwriting has scope of missing impact assessment for some risk factors while giving fast decision to process high volume. To address this, using machine learning model Risk assessment tool was developed combining inputs from all functionalities that capture recent trends of fraudulent claims and provides Real-time pop-up to underwriter.

Pursuant to provision of Section 45 of the Insurance Act 1938, claim received after 3 years from the date of commencement of the policy cannot be called in question on any ground along with increase in early claim (within 3 years) vis-à-vis low death claim settlement ratio, forced SBI Life to conduct due diligence in selection Life at underwriting stage.

Risk score model predicts the likelihood of Early Claims at inception.

• Redevelopment of Lapse Revival Model

Your company used this model for Lapse Revival & to predict the revival propensity for policies in Lapsed status. The model was developed utilising existing policy data with the company. However, present evaluation of model output shows that there is significant change in bucket size in prediction from development time and change in data proportion for most significant variables. Subsequently there was performance drop & inconsistency in terms of revival and capture rate by the model. Based on the observations the Lapse model has been taken up for re-development with Revised Model Approach.

Further considering the request from Renewal vertical team "to map the behavioural pattern of revival for 13th Month persistency policy bucket separately", recent Lapse models has been further split into four models 13th Month and Non 13th Month for both ULIP and Non-ULIP policy category. Revised separate models thus developed are – 4 Recent Lapse models: 13th month ULIP, 13th month Non-ULIP, Non 13th month ULIP, Non 13th month Non-ULIP and 2 Deep Lapse: ULIP, Non-ULIP.



These Models are run on monthly basis and the outcome from the model provides the likelihood of revival within the next six months from the prediction date. All our Revival Campaigns utilize the data generated by this Model to improve the hit ratio.

- **Persistency Models**

This model helps to predict likelihood of renewal premium payments. Separate models for 13th Month, non 13th Month, Bancassurance and Retail Agency are in place to cater to the varying payment behaviour. Predictions are made at the start of every month for policies due in upcoming 3 months. Every policy gets flagged as RED, AMBER or GREEN, where RED denotes customers from whom we are least likely to get the renewal premium and GREEN denotes customers most likely to pay the renewals. These models help in channelizing our renewal collection efforts accordingly.

- **Post Issuance Profile Verification (PIPV) analytics**

Even though the Risk Score Models are in place, it was a little difficult to detect all Fraudulent Customers at inception stage. Hence, suspicious policies must be identified immediately post issuance via Post Issuance Profile Verification (PIPV) model to prevent fraudulent claims from arising in the future. The PIPV Analytics Model was developed with the aim of identifying the right set of policies that to be sent / selected for PIPV. Identifying the right set for PIPV increases the likelihood of capturing all fraudulent customers. By targeting a focus group of the total policy base, we were able to capture major events that includes Repudiations and PIPV Cancelled cases. By utilizing, this model we aim to increase success ratio of PIPV investigation. This also helps to reduce the PIPV investigation costs.

- **"Claim Fraud Detection" model**

The Model was developed with an objective to flag every early death claim based on risk propensity score of being fraudulent at death claim intimation stage. Flags generated by the Model has been integrated in I-Pay worksheet Panel under "Additional Policy details" against each early death claim on real-time basis. This helps assessors in claim evaluation to identify claims with higher propensity of being fraudulent and take further decision to go for investigation. The model provides output flags as very High, High Moderate and Low based on the propensity of the claims of being fraudulent. Top five influencers from prediction output are also displayed along with the risk flag and risk score in the assessment sheet. This helps in increasing the success ratio of Claim investigation and reduce Claim Settlement TAT. The model has been made live in the month of January, 2021.

11. Information technology

We started the year FY2022 with the pandemic induced lockdown and resultant work-from-home (WFH). Like the previous year, our teams were fully equipped to support and ensured that all the critical activities related to business closure were carried out with WFH successfully.

If we look at our IT landscape, we have made tremendous progress during last year. Some of the highlights include the completion of RPA project, a new portal for customers based on the latest of technology, a new policy sourcing platform for Bancassurance, enhancement in the security posture with implementation of new tools like a Next Generation "Web application firewall" and secure code review tool.

The improved digital tools and intuitive customizations have played a significant role in enhancing the experience of both, our internal and external customers. We have progressively enhanced the capacity and capabilities of our technology infrastructure that has consistently improved the availability of systems and applications for the business.

Some of the improvements implemented during the year under review are listed below:

A. Infrastructure

- **Data Centre (DC), Disaster Recovery (DR) and Wide Area Network (WAN)**

- We have been proactively managing our DC/DR/WAN infrastructure to ensure that our Head office, CPC and branches are adequately supported to handle the business volumes and to provide quality service to our customers.
- DC-DR link and DC-HO link were upgraded to ensure data replication on time.

- **Email security**

- The company has upgraded the existing email infrastructure thereby moving all users to a single email domain. Upgradation of the email system to the newest version to improve the security posture and provide improved features to end users.

- **Work from Anywhere / Home**

- a) **VPN technology**

- Continued (post Covid lockdown) with 2500 plus employees on VPN to work from home (WFH) or anywhere enabling critical business processes across all offices. This helped Sales team to access productivity tools using secure environment, providing continued

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access to customers. Further, increased the security by allowing only authorised devices (MAC Binding) to connect through our VPN.

b) Virtual Desktop Infrastructure (VDI) Technology:

- Continued VDI based WFH post Covid-19 lockdown for 1800 employees and outsourced vendors of Head Office, Central Processing Centre (CPC) employees and Regions (using thin clients). VDI helped the company in carrying out all departmental activities by employees and vendors resource throughout the year 24x7, while working from home, in a risk free environment.

• Security Operation Centre: (SOC)

In the year under review, the company have further strengthened the existing, state of art, SOC to monitor 24x7 all critical IT devices, websites, mobile applications and other domains, owned or used by the company.

SOC monitors all applications and related infrastructure devices for security alerts - technology based on machine learning/artificial intelligence, data analytics, threat intelligence, anticipation and analytics with threat hunting, network behaviour and user behaviour. SOC has the capability to quickly identify and detect cyber threats.

Brand protection services for Internet facing websites, mobile application and social media handles are in operation. Dark Web is monitored for SBI Life contents with Intelligence Feed and action based on Incident.

Deception & decoy technology is providing a layer of protection to stop attackers who have penetrated the network level up to traps (decoy) IT asset

• Expansion of virtualisation environment

- Over 1100 Virtual servers created on 61 Host Servers resulting in power and space saving with optimum use of compute and storage.

• Capacity augmentation of application infrastructure

- Technology refreshed for Web Application Firewall (WAF) to next generation WAF to secure applications (web & mobiles) and API, protect critical data, mitigate "denial of distribution" attack and augmented capacity.
- Upgraded application delivery and load balancer platform to quickly distribute

application traffic, scale server pool, maintain persistency and accelerate applications.

- Implemented in-house secure code review solution to develop secure application by design.
- Technology refreshed for server's hardware with latest processor, memory and NVMe storage devices to enhance compute and data store.
- Upgraded Application Programme Interface (API) platform to latest technology for robust security, performance boost and scalability.

B. Process Area

• Policy Management System (PMS):

"Ingenium", the new Policy Management System, catering to multiple lines of business, has provided a robust foundation for the digital push of the organisation. This has resulted in drastic improvement of customer service quality and shorter TAT (Turnaround Time) for new product launches.

• Customer Relationship Management (CRM)

System: "CRM Next" is the core system providing 360-degree view of the customer, leading to better service across all touch-points. The application being upgraded to the latest version, which will provide improved customer engagement.

- **Call-center during pandemic:** Continuing the inbound calling service was crucial to support the customers during the pandemic. SBI Life devised a solution to this end and was the only Insurer to have an operational call-center from the very beginning of the lockdown.

- **Robust applications:** Rigorous monitoring and tuning of applications are a continuous process, ensuring an optimal state of functioning. Latest technology evaluation and utilisation is the norm which enables processing of the largest transactional volumes for a private life insurer effectively.

- **Underwriting system:** Business Process Management (BPM) and tracking at each milestone is ensured through intelligent rule based workflows for multiple lines of business greatly improving the efficiency of New Business and Underwriting Processes within shortest turnaround time.

- **Robotic Process Automation (RPA):** Utilisation of latest technology and solutions is an ongoing process to improve efficiency and efficacy. 270 tasks have been automated. We will continue to automate more processes in the coming years.

- **Mobile solutions:** Continuing the thrust from the previous year to adopt 'Go Digital', more than



99% of the Individual New Proposals are sourced through our Mobile Application – **Mconnect**.

We strengthened Operations by providing Smart advisor desktop on PWA platform. This application enables Operations team to address servicing request in seamless and timely manner. Beauty of this application is salient features and performance. Application is compatible with all devices.

We also have a dedicated application to our customers known as '**Easy Access**'. Premium due alerts, ability to raise queries, submission of e-COE (Certificate of Existence) for pension products, are some of the key features of this application.

Innovation is our motto. We developed Smart Care app on PWA platform dedicated to customers. This application will replace all customer facing applications in the near future (including Easy Access). Application addressed both pre and post servicing of customer. Customer will get all servicing features under one umbrella like proposal tracking to fund switch and redirection. Customer can download their policy document from this application. Application is developed on PWA hence it's device agnostic. This will enable us to incorporate additional customer centric services in quick time. Application would be available in all Play store as well as on web. Application designed such a way to meet all security parameters and performance parameters to meet the customer's expectations.

- **Digital bouquet for partner on-boarding**

We have a ready set of digital platform bouquet including mobility and API (**Application Program Interface**) and it has been made available for quick integration and on-boarding of partners for new business and renewal premiums.

- **Business intelligence and reporting**

SBI Life has various reporting and analytics platforms for strategic decision making and actionable for a wide range of users, both internal and external. These platforms include reporting tools like AARAM, Crystal SAP BO, Banca Online, Agency Online and Analytics & BI platforms AASAN and mobile platform SAARATHI. During the year AARAM platform has been upgraded to AARAMNxt for improving information security and performance. These tools support users from Sales and Marketing, Senior Management, Audit, Risk, Business Strategy, Operations as well as Corporate Agents and Brokers. Various trackers, notifications and operational MIS are made available through automated mailer on periodic basis to above users. Further, in this year we

have added regular data feeds to our channel partners mostly corporate agents.

Various datamarts are developed to cater to distribution channels & departments. that enable tracking quarterly performances of sales users on the defined KPIs, as well as sharing of the granular data (real-time and periodic basis) with corporate agents seamlessly on various platforms.

12. Investments

Equity markets gave good returns for the financial year amidst increased volatility across both domestic and international markets. Nifty gave a return of 18.9% for the financial year. Uncertainty in equity markets came with Federal Reserve rate hikes, massive inflation in developed markets etc. Higher imports as a result global crude oil prices and weaker exports growth amidst slowing growth in the DM regions widened the current account deficit. INR weakened by 3% to ₹ 75.78 owing to a stronger dollar as the Federal Reserve continued on its path of monetary tightening. Higher oil prices also weakened the Rupee.

Yield on 10-year Government of India Bond rose by 70 bps in the financial year from 6.15% to 6.85%. The 10 Y bond yield touched 6.90% in the second half of FY 22. Crude oil kept rising and at one point it was double the level seen on March 31st 2021, with oil jumping from \$64/bbl to \$128 /bbl.

The Assets under Management (AuM) of the Company has increased by 21% from ₹ 2,208.71 billion as on March 31, 2021 to ₹ 2,674.09 billion as at March 31, 2022. The debt equity mix of the AuM as on March 31, 2022 is 71:29.

The AuM was made up of ₹ 1,247.84 billion of traditional funds (including shareholders') and ₹ 1,426.25 billion of Unit Linked Funds. The Unit linked portfolio majorly comprises of Equity funds, Bond funds and NAV guaranteed funds.

13. Persistency

Persistency is a critical indicator of business viability and brand success. During the FY2022, the Company has witnessed 12% growth in Renewal Premium collection at ₹ 333.02 billion, which contributed to 57% of Gross Written Premium. The Company has continued to focus on renewals and has undertaken initiatives to improve persistency of its existing policies. The independent Renewal Vertical is focusing on collection of renewal premiums and servicing policyholders. We shall continue to accord prime importance to this area.

14. Particulars of Employees

SBI Life, one of the most trusted private Life insurance brands has completed 21 years of operations. SBI Life family has grown from 17,464 employees as on March 31, 2021 to 18,515 employees as on March 31, 2022

Directors' Report (Contd.)

which depicts a growth of 6%. The average age of employees is 36 years 7 months and the average tenure is 5 years 3 months.

In terms of Section 136(1) of Companies Act, 2013 the Report and the Accounts are sent to the Members excluding the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement containing aforesaid details may be obtained by the Members by writing to the Company Secretary at the Registered Office of the Company.

15. Employees Stock Option Scheme

The SBI Life Employee Stock Option Plan 2018 ('ESOP 2018') and SBI Life Employees Stock Option Scheme 2018 ('the Scheme' or 'ESOS 2018') has been approved by the shareholders of the Company in the Annual General Meeting (AGM) held on September 27, 2018 based on the recommendation of the Board Nomination & Remuneration Committee ('NRC') and Board of Directors ('Board') in their meetings held on August 31, 2018.

The maximum number of stock options granted to eligible employees in accordance with ESOP 2018 shall not exceed 30,000,000 options. During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share capital of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting. Further, the maximum number of Options in aggregate granted to an employee under this Plan shall not exceed 1,00,00,000 Options. The Exercise Price shall be determined by the Board Nomination & Remuneration Committee in concurrence with the Board of Directors of the Company on the date the Options are granted and provided in the letter of grant.

During the year ended March 31, 2022 the NRC in its meeting held on July 26, 2021 has approved the grant of 7,97,850 Employee Stock Options ('Options') to the eligible employees under ESOS 2018.

No employee was granted options during one year amounting to five percent or more of options granted during that year. Similarly, no employee was granted options during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant.

During the year FY2022, the Company has not granted any loan to its employees for purchasing shares of the Company.

The Annual Certificate on compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, issued by Secretarial Auditors of the

Company is being made available for inspection at the forthcoming AGM.

The Scheme is in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time ('SEBI SBEB Regulations'). Further, there are no changes in the scheme. The below disclosures pursuant to the SEBI SBEB Regulations have been placed on website of the Company at <https://www.sbilife.co.in/en/about-us/investor-relations>.

The disclosures pursuant to SEBI SBEB Regulations, Guidance Note on accounting for employee share based payments, disclosure of diluted EPS in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standard have been disclosed in the Notes to Accounts which form part of financial statements in the Annual Report.

16. Prevention of sexual harassment of women at the workplace

The Company has an Internal Complaints Committee to investigate and inquire into sexual harassment complaints in line with The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has in place a policy on Anti-Sexual Harassment, which purports the Company's zero-tolerance towards any form of prejudice, gender bias and sexual harassment at the workplace. The Company had undertaken training on e-shiksha empowered, our digital platform, on awareness and sensitization with respect to sexual harassment at workplace. Anti-sexual harassment policy is uploaded on Company's intranet, e-bandhan, so that every employee understands the complete framework adopted by the Company to report and resolve instances of sexual harassment. The details are mentioned in the Business Responsibility Report. Further, the Company's Policy on Prevention of Sexual Harassment of Women at the Workplace along with the details of Internal Complaints Committee at each Region is accessible to all employees on the e-bandhan. During the year FY 2021-22 under review, 5 sexual harassment cases were filed, excluding 1 case pending from previous financial year. Of these, all 6 cases were disposed-off during the financial year and appropriate actions were taken within timelines in FY 2021-22. Having an adept POSH policy has enabled us in employer branding by creating employee value proposition, permeating a sense of safety amongst employees, retaining vital talent and promoting inclusively.

17. Risk Management

SBI Life is in the business of covering life, health & longevity risks of its policyholders on the consideration of a premium. The Company as a part of its business, invests the premiums received and provides long term returns to the customers on its savings & investment products. Risk Management therefore becomes an integral part of its business activities. The Company



recognises and manages its risks in a proactive, ongoing and positive manner. Risk philosophy of the Company is outlined in the Risk Management Policy. The Risk Management policy specifies the process for identification, measurement and analysis of the Company's risk exposures; develop risk management strategies and its monitoring. The Risk Management Policy is supported by various other policies pertaining to insurance, market, compliance, outsourcing, fraud, information security and business continuity management. Above referred policies are reviewed by the Risk Management Committee of the Board on an annual basis. The Company has formulated risk appetite statements at the corporate as well as at the functional level, which are reviewed and monitored by the Risk Management Committee of the Board and Internal Risk Management Committee respectively. The Company also carries out an ICAAP (Internal Capital Adequacy Assessment Process) activity, which details the assessment of material risks, estimation of capital requirement and adequacy for maintaining solvency requirements.

The Company has aligned its risk management practices to ISO 31000:2018 standard on Enterprise Risk Management. This implies that the Company has strong processes for risk identification, management and mitigation. The Company's Business Continuity Management System (BCMS) is aligned and certified with ISO 22301:2019. The company's Information Security Management System (ISMS) is also certified with ISO 27001:2013.

Sound risk management practices followed by the Company enabled it to continue core business operations at an acceptable level. The Company seamlessly moved a bulk of its operations to 'Work from Home' model during the lockdown announced due to Covid-19. Requisite training was imparted and appropriate cyber security measures were undertaken prior to operationalisation of the model.

We are pleased to inform that your Company has won the 'Golden Peacock Award for Risk Management for the year 2021.' This is the third time that the Company has won this prestigious award.

More information on the risk practices adopted by the Company is available in the 'Enterprise Risk Management' section appended to this report and 'Management Report' section of the Annual report.

18. Internal Audit and Compliance Framework

Internal Audit:

The Company has in place a robust internal audit framework. The Inspection and Audit (I & A) Department undertakes risk based audit approach and it commensurate with the nature of the business and the size of its operations. The internal audit plan covers Information System Audit, different process audit as well

as transaction based audits at the Head office, Regional Offices and across various branches of the Company.

The audits are carried out by the internal audit team of the Company and also by the outsourced audit firms. The approach of the audit is to verify compliance with the regulatory, operational and system related controls. The key audit observation and recommendations are reported to the Board Audit Committee of the Company. Implementation of the recommendations is actively monitored.

I & A has designed offsite monitoring system (OMS) with an objective to identify deviations at an early stage and sharing the same with concerned process owners for immediate corrective action. Exception reports developed, are operational for around 90 scenarios. The frequency to extract and analyse a particular set of data through these exception reports, is based on the criticality of the process. Frequency is defined as Quarterly, half yearly and yearly. The OMS review enables the process owners to identify gaps, if any, at an early stage, ensuring timely resolution of the issues. The utility is also shared with the users for a proactive and real time assessment at user level, itself.

Concurrent Audit:

In accordance with Insurance Regulatory and Development Authority of India (Investment) Regulations, the Company has also engaged professional chartered accountants firm to carry out concurrent audit of investment operation as per IRDAI investment regulations / guidelines and guidance note on Internal / Concurrent Audit of Investment functions of Insurance Companies, issued by the Institute of Chartered Accountants of India. Any significant findings in the concurrent audit are presented to the Board Audit Committee and reviewed by Board Investment Sub Committee and Board Investment Committee.

Compliance:

The Board Audit Committee of the Company has laid down governing principles to oversee the compliance framework of the Company. The Committee discusses the level of compliance in the Company and any associated risks and reports the same to the Board. The Company has also formulated various internal policies and procedures to define framework for the working of various functions to ensure compliance. The Compliance function identifies and communicates regulatory requirements to relevant functions in a timely manner and monitors critical compliance risks based on suitable monitoring mechanism. The Compliance function works in liaison with the regulators and provides clarifications to various functions on applicable laws, regulations and circulars issued by the regulatory authorities. A compliance certificate signed by the Managing Director & CEO is placed at the Board Audit Committee on a quarterly basis.

Directors' Report (Contd.)

The Company has also formulated various internal policies and procedures relating to working of various functions to ensure compliance.

19. Internal Financial Controls

The Companies Act, 2013 requires the Board of Directors, to lay down adequate and effective internal financial controls with reference to the Financial Statements and include it in the Board report. The Company has aligned its internal financial control system with the requirements of the Companies Act 2013, on lines of globally accepted risk based framework as issued by Committee of Sponsoring Organizations (COSO). The internal control framework is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires the Company to identify and analyse risks and manage appropriate responses. The key components of the internal financial control framework include:

Entity level controls:

Entity Level Controls (ELCs) operates at an organisation level. The Company has defined a set of entity level policies and controls. The ELCs set up by the Company includes various policies and procedure in place such as Anti Money Laundering and Counter-Financing of Terrorism policy, Business Continuity Management policy, IT and Information Security policy, Risk Management Policy, Whistle blower Policy etc.

Process level controls:

The Company has defined a set of process level controls across its business and support functions such as premium, reinsurance, claims management, agency management fixed assets etc. The control type covers key operating controls, financial reporting controls & IT controls have been done to ensure compliance with COSO framework.

Review controls:

The Company's internal financial control framework is based on 'three lines of defence model'. The Company has laid down standard operation procedures and policies to guide the business operations. The Company has a well-defined delegation of power with authority limits for approving revenue and capital expenditure. Statutory, Concurrent and Internal Auditors undertake rigorous testing of the control environment of the Company.

The Company has a Chief Audit Officer with a dedicated internal audit team which is commensurate with the size, nature & complexity of operations of the Company.

The Company also undergoes an independent internal / concurrent audit by specialised third party professional consultants to review function specific regulatory compliances as well as internal controls.

The Audit Committee reviews reports submitted by the Management and audit reports submitted by the internal auditors and statutory auditors. Suggestions for improvements are considered and the Audit Committee follows up on corrective actions. The Audit Committee also meets the Company's Statutory Auditors to ascertain their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations, if any periodically.

Auditor's Report

There were no qualifications, reservations, adverse, remarks or disclaimers on Internal Financial Controls made by the Statutory Auditors in their report for the financial year ended March 31, 2022.

20. Related Party Transactions

The Company has Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions to regulate the transactions with its related parties. As per the policy, all related party transactions require approval of the Board Audit Committee. As per Rule 6A of the Companies (Meeting of Boards and its Powers) Rules 2014, the Audit Committee may grant omnibus approval for related party transaction proposed to be entered into by the Company subject to terms and conditions mentioned in the said Rule.

All the Related Party Transactions entered during the financial year were on arm's length basis and in ordinary course of business. All related party transactions are placed before the Audit Committee of the Board for its approval. During the year, there were no material contracts or arrangements or transactions with related parties that need to be disclosed as per Section 188(1) of the Companies Act, 2013.

M/s. S.K. Patodia & Associates, Chartered Accountants, reviewed the related party transactions for the year ended March 31, 2022 and their certificate is placed at the meeting of the Board Audit Committee, along with details of such transactions.

All Related Party Transactions as required under Accounting Standards AS-18 are reported in Note 39 of Schedule 16(C) – Notes to Accounts of the Financial Statements of the Company.

The policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, has been hosted on the website of the Company can be viewed at <https://www.sbilife.co.in/en/about-us/investor-relations>

21. Ind AS implementation

IRDAI ("Authority") vide its circular dated January 21, 2020 has withdrawn its erstwhile circular dated June 28, 2017 on implementation of Ind AS from FY 2020-21 and dispensed with the requirement of quarterly submission of Proforma Ind AS financial statements



on account of proposed amendments in IFRS 17 by International Accounting Standard Board (IASB).

In June 2020, IASB published amendments to IFRS 17 including a deferral of the effective date of the Standard by two years, i.e., globally IFRS 17 is effective from annual periods beginning on or after 1st January 2023.

In December 2020, Institute of Chartered Accountants of India (ICAI) has issued an exposure draft of

Amendments to Ind AS 117, Insurance Contracts applicable with effect from 1st April 2023.

Further, in February 2022, the ICAI has issued Exposure draft of Initial Application of Ind AS 117 and Ind AS 109 - Comparative Information corresponding to amendments to IFRS 17.

However, the final date for Ind AS implementation is yet to be announced by the Authority.

22. Board of Directors and Key Management Personnel

Change in directors and Key Managerial Personnel's (KMPs) during the year:

| Name of the Director / KMP | Nature of change | With effect from |
|----------------------------|---|-------------------|
| Mr. Ashwini Kumar Tewari | Appointed as Nominee Director (Nominated by State Bank of India) | April 12, 2021 |
| Mr. Tejendra Mohan Bhasin | Appointed as Additional Independent Director | April 12, 2021 |
| Ms. Usha Sangwan | Appointed as Additional Independent Director | August 24, 2021 |
| Mr. Ravindra Kumar | Ceased as President - Zone III | November 30, 2021 |
| Mr. Ravi Krishnamurthy | Appointed as President - Operations & Information Technology | December 01, 2021 |
| Mr. M Anand | Appointed as President - Zone I | December 01, 2021 |
| Mr. AVS Siva Rama Krishna | Appointed as President - Zone II | December 01, 2021 |
| Mr. G Durgadas | Appointed as President - Zone III | December 01, 2021 |
| Mr. Anand Pejaware | Ceased as President - Operations, Information Technology & International Business | December 03, 2021 |

Key Managerial Personnel

Mr. Mahesh Kumar Sharma (Managing Director & CEO), Mr. Sangramjit Sarangi (President & Chief Financial Officer) and Mr. Vinod Koyande (Company Secretary) are designated "Key Managerial Personnel" of the Company, under the provisions of Section 203 of the Companies Act 2013.

Further, in accordance with Corporate Governance Guidelines ("CG Guidelines") issued by IRDAI the Company has fifteen (15) Key Management Persons including above mentioned Key Managerial Personnel.

Declaration by Directors

All Independent Directors have registered themselves in the Independent Director Databank and have submitted declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 along with rules framed thereunder and Regulation 16 of the SEBI (Listing Obligations & Disclosures Requirement) Regulations 2015. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

The Company has also received declarations from all its Directors as per Section 164 of the Companies Act, 2013, confirming they are not disqualified from being appointed as Directors of the Company. The said

declarations were noted by the Board of Directors at its Meeting held on April 28, 2022.

'Fit and Proper' criteria

In accordance with Guidelines for Corporate Governance issued by IRDAI, the Directors of insurers have to meet the 'fit and proper' criteria. Accordingly, all the Directors of the Company have confirmed compliance with the 'fit and proper' criteria, prescribed under the Corporate Governance Guidelines issued by the IRDAI.

Directors & Officers Liability Insurance

Regulation 25 (10) of the SEBI (Listing Obligations & Disclosures Requirement) Regulations 2015 requires the Companies to take Directors and Officers Liability Insurance (D&O) for all its Independent Directors. The Company has taken D&O Insurance for all its Board of Directors and Members of the Senior Management Team for such quantum and risks as determined by the Board.

Common Directorships

Pursuant to Section 48A of the Insurance Act, 1938, the Company has obtained the necessary approval from IRDAI for directors having common directorship with State Bank of India (being corporate agent of the Company).

Directors' Report (Contd.)

Meetings

During the year, twelve Board Meetings were convened and held, the details of which are given in the Report on Corporate Governance, which is forming a part of this report. The intervening gap between the said Board Meetings was within the period prescribed under the Companies Act, 2013. The details of the Board and Board Committee meetings, and the attendance of Directors thereat, forms part of the Corporate Governance Report, which is annexed to this Directors' Report.

Secretarial Standards

During the FY2022, the Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to board and general meetings.

Remuneration Policy

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Board has approved the remuneration policy as recommended by the Board Nomination & Remuneration Committee. The details of the said policy are annexed as **Annexure I** to this Report.

23. Corporate Governance

The Corporate Governance philosophy of the Company is to comply with not only the statutory requirements but also to voluntarily formulate and adhere to a strong set of Corporate Governance practices which includes code of business conduct, corporate ethics, values, risk management, etc. The Company is committed to achieve the highest standard of Corporate Governance. The Report on Corporate Governance is annexed and forms part of this Annual Report.

24. Corporate Social Responsibility

The Company constituted the Corporate Social Responsibility Committee (CSR) of the Board of Directors in accordance with the provisions of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility) Rules 2014, which drives the CSR program of the Company.

The CSR Committee of the Board confirms that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.

The brief outline of CSR Policy, including overview of the program proposed to be undertaken, the composition of the CSR Committee, average net profits of the Company for the past three financial years, prescribed CSR expenditure and details of amount spent on CSR activities during the financial year have been disclosed in **Annexure II** to this report, as mandated under the said Rules. Further, the Corporate Social Responsibility Policy of the Company as approved by the Board has been hosted on the Company's website.

25. Particulars of Loans, Guarantees or Investment

In line with the clarification given by the Ministry of Corporate Affairs under the Removal of Difficulty Order dated 13 February 2015, the provisions of Section 186 of the Companies Act 2013 relating to loans, guarantees and investments do not apply to the Company.

26. Subsidiary, Joint Ventures and Associate Companies

The Company does not have any Subsidiary, Joint Ventures or Associate Company.

27. Rural and Social Sector Obligations

As per the regulatory requirements, the Company has met its Rural and Social Sector obligations for FY2022. As against the minimum requirement of 20%, the Company has issued 28.68% policies in the rural sector which affirms the Company's approach towards life insurance inclusion. Further, 821,491 new lives covered (6.67% of total new lives covered in preceding year) by the Company are from the underprivileged social sector as against the regulatory requirement of at least 5% of total lives covered in preceding year. Consequently, the Company has met the minimum social and rural regulatory norms.

28. Management Report

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, the Management Report is placed separately and forms part of the Annual Report.

29. Statutory Auditors

In view of the applicability of Section 139 of the Companies Act 2013, Comptroller and Auditor General of India (C&AG) appoints Statutory Auditors of the Company. Accordingly, C&AG appointed M/s S.K. Patodia & Associates, Chartered Accountants and M/s S.C. Bapna & Associates, Chartered Accountants, as joint statutory auditors of the Company for FY 2022.

Statutory Audit and other fees paid to Joint Statutory Auditors for FY2022 as below:

| (₹ in 000's) | |
|----------------------------|--------|
| Particulars | Amount |
| Joint Statutory Audit Fees | 7,300 |
| Other Certification Fees | 2,075 |

30. Statutory Auditors' Report

The Statutory Auditors' Report (including annexure thereof) to the Members does not contain any qualification, reservation, adverse remark, or disclaimer hence do not call for any further comments u/s 134 (3) (f) of the Companies Act 2013. There were no reportable frauds identified by the statutory auditors during the FY2022.



31. Comments of the comptroller and auditor general of india on the accounts of the company

The Comptroller & Auditor General of India (C&AG) have conducted a supplementary audit u/s 143(6)(b) of the Companies Act, 2013 of the accounts of the Company for the year ended March 31, 2022. The C&AG vide their report no. GA/CA-1/Accounts/SBI Life/ 2021-22/81 dated July 27, 2022 have stated that there is nothing significant which would give rise to any comment upon or supplement to Statutory Auditors' Report. The Report of C&AG is being placed with the report of Statutory Auditors of the Company.

32. Secretarial Auditors' Report

Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s N. L. Bhatia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company

The Auditor has not made any qualification, reservation or adverse remark or disclaimer in his report for FY2022. The detailed report on Secretarial Audit of the Company for FY2022 is enclosed as **Annexure III** to the Board report.

33. Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company as the Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for the services rendered by the Company.

34. Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act 2013 (as amended by the Companies (Amendment) Act, 2017), read with Rule 12 of the Companies (Management and Administration) Rules, 2014 an extract of the Annual Return (in form MGT 9) has been annexed as **Annexure IV** to this Report and the same has been hosted on the website of the Company and can be viewed at <https://www.sbilife.co.in/en/about-us/investor-relations>

35. Material Events, Changes and Commitment affecting Financial position of the Company

In view of COVID-19 pandemic, the Company has assessed the overall impact of this pandemic on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended March 31, 2022. Based on the evaluation, the Company have made an additional reserve amounting to ₹ 2,893,383 thousands towards COVID-19 pandemic and the same has been provided for as at 31/03/2022 in the actuarial policy liability. The Company will continue to closely monitor any future developments relating to

COVID-19 which may have any impact on its business and financial position.

36. Other Events

On February 21, 2022, BNP Paribas Cardif (BNP), had made a request to reclassify themselves to "Public" category from "Promoter" category, in terms of Reg. 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Further, on February 22 & 23, 2022, BNP sold its entire shareholding of 20,03,612 equity shares of ₹ 10 each in aggregate representing 0.20 % of the total issued and paid-up Equity Share Capital of the Company. The Board at its meetings held on February 25, 2022, has considered and approved the said request, subject to the approval of the Stock Exchanges, in terms of the said Regulations. Further, the reclassification approval was received from National Stock Exchange of India Limited and BSE Limited on May 27, 2022.

37. Significant and Material Orders Passed by Regulators or Courts or Tribunals impacting the Going concern Status and Operations of the company

During FY2022, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

38. Director's Responsibility Statement

In terms of Section 134(3) (c) read with 134(5) of the Companies Act, 2013 and the Corporate Governance Guidelines, your Directors confirm that;

- in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- they have 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 as on March 31, 2022 and of the profit of the Company for the financial year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the accounts for the current financial year ended March 31, 2022 on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

Directors' Report (Contd.)

- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

39. Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A. Conservation of energy

In view of the nature of business activity of the Company, the information relating to the conservation of energy, as required under Section 134 (3) and Rule 8 (3) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

B. Technology Absorption

| Sr. No. | Particulars | Remarks |
|---|--|---|
| Research & Development (R&D) | | |
| 1. | Specific areas in which R & D carried out by the Company | <ul style="list-style-type: none"> In the year under review, some of the areas where we have experimented in our Digilab includes Optical Character Recognition (OCR), communication through digital medium, voice processing, AI, BoTs, Humanoids and IoT |
| 2. | Benefits derived as a result of the above R&D | <p>In the year under review, we have been able to roll out a number of initiatives based on the R&D done in Digilab. A few noted ones are provided below:-</p> <ul style="list-style-type: none"> Parichay CPC Katta /Adda This application is dedicated to CPC /HO employees to know real-time events of SBI Life, sharing ideas, birthday celebration, CSR Activity, blood donation events and provide the option to write the blog etc. It also provides the food management features to order the breakfast, lunch etc.- This application is developed in-house Alternate Sales Process (ASP) in M.Connect: This innovation is discovered during COVID-19 lockdown time where customer is not present in the branch or in front of sales force physically. M.Connect provides Alternate Sales Process option to send the link on mobile number along with proposal forms and provides options to capture the customer consent and declaration video. After successful ASP process, customer process will be completed in M.Connect. This application is developed in-house QR based offline KYC: This additional feature provides offline KYC using QR code scanning to avoid manual upload of documents. The application is developed In-house, Integrated with M.Connect Mobile Application, where customers can do offline KYC by scanning M.Aadhaar QRCode and avoid manual capturing of documents. This application is developed in-house OCR based KYC: Capture, Name matching and Aadhaar Masking: This features provides capturing of KYC documents, identification of documents, read the data from the documents and validate the data with proposal form data. It is also matching the name entered in the BI of proposal form and name read from the documents and provides the percentage match. Based on the percentage criteria it will accept the documents that help for underwriting and reduce the issuance TAT. OCR technology also masks the Aadhaar Number from the Aadhaar Card as per the IRDAI guidelines. This application is developed in-house CKYC Integration: This functionality provides additional mode of KYC to the customer using CERSAI who KYC details registered on the CKYC repository. By using Customer ID number like PAN, Voters Id, Aadhaar number, driving license number or CKYC number this process will be carried out. The feature is developed in-house. Bank Account Verification: M.Connect will validate the bank account details of the customer using penny drop service. If Name on bank side matches with Proposer name entered during data entry, Bank proof will be non mandatory. |



| Sr. No. | Particulars | Remarks |
|---|--|---|
| | | <ul style="list-style-type: none"> Digital MHR: It provides the real time feature to sales force to submit moral hazardous report through Smart Advisor. Technology Absorption: The application is integrated with Smart Advisor Application for evaluating the hazardous reports. The feature is available for Sales Representatives. The application is developed in-house. Underwriting Rule in M.Connect: This functionality provides the Real time offline underwriting rules inbuilt with M.Connect application which helps to identify the product eligibility based on the customer provided details and product boundaries. It will help to reduce the Refunds, reduce underwriting time and issuance TAT. The feature is developed in-house. YONO Branch Portal Integration with SBI: SBI Life has done integration with YONO branch portal for selling 4 products using SBI Life service. Group work Flow system: This application is dedicated to SBI Life group employees to process groups products functionality like New business (NB), Renewal, data upload and verification. This application enables groups team to increase their work productivity and performance. Web OCR: Web OCR is in-house developed tool to identify the document type. It also performs Aadhaar masking. Offline KYC: Customers are able to perform Offline KYC with the help of our mobile app during the proposal journey. The solution makes it convenient for the customers and sales agent in faster closure of cases. Chatbot Integration: Our Chatbot "RIA" has been integrated in a number of ways, with the website, on the intranet pages, on Whatsapp to answer customer queries, assist in premium payment through chat etc, to name a few. Chatbot is also integrated with Google assistant and amazon alexa with voice functionality. Voice based solutions: Further integration with Amazon Alexa, voice based search on our website, conversational analytics. |
| 3. | Future plan of action | We will continue to work with the new technologies available and find ways to improve the experience for our stakeholders in technology area. |
| 4. | Expenditure on R & D: (a) Capital (b) Recurring (c) Total (d) Total R & D expenditure as a percentage of total turnover | In-house development. |
| Technology absorption, adaption and innovation | | |
| 1. | Efforts, in brief, made towards technology absorption, adaptation and innovation | <ul style="list-style-type: none"> Video based PIVC and Face Matching: For High Risk Profile Proposal Video based consent will be enabled in Insta PIVC Screen and Face matching will be done using Photo captured during proposal journey and Photo captured during Insta PIVC. Based on result flag will be triggered for clearance. |
| 2. | Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. | Key benefits are faster turnaround for new business completion, improvement in the renewal premium collection and faster communication among the teams in corporate office and Regional offices. |
| 3. | In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished: (a) Technology imported (b) Year of import (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. | Nil |

Directors' Report (Contd.)

C. Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo required under above Rules are as under:

| (₹ in billion) | | |
|---------------------------|--------|------|
| Particulars | FY2022 | FY21 |
| Foreign Exchange Earnings | 2.41 | 0.07 |
| Foreign Exchange Outgo | 0.03 | 0.19 |

40. Investor relations

The Company has always valued its investor relationships and it is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website (www.sbilife.co.in) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company publishes financial results on a quarterly basis. The financial results of the Company are hosted on the website of the Company and stock exchanges for the current as well as previous years. Further, the quarterly results and earnings update are also posted on the website of the Company. Every quarter, the Managing Director & CEO along with the senior management officials of the Company participate on a call with the analysts / shareholders. The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company's share price is released through as per regulatory requirements.

41. Business Responsibility Report

Business Responsibility Report as stipulated under Regulation 34 of the Listing Regulations form part of the Annual Report and has been hosted on the website of the Company <https://www.sbilife.co.in/en/about-us/investor-relations/annual-reports>

42. Integrated reporting

The Securities Exchange Board of India had recommended top 500 listed entities to voluntarily prepare their Annual Report adopting the principles of Integrated Reporting prescribed by the International Integrated Reporting Council.

In view of the above, The Company has voluntarily adopted the principles and has prepared its 4th Integrated Report for FY2022 which forms part of this Annual Report.

43. IRDAI license

The Insurance Regulatory and Development Authority of India (IRDAI) have renewed the annual license of the Company to continue the Life Insurance Business for the FY2022.

44. Other information

A. Economic Capital:

The annual assessment of Economic Capital of SBI Life was carried out as on March 31, 2022. As part of this exercise, we have quantified the capital requirements relating to various risks such as Insurance Risks (Mortality risk, Morbidity Risk, Longevity Risk, Persistency Risk, Expense Risk, Catastrophe Risk) and Non- Insurance Risks (Market Risk, Operational Risk, Default Risk). As at 31st March 2022, Solvency ratio on Economic Basis is 3.27. The Solvency Ratio on Economic Basis has been estimated as, the ratio of excess of economic Assets over economic Liability to Total Economic Capital Requirement.

B. Solvency Margin:

The Directors are pleased to report that the assets of the Company are higher than the liabilities of the Company and the assets are more than sufficient to meet the minimum solvency margin level of 1.50 times, as specified in section 64 VA of the Insurance Act, 1938 read with the IRDAI (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations, 2016. The Company has a strong solvency ratio of 2.05 as on March 31, 2022 (Previous year ended March 31, 2021: 2.15) as against the Regulatory requirement of 1.50.

C. IRDAI Directions

- (a) IRDAI has issued directions under section 34 (1) of the Insurance Act, 1938 to refund the excess commission paid to corporate agents amounting to ₹ 2,752,948 thousand (previous year ended March 31, 2021: ₹ 2,752,948 thousands) vide order no. IRDA/Life/ORD/Misc/083/03/2014 dated March 11, 2014, to the members or the beneficiaries. The said IRDAI order has been set aside by the Securities Appellate Tribunal (SAT) vide its order dated January 29, 2020. The SAT has remitted the matter to IRDAI with a direction to recalculate the interest earned on advance premium collected. Subsequently, on March 3, 2021 the Company has received notice of institution of civil appeals filed by IRDAI in Supreme Court against the SAT order dated January 29, 2020. The Company on the basis of legal opinion and good case on merits has challenged the order of January 29, 2020 with Hon'ble Supreme Court of India vide a Civil Appeal instituted on June 22, 2021. At



the hearing held on July 26, 2021 by Hon'ble Supreme Court notice has been issued to IRDAI.

- (b) IRDAI has issued directions under section 34(1) of the Insurance Act, 1938 to distribute the administrative charges paid to master policyholders amounting to ₹ 843,174 thousands vide its order no. IRDA/Life/ORD/MISC/228/10/2012 dated October 5, 2012 and order no. IRDA/Life/ORD/MISC/009/01/2017 dated January 11, 2017. The Securities Appellate Tribunal (SAT) vide its order dated April 7, 2021 has dismissed the appeal filed by the Company against the IRDAI order. Subsequently, the Hon'ble Supreme Court vide its order dated September 22, 2021 has dismissed petition filed by the Company against the SAT order. During the year, the Company has made provision in the Profit and Loss Account (Shareholders' Account) for refund of administrative charges paid to group master policy holders amounting to ₹ 843,174 thousands plus applicable interest as per IRDAI order dated January 11, 2017. Further, out of the provision amount, the Company has refunded ₹ 508,220 thousands along with interest of ₹ 198,869 thousands to the members of group insurance policy.

Place: Mumbai
Date: July 28, 2022

D. Appointed Actuary's Certificate

The certificate of the Appointed Actuary on valuation and actuarial assumptions is enclosed in the financial statements.

E. Certificate from Compliance Officer (under the IRDAI corporate governance guidelines)

A Compliance Certificate, for complying with IRDAI Corporate Governance Guidelines, issued by the Company Secretary, designated as the Compliance officer under the IRDAI Corporate Governance Guidelines, is enclosed and forms part of the Corporate Governance Report.

45. Acknowledgements

The Directors are grateful to the Insurance Regulatory and Development Authority of India (IRDAI), Reserve Bank of India (RBI), Comptroller and Auditor General of India (C&AG), Securities and Exchange Board of India (SEBI) and Government of India (GOI) for their continued co-operation, support and advice. The Directors would also like to take this opportunity to express their sincere thanks all the policyholders, shareholders, customers, employees, re-insurers, bankers and distributors for reposing their trust and confidence in the Company. The Directors also express their gratitude for the advice, guidance and support received from time to time, from the auditors and statutory authorities.

For and on behalf of the Board of Directors

Dinesh Kumar Khara

Chairman
DIN: 06737041

Corporate Governance Report

Introduction

Our Company is explicitly committed to creating value for all its stakeholders – policyholders, employees, investors, vendors and the community. Fairness in words, actions and deeds with all stakeholders form the base of the Company's Corporate Governance philosophy. Corporate Governance enables the Company to perform efficiently and ethically towards the long-term wealth and create value for all its stakeholders.

The imperative need to have good governance surfaced to demarcate the division between its ownership and its management. Concept of corporate governance rests on the fulcrum of transparency behind all decisions taken, accountability for the said decisions and safeguarding the interests of stakeholders.

Company continues to lay great emphasis on the highest standards of Corporate Governance which are an integral part of all Company activities to ensure efficient conduct of the affairs of the Company, without compromising its core values. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

Through the Governance mechanism in the Company, the Board along with its committees discharge its fiduciary responsibilities towards all its stakeholders by ensuring transparency, accountability, fairness and independence in its decision making. It helps to adopt sound and prudent principles and practices for the governance of the Company.

Company's Philosophy on Code of Corporate Governance:

Company's philosophy on Corporate Governance is laid on a foundation of Integrity, Excellence and Ethical values, which have been in practice since its inception. Strong leadership and effective corporate governance practices have been the Company's inherited values from the SBI culture and ethos. The Board is committed to meet expectation of all the stakeholders and strive hard to fulfill them. SBI Life, in this pursuit, places emphasis in the philosophy of Corporate Governance by embedding values like transparency, accountability, integrity and fair disclosures in the Company Structure. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values.

The Company believes in adopting and adhering to the best standards of corporate governance. Certain tenets of our Corporate Governance Philosophy are:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Maximum disclosure of information to the Board and its Committees for focused and meaningful discussions in the meetings.

- Operating in a sound system of internal control and risk management with a thrust on integrity and accountability.
- Independent verification and assured integrity of financial reporting.
- Timely and adequate disclosure of all material information to all stakeholders.
- Compliance with applicable laws, rules, regulations & guidelines.
- Fair and equitable treatment of all its stakeholders including employees, vendors, policyholders and shareholders.

The Company complies with the Corporate Governance Guidelines issued by the IRDAI. Further, the Company also complies with the Corporate Governance provisions prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as amended thereto.

(I) Board of Directors ('Board')

The composition of the Board of Directors of the Company is governed by the provisions of Companies Act, 2013, Listing Regulations issued by SEBI and Corporate Governance Guidelines, 2016 issued by IRDAI.

The role of the Board is that of trusteeship, to protect and enhance the shareholder value through strategic direction to the Company. The role of the Chairman and the Managing Director & CEO are distinct and separate. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company and the responsibility of Managing Director & CEO is to execute the corporate strategy in consultation with the Board.

The Board of Directors comprises of Executive director, Non-Executive Non-Independent directors as well as Independent Directors. There is an optimum combination of Executive, Non-Executive and Independent Directors. Except the Managing Director and CEO, all other directors including Chairman of the Board are Non-Executive Directors. There is one Woman Independent Director on the Board of Company. The Directors possess experience in diverse fields including Banking, Finance, Insurance, Human Resource, Information Technology, Marketing and Actuarial. The skill and knowledge of the Directors have proved to be of immense value to the Company. There is no inter-se relationship between the Directors.

Video or tele-conferencing facilities are also used to facilitate Directors travelling or residing abroad or at other locations to participate in the meetings.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company. They play a critical role in balancing the functioning of the Board by providing independent judgments on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances etc.



The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under Corporate Governance Guidelines issued by IRDAI and Listing Regulations issued by SEBI.

The Company has well-defined Policy for determining criteria for appointment of Directors and Senior Management personnel.

Composition of the Board

As on March 31, 2022, the Board comprised of Eight (8) Directors i.e., Five (5) Independent Directors, Three (3) Directors nominated by State Bank of India ("SBI") including Managing Director & CEO.

The Board functions either as a full Board or through various Committees constituted to oversee specific areas. The Board has constituted Eight Committees, namely, Board Audit Committee, Board Risk Management Committee, Board Investment Committee, Board Policyholders' Protection Committee, Board Nomination and Remuneration Committee, Board Corporate Social Responsibility Committee, Board Stakeholders Relationship Committee and Board With Profits Committee.

As per Regulation 26 of the Listing Regulations, the number of Committees (Audit Committee and Stakeholders Relationship Committee) of public limited companies in which a director is a member or chairman is within the limits prescribed under the said regulation.

The quorum of the Board is one-third of its total strength or three Directors, whichever is higher, including at least one Independent Director.

The composition of the Board of Directors as on March 31, 2022 is as under:

| Sr. No. | Name of the Director (DIN) | Number of other Directorships in | | Number of other Committee Membership# | Directorship in other listed entity (Category of Directorship) |
|---|--------------------------------------|----------------------------------|------------------|---------------------------------------|---|
| | | Indian Public Limited Companies* | Other Companies@ | | |
| Non-Executive, Non-Independent Director, Nominated by SBI | | | | | |
| 1 | Mr. Dinesh Kumar Khara (06737041) | 5 | 1 | Nil | 1. State Bank of India (Chairman) 2. SBI Cards and Payment Services Limited (Non-Executive - Nominee Director-Chairman) |
| 2 | Mr. Ashwini Kumar Tewari (08797991) | 8 | 3 | 4 | 1. State Bank of India (Managing Director) 2. SBI Cards and Payment Services Limited (Non-Executive - Nominee Director) |
| Non-Executive, Independent Director | | | | | |
| 3 | Mr. Deepak Amin (01289453) | Nil | 3 | Nil | - |
| 4 | Mr. Narayan K. Seshadri (00053563) | 8 | 7 | 6 | 1. PI Industries Limited (Independent Non-Executive Chairman) 2. Astrazeneca Pharma India Limited (Independent Non-Executive Chairman) 3. Kalpataru Power Transmission Limited (Independent Director) |
| 5 | Mr. Shobinder Duggal (00039580) | 2 | Nil | 1 | 1. PI Industries Limited (Independent Director) 2. Kirloskar Brothers Limited (Independent Director) |
| 6 | Dr. Tejendra Mohan Bhasin (03091429) | 6 | 1 | 7 | 1. Ruchi Soya Industries Limited (Independent Director) 2. PNB Housing Finance Limited (Independent Director) 3. SBI Cards and Payment Services Limited (Independent Director) 4. PNB GILTS Limited (Independent Director) |
| 7 | Ms. Usha Sangwan (02609263) | 3 | Nil | 3 | 1. Torrent Power Limited (Non-Executive – Independent Director) 2. Trident Limited (Non-Executive – Independent Director) |
| Executive, Non-Independent Director, Nominated by SBI | | | | | |
| 8 | Mr. Mahesh Kumar Sharma (08740737) | Nil | Nil | Nil | - |

* Comprises of public limited companies incorporated in India.

@ Comprises private limited companies incorporated in India and foreign companies but excludes Section 8 companies and not for profit foreign companies.

[#] Comprises only Audit Committee and Stakeholders Relationship Committee of Indian public limited companies.

Corporate Governance Report (Contd.)

Brief Profile of the Directors

| Sr. No. | Name of the Director | Qualification | Field of Specialization/ skills/ expertise/ competencies fundamental for the effective functioning of the Company |
|---------|--------------------------|---|--|
| 1 | Mr. Dinesh Kumar Khara | Master's in Commerce, MBA and Certified Associate of the Indian Institute of Bankers | <p>More than 37 years of experience in all facets of commercial banking such as retail credit, international banking operations, branch management etc.</p> <p>Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.</p> |
| 2 | Mr. Ashwini Kumar Tewari | Bachelor's in Electrical Engineering, Certified Associate of Indian Institute of Bankers and Certified Financial Planner | <p>Mr. Tewari has started his career from banking. In the year of 1991, he was appointed as Probationary Officer in SBI. Presently, he is Managing Director (MD) of State Bank of India handling portfolio of International Banking, Information Technology and Associates & Subsidiaries of the Bank. Prior to becoming MD at SBI, he served as MD & CEO of SBI Cards and Payment Services Ltd.</p> <p>He has been a part of SBI, for almost three decades now and has handled several assignments for the bank, across various locations in India and abroad.</p> <p>Knowledge and skills in banking operations including international banking and information technology. He has done certification course in management from Xavier Labour Relations Institute (XLR).</p> |
| 3 | Mr. Deepak Amin | Bachelor's in Computer Science and Engineering. Post-graduation in Computer Science | <p>More than 29 years of experience in the field of Information Technology and Risk Management.</p> <p>He worked at Microsoft, USA for number of years and lead as senior engineer in the original Internet Explorer browser team and he was also lead engineer for Microsoft Windows Networking teams. An active angel investor in technology startup companies. He has also served on the Advisory Board of National Science and Technology Entrepreneurship Development Board (Department of Science and Technology, Government of India), to promote technology entrepreneurship and innovation in India.</p> <p>Knowledge and skills in Risk Management and Information Technology, he served the technology advisory council of Grameen foundation for Microfinance, USA.</p> |
| 4 | Mr. Narayan K. Seshadri | Bachelor's in Science and Fellow member of Institute of Chartered Accountants of India | <p>More than 40 years of experience in the field of accounting, auditing, litigation support etc. and industry experience includes manufacturing, process, health care, financial services, utilities, infrastructure and technology. He worked with some large Fortune 500/FTSE 100 companies to small start-ups in various international jurisdictions.</p> <p>Knowledge and skills in financial service sector, global expansion, risk management, capital structuring and long-term succession planning, business consultancy practice etc. He audited some of the largest foreign and private sector banks, mutual funds, investment banks and NBFC's. Also worked for special assignments involving business reorganizations and transformation and transforming family run chemicals and agricultural inputs enterprises into a professional business.</p> |
| 5 | Ms. Usha Sangwan | Master's Degree in Economics and holds Post Graduate Diploma in Human Resource Management and Licentiate from Insurance Institute of India. | <p>She joined LIC of India in 1981 as a Direct Recruit Officer and handled various important positions during her 37 years of stint in LIC, finally reaching the top position and first ever woman Managing Director. She is a member of Women Empowerment Programme of Niti Aayog, Govt of India, Member of BCCI Fempower program and a chartered member of Association of International Wealth Managers of India.</p> <p>She was also a jury member to select Women Transforming India by Niti Ayog and Jury member to select top 100 Women in Finance by AIWMI. She has featured in Forbes magazine amongst top 50 power business women of Asia. She has also been awarded Most powerful business woman Award by Business Today for three years consecutively.</p> <p>Knowledge, skills and expertise lies in analytics, strategy, execution, people skill, customer centricity, use of technology particularly in marketing and servicing and setting up of systems.</p> |



| Sr. No. | Name of the Director | Qualification | Field of Specialization/ skills/ expertise/ competencies fundamental for the effective functioning of the Company |
|---------|---------------------------|--|---|
| 6 | Mr. Shobinder Duggal | Bachelor's in Economics (Hons.) and a member of Institute of Chartered Accountants of India | He has 36 years of work experience with Nestle and Voltas India Limited. He was CFO of South Asia Region for Nestle from May 2004 to February 2020 and has also handled procurement and IT/IS responsibilities. Further he was Executive Director and CFO in Nestle India Limited and Board member in Nestle Lanka PLC. He was responsible for overseeing Financials of Indian entity & South Asia Region and was reporting to Chairman, Managing Director & Group Management. He also worked for Group companies of Nestle since 1986. Knowledge and skills in finance, governance, corporate planning and risk management. He has attended programme at IMD, Lausanne and handled various responsibility under corporate control, internal audit and some important assignments at the Nestle group headquarters in Switzerland. |
| 7 | Dr. Tejendra Mohan Bhasin | Bachelor's Degree in Laws, Master's in Business Administration and Certified associate of the Indian Institute of Bankers | Dr. Bhasin is presently the Chairman, Advisory Board for Banking and Financial Frauds. He was appointed as the vigilance commissioner in central vigilance commission by the President of India. He has over 43 years of experience in administration, banking and finance industry. He joined Oriental Bank of Commerce as a Probationary Officer in June 1978 and rose to the rank of General Manager. He served as Executive Director in United Bank of India and elevated as the Chairman and Managing Director (C&MD) of Indian Bank. Knowledge and skills in finance, banking, law and management, vigilance administration and anti-corruption laws. Dr. Bhasin has pursued his Advanced Financial Enterprises Management Programme from Harvard University and pursued his research under C.H. Bhabha Research Scholarship of Indian Bank's Association. |
| 8 | Mr. Mahesh Kumar Sharma | Bachelor's in Chemistry (Science), Master's in Physical Chemistry (Science) and Certified Associate of Indian Institute of Bankers (CAIIB) | He joined State Bank of India as Probationary Officer in the year 1990 and has held several assignments in all areas of Banking. During a span of more than 30 years in the Bank, he has served in various geographical locations both in India and abroad. He was posted as DGM (B&O), Jaipur & DGM, LHO Delhi. He was also posted as Chief Executive Officer, State Bank of India, Tel Aviv Branch. Till March 2020 he was posted as Regional Head, East Asia, Hong Kong. Knowledge and skills in banking sector. He has undertaken many important assignments in State Bank of India including overseas assignments as IBTO in the Paris office and as Chief Executive Officer of the Tel Aviv branch. |

Board Meetings

Notice, Agenda and Minutes

The meetings of the Board of Directors are usually held in Mumbai where the registered office of the Company is situated. The Board meets at least once in every quarter, a minimum of four (4) meetings are held in a financial year to review financial results, business strategies, risk management and other regular agendas. The Board also meets as and when necessary to address specific issues concerning the businesses of the Company.

The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The proceedings of each meeting of the Board and its Committees are conducted in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Pursuant to notification dated December 30, 2020 and all the previous notifications w.r.t. same the Ministry of Corporate Affairs had relaxed companies to hold physical meetings and allowed the Companies to conduct the meeting through Video Conferencing or other audio-visual means in accordance with Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020. Further, pursuant to notification dated June 15, 2021, the Ministry of Corporate Affairs had clarified on the relaxation from holding physical meeting in accordance with the Companies (Meetings of Board and its Powers) Amendment Rules, 2021.

In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by the Companies Act, 2013, which is confirmed in the next Board Meeting.

The Company Secretary is responsible for collation, review, preparation and distribution of the agenda papers submitted to the Board and preparation of minutes. The Company Secretary attends all the meetings of the Board and its Committees. The Company Secretary acts as a mediator between the Board of Directors and other stakeholders to ensure proper flow of information for the smooth functioning of the business operations.

With a view to leverage on technology and as a Go Green initiative, the notice and agenda papers of Board and Board Committee meetings including presentations are circulated to the members and invitees in soft copy through a web-based application.

Corporate Governance Report (Contd.)

Composition & Attendance

During the year under review, Twelve (12) Board Meetings were held on the following dates as against the minimum requirement of four (4) meetings and the time gap between two successive Board meetings did not exceed more than 120 days. The attendance of Directors at the Company's Board Meetings held during the FY 2021-22 and the last Annual General Meeting are as follows:

| Name of Directors | Nature of Directorship | Designation in the Board | 12-Apr-21 | 03-May-21 | 12-Jul-21 | 26-Jul-21 | 27-Jul-21 | 24-Aug-21 | 24-Sept-21 (AGM) | 27-Oct-21 | 01-Nov-21 | 23-Nov-21 | 21-Jan-22 | 25-Feb-22 | 22-Mar-22 |
|---------------------------------------|-------------------------|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Mr. Dinesh Kumar Khara | Nominee Director | Chairman | Present | Present | Present | Present | Present | Present | Present | Present | Absent | Present | Present | Absent | Present |
| Mr. Ashwini Kumar Tewari ¹ | Nominee Director | Member | NA | Present | Present | Present | Present | Present | Present | Absent | Present | Present | Present | Present | Present |
| Mr. Deepak Amin | Independent Director | Member | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Ms. Joji Sekhon Gill ² | Independent Director | Member | Absent | Absent | Absent | Present | Absent | Present | NA | NA | NA | NA | NA | NA | NA |
| Mr. Narayan K. Seshadri | Independent Director | Member | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Mr. Shobinder Duggal | Independent Director | Member | Present | Absent | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Dr. Tejendra M. Bhasin ¹ | Independent Director | Member | NA | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Ms. Usha Sangwan ³ | Independent Director | Member | NA | NA | NA | NA | NA | NA | Present | Present | Present | Present | Present | Present | Present |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |

¹ Mr. Ashwini Kumar Tewari, Nominee Director and Dr. Tejendra M. Bhasin, Independent Director were appointed w.e.f. April 12, 2021

² Ms. Joji Sekhon Gill ceased as an Independent Director w.e.f. September 6, 2021

³ Ms. Usha Sangwan was appointed as an Independent Director w.e.f. August 24, 2021

(II) Committees of the Board of Directors

The Committees constituted by the Board play an important role in the governance structure of the Company and they deal in specific areas or activities that need closure or review. The Committees have been set up under the formal approval of the Board to carry out pre-defined roles and responsibilities. The terms of reference of these Committees are in line with the requirements of the Companies Act, 2013, Corporate Governance Guidelines issued by IRDAI and Listing Regulations. The minutes of all the Committee meetings are placed before the Board of Directors. The Chairman of each Committee briefs the Board on the important deliberations and decisions of the respective Committees.

The quorum for all the Board Committees is two members or one-third members, whichever is higher.

The Board has Eight (8) Committees, where the members of the Committees take informed decisions in the best interest of the Company. During the year, the Board has dissolved the Board Information Technology & Information Security Committee with effect from July 16, 2021 and was merged with Board Risk Management Committee. Following Committees monitor the activities falling within their terms of reference:

- Board Audit Committee
- Board Investment Committee
- Board Risk Management Committee
- Board Policyholder Protection Committee
- Board Nomination and Remuneration Committee
- Board Corporate Social Responsibility Committee
- Board With Profits Committee
- Board Stakeholders Relationship Committee



A. Board Audit Committee

The Board Audit Committee assists the Board of Directors to fulfill its corporate governance and overseeing responsibilities in relation to an entity's financial reporting, internal control system, risk management system & internal and external audit functions. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference.

The Committee acts as a link between the Management, Auditors and Board of Directors. As per Corporate Governance Guidelines, the association of the Managing Director and Chief Executive Officer in the Board Audit Committee is limited to eliciting any specific information concerning audit findings. The Chief Financial Officer, Chief Audit Officer, Compliance Officer and Appointed Actuary are the permanent invitees to the meetings.

The Committee monitors the Company's financial reporting process and appropriate disclosure of financial information to ensure that the financial statements are accurate and credible. The role of the Committee includes oversight of the financial reporting process, the audit process, the adequacy of internal controls, transactions with related parties and compliance with applicable laws and regulations.

During the year under review, Ten (10) Board Audit Committee Meetings were held on the following dates and the time gap between any two Committee meetings was not more than 120 days. The details of composition of the Committee and attendance at the Company's Board Audit Committee Meetings held during the FY 2021-22 are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 03-May-21 | 12-Jul-21 | 22-Jul-21 | 26-Jul-21 | 24-Aug-21 | 27-Oct-21 | 30-Dec-21 | 21-Jan-22 | 25-Feb-22 | 22-Mar-22 |
|---------------------------------------|------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Mr. Narayan K. Seshadri | Independent Director | Chairman | Present | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Mr. Dinesh Kumar Khara ¹ | Nominee Director | Member | Present | Present | Absent | Present | Absent | Absent | NA | NA | NA | NA |
| Mr. Ashwini Kumar Tewari ² | Nominee Director | Member | NA | NA | Absent | Present | Absent | Absent | Absent | Absent | Present | Present |
| Mr. Deepak Amin | Independent Director | Member | Present | Present | Present | Present | Present | Present | Absent | Present | Present | Present |
| Ms. Joji Sekhon Gill ³ | Independent Director | Member | Present | Absent | Absent | Present | Present | NA | NA | NA | NA | NA |
| Mr. Shobinder Duggal | Independent Director | Member | Absent | Present | Present | Present | Present | Present | Present | Present | Present | Present |
| Dr. Tejendra M. Bhasin | Independent Director | Member | NA | NA | Present | Present | Present | Present | Present | Present | Present | Present |
| Ms. Usha Sangwan ¹ | Independent Director | Member | NA | NA | NA | NA | NA | NA | Present | Present | Present | Present |

¹ Mr. Dinesh Kumar Khara ceased as member & Ms. Usha Sangwan was appointed as member w.e.f. December 24, 2021.

² Mr. Ashwini Kumar Tewari & Dr. Tejendra M. Bhasin was appointed as member w.e.f. July 16, 2021.

³ Ms. Joji Sekhon Gill ceased as member w.e.f. September 6, 2021.

During the FY 2021-22, there were no instances of any non-acceptance of recommendation(s) of the Board Audit Committee by the Board of Directors.

The Committee reviews with the Management all the quarterly, half yearly and annual financial statements prior to recommending the same to the Board for approval. The Committee also reviews any additional work entrusted to the auditors.

The Board Audit Committee in co-ordination with Internal and Statutory Auditors on regular intervals reviews the adequacy of Internal Control Systems within the Company.

Composition & Attendance

The composition of the Board Audit Committee is governed by the provisions of Companies Act, 2013, Listing Regulations and Corporate Governance Guidelines, 2016 issued by IRDAI.

The Company has a qualified Independent Audit Committee consisting of Five (5) Independent Directors and one (1) Nominee Director. All the members of the Committee are financially literate and have necessary accounting & financial management expertise. Mr. Narayan K. Seshadri, Independent Director, Chairman of the Committee is a qualified Chartered Accountant with strong financial analysis background.

Corporate Governance Report (Contd.)

Terms of Reference

The scope and function of the Board Audit Committee is in accordance with Section 177 of the Companies Act 2013, Regulation 18(3) of the Listing Regulations and Clause 7.1 of the Corporate Governance Guidelines and its terms of reference include, inter alia, the following:

I. Accounts and Audit:

1. Oversee the financial statements, financial reporting process, statement of cash flow and disclosure of its financial information, both on an annual and quarterly basis, to ensure that the financial statement is correct, sufficient and credible.
2. Recommend to the board of directors the appointment, re-appointment, terms of appointment and, if required, the replacement; remuneration, reviewing (with management) performance, and oversight of the work of the auditors (internal/statutory/concurrent) and to review and monitor the auditor's independence and performance, and effectiveness of audit process in accordance with applicable law;
3. Overseeing procedures and processes established to address issues relating to maintenance of books of account, administration procedure, transactions and other matters which would have a bearing on the financial position of the insurer, whether raised by the auditors or by any other person;
4. Evaluation of internal financial controls and risk management systems;
5. Discuss with the statutory auditors before the audit commences, about the nature and scope of audit, as well as, have post-audit discussions to address areas of concern;
6. Approval of payment to statutory auditors and internal auditors or any of its associated persons or companies, for any other services rendered by them;
7. Review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements to the extent applicable;
 - f) Approval or any subsequent modification and disclosure of any related party transactions of the Company;
 - g) Modified opinion(s) in the draft audit report.
8. Review with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
9. To the extent applicable review with the management, the statement of uses/end use/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.) and related matter, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
10. Scrutiny of inter-corporate loans and investments, if any;
11. Valuation of undertakings or assets of our Company, wherever it is necessary;
12. Carrying out any other function, if any, as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines or under any applicable law.

II. Internal audit:

1. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;



2. Oversee the efficient functioning of the internal audit department and review its reports. The Committee will additionally monitor the progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice;
3. Establishing procedures and processes to address all concerns relating to adequacy of checks and control mechanisms set in place;
4. Discussion with internal auditors of any significant findings and follow up there on; Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
5. Review with the management, performance of internal auditors, and the adequacy of the internal control systems;
6. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
7. Review the functioning of the whistle blower/vigil mechanism for directors and employees.

III. Compliance and ethics:

1. Discuss the level of compliance in the Company and any associated risks and to monitor and report to the Board on any significant compliance breaches and act as a compliance committee to ascertain and monitor compliance level of the Company and any associated risks;
2. Act as a compliance committee to ascertain and monitor compliance level of the Company and any associated risks in order to report to the board of directors on any significant compliance breaches;
3. Approve compliance programmes, reviewing their effectiveness on a regular basis and signing off on any material compliance issues or matters;

4. Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.

In addition to the above, the powers of the Audit Committee, inter alia, include investigating any activity within its terms of reference and to seek information from any employee. The reviewing powers of the Audit Committee, inter alia, include review of management's discussion and analysis of financial condition and results of operations and statement of significant related party transaction as defined by the Audit Committee and submitted by the management.

B. Board Investment Committee

The objective of the Committee is to review various aspects of the investment activity to ensure that investments of shareholder and policyholder funds are made consistent with the product features, investment guidelines and policies (regulatory and internal) and keeps in view protection, safety and liquidity of such funds. The Committee periodically reviews the Investment policy based on the investment performance and evaluation of the dynamic market conditions. The Board Investment Committee has been constituted pursuant to the IRDAI (Investment) Regulations and IRDAI Corporate Governance Guidelines.

Composition & Attendance

The Company's Board Investment Committee consists of four (4) Independent Directors, one (1) Nominee Director, one (1) Managing Director & CEO, President & Chief Financial Officer, Chief Investments Officer, Chief Actuary & Chief Risk officer and Appointed Actuary. As per IRDAI regulations Board Investment Committee shall comprise of Appointed Actuary, Chief Investment Officer, Chief Financial Officer and Chief Risk Officer as members.

The members of the Committee are fully conversant with the various responsibilities casted on them by IRDAI (Investment) Regulations and any amendments thereto. Mr. Narayan K. Seshadri, Independent Director, is the Chairman of the Committee.

Corporate Governance Report (Contd.)

During the year under review, five (5) Board Investment Committee Meetings were held on the following dates and the time gap between any two meetings was not more than four months. The composition and attendance of the Board Investment Committee held during the FY 2021-22 are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 23-Apr-21 | 12-Jul-21 | 22-Jul-21 | 25-Oct-21 | 19-Jan-22 |
|---------------------------------------|-------------------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Mr. Narayan Seshadri | Independent Director | Chairman | Present | Present | Present | Present | Present |
| Mr. Dinesh Kumar Khara ¹ | Nominee Director | Member | Absent | Present | Absent | Absent | NA |
| Ms. Usha Sangwan ¹ | Independent Director | Member | NA | NA | NA | NA | Present |
| Mr. Ashwini Kumar Tewari ² | Nominee Director | Member | NA | NA | Absent | Absent | Absent |
| Mr. Deepak Amin | Independent Director | Member | Present | Present | Present | Present | Present |
| Mr. Shobinder Duggal | Independent Director | Member | Absent | Present | Present | Present | Present |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present | Present | Present | Present |
| Mr. Sangramjit Sarangi | President & Chief Financial Officer | Member | Present | Present | Present | Present | Present |
| Mr. Subhendu Kumar Bal | Chief Risk Officer | Member | Present | Present | Present | Present | Present |
| Mr. Prithesh Chaubey | Appointed Actuary | Member | Present | Present | Present | Present | Present |
| Mr. Gopikrishna Shenoy | Chief Investment Officer | Member | Present | Present | Present | Present | Present |

¹Mr. Dinesh Kumar Khara ceased as member & Ms. Usha Sangwan was appointed as member w.e.f. December 24, 2021.

²Mr. Ashwini Kumar Tewari was appointed as member w.e.f. July 16, 2021, Dr. Tejendra M. Bhasin was appointed as member w.e.f. July 16, 2021 and ceased as member w.e.f. December 24, 2021.

Terms of Reference

The terms of reference of the Board Investment Committee of our Company, inter alia, include the following:

1. Responsible for the recommendation of the Investment Policy and operational framework for the investment operations of the Company. The Investment Policy and operational framework should, inter alia, focus on a prudential asset liability management supported by robust internal control systems; and encompass aspects concerning liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments in line with policyholders' reasonable expectations and above all protection of policyholders' funds;
2. Put in place an effective reporting system to ensure compliance with the Investment Policy set out by it apart from Internal/Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations;
3. To submit a report to the Board on the performance of investments at least on a quarterly basis and provide an analysis of its investment portfolio (including with regard to the portfolio's safety and soundness) and on the future outlook;
4. The committee review the investment decisions and ensure the support by the internal due diligence process for making appropriate investment decisions; and
5. Carrying out any other function, if any, as is mentioned in the terms of reference of the Investment Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

Additionally, the Investment committee is, inter alia, responsible for implementing the investment policy approved by the Board.

C. Board Risk Management Committee

The Company recognizes that risk is an integral element of the business and risk management framework is essential for the generation of shareholder value. The Board Risk Management Committee is constituted pursuant to IRDAI Corporate Governance Guidelines and Listing Regulations.

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework. The Committee reviews the Risk Management policy of the Company, including Asset Liability Management (ALM), to monitor all risks across the various lines of business of the Company and establish appropriate systems to mitigate such risks. The Committee also ensures that the Company invests in a manner that would enable the Company to meet its long term obligations and at the same time deliver optimum return to the policyholders.



Mr. Subhendu Bal, Chief Actuary & Chief Risk Officer, attended Committee meetings as an invitee, attended all the Board Risk Management Committee meetings held during the year.

Composition & Attendance

The Company's Board Risk Management Committee consists of Four (4) Independent Directors, one (1) Nominee Director and one (1) Managing Director & CEO. Mr. Deepak Amin, Independent Director, is the Chairman of the Committee.

During the year under review, five (5) Board Risk Management Committee Meetings were held on the following dates and the time gap between any two meetings was not more than four months. The details of composition and attendance at the Company's Board Risk Management Committee Meetings held during the FY 2021-22 are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 23-Apr-21 | 12-Jul-21 | 22-Jul-22 | 25-Oct-21 | 19-Jan-22 |
|---------------------------------------|-------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Mr. Deepak Amin | Independent Director | Chairman | Present | Present | Present | Present | Present |
| Mr. Dinesh Kumar Khara ¹ | Nominee Director | Member | Absent | Present | Absent | Absent | NA |
| Mr. Ashwini Kumar Tewari ² | Nominee Director | Member | NA | NA | Absent | Absent | Absent |
| Mr. Narayan K. Seshadri | Independent Director | Member | Present | Present | Present | Present | Present |
| Mr. Shobinder Duggal | Independent Director | Member | Absent | Present | Present | Present | Present |
| Ms. Usha Sangwan ¹ | Independent Director | Member | NA | NA | NA | NA | Present |
| Dr. Tejendra M. Bhasin ³ | Independent Director | Member | NA | NA | Present | Present | NA |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present | Present | Present | Present |

¹ Mr. Dinesh Kumar Khara ceased as member & Ms. Usha Sangwan was appointed as member w.e.f. December 24, 2021.

² Mr. Ashwin Kumar Tewari was appointed as a member w.e.f. July 16, 2021.

³ Dr. Tejendra M. Bhasin was appointed as member w.e.f. July 16, 2021 and ceased as member w.e.f. December 24, 2021.

Terms of Reference

I. Risk management:

- Assisting the Board in effective operation of the risk management system by performing specialised analysis and quality reviews;
- Maintaining a group wide and aggregated view of the risk profile of the Company in addition to the individual risk profiles;
- Reporting to the Board details of the risk exposures and the actions taken to manage the exposures, set the risk tolerance limits and assess the cost and benefits associated with risk exposure and review, monitor and challenge where necessary, risks undertaken by the Company;
- Advising the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, acquisitions and related matters;
- Review the Company's risk-reward performance to align with overall policy objectives;
- Discuss and consider best practices in risk management in the market and advise the respective functions;
- Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.;
- Review the solvency position of the Company on a regular basis;
- Monitor and review regular updates on business continuity;
- Formulation of a fraud monitoring policy and framework for approval by the Board;
- Monitor implementation of anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds;
- Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated January 21, 2013, issued by the IRDAI; and
- Carrying out any other function, if any, as is mentioned in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

Corporate Governance Report (Contd.)

II. Asset Liability Management:

1. Formulating and implementing optimal ALM strategies, both at the product and enterprise level and meeting risk versus reward objectives and ensuring they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity;
2. Reviewing the Company's overall risk appetite and laying down the risk tolerance limits; including annual review of strategic asset allocation;
3. Monitoring risk exposures at periodic intervals and revising strategies as appropriate including those for ALM;
4. Placing information pertaining to ALM before the Board at periodic intervals;
5. Setting the risk/reward objectives i.e. the risk appetite of the Company informed by assessment of policyholder expectations and other relevant factors;
6. Quantifying the level of risk exposure (market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure;
7. Ensuring that management and valuation of all assets and liabilities comply with the standards, prevailing legislation and internal and external reporting requirements;
8. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities;
9. Managing capital requirements at the company level using the regulatory solvency requirements;
10. Reviewing, approving and monitoring capital plans and related decisions over capital transactions; and
11. Carrying out any other function, if any, as is mentioned in the terms of reference of the Risk Management Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

III. Information Technology & Information Security

1. Provide strategic direction for the Company's information technology and network related infrastructure, security and services.
2. Recommending IT and IT Security policy documents to the Board of the Directors,

ensuring that the management has put an effective strategic planning process in place;

3. Promoting and supporting the development of best practices in the Company's knowledge creation and dissemination imperatives through the provision of the best possible infrastructure and services.
4. Ensuring that the IT Organizational structure complements the business model and its direction and reviewing IT performance measurement and contribution of IT to businesses (i.e. delivering the promised value)
5. To ensure that the Company is adequately prepared to mitigate Information and cyber security related risks and develop an in-built governance mechanism for effective implementation of Information and cyber security frame work;
6. Carrying out any other function, if any, as may be decided by the Board and/or specified/ provided under the Companies Act, 2013 or the listing regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

D. Board Policyholder Protection Committee

The Board Policyholder Protection Committee is established to assist the Board to protect the interests of the policyholders and improve their experiences in dealing with the Company at all stages and levels. The Committee monitors adoption of sound and healthy market practices in terms of sales, marketing, advertisements, promotion, publicity, redressal of customer grievances, consumer awareness and education.

The Board Policyholder Protection Committee has been constituted pursuant to Corporate Governance Guidelines issued by IRDAI. The Committee is responsible to put in place proper procedures and effective mechanism to ensure that policyholders have access for redressal mechanisms. The Committee also establishes policies and procedures for the creation of a dedicated unit to deal with customer complaints and resolve disputes expeditiously. The Committee is responsible for ensuring compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholder's protection.

Composition & Attendance

The Company's Board Policyholder Protection Committee consists of Four (4) Independent Directors, one (1) Nominee Director and one (1) Managing Director & CEO. Mr. Narayan K. Seshadri, Independent Director, is the Chairman of the Committee.

Mr. Raj Narain Bhardwaj attended Committee meetings as an invitee, in the capacity of expert/representative of



customer, attended 4 committee meetings out of 5 committee meetings held on April 23, 2021, July 22, 2021, October 25, 2021 & January 19, 2022.

During the year under review, five (5) Board Policyholder Protection Committee Meetings were held on the following dates and the time gap between any two meetings was not more than four months. The details of composition and attendance at the Company's Board Policyholder Protection Committee Meetings held during the FY 2021-22 are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 23-Apr-21 | 12-Jul-21 | 22-Jul-21 | 25-Oct-21 | 19-Jan-22 |
|---------------------------------------|-------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Mr. Narayan K. Seshadri | Independent Director | Chairman | Present | Present | Present | Present | Present |
| Mr. Dinesh Kumar Khara ¹ | Nominee Director | Member | Absent | Present | Absent | Absent | NA |
| Mr. Ashwini Kumar Tewari ³ | Nominee Director | Member | NA | NA | Absent | Absent | Absent |
| Mr. Deepak Amin ⁴ | Independent Director | Member | NA | NA | NA | NA | Present |
| Ms. Joji Sekhon Gill ² | Independent Director | Member | Absent | Absent | Absent | NA | NA |
| Mr. Shobinder Duggal ¹ | Independent Director | Member | Absent | Present | Present | Present | NA |
| Dr Tejendra M. Bhasin ⁴ | Independent Director | Member | NA | NA | NA | NA | Present |
| Ms. Usha Sangwan ⁴ | Independent Director | Member | NA | NA | NA | NA | Present |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present | Present | Present | Present |

¹ Mr. Dinesh Kumar Khara & Mr. Shobinder Duggal ceased as member w.e.f. December 24, 2021.

² Ms. Joji Sekhon Gill ceased as member w.e.f. September 6, 2021.

³ Mr. Ashwini Kumar Tewari was appointed as member w.e.f. July 16, 2021.

⁴ Mr. Deepak Amin, Ms. Usha Sangwan & Dr. Tejendra M. Bhasin were appointed as members w.e.f. December 24, 2021.

Terms of Reference

The terms of reference of the Policyholders' Committee of our Company include the following:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries;
- Ensure compliance with the statutory requirements as laid down in the regulatory framework pertaining to policyholders' protection;
- Review the mechanism at periodic intervals;
- Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements prescribed by the IRDAI both at the point of sale and at periodic intervals;
- Review the status of complaints of the policyholders and take steps to reduce these complaints at periodic intervals;
- Provide the details of grievances at periodic intervals in such formats as may be prescribed by the IRDAI;
- Provide details of insurance ombudsmen to the policyholders;
- Shape the customer service philosophy and policies of the organisation based on the overall environment in the financial services industry;
- Oversee the functions of the customer service council;
- Review measures for enhancing the quality of customer service;
- Provide guidance to improve in the overall satisfaction level of customers;
- Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof;
- Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any;
- Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three months with reasons therefore and report the same to the Board for initiating remedial action, where necessary;
- Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims;
- Reviewing Repudiated claims with analysis of reasons;
- Status of settlement of other customer benefit payouts like Surrenders, Loan, and Partial withdrawal requests etc.; and
- Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the IRDAI.

Corporate Governance Report (Contd.)

Additionally, the Policyholder's Committee, inter alia, recommends the formulation of policies and establishing systems for customer education and to ensure that policyholders have access to redressal mechanism. It is also responsible for putting in place a dedicated unit to address complaints and grievances of policyholders.

E. Board Nomination and Remuneration Committee

The Nomination and Remuneration Committee is required to scrutinize the declarations of intending applicants before the appointment/reappointment/election of directors by the shareholders at the General Meetings. The Committee is also required to scrutinize the applications and details submitted by the aspirants for appointment as the Key Management Persons and assists in selection of Board Members from diversified field of specialization.

Composition & Attendance

The Composition of the Board Nomination and Remuneration Committee is governed by Section 178 of Companies Act, 2013, regulation 19 of Listing Regulations and Corporate Governance Guidelines, 2016 issued by IRDAI.

The Committee consists of three (3) Independent Directors and one (1) Nominee Director. Mr. Narayan K. Seshadri, Independent Director is the Chairman of the Committee.

During the FY 2021-22 Seven (7) Board Nomination and Remuneration Committee Meetings were held on the following dates. The details of composition and attendance at the Company's Board Nomination and Remuneration Committee Meetings held during the FY 2021-22 are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 12-Apr-21 | 03-May-21 | 12-Jul-21 | 26-Jul-21 | 24-Aug-21 | 01-Nov-21 | 23-Nov-21 |
|---------------------------------------|------------------------|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Mr. Narayan K. Seshadri | Independent Director | Chairman | Present | Present | Present | Present | Present | Present | Present |
| Ms. Joji Sekhon Gill ¹ | Independent Director | Member | Absent | Present | Absent | Present | Present | NA | NA |
| Mr. Ashwini Kumar Tewari ² | Nominee Director | Member | NA | NA | NA | Present | Absent | Present | Present |
| Mr. Shobinder Duggal | Independent Director | Member | Present | Absent | Present | Present | Present | Present | Present |
| Mr. Dinesh Kumar Khara ³ | Nominee Director | Member | Present | Present | Present | Present | Absent | Present | Present |
| Mr. Deepak Amin ⁴ | Independent Director | Member | NA | NA | NA | NA | NA | NA | NA |

¹ Ms. Joji Sekhon Gill ceased as member w.e.f. September 06, 2021.

² Mr. Ashwini Kumar Tewari was appointed as member w.e.f. July 16, 2021.

³ Mr. Dinesh Kumar Khara ceased as member w.e.f. December 24, 2021.

⁴ Mr. Deepak Amin was appointed as member w.e.f. December 24, 2021.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee, inter alia, include:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- To consider and approve employee stock option schemes and to administer and supervise the same;
- To devise a policy on diversity of the Board;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and formulate criteria for evaluation of every director's performance;
- To scrutinize the declarations of intending applicants before the appointment/re-appointment/election of directors by the shareholders at the annual general meeting; and to scrutinize the applications and details submitted by the aspirants for appointment as the key managerial personnel;

- To consider whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors; and;
- Carrying out any other function, if any, as is mentioned in the terms of reference of the Board Nomination and Remuneration Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or the Listing Regulations, or by the Corporate Governance Guidelines issued by the IRDAI, or under any applicable law.

F. Board Corporate Social Responsibility Committee

Corporate Social Responsibility forms an integral part of the Company's corporate principles and business philosophy. As a Company with a strong sense of values and commitment, SBI Life believes that profitability must go hand in hand with a sense of responsibility towards employees, stakeholders and the society. The purpose of the Committee is to formulate and recommend to the Board the CSR policy of the Company. It also assists in putting the annual CSR plan, and monitor the CSR activities and recommending it to the Board.



Composition & Attendance

The Committee has been formed in line with provisions of section 135 of the Companies Act, 2013 and Corporate Social Responsibility Policy Rules, 2014 and as amended from time to time. The Committee consists of three (3) Independent Directors, one (1) Nominee Director, one (1) Managing Director & CEO, President & Chief Financial Officer and EVP & Chief of HR & Management Services. Mr. Shobinder Duggal, Independent Director, is the Chairman of the Committee.

A detailed report on CSR activities is enclosed as **Annexure - II** of the Directors' report.

During the year under review, five (5) Board Corporate Social Responsibility Committee Meetings during the FY 2021-22. The details of composition and attendance at the Company's Board Corporate Social Responsibility Committee meetings held during the FY 2021-22 are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 23-Apr-21 | 12-Jul-21 | 22-Jul-21 | 25-Oct-21 | 19-Jan-22 |
|---------------------------------------|--|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Mr. Shobinder Duggal ¹ | Independent Director | Chairman | Absent | Present | Present | Present | Present |
| Mr. Dinesh Kumar Khara ² | Nominee Director | Member | Absent | Present | Absent | Absent | NA |
| Mr. Ashwini Kumar Tewari ³ | Nominee Director | Member | NA | NA | Absent | Absent | Absent |
| Mr. Narayan K. Seshadri ¹ | Independent Director | Member | Present | Present | Present | Present | Present |
| Dr. Tejendra M. Bhasin ² | Independent Director | Member | NA | NA | NA | NA | Present |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present | Present | Present | Present |
| Mr. Sangramjit Sarangi | President & Chief Financial Officer | Member | Present | Present | Present | Present | Present |
| Ms. Seema Trikanad | EVP, Chief of Human Resource & Management Services | Member | Present | Present | Present | Present | Present |

¹ Mr. Narayan K. Seshadri ceased as Chairman & Mr. Shobinder Duggal was appointed as Chairman w.e.f. December 24, 2021.

² Mr. Dinesh Kumar Khara ceased as member & Dr. Tejendra M. Bhasin was appointed as member w.e.f. December 24, 2021.

³ Mr. Ashwini Kumar Tewari was appointed as member w.e.f. July 16, 2021.

Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee are set out below:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
2. To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities; and
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

G. Board With Profits Committee

The Board With Profits Committee is constituted pursuant to IRDAI (Non-linked Insurance Products) Regulations, 2019. The Committee has been constituted to deliberate on issues like investment income earned on the fund, working of asset share, etc. The report of the Committee is required to be appended to the Actuarial Report and Abstract.

Composition & Attendance

The Committee consists of three (3) Independent Director, one (1) Managing Director & CEO, President & Chief Financial Officer, Appointed Actuary and Independent Actuary. As per IRDAI Regulations With Profit Committee shall comprise of Chief Financial Officer, Independent Actuary and Appointed Actuary. Ms. Usha Sangwan, Independent Director, is the Chairperson of the Committee.

Corporate Governance Report (Contd.)

During the year, two (2) Board With Profits Committee Meetings were held during the FY 2021-22. The details of attendance at the Company's Board With Profits Committee meetings held are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee/Board | 27-Apr-21 | 29-Mar-22 |
|--------------------------------------|-------------------------------------|------------------------------------|-----------|-----------|
| Ms. Usha Sangwan ¹ | Independent Director | Chairperson | NA | Present |
| Mr. Dinesh Kumar Khara | Nominee Director | Member | Absent | NA |
| Mr. Narayan K. Seshadri ¹ | Independent Director | Member | Present | NA |
| Mr. Shobinder Duggal | Independent Director | Member | Absent | Present |
| Dr. Tejendra M. Bhasin ² | Independent Director | Member | NA | Present |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present |
| Mr. Sangramjit Sarangi | President & Chief Financial Officer | Member | Present | Present |
| Mr. Saisrinivas Dhulipala | Independent Actuary | Member | Present | Present |
| Mr. Prithesh Chaubey | Appointed Actuary | Member | Present | Present |

¹ Mr. Narayan K. Seshadri ceased as Chairman and Ms. Usha Sangwan appointed as Chairperson w.e.f. December 24, 2021.

² Dr. Tejendra M. Bhasin was appointed as member w.e.f. December 24, 2021.

Terms of Reference

The terms of reference of the With Profits Committee include the following:

1. Maintaining the asset shares at policy level, and ensuring that only the portion of expenses representing this business shall be allocated and interest rate credits to these asset shares represent the underlying assets of these funds;
2. Determining the asset share for each product in accordance with the guidance or practice standards, etc. issued by the Institute of Actuaries of India and IRDAI; and
3. Determining and providing approval for the detailed working of the asset share, the expense allowed for, the investment income earned on the fund of policyholders, etc. which were represented in the asset share.

H. Board Stakeholders' Relationship Committee

The Board Stakeholders' Relationship Committee is responsible for the redressal of shareholder grievances. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations.

Composition & Attendance

The Committee consists of two (2) Independent Directors, one (1) Nominee Director and one (1) Managing Director & CEO. Dr. Tejendra M. Bhasin, Independent Director is the Chairman of the Committee. During the year, four (4) Board Stakeholders' Relationship Committee Meetings were held during the FY 2021-22. The details of composition and attendance at the Board Stakeholders' Relationship Committee meetings held are as follows:

| Name of Committee Member | Nature of Directorship | Designation in the Committee | 03-May-21 | 26-Jul-21 | 25-Oct-21 | 19-Jan-22 |
|---------------------------------------|-------------------------|------------------------------|-----------|-----------|-----------|-----------|
| Dr. Tejendra M. Bhasin ¹ | Independent Director | Chairman | NA | Present | Present | Present |
| Mr. Narayan K. Seshadri ² | Independent Director | Member | Present | Present | Present | NA |
| Mr. Dinesh Kumar Khara ² | Nominee Director | Member | Present | Present | Absent | NA |
| Mr. Ashwini Kumar Tewari ³ | Nominee Director | Member | NA | Present | Absent | Absent |
| Mr. Deepak Amin ² | Independent Director | Member | NA | NA | NA | Present |
| Ms. Joji Sekhon Gill ⁴ | Independent Director | Member | Present | Present | NA | NA |
| Mr. Shobinder Duggal ² | Independent Director | Member | Absent | Present | Present | NA |
| Mr. Mahesh Kumar Sharma | Managing Director & CEO | Member | Present | Present | Present | Present |

¹ Dr. Tejendra M. Bhasin was appointed as member w.e.f. July 16, 2021 and was designated as Chairman w.e.f. December 24, 2021.

² Mr. Narayan K. Seshadri ceased as Chairman; Mr. Dinesh Kumar Khara & Mr. Shobinder Duggal ceased as member and Mr. Deepak Amin was appointed as member w.e.f. December 24, 2021.

³ Mr. Ashwini Kumar Tewari appointed as member w.e.f. July 16, 2021.

⁴ Ms. Joji Sekhon Gill ceased as member w.e.f. September 6, 2021.



Mr. Vinod Koyande, Company Secretary acts as the Compliance Officer of the Company in accordance with the requirements of Listing Regulations.

During the FY 2021-22, 77 investor complaints were received and resolved. No Complaints were pending for resolution as at March 31, 2022.

Terms of Reference

The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

1. Consider and review redressal and resolutions of the grievances of the security holders of the Company including those of shareholders, debenture holders and other security holders;
2. Approval and rejection of transfer and transmission of shares or securities, including preference shares, bonds, debentures and securities;
3. Approval and rejection of requests for split and consolidation of share certificates;
4. Approval and rejection of issue of duplicate share certificates, issued from time to time;
5. Redemption of securities and the listing of securities on stock exchanges;
6. Allotment of shares and securities; and
7. Any other activities as decided by the Board or required under Companies Act/ SEBI Listing Regulations and any other applicable Laws.

(III) Familiarization Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programmes through presentations on economy and industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The policy on familiarisation programmes for independent directors and the details of the familiarisation programmes have been hosted on the website of the Company and can be accessed on the link <https://www.sbilife.co.in/familiarization-programme-for-independent-directors>

(IV) Meeting of Independent Directors

The meeting of the Independent Directors as envisaged under Schedule IV of the Companies Act, 2013 was conducted on March 22, 2022. All Independent Directors attended the meeting through Video Conference. Mr. Narayan K. Seshadri was elected as the Chairman of the meeting.

At the meeting, the Independent Directors reviewed the performance of the non-independent Directors (including the Chairman) and the Committees of the

Board and the Board as a whole as per the requirements of the Companies Act, 2013.

(V) Annual Performance Evaluation of Board, Committees and Directors

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, and the Corporate Governance Guidelines issued by IRDAI, the Board of Directors on the recommendation of the Board Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director (including Independent Director) and Committees were carried out for the financial year ending March 31, 2022.

The evaluations of the Individual Performance of Directors (including Independent Directors), the Board, the Committees and the Chairman of the Board were undertaken through circulation of four questionnaires each for the Individual Performance of Directors, for the Board, Committee and Chairman of the Board. The performance of the Board was assessed on selected parameters related to roles, responsibilities and obligations towards the Board etc. The evaluation criteria for the Individual Performance of Directors were based on their participation, contribution, offering guidance etc. The evaluation criteria for the Committees related to its composition, adequate independence of the Committee etc. The evaluation criteria for the Chairman of the Board besides the general criteria adopted for assessment of all Directors, focused incrementally on leadership abilities, timely resolution of grievances of Board Members etc.

(VI) Sitting Fees to Independent Directors

The details of sitting fees paid to the Independent Directors, during the FY 2021-22, for attending Board and other Committee meetings are as under:

| Name of Director | Amount (₹) |
|-----------------------------------|-------------------|
| Mr. Narayan K. Seshadri | 3,550,000 |
| Mr. Deepak Amin | 2,525,000 |
| Mr. Shobinder Duggal | 3,025,000 |
| Dr. Tejendra M. Bhasin | 2,150,000 |
| Ms. Joji Sekhon Gill ¹ | 6,75,000 |
| Ms. Usha Sangwan | 1,150,000 |
| Total | 13,075,000 |

¹ Ms. Joji Sekhon Gill ceased as an Independent Director w.e.f. September 06, 2021 due to expiry of her second term.

No remuneration or commission, other than the Sitting Fees for attending Board and/or its Committee meetings, is paid to Non-Executive Directors.

(VII) Equity Shares held by Non-Executive Directors

During the FY 2021-22, 70 shares were held by Mr. Ashwini Kumar Tewari (DIN 08797991) on behalf of and as nominee of State Bank of India.

Corporate Governance Report (Contd.)

(VIII) Disclosures of Remuneration pursuant to IRDAI Guidelines

IRDAI guidelines on Remuneration of Non-Executive Directors and Managing Director/Chief Executive Officer/ Whole Time Directors of Insurers (IRDAI Guidelines) issued vide reference no. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 5, 2016 requires the Company to make following disclosures on remuneration on an annual basis in their Annual Report:

A. Qualitative Disclosures

1. Board Nomination & Remuneration Committee

The Board Nomination & Remuneration Committee ("the Committee") oversees the appointment and remuneration aspects of Key Managerial Personnel including Managing Director and Chief Executive Officer. The functions of the Committee include recommending appointments of Directors to the Board, identifying persons who are qualified and carrying requisite specialization to become Directors of the Company and who may be appointed as key managerial personnel in accordance with the criteria laid down, recommend to the Board their appointment and removal and formulate a criteria for evaluation of every director's performance and recommend to the board a policy relating to the remuneration (including variable pay or performance linked bonus) of the key managerial personnel and other employees based on the financial and strategic plan approved by the Board. The Committee also evaluates the performance of Managing Director & Chief Executive Officer's and Non- Executive Director's once in a year.

2. Objectives and key features of Remuneration Policy

The purpose of the remuneration policy is to put in place a framework for remuneration of Directors, Key Managerial Personnel and other employees, keeping in view various regulatory and other requirements. This policy is guided by the set of principles and objectives as particularly envisaged under Section 178 of the Companies Act 2013, which include principles pertaining to determining the qualifications, positive attributes, integrity and independence of Director etc.

The Remuneration policy was reviewed & recommended by the Board Nomination & Remuneration Committee and was approved by Board of Directors.

The basic objectives of the Remuneration Policy are given below:

- To be compatible with the organization's Vision and Mission,
- To be externally & internally equitable

- To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- While making appointment of employees for particular positions their relevant qualification, experience and expertise shall be taken into account.

3. Remuneration of Managing Directors and Other Senior Management Personnel

As per Article of Association of the Company, the Managing Director and Chief Executive Officer of the Company is appointed by State Bank of India and the appointment is subject to Insurance Regulatory and Development Authority of India (IRDAI) approval. The remuneration of Managing Director and Chief Executive Officer is governed by SBI Officers Service Rules and is being reimbursed by the Company to State Bank of India.

The appointment of other Key Management Personnel & Senior Management staff at SBI Life and their removal from services of the Company are governed by the Human Resource policies of the Company and approved by the Managing Director and Chief Executive Officer / Board wherever applicable.

Remuneration aims to motivate personnel to deliver Company's key strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.

The Company has an annual increment and variable pay policy which is based on merit pay philosophy. The performance linked incentive is based on both individual as well as Company's performance. Various performance parameters for the Company (based on the financial and strategic plan approved by the Board) are reviewed by the Committee and approved by the Board at the beginning of every year.

Based on the predefined parameters the actual performance of the company is reviewed by the Committee to award a performance rating. The company performance rating is approved by the Board based on the recommendations of the Committee at the end of every financial year. The framework of annual increment and performance linked Variable Pay for all employees is also reviewed by the Committee and approved by the Board every year.



B. Quantitative Disclosures

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Executive Directors/Whole Time Directors/ Managing Director and CEO:

| | | (₹ in million) | |
|---------|---|----------------------|----------------------|
| Sr. No. | Particulars | As on March 31, 2022 | As on March 31, 2021 |
| 1 | Number of WTD/ CEO/ MD having received a variable remuneration award during the financial year | 1 | 1 |
| 2 | Number and total amount of sign on awards made during the financial year | Nil | Nil |
| 3 | Details of guaranteed bonus, if any, paid as joining/ sign on bonus | Nil | Nil |
| 4 | Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other form | Nil | Nil |
| 5 | Total amount of deferred remuneration paid out in the financial year | Nil | Nil |
| 6 | Breakup of amount of remuneration awarded for the financial year to show fixed and variable, deferred and non-deferred: | | |
| | Fixed | 4.90 | 5.49 |
| | Variable | 1.42 | 1.78 |
| | Non-Deferred | - | - |
| | Share Linked Instrument | - | - |

Disclosure required with respect to Section 197(12) of the Companies Act, 2013

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Mr. Mahesh Kumar Sharma 15.8:1

- (ii) The percentage increase in remuneration of each director, President and Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

The percentage increase in remuneration of MD & CEO, President and Chief Financial Officer and Company Secretary ranged between 15% to 34%.

- (iii) The percentage increase in the median remuneration of employees in the financial year

The percentage increase in the median remuneration of employees, who are part of annual bonus plan, in the financial year was around 10.85%.

- (iv) The number of permanent employees on the rolls of company;

The number of permanent employees on the rolls of company is 18,515.

- (v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average percentage increase in the salaries of total employees other than the Key Managerial Personnel for fiscal 2022 was around 8.26%, while the average increase in the remuneration of the

Key Managerial Personnel was in the range of 15% to 34%.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company.

Yes, the remuneration is as per the remuneration policy of the company.

(IX) Recording of Minutes of Proceedings of Board / Board Committee Meetings:

The Company Secretary records the Minutes of the proceedings of each Board and Board Committee Meetings. The finalized Minutes are entered in the Minutes Book within 30 days from the conclusion of that meeting. The decisions and Action Taken reports are communicated promptly to concerned departments for their necessary action. Action taken reports on decision or minutes of the previous meeting(s) are placed at the succeeding meeting of the Board or Board Committee for noting.

(X) Other Key Governance Practices

(a) Policies, Procedures and Compliance

The Company has put in place the following Board approved policies, which are reviewed on an annual basis and status update of compliance is placed before the Board / Management on regular basis.

- Prohibition of Insider Trading and Code of Conduct for Dealing in Securities
- Whistle Blower Policy
- Fraud Prevention Policy
- Policy for Opening, Relocation and Closure of Offices (Places of Business)
- Asset Liability Management Policy
- Compliance Policy
- Audit Policy
- Investment Policy

Corporate Governance Report (Contd.)

- Insurance Awareness Policy
- Policy for Protection of Policyholders' Interests
- Anti Money Laundering and Counter Financing of Terrorism Policy
- Risk Management Policy
- Underwriting Policy and Health Insurance Underwriting Policy
- Retention and Reinsurance Policy
- Bonus Policy
- Information and Cyber Security Policy
- Information Technology Policy
- Outsourcing Policy
- Corporate Social Responsibility Policy
- Stress Test Policy
- Policy on Allotment and Servicing of Orphaned policies
- Remuneration Policy
- Policy for Prevention of Sexual Harassment
- Policy on matters relating to Insurance Agents
- Business Continuity Management Policy
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Record Maintenance and Document Retention Policy
- Policy on Empanelment and On-boarding of Insurance intermediaries
- Policy for Allocation and Apportionment of Expense of Management
- Liquidity Policy
- Stewardship Policy
- Policy on Succession Planning for the Board and Senior Management
- Policy for Determination of Materiality and Disclosure of events / information
- Policy on Performance Evaluation of Directors
- Insurance Awareness Policy
- Dividend Distribution Policy
- Voting Policy
- Policy on Product Suitability
- Interest Rate Risk Hedging Policy
- Insurance Agent and Insurance Intermediaries Debit Balance Write-off Policy
- Policy on Declaration of Interest Rates under Group Savings Insurance Products
- Aadhaar Privacy Policy
- Aadhaar Security Policy

(b) Compliance Certification

Information relating to applicable laws, regulations and circulars related to insurance and other regulatory requirements is disseminated to various functions across the Company. In order to ensure existence of compliance culture at all the levels, the Company has put in place a robust compliance certification process, wherein respective functional Heads provides certificate of Compliance on a quarterly basis to the Managing Director and Chief Executive Officer. Based on the certification from respective functional heads, a compliance certificate by the Managing Director and Chief Executive Officer along with Compliance Officer is placed at the Board Audit Committee and then placed before the Board of Directors on a quarterly basis.

(c) Code of Business Conduct and Ethics

The Company has laid down its code of conduct and ethics by adopting the following practices and policies:

- Confidentiality of Information
- Employment conduct
- Conflict of Interest
- Compliance to Laws, Rules and Regulations
- Policy for Prevention of Sexual Harassment
- Code of conduct for all the Directors and senior management
- Familiarization programme for Independent Directors

As per regulation 46 of the Listing Regulations, the Code of conduct for all the Directors and senior management is hosted on the website of the Company <https://www.sbilife.co.in/code-of-conduct-ethics-for-directors-and-senior-management-pers>

(d) Whistle Blower Policy

The Company has a Board approved 'Whistle Blower Policy' in place which allows for disclosure by employees and permits the Company to address such disclosures or complaints by taking appropriate action, including but not limited to, disciplining or terminating the employment and/or services of those responsible. The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. The details of whistle blower cases are presented to the Board Audit Committee on a quarterly basis. The Whistle Blower Policy is hosted on the website of the Company <https://www.sbilife.co.in/en/about-us/investor-relations>.

**(e) Prohibition of Insider Trading and Code of Conduct for Dealing in Securities**

The Company's Board has prescribed policy on 'Prohibition of Insider Trading and Code of Conduct for Dealing in Securities' as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and 'Technical Guide on review and certification of Investment Risk Management Systems & Processes of Insurance Companies' issued by ICAI and IRDAI (Investment) Regulations as amended from time to time.

The scope of policy covers monitoring the investment transactions done by the 'Access Personnel' to avoid any conflict of interest vis-à-vis Company's investment activities.

The policy ensures that all security transactions by these 'Access Personnel' does not affect any actual or potential interest of the Company and the 'Access Personnel' have not taken any undue advantage of any price-sensitive information that they may have in the course of working with the Company. The policy stipulates conditions for prior approvals for investment purposes by the 'Access Personnel' and quarterly / annual disclosures of investments transactions and holdings. A status report on the implementation of the policy and instances of violation, if any, is placed before the Board Audit Committee on a quarterly basis.

(f) Dividend Distribution Policy

The Company may declare dividend from, inter alia, profits for the Fiscal, or from profits for any previous year, or from free reserves available. The declaration of dividend is required to be in compliance with Companies Act, Insurance Act, the Listing Regulations and Article of Association. The dividend policy stipulates, inter alia, certain financial and external factors which will be considered before declaration of dividend by Board. Such factors include profitability and key financial metrics, available solvency margin, capital expenditure requirements and such other factors and or material events which Board may consider. The Dividend distribution Policy is hosted on the website of the Company <https://www.sbilife.co.in/en/about-us/investor-relations>

(g) Stewardship Policy

The Company has put in place a Stewardship policy pursuant to IRDAI Guidelines on Stewardship Code for Insurers in India vide letter ref no. IRDA/F&A/GDL/CMP/059/03/2017 and subsequent amendments / revisions thereto. The policy aims at laying down set of principles to engage with the management of the investee company at a greater level to improve governance.

(h) Sexual Harassment Cases

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment. The Company has a laid down policy on sexual harassment at workplace and periodical awareness program and training is given to the employees. The Company believes in providing a safe working environment at the workplace.

The details of the total filed and disposed cases pertaining to incidents under the policy are as follows:

| Particulars | No. of Cases |
|---|--------------|
| Number of complaints pending at the beginning of the financial year | 1 |
| Number of complaints received during the financial year | 5 |
| Number of complaints disposed-off during the financial year | 6 |
| Number of complaints pending at the end of the financial year | 0 |

(i) Holding Company

The Company is a listed Indian subsidiary company of State Bank of India (SBI), which holds 55.48% of the Company's share capital. The Company regularly reports all its material information to the Stock Exchanges ("BSE" and "NSE").

(j) Compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has adhered to all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and some of the discretionary requirements pertaining to Corporate Governance stipulated under the Listing Regulations.

The Company has adopted following discretionary requirements:

(a) Modified opinion(s) in audit report:

During the year under review, there was no audit qualification in financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

(b) Separate posts of Chairman and Chief Executive Officer:

The Company has complied with the requirement of having separate persons for the posts of Chairman and Managing Director & Chief Executive Officer.

Corporate Governance Report (Contd.)

(c) Reporting of internal auditor:

The internal auditor presents their reports directly to the Audit Committee.

(k) Management Discussion and Analysis

Pursuant to Regulation 34(2)(e) of Listing Regulations, the Annual Report has a separate chapter titled Management Discussion & Analysis.

(XI) Shareholder and General Information

A. Corporate Information

SBI Life Insurance Company Limited was incorporated as a public limited company on October 11, 2000 under the Companies Act, 1956. The Company is registered with the Insurance Regulatory and Development Authority of India and is carrying on the business of life insurance and annuity.

The key information of the Company is as follows:

| | | |
|----|---|---|
| 1. | Date of Incorporation | October 11, 2000 |
| 2. | Corporate Identification No. (CIN) | L99999MH2000PLC129113 |
| 3. | Financial Year | April 1 to March 31 |
| 4. | IRDAI Registration No. | 111 |
| 5. | Permanent Account No. (PAN) | AAFCS2530P |
| 6. | ISIN | INE123W01016 |
| 7. | Registered Office & Corporate Office / Address for Correspondence | SBI Life Insurance Company Limited 'NATRAJ' M. V. Road & Western Express Highway Junction, Andheri (East), Mumbai - 400069 Tel. No.: +91 22 61910000 Fax No.: +91 22 61910517 Website: www.sbilife.co.in |
| 8. | Company Secretary | Mr. Vinod Koyande Tel. No.: +91 22 61910050 E-mail: vinod.koyande@sbilife.co.in |

B. Listing of Equity Shares on Stock Exchange

The Company has listed its equity shares on the following Stock Exchanges:

| Stock Exchange | Code |
|---|---------|
| BSE Limited (BSE) (Equity) Phiroze Jeejabhoy Tower, Dalal Street, Mumbai- 400 001 | 540719 |
| National Stock Exchange of India Limited (NSE) (Equity) 'Exchange Plaza', Bandra-Kurla Complex, Bandra (E), Mumbai- 400051 | SBILIFE |

The equity shares of the Company got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') on October 3, 2017. The Company has paid the annual listing fees for the relevant periods to BSE and NSE where its equity shares are listed.

C. Dematerialisation of Company Shares and Liquidity

The Company's equity shares are regularly traded in dematerialised form on NSE and BSE. As at March 31, 2022, approximately 100% equity shares of Company were held in dematerialised form.

The details of mode of holding equity shares of the Company as on March 31, 2022 is given below:

| Mode of holding | Number of Equity Shares | % to paid-up capital |
|---|-------------------------|----------------------|
| Electronic or Dematerialised: | | |
| Central Depository Services Limited (CDSL) | 568,116,029 | 56.79% |
| National Securities Depository Limited (NSDL) | 432,254,528 | 43.21% |
| Physical* | 5 | 0.00% |
| Total | 1,000,370,562 | 100% |

*Physical holding of equity shares is less than 0.01%

**D. Registrar and Transfer Agents and Share Transfer System**

The Company's Registrar and Transfer Agent is the KFin Technologies Limited (RTA). All shares' transfers and related operations are conducted by RTA.

Address:

KFin Technologies Limited

Selenium, Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally, Hyderabad, Rangareddi, Telangana, India - 500032
Tel: (91 40) 23311968
Fax: (91 40) 23420184
E-mail: einward.ris@kfintech.com

E. General Body Meetings**a) The details of forthcoming 22nd Annual General Meeting (AGM)**

| Financial Year | AGM | Date and Time | Venue |
|----------------|------------------|-------------------------------|---|
| 2021-22 | 22 nd | August 29, 2022 at 12:00 Noon | The AGM will be conducted through Video Conference (VC)/ Other Audio Visual Means (OAVM). The deemed venue for 22 nd AGM shall be the registered office of the Company |

Financial Year: April 1, 2021 to March 31, 2022

b) The details of the last three Annual General Meetings (AGMs) and special resolutions passed thereat:

| Financial Year | AGM | Date and Time | Venue | Business Transacted by Special Resolutions |
|----------------|------------------|--------------------------------|---|---|
| 2020-21 | 21 st | September 24, 2021 at 11.00 AM | Through Video Conference (VC) or Other Audio-Visual Means (OAVM) | All business transacted through 'Ordinary Resolution' |
| 2019-20 | 20 th | September 24, 2020 at 3.00 PM | Through Video Conference (VC) or Other Audio-Visual Means (OAVM) | 1. Re-appointment of Mr. Deepak Amin (DIN:01289453), as an Independent Director of the Company |
| 2018-19 | 19 th | August 23, 2019 at 10:30 A.M. | SBI Auditorium, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai - 400021 | 1. Re-appointment of Ms. Joji Sekhon Gill as an Independent Director of the Company 2. Continuation of Directorship of Mr. Raj Narain Bhardwaj as an Independent Director of the Company 3. Revision in the remuneration of Mr. Sanjeev Nautiyal, Managing Director and Chief Executive Officer of the Company 4. Increase in Foreign Portfolio Investment Limits in the Company 5. Appointment of Mr. Gregory Michael Zeluck as Non-Executive Director |

c) The details of Extraordinary General Meetings (EGMs) held in last three financial years and special resolutions passed thereat:

During the FY 2018-19; FY 2019-20 and FY 2020-21 the Company did not hold any Extraordinary General Meeting.

d) Details of business transacted through Postal Ballot during the FY 2021-22:

Pursuant to Sections 108, 110 and other applicable provisions, if any, of the Act, (including any statutory modification or re-enactment thereof for the time being in force) read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, the General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020, in relation to clarification issued by the MCA, Government of India and pursuant to other applicable laws and regulations, the Company only had remote e-Voting facility for its Members, enabling them to cast their votes electronically.

Corporate Governance Report (Contd.)

During the FY 2021-22, two ordinary resolutions were passed through postal ballot pertaining to the following businesses:

- Approval for entering into Material Related Party Transaction for purchase and / or sale of investments
- Approval for entering into Material Related Party Transaction with State Bank of India.

The Company engaged the services of KFin Technologies Limited, for facilitating remote e-voting to enable the Members to cast their votes electronically. Mr. Atul Mehta (F5782 & CP2486), Partner of M/s Mehta & Mehta, Company Secretaries, was appointed as the scrutiniser, for conducting the e-voting process in respect of the postal ballot, in a fair and transparent manner.

The Company dispatched the Postal Ballot Notice in electronic form only to its registered shareholders whose e-mail IDs were registered/available with the Depository Participants/Registrars and Share Transfer Agents as on a cut-off date.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date i.e. February 25, 2022. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting.

The scrutiniser, after the completion of scrutiny, submitted his report to Mr. Vinod Koyande, Company Secretary who was authorised to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard 2 on General Meetings.

The e-voting results were declared on March 30, 2022. The results were displayed at the Registered Office & the Corporate Office of the Company and also on the Company's website besides being communicated to NSE, BSE and RTA.

No special resolution is currently proposed to be conducted through postal ballot.

F. Dividend History

| Sr. No. | Financial Year | Interim / Final | Rate of Dividend | Date of Declaration | Date of Payment | Due date of transfer to IEPF |
|---------|----------------|-----------------|----------------------|---------------------|-----------------|------------------------------|
| 1 | 2011-12 | Final | 5% (₹0.50 per share) | July 14, 2012 | August 06, 2012 | - |
| 2 | 2012-13 | Interim | 5% (₹0.50 per share) | March 25, 2013 | April 05, 2013 | - |
| 3 | 2013-14 | Interim | 10% (₹1.0 per share) | March 25, 2014 | April 10, 2014 | - |
| 4 | 2014-15 | Interim | 12% (₹1.2 per share) | March 27, 2015 | April 06, 2015 | - |
| 5 | 2015-16 | Interim | 12% (₹1.2 per share) | March 28, 2016 | April 11, 2016 | - |
| 6 | 2016-17 | Interim | 15% (₹1.5 per share) | March 22, 2017 | April 17, 2017 | - |
| 7 | 2017-18 | Interim | 20% (₹2 per share) | March 23, 2018 | April 12, 2018 | May 19, 2025 |
| 8 | 2018-19 | Interim | 20% (₹2 per share) | March 26, 2019 | April 22, 2019 | May 29, 2026 |
| 9 | 2020-21 | Interim | 25% (₹2.5 Per Share) | March 25, 2021 | April 19, 2021 | May 26, 2028 |
| 10 | 2021-22 | Interim | 20% (₹2 per share) | March 22, 2022 | April 16, 2022 | May 23, 2029 |

Note:

1. No dividend was declared by the Company for the FY 2019-20
2. There is no unclaimed dividend for the FY 2011-12 till FY 2016-17

G. Information on shareholding

(a) The Shareholding pattern of the Company as at March 31, 2022:

| Sr. No. | Name of Shareholders | No. of holders | No. of Equity Shares held | % of Shareholding |
|---------|---------------------------------------|----------------|---------------------------|-------------------|
| 1 | Promoters & Promoter Group* | 2 | 555,037,374 | 55.48% |
| 2 | Banks / Financial Institutions | 5 | 752,860 | 0.08% |
| 3 | Mutual Funds | 36 | 118,771,876 | 11.87% |
| 4 | Alternate Investment Funds | 25 | 5,132,553 | 0.51% |
| 5 | Foreign Portfolio Investors | 640 | 241,543,803 | 24.15% |
| 6 | NBFCs Registered with RBI | 1 | 4,500 | 0.00% |
| 7 | Non-Resident Indians | 5,215 | 944,189 | 0.09% |
| 8 | Non-Resident Indians- Non-Repatriable | 2,564 | 511,903 | 0.05% |



| Sr. No. | Name of Shareholders | No. of holders | No. of Equity Shares held | % of Shareholding |
|--------------|----------------------------------|----------------|---------------------------|-------------------|
| 9 | Bodies Corporates | 1,375 | 4,941,610 | 0.49% |
| 10 | Clearing Members | 114 | 310,691 | 0.03% |
| 11 | Trusts | 21 | 210,152 | 0.02% |
| 12 | Foreign Bodies | 1 | 15,100,000 | 1.51% |
| 13 | Qualified Institutional Buyers | 27 | 32,352,394 | 3.23% |
| 14 | Resident Individuals | 398,053 | 24,756,319 | 2.47% |
| 15 | Beneficial Holding under MGT – 4 | 1 | 320 | 0.00% |
| 16 | Overseas Corporate Bodies | 1 | 18 | 0.00% |
| Total | | 408,081 | 1,000,370,562 | 100% |

* SBI General Insurance Company Ltd holding 37,374 shares forms part of Promoter Group entity.

(b) Top ten Shareholders of the Company as at March 31, 2022:

| Sr. No. | Name of Shareholders [§] | No. of Equity Shares held | % of Shareholding |
|---------|---|---------------------------|-------------------|
| 1 | State Bank of India | 555,000,000 | 55.48% |
| 2 | ICICI Prudential Equity Savings Funds | 36,492,843 | 3.65% |
| 3 | Government of Singapore | 31,372,223 | 3.14% |
| 4 | Macritchie Investments Pte Ltd | 15,100,000 | 1.51% |
| 5 | ICICI Prudential Life Insurance Company Limited | 14,491,571 | 1.45% |
| 6 | HDFC Trustee Company Ltd | 14,138,161 | 1.41% |
| 7 | SBI Magnum Equity ESG Fund | 11,821,866 | 1.18% |
| 8 | Aditya Birla Sun Life Trustee Pvt Ltd | 10,669,917 | 1.07% |
| 9 | DSP Equity Opportunities Fund | 9,527,108 | 0.95% |
| 10 | Monetary Authority of Singapore | 8,934,130 | 0.89% |

[§] The list of top 10 shareholders is derived based on PAN consolidation.

(c) Shareholders of the Company with more than 1% holding as at March 31, 2022 (other than promoters of the Company):

| Sr. No. | Name of Shareholders [§] | No of Shares | % of Total Equity Shares |
|---------|---|--------------|--------------------------|
| 1 | ICICI Prudential Equity Savings Funds | 36,492,843 | 3.65% |
| 2 | Government of Singapore | 31,372,223 | 3.14% |
| 3 | Macritchie Investments Pte Ltd | 15,100,000 | 1.51% |
| 4 | ICICI Prudential Life Insurance Company Limited | 14,491,571 | 1.45% |
| 5 | HDFC Trustee Company Ltd | 14,138,161 | 1.41% |
| 6 | SBI Magnum Equity ESG Fund | 11,821,866 | 1.18% |
| 7 | Aditya Birla Sun Life Trustee Pvt Ltd | 10,669,917 | 1.07% |

[§] The list of shareholders is derived based on PAN consolidation.

(d) Distribution of shareholding of the Company as at March 31, 2022:

| Sr. No. | Category | No. of Holders | % To Holders | Amount (₹) | % To Equity |
|--------------|----------------|----------------|--------------|----------------------|-------------|
| 1 | 1-5000 | 407,070 | 99.75 | 22,134,665 | 2.21 |
| 2 | 5001 – 10000 | 252 | 0.06 | 1,807,833 | 0.18 |
| 3 | 10001 – 20000 | 155 | 0.04 | 2,232,766 | 0.22 |
| 4 | 20001 – 30000 | 94 | 0.02 | 2,319,954 | 0.23 |
| 5 | 30001 – 40000 | 68 | 0.02 | 2,368,296 | 0.24 |
| 6 | 40001 – 50000 | 42 | 0.01 | 1,911,752 | 0.19 |
| 7 | 50001 – 100000 | 107 | 0.03 | 7,421,335 | 0.74 |
| 8 | 100001 & above | 293 | 0.07 | 960,173,961 | 95.98 |
| Total | | 408,081 | 100 | 1,000,370,562 | 100 |

Corporate Governance Report (Contd.)

H. Means of Communication

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website (www.sbilife.co.in) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

The Company's investor relations personnel respond to specific queries and play a proactive role in disseminating information to both analysts and investors. All information which could have a material bearing on the Company's share price is released through as per regulatory requirements. The information is also disseminated to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from time to time. Other information such as press-releases, stock exchange disclosures & presentations made to analyst/investors etc. are regularly displayed on company's website.

The financial and other information and the various compliances as required/ prescribed under the Listing Regulations are filed electronically with NSE and BSE through NSE Electronic Application Processing (NEAP) System & NSE Digital Exchange Portal and through BSE Listing Centre respectively and are also available on their respective websites in addition to the Company's website. Additionally, information is also disseminated to BSE/NSE where required by email.

The Company's quarterly financial results are published in the Financial Express (All editions), Loksatta (Mumbai edition), IRDAI release (Half yearly) is also given in Jansatta (All edition). The financial results, official news releases, analyst call transcripts and presentations are also available on the Company's website.

I. Stock Market Price Information

The reported high and low prices and volume of equity shares of the Company traded on NSE and BSE during each month in the period (i.e., from April 01, 2021 to March 31, 2022) are set out in the following table:

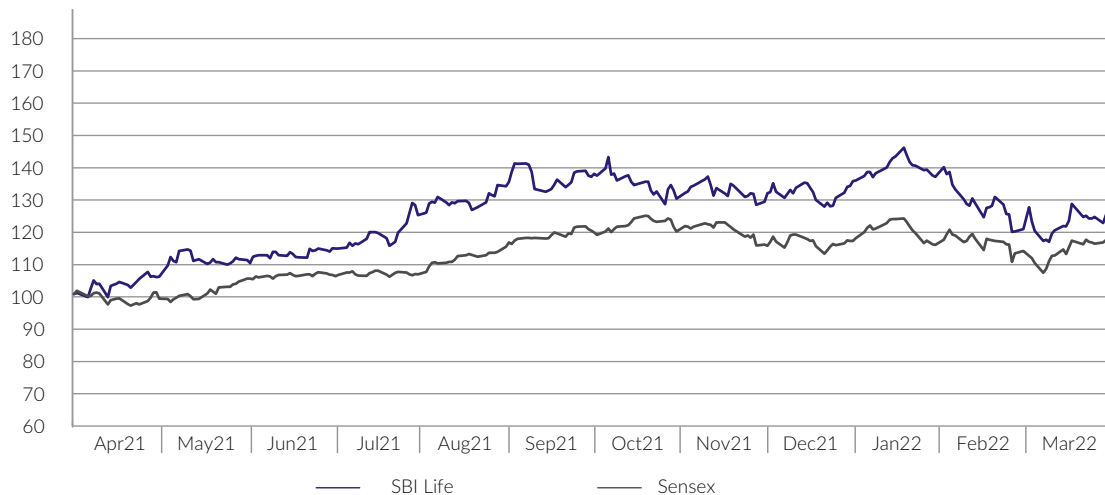
| Month | NSE | | | BSE | | | Total volume Traded of BSE & NSE |
|-------------|----------|----------|--------------------|----------|----------|--------------------|----------------------------------|
| | High (₹) | Low (₹) | Volume (in shares) | High (₹) | Low (₹) | Volume (in shares) | |
| April | 946.90 | 864.80 | 351.23 | 947.95 | 865.20 | 10.36 | 361.59 |
| May | 1,044.70 | 916.05 | 592.24 | 1,040.00 | 917.00 | 433.79 | 1,026.03 |
| June | 1,019.70 | 956.75 | 327.70 | 1,019.30 | 956.85 | 12.01 | 339.71 |
| July | 1,148.00 | 996.05 | 321.41 | 1,147.95 | 996.05 | 15.88 | 337.29 |
| August | 1,199.00 | 1,094.80 | 375.15 | 1,198.35 | 1,094.60 | 227.08 | 602.23 |
| September | 1,253.65 | 1,153.35 | 480.07 | 1,253.50 | 1,153.50 | 265.51 | 745.58 |
| October | 1,273.90 | 1,126.30 | 345.72 | 1,273.40 | 1,127.00 | 18.45 | 364.17 |
| November | 1,212.00 | 1,103.75 | 254.06 | 1,218.45 | 1,104.05 | 6.85 | 260.91 |
| December | 1,204.95 | 1,100.60 | 283.96 | 1,204.45 | 1,100.15 | 7.24 | 291.20 |
| January | 1,293.25 | 1,196.00 | 231.35 | 1,293.00 | 1,195.95 | 7.99 | 239.34 |
| February | 1,250.00 | 1,016.85 | 312.27 | 1,250.00 | 1,017.30 | 9.48 | 321.75 |
| March | 1,140.00 | 1,003.50 | 282.64 | 1,139.80 | 1,003.60 | 9.58 | 292.22 |
| Fiscal 2022 | 1,293.25 | 864.80 | 4,157.80 | 1,293.00 | 865.20 | 1,024.21 | 5,182.01 |

**J. Share Price Performance**

SBI Life share price versus the NSE Nifty index movement (rebased to 100):



SBI Life share price versus the BSE Sensex index movement (rebased to 100):

**K. Unclaimed Suspense Accounts**

Pursuant to Regulation 39 read with Part F of schedule V of Listing Regulations, there are no shares lying in the unclaimed suspense account of the Company as on March 31, 2022.

L. Fit and Proper criteria for investors and continuous monitoring requirement

The IRDAI guidelines for Listed Indian Insurance Companies prescribe the following:

- Self-certification of 'fit and proper person' criteria by a person holding/intending to acquire equity shares of 1% or more of paid-up equity share capital.
- Prior permission of IRDAI for holding shares beyond 5% of the paid-up equity share capital.

Further information on detailed procedure and format for self-certification is hosted on the Company's website <https://www.sbilife.co.in/fit-and-proper-criteria-for-investors>.

M. Plant Locations

Since the Company is in the business of Life Insurance, the disclosure with regard to plant location is not applicable.

N. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

This is not applicable since the Company does not have any derivatives or liabilities denominated in foreign currency.

Corporate Governance Report (Contd.)

O. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

P. Queries related to the Operational and Financial Performance of the Company may be addressed to:

Mr. Sangarmjit Sarangi
Investor Relations
SBI Life Insurance Company Limited
Ph: 91 22 61910281
investorrelations@sbilife.co.in

Q. Other disclosures

1. Accounting Standards

The Company has complied with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Company (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable.

2. Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India, from time to time.

3. Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interest of the Company.

During the year, there were no material individual transactions with related parties, which were not in the normal course of business, nor were there any material transactions with related parties or others, which were not on an arm's length basis. The policy on materiality of Related Party Transactions and on dealing with Related Party Transactions, has been hosted on the website of the Company can be viewed at <https://www.sbilife.co.in/en/about-us/investor-relations>

4. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years

The Equity shares of the Company were listed on the National Stock Exchange of India Limited and BSE Limited on October 3, 2017. There are no penalties or strictures imposed

on the Company by the Stock Exchanges, the Securities & Exchange Board of India (SEBI) or any other statutory authority, for any non-compliance on any matter relating to capital markets, during the last three years viz. FY 2020, FY 2021 and FY2022.

5. Whistle Blower

In terms of the Whistle Blower Policy of the Company, no employee of the Company has been denied access to the Audit Committee.

6. Loans and advances to subsidiaries, associates and related entities

As per Listing Regulations, disclosures pertaining to loans and advances given to subsidiaries, associates and related entities are given below:

- During the year, there were no loans and advances given to subsidiaries, associates and firms/companies in which directors are interested.
- There are no investments by the loanee in the shares of the Company.

7. Disclosure of Material Events, pursuant to Listing Regulations

Pursuant to Regulation 30 of the Listing Regulations, the Company has made necessary disclosures of material events to the Stock Exchanges from time to time as per the Policy for Determination of Materiality and Disclosure of events / information.

8. Disclosure requirement as per Companies (Accounts) Rules, 2014

(a) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year alongwith their status as at the end of the financial year.

The Company has not filed any application for settlement nor are any such proceedings pending under the Insolvency and Bankruptcy Code, 2016, against the Company, as at March 31, 2022.

(b) Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

The above is not applicable given that the Company has not filed any application for settlement under the Insolvency and Bankruptcy Code, 2016 during the financial year ended March 31, 2022.



9. Disclosure Requirements as prescribed by the IRDAI Guidelines on Corporate Governance for Insurance Sector

The following disclosures are made in accordance with the IRDAI Corporate Governance guidelines for insurer in India.

(a) Basis, methods and assumptions on which the financial information is prepared and impact of changes, if any

The basis, methods and assumptions used in preparation of the financial statements has been disclosed in Schedule 16: Significant accounting policies and notes forming part of the financial statements.

(b) Quantitative and qualitative information on the Company's financial and operating ratios, namely, commission and expenses ratios

Quantitative and qualitative information on the financial and operating ratios has been disclosed in the Management and Discussions Analysis section forming part of the Annual Report and "Ratios as prescribed by IRDAI" of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

(c) Actual solvency margin details vis-à-vis the required margin

The details of the solvency ratio are as below:

| Particulars | FY 2022 | FY 2021 |
|-------------------------------|---------|---------|
| Actual solvency ratio (ASM) | 2.05 | 2.15 |
| Required solvency ratio (RSM) | 1.50 | 1.50 |

(d) Persistency ratio

Persistency ratio based on number of policies and based on premium is disclosed in "Ratios as prescribed by IRDAI" of Schedule 16: Significant accounting policies and notes forming part of the financial statements.

(e) Financial performance including growth rate and current financial position of the insurer

Financial performance of the Company including growth rate and current financial position has been furnished in the Management Discussion & Analysis section forming part of the Annual Report.

(f) Description of the risk management architecture

The risk management architecture of the Company has been disclosed in "Enterprise Risk Management" section forming part of the Annual Report.

(g) Details of number of claims intimated, disposed of and pending with details of duration

Movement of claim outstanding:

| Particulars | FY 2022 | FY 2021 |
|---|---------------|---------------|
| Claims Outstanding at the beginning of the year | 33,310 | 22,926 |
| Claims reported during the year | 2,274,087 | 1,753,853 |
| Claims Settled during the year | 2,274,955 | 1,741,698 |
| Claims Repudiated during the year | 1,929 | 1,611 |
| Claim Rejected | 1,737 | 14 |
| Claims Written Back | 237 | 146 |
| Claims Outstanding at end of the year | 28,539 | 33,310 |

Ageing of claims intimated and settled:

| Particulars | FY 2022 | FY 2021 |
|---------------------------------------|------------------|------------------|
| On or before maturity | 1,108,270 | 845,984 |
| Less than 1 month | 1,131,403 | 868,420 |
| 1 month to 3 months | 16,078 | 20,750 |
| 3 months to 6 months | 3,580 | 3,343 |
| 6 months to 1 year | 567 | 3,039 |
| 1 year and above | 341 | 162 |
| Claims settled during the year | 2,260,239 | 1,741,698 |

Corporate Governance Report (Contd.)

Ageing of claims intimated and outstanding:

| Particulars | FY 2022 | FY 2021 |
|--|---------------|---------------|
| Less than 3 months | 25,062 | 30,355 |
| 3 months to 6 months | 3,452 | 2,900 |
| 6 months to 1 year | 25 | 54 |
| 1 year and above | - | 1 |
| Claims Outstanding at end of the year | 28,539 | 33,310 |

(h) All pecuniary relationships or transactions of non-executive directors

The Company's Non-Executive Directors and Independent Directors do not have any pecuniary relationships or transactions with the Company except sitting fees paid for attending Board and Committee Meetings which is disclosed in the Corporate Governance report.

(i) Elements of remuneration package (including incentives) of MD & CEO and all other directors and Key Management Persons

In line with the disclosure requirements under the Corporate Governance Guidelines of IRDAI, the details in respect of remuneration of Managing Director & Chief Executive Officer (MD & CEO) and KMPs are as follows:

(₹ in million)

| Particulars | FY 2022 | | FY 2021 | |
|--------------------------------------|-------------|---------------|-------------|---------------|
| | MD & CEO | Other KMPs** | MD & CEO^ | Other KMPs** |
| Basic | 2.38 | 77.36 | 1.79 | 68.87 |
| Allowances/Perquisites ^{\$} | 2.52 | 159.58 | 3.70 | 103.25 |
| Retiral Benefits | 0.59 | 14.70 | 0.56 | 19.56 |
| Bonus [@] | 1.42 | 87.80 | 1.78 | 82.06 |
| Total | 6.91 | 339.44 | 7.83 | 273.75 |

* Excluding remuneration of Managing Director and Chief Executive Officer

KMP's are as defined under IRDAI Corporate Governance Guidelines

@ Performance linked incentive paid in FY 2021-22 and FY 2020-21 for FY 2020-21 and FY 2019-20 respectively. FY 2021 includes arrears performance linked incentive paid to Mr. Sanjeev Nautiyal pertaining to his tenure as MD & CEO of the Company.

\$ Excluding perquisite such as furnished house, vehicle etc. provided by the Company.

^ Mr. Sanjeev Nautiyal ceased as Managing Director & CEO w.e.f. May 8, 2020 on account of repatriation back to SBI and Mr. Mahesh Kumar Sharma inducted as Managing Director & CEO w.e.f. May 9, 2020. The remuneration of MD&CEO includes remuneration of Mr. Mahesh Kumar Sharma and Mr. Sanjeev Nautiyal.

During the FY 21, Performance linked incentive of ₹ 288 thousands was paid to Mr. Arijit Basu for FY 17-18 pertaining to his tenure as MD & CEO of the Company.

(j) Payments made to group entities from the Policyholders Funds

The detail of payment made to group entities by the Company has been disclosed in Note no. 39 "Related party disclosures as per Accounting Standard 18" of Schedule 16: Significant accounting policies and notes forming part of the financial statements.



(k) Any other matters which have material impact on the financial position

There are no matters which have material impact on the financial position except those disclosed in the financial statements and notes to accounts.

R. CEO/CFO Certification

In terms of the Listing Regulations, the certification by the Managing Director & CEO and Chief Financial Officer on the financial statements and internal controls relating to financial reporting for the year ended March 31, 2022 has been obtained.

S. Certificate from Practicing Company Secretary

The Company has obtained a certificate from M/s. N. L. Bhatia & Associates, Practicing Company Secretaries, confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

T. Compliance Certificate of the Secretarial Auditors

The Company has annexed to this report (Annexure - V), a certificate obtained from the Secretarial Auditor, M/s. N.L. Bhatia & Associates, Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance as per Regulation 34(3) read with Schedule V of Listing Regulations.

U. Compliance with the Code of Conduct for all the Directors and Senior Management

I confirm that all Directors and members of the senior management have affirmed compliance with Code of Conduct for all the Directors and Senior Management for the year ended March 31, 2022.

Mahesh Kumar Sharma

Managing Director & CEO

DIN: 08740737

Date: July 28, 2022

Place: Mumbai

V. Certification for Compliance of the Corporate Governance Guidelines

I, Vinod Koyande, Company Secretary hereby certify that the Company has, for the financial year ended March 31, 2022, complied with the Corporate Governance Guidelines as prescribed by Insurance Regulatory and Development Authority of India as amended from time to time and nothing has been concealed or suppressed.

Vinod Koyande

Company Secretary

Date: July 28, 2022

Place: Mumbai

Annexure - I

REMUNERATION POLICY

In pursuance of the Company's policy to attract, motivate and retain manpower in a competitive market, and in terms of the provisions of the Companies Act, 2013, the Policy on remuneration of Directors, Key Managerial Personnel and other employees has been put in place.

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act, 2013.

Objectives of the remuneration policy:

Compensation and benefits play a critical role in every organization. A well-defined compensation and benefits system helps to attract, motivate, and retain the deserving employees for achievement of organizational objectives. The policy reflects our commitment to good corporate governance as well as sustained long-term value creation for shareholders.

Philosophy

At SBI life we follow contribution-oriented philosophy and our compensation programs are performance-driven, emphasizing and recognizing the contributions that individual employees make to the organization. It accentuates performance-based pay, incentives, and shared responsibility for benefits. Its basic objective is to:

- be compatible with the organization's Vision and Mission,
- be externally & internally equitable and
- ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- provide to Key Managerial Personnel and Senior Management rewards linked directly to their effort,

performance, dedication and achievement relating to the Company's operations.

- retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

While making appointment of employees for particular positions their relevant qualification, experience and expertise shall be taken into account.

Reward Policies:

- Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Companies Act 2013 to remunerate them fairly and responsibly.
- Remuneration also aims to motivate personnel to deliver Company's Key strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long term.
- Remuneration of Key Management Personnel and other senior management personnel will be with approval of the Managing Director & CEO.

Key Managerial Personnel and Senior Management

Appointment, remuneration, repatriation etc. of Key Management Personnel such as MD & CEO and few other Key Functional Heads like Audit, Human Resources etc. is governed by SBI Officers' service rules as they are on Deputation from SBI.

Appointment of other Key Management Personnel & Senior Management staff at SBI Life and their removal from services of the Company are governed by the HR policies of the Company and approved by the MD & CEO / Board wherever applicable.



Annexure - II

ANNUAL REPORT ON CSR ACTIVITIES

1 Brief outline on CSR Policy of the Company

Corporate Social Responsibility (CSR) is about the way in which organizations meet their wider economic, social and environmental obligations towards all stakeholders and society at large. The Corporate Social Responsibility Policy of SBI Life Insurance has been designed in consonance with Companies Act, 2013 and the rules / directions made there under.

The Company primarily work towards the thematic areas of Education & Healthcare, with focus on women, children and marginalised sections of society as far as possible. However, basis the requirements and needs of stakeholders, the Company may also undertake other CSR activities in lines with Schedule VII activities.

The Company's CSR policy is reviewed by Corporate Social Responsibility Committee (CSRC) and approved by the Board of Directors. The Board discloses the contents of such Policy in its report and also places it on the Company's website and also ensures that the activities are governed by CSR policy of the company. The CSRC, of the Board, as prescribed under the Companies Act, 2013 is responsible for over-seeing the Company's CSR program, ensuring its compliance and reporting to the Board on a timely basis. The CSRC also formulates and recommends to the Board, action plan on all CSR activities undertaken.

The annual CSR Budget would be approved by the Board on the recommendation of the CSR Committee, subject to the provisions of the Companies Act, 2013.

2 Composition of CSR Committee

| Sl. No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---------------------------------------|---|--|--|
| 1 | Mr. Shobinder Duggal ¹ | Chairman, Independent Director | 5 | 4 |
| 2 | Mr. Narayan K Seshadri ¹ | Member, Independent Director | 5 | 5 |
| 3 | Mr. Dinesh Kumar Khara ² | Member, Nominee Director | 4 | 1 |
| 4 | Dr. Tejendra M. Bhasin ² | Member, Independent Director | 1 | 1 |
| 5 | Mr. Mahesh Kumar Sharma | Member, Managing Director & CEO | 5 | 5 |
| 6 | Mr. Ashwini Kumar Tewari ³ | Member, Nominee Director | 3 | 0 |
| 7 | Mr. Sangramjit Sarangi | Member - President & Chief Financial Officer | 5 | 5 |
| 8 | Ms Seema Trikannad | Member - EVP - Chief of Human Resources & Management Services | 5 | 5 |

¹ Mr. Narayan K. Seshadri ceased as Chairman and Mr. Shobinder Duggal was appointed as Chairman w.e.f. December 24, 2021.

² Mr. Dinesh Kumar Khara ceased as member and Dr. Tejendra M. Bhasin was appointed as member w.e.f. December 24, 2021.

³ Mr. Ashwini Kumar Tewari was appointed as member w.e.f. July 16, 2021.

- 3 Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : <https://www.sbilife.co.in/en/about-us/investor-relations>
<https://www.sbilife.co.in/en/about-us/corporate-social-responsibility>
- 4 Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). : The Company takes cognizance of sub-rule (3) of rule 8 of the Companies CSR Policy Rules 2014. There are no projects for which the impact assessment report is applicable in FY 2022.
- 5 Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
| 1 | FY20-21 | 13,223,800 | Nil |
| | Total | 13,223,800 | Nil |

- 6 Average net profit of the company as per section 135(5). : ₹ 1,235.70 Cr
- 7 (a) Two percent of average net profit of the company as per section 135(5) : ₹ 24.71 Cr
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b- 7c). : ₹ 24.71 Cr

Annexure - II (Contd.)

8 (a) CSR Amount spent/unsent for the financial year :

| Total amount spent for the Financial Year (in ₹) | Amount Unspent (in ₹) | | | |
|--|--|------------------|--|--------|
| | Total Amount transferred to unspent CSR Account as per Section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135 (5) | |
| | Amount | Date of transfer | Name of the Fund | Amount |
| 267,276,035 | Not Applicable | | | |

(b) Details of CSR amount spent against ongoing projects for the financial year

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
|--------------|--|--|---------------------|----------------------------|---------------------------|--|---|---|--|---|
| S/No. | Name of Project | Items from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the Project | Project Duration (months) | Amount allocated for the project (in ₹)* | Amount spent in the current financial year (in ₹) | Amount transferred to the Unspent CSR Account for project as per Section 135 (6) (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation through Implementing Agency |
| | | | | State | District | | | | | Name |
| | | | | | | | | | | CSR Registration Number |
| 1 | Support education, vocational training and holistic development of the children affected by leprosy or belonging to leprosy affected families. | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | West Bengal | 48 | 16,103,804 | 16,103,804 | 0 | No | Udayan |
| | | | | | | | | | | CSR00001946 |
| 2 | Healthcare project - ensuring healthy new life and childhood through 1000 days plus program | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Madhya Pradesh & Rajasthan | 36 | 27,919,040 | 27,919,040 | 0 | No | Fight Hunger Foundation |
| | | | | | | | | | | CSR00001548 |
| 3 | Support towards higher education and holistic development of 20 underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Haryana | 24 | 15,855,000 | 15,855,000 | 0 | No | International Foundation for Research and Education |
| | | | | | | | | | | CSR00000712 |
| Total | | | | | | | 59,877,844 | 59,877,844 | 0 | |

* Amount allocated for FY 21-22



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|---|--|---------------------|-------------------------|--------------------|-------------------------------------|--|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project | | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1 | Maintenance of green belt along with Metro rail corridor | Schedule VII Activity (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. | Yes | Maharashtra | Mumbai | 327,716 | Yes | NA | NA |
| 2 | Support for the medical infrastructure to Kanyakumari Government College treating Covid-19 patients in Tamil Nadu | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Tamil Nadu | Kanyakumari | 348,840 | Yes | NA | NA |
| 3 | Support towards infrastructural development of Arvaikar Government Girls Higher Secondary | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Tamil Nadu | Dharmapuri | 57,627 | Yes | NA | NA |
| 4 | Support for water facility in Sunshine English School | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Arunachal Pradesh | Dirang | 43,536 | Yes | NA | NA |
| 5 | Support to underprivileged people with clothing | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Madhya Pradesh | Bhopal | 92,520 | No | Abhay Nari Kalyan Samiti | CSR000009800 |
| 6 | Free Learning Center Program - Providing supplementary education and mentoring to underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Maharashtra | Mumbai | 951,775 | No | Angel Xpress Foundation | CSR000000120 |
| 7 | Support towards Personal Safety Education & Child Sexual Abuse Prevention & Training | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Multiple States | Multiple districts | 9,067,647 | No | Arpan | CSR000000451 |
| 8 | Support towards special education of HI children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Telangana | Hyderabad | 2,345,652 | No | Ashray Akriti | CSR000001517 |
| 9 | Vocational Training of Underprivileged Women | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Gujarat | Ahmedabad | 499,000 | No | Ashray Social Welfare Foundation | CSR000001091 |

Annexure - II (Contd.)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|---|--|---------------------|-------------|-------------------------|-------------------------------------|--|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | State | District | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Name | CSR Registration Number |
| 10 | Medical aid for cancer treatment of underprivileged people | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Rajasthan | Jaipur | 1,742,700 | No | Bhagwan Mahaveer Cancer Hospital & Research Center | CSR000005954 |
| 11 | Ensuring access to basic healthcare services to underprivileged people through medical mobile unit | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Jammu | Jammu | 4,107,810 | No | Bharat Sevashram Sangh | CSR000000812 |
| 12 | Support towards medical mobile van with ICU & ventilator services | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Karnataka | Bangalore | 3,510,408 | No | CBCI Society for Medical Education | CSR000008207 |
| 13 | Providing special education to differently abled children | Schedule VII Activity (i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Karnataka | Doddaballapur | 489,240 | No | CBM India Trust | CSR000001156 |
| 14 | Support towards providing N95 Face Masks to COVID-19 frontline police officers working under Kerala Police Department | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Kerala | Thiruvananthapuram | 388,950 | No | Concern India Foundation | CSR0000000898 |
| 15 | Healthcare support to children suffering from HIV/AIDS | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Karnataka | Dakshin Kannada | 490,000 | No | Dakshina Kannada Rural Development Society | CSR000016029 |
| 16 | Providing basic healthcare services to underprivileged people through Medical Mobile Unit | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | West Bengal | Hooghly, Birbhum, Nadia | 1,950,834 | No | Dakshineswar Ramakrishna Sangha Advapeath | CSR000010037 |
| 17 | Support towards Sishu Ashray Shal: a home away from home for cancer affected children | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Assam | Hyderabad | 3,000,000 | No | Deepsikha | CSR000002693 |



| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|--|--|---------------------|-------------------------|------------|-------------------------------------|--|---|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project | | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation -Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 18 | Educational support of orphan/ semi orphan children suffering with HIV | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Telangana | Hyderabad | 1,206,450 | No | Desire Society | CSR000002465 |
| 19 | Providing Kidney Dialysis machines to government Hospital to ensure continued medical services to underprivileged people | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Uttar Pradesh | Lucknow | 1,254,400 | No | Fairfax India Charitable Foundation | CSR000005441 |
| 20 | Support towards medical treatment of underprivileged children suffering from Congenital Heart Disease | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Multiple States | Bangalore | 7,000,000 | No | Genesis Foundation | CSR000001713 |
| 21 | Support for the COVID 19 frontline soldiers, CISF at Biju Pattanayak Airport, Bhubaneswar, Odisha through Gram Utthan | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Odisha | Bhubneswar | 60,900 | No | Gram Utthan | CSR0000000041 |
| 22 | Support towards vaccination on wheels | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Delhi | Delhi | 452,000 | No | Growdiesel Climate Care Council | CSR000003489 |
| 23 | Support for medical treatment of underprivileged children | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Telangana | Hyderabad | 490,000 | No | Heal A Child Foundation | CSR000001683 |
| 24 | Women empowerment through skill training | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Uttar Pradesh | Moradabad | 499,167 | No | International Centre for Women and Child | CSR000000278 |
| 25 | Support towards providing scholarship for higher education to underprivileged students | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Haryana | Sonapat | 9,650,000 | No | International Foundation for Research and Education | CSR000000712 |

Annexure - II (Contd.)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|--|--|---------------------|-------------------------|--|-------------------------------------|--|--|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project | | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation -Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 26 | Support towards providing quality education 286 underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Tamil Nadu | Coimbatore, Cuddalore, Dharmapuri, Erode, Nagercoil, Salem, Tuticorin and Villupuram | 6,650,616 | No | Isha Education | CSR000002614 |
| 27 | Support to police force in preventing the spread of Covid-19 at Jaggnath Temple, Puri | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Odisha | Puri | 84,203 | No | Kalinga Kusum Foundation | CSR000004313 |
| 28 | Shikshaantra Plus - Initiative to improve quality of education in government schools | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Punjab | Ludhiana | 1,263,300 | No | Kinship for Humanitarian Social and Holistic Intervention in India | CSR000001135 |
| 29 | Support for providing one unit SLE 1000 adaptive nCPAP System | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Uttar Pradesh | Lucknow | 448,000 | No | Late S C Trivedi Memorial Trust Hospital | CSR000021593 |
| 30 | Project Anando - Quality education to underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Odisha | Angul | 2,179,390 | No | Light of Life Trust | CSR000000156 |
| 31 | Support towards screening camps for early detection of disability amongst children | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Telangana | Hyderabad | 480,000 | No | MANASA | CSR000020733 |
| 32 | Remedial and supplementary education for underprivileged tribal children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Odisha | Mayurbhanj | 1,488,074 | No | Mauna Dhvani Foundation | CSR000007025 |
| 33 | Providing essential medical equipment to ensure uninterrupted medical services to underprivileged people | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | West Bengal | Midnapore | 1,339,300 | No | Midnapore Rotary Trust | CSR000009739 |



| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 |
|--------|---|--|---------------------|-------------------------|--------------|-------------------------------------|--|---|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project | | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation -Through Implementing Agency |
| | | | | State | District | | | Name |
| 34 | Support for special education and therapy to children with multiple disability with vision impairment | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Maharashtra | Mumbai | 4,979,400 | No | Muskan Foundation for People With Multiple Disabilities |
| 35 | Supporting education of underprivileged girls | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Bihar | Patna | 2,809,000 | No | Nai Dharti |
| 36 | Ensuring access to education to visually impaired children and adults | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Delhi | Delhi | 2,268,353 | No | National Association for Blind |
| 37 | Developing Bird Attracting Miyawaki-High Density Native Forest at Sanjay Gandhi National Park | Schedule VII Activity (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. | Yes | Maharashtra | Thane | 8,227,593 | No | Nature Forever Society |
| 38 | Support towards education and holistic development of underprivileged girls | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Delhi | Delhi | 8,498,226 | No | Onyva Trust |
| 39 | Support for holistic development and high quality education of slum children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Karnataka | Bangalore | 23,959,090 | No | Parikma Humanity Foundation |
| 40 | Ensuring access to basic healthcare services to underprivileged people through general ambulance | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Odisha | Malkangiri | 590,494 | No | People's United for Social Participation and Awareness Centre |
| 41 | Financial Literacy and skill development program | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Uttar Pradesh | Rae Bareilly | 2,346,750 | No | Pipal Tree Foundation |
| 42 | Quality education of underprivileged rural children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Tamil Nadu | Theni | 21,615,799 | No | Reaching The Unreached |
| 43 | Providing free eye surgeries to underprivileged people | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Odisha | Bhubaneswar | 3,500,000 | No | RIHF ROTARY CLUB BBSR ROYAL EYE CARE CENTRE TRUST |

Annexure - II (Contd.)

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|--|--|---------------------|------------------------------------|--|-------------------------------------|--|---|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project | | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation -Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 44 | Providing digital classrooms at Government High School | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Telangana | Hooghly, Birbhum, Nadia | 1,265,250 | No | Rotary club of Jubilee Hills Charitable Trust | CSR000003064 |
| 45 | Installation of Oxygen Generator Plant in Greater Chennai Police Hospital | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Tamil Nadu | Chennai | 3,669,848 | No | Rotary Club of Madras East Trust | CSR000001243 |
| 46 | Support special education and holistic development of the children with special needs (Cerebral Palsy) | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Odisha | Keonjhar | 6,773,147 | No | Sadhabana | CSR000010243 |
| 47 | Support towards empowering women and youth from Sahariya Tribe | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Rajasthan | Baran | 2,472,784 | No | Sankalp Society | CSR000001563 |
| 48 | Support towards installation of mini Science Centers in government schools | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Bihar | Gaya | 4,646,250 | No | Seva Sahayog Foundation | CSR000000756 |
| 49 | Shoshit Samadhan Kendra - Education to 100 children from Musahar community | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Bihar | Patna | 4,578,511 | No | Shoshit Seva Sangh | CSR000003110 |
| 50 | CSR Approval to Swami Parjnanashram Educational & Vocational Centre for the Handicapped with necessary infrastructure support to ensure safe environment for continued education | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Maharashtra | Thane | 1,977,335 | No | Shree Trust | CSR000006392 |
| 51 | Quality education of 700 underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Jammu, Chhatisgarh, Assam, Tripura | Jammu, Rajnandgaon, Goalpara, West Tripura | 3,607,340 | No | Smile Foundation | CSR000001634 |
| 52 | Quality education to tribal underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Odisha | Kandhamal | 137,245 | No | Social Welfare Agency and Training Institute | CSR0000010080 |
| 53 | Project Unnati - Education to underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Uttarakhand | Nainital | 1,280,288 | No | SOS childrens village of india | CSR000000692 |



| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|--------|---|--|---------------------|-------------------------|------------------|-------------------------------------|--|---|-------------------------|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project | | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation -Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 54 | Supporting ambulance to ensure access to healthcare services to underprivileged people residing in remote areas in emergency situations | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Maharashtra | Mumbai | 2,402,786 | No | Sri Chaitanya Seva Trust | CSR000001017 |
| 55 | Gift of Vision project - providing free eye surgeries to underprivileged people | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | "Punjab, Uttar Pradesh" | Ludhiana, Kanpur | 4,500,000 | No | Sri Kandhi Kamakoti Medical Trust | CSR000003159 |
| 56 | Support for critical medical equipment to operate underprivileged children suffering with Congenital Heart Disease | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Chhatisgarh | Raipur | 1,900,000 | No | Sri Sathya Sai Health & Education Trust | CSR000001048 |
| 57 | Support for special education of children with hearing impairment | Schedule VII Activity (i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Maharashtra | Mumbai | 3,009,052 | No | Stephen High School for the Deaf & Aphasie | CSR000002453 |
| 58 | Support for early intervention and therapeutic aid to children with hearing impairment | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Maharashtra | Mumbai | 3,180,683 | No | Stephen High School for the Deaf & Aphasie | CSR000002453 |
| 59 | Education sponsorship to underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Delhi | Delhi | 480,047 | No | Sunshine Society | CSR000009640 |
| 60 | Support for medical equipment for early detection and diagnosis of Glucomia | Schedule VII Activity (i) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water | Yes | Odisha | Sambalpur | 450,000 | No | Vision India | CSR000006853 |
| 61 | Support to inclusive school for underprivileged children | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | West Bengal | 24 Pargana | 1,252,800 | No | Voice of the World | CSR000003390 |
| 62 | Support for special educating and empowering children with intellectual disability | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Tamil Nadu | Madurai | 4,801,897 | No | YMCA | CSR000001546 |

Annexure - II (Contd.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------|---|--|---------------------|---|-------------------------------------|--|---|
| Sl. No | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes/No) | Location of the Project State District | Amount Spent for the Project (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation -Through Implementing Agency Name CSR Registration Number |
| 63 | Support for special educating and empowering children with hearing impairment | [(i) Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water. | Yes | Tamil Nadu Madurai | 8,013,216 | No | YMCA CSR000001546 |
| 64 | Support towards education of underprivileged girl | Schedule VII Activity (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Yes | Bihar Saran | 4,244,952 | No | Yugrishi Shriram Sharma Acharya Charitable Trust CSR000000858 |
| Total | | | | | 207,398,191 | | |

- (d) Amount spent in administrative overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) total Amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 267,276,035
- (g) Excess amount for setoff if any :

| Sl. No. | Particular | Amount (in ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 247,139,508 |
| (ii) | Total amount spent for the Financial Year | 267,276,035 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 20,136,527 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 20,136,527 |

9 (a) Details of unspent CSR Amount for the preceding three financial years - Not Applicable

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | Amount remaining to be spent in succeeding financial years (in ₹) |
|---------|---------------------------|--|---|--|---|
| | | | | Name of the Fund | Date of transfer |

1

Total

(b) Details of CSR Amount spent in the Financial Year for ongoing projects of the preceding financial year(s): Not Applicable

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---------|------------|----------------------|--|-------------------|--|---|---|--|
| Sl. No. | Project ID | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹). | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (in ₹). | Status of the project - Completed / Ongoing. |

1

Total



10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

| Sl. No | Date of creation or acquisition of capital assets | Amount of CSR spent for creation or acquisition of capital asset. | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Name of Asset | Location of Asset | | Complete Address |
|--------|---|---|--|--|-------------------|-------------------------|--|
| | | | | | State | District | |
| 1 | June 3, 2021 to November 12, 2021 | 3,669,848 | Rotary Club of Madras East Trust | PSA Medical Oxygen Generator & Bipap Machines | Tamil Nadu | Chennai | Police Hospital, Egmore, Chennai - 600008 |
| 2 | March 23, 2021 | 57,628 | Avvaiyar Government Girls Higher Secondary | Laboratory chairs & steel cupboard | Tamil Nadu | Dharmapuri | A 6, Avvaiyar Government Girls Higher Secondary, Dharmapuri - 636702 |
| 3 | March 24, 2021 | 348,840 | Kanyakumari Government College | Nebulizer, BP Apparatus, Ophthalmoscope, Pace Maker, Fiber Opticclarignoscope etc. | Tamil Nadu | Kanyakumari | Kanyakumari Government College, Nagercoil, Tamil Nadu - 629201 |
| 4 | July 29, 2021 | 1,254,400 | Fairfax India Charitable Foundation | Kidney Dialysis Machines | Uttar Pradesh | Lucknow | Balrampur Hospital, Gollanaj, Lucknow, Uttar Pradesh - 226018 |
| 5 | August 12, 2021 | 1,900,000 | Sri Sathya Sai Health & Education Trust | Medical equipments: Xenon Headlight System & Sternum Saw | Chhattisgarh | Raipur | Sri Sathya Sai Sanjeevani Hospital, Sector 2, Atal Nagar (Naya Raipur) Chhattisgarh - 492101 |
| 6 | June 22, 2020 | 43,536 | Sunshine School | RO Plant | Arunachal Pradesh | Dirang | Sunshine English School, Dirang, Arunachal Pradesh - 790101 |
| 7 | September 06, 2021 | 1,950,834 | Dakshineswar Ramakrishna Sangha Adyapeath | Type B Medical Mobile Van | W. Bengal | Hooghly, Birbhum, Nadia | 50, D D Mondal Ghat Road, Dakshineswar, Kolkata - 700076 |
| 8 | February 02, 2022 | 3,510,408 | CBCI Society for Medical Education | Force Traveler T1 Ambulance with Life care system, ventilator | Karnataka | Bangalore | St. John Medical College & Hospital, Sarjapur Road, Bengaluru - 560034 |
| 9 | February 02, 2022 | 1,265,250 | Rotary club of Jubilee Hills Charitable Trust | Digital classroom with interactive display, server and other accessories | Telangana | Hyderabad | Government High School, Filmnagar, Hyderabad - 500096 |
| 10 | March 01, 2022 | 1,339,300 | MIDNAPORE ROTARY TRUST | Medical Equipment: Haematology analyser & Biochemistry analyzer | W. Bengal | Midnapore | Midnapore Rotary Eye Hospital, Burdge Town, Pachim Medinipur - 721101 |
| 11 | February 27, 2022 | 1,268,353 | National Association for Blind | Mini bus -Starbus 24+D LP407/36 CNG | Delhi | Delhi | Sector 5, R K Puram, New Delhi - 110022 |
| 12 | February 08, 2022 | 450,000 | Vision India | Medical infrastructure: Non Contact Tonometer, Motorised Instrument Table MIT | Odisha | Sambalpur | Trilochan Netralay, Fatak, Sambhalpur - 768004 |
| 13 | March 30, 2022 | 448,000 | Late S C Trivedi Memorial Trust Hospital | SLE 1000 adaptive nCPAP System | Uttar Pradesh | Lucknow | Sector H, Aliganj, Near Kendriya Bhavan, Lucknow- 226024 |

Annexure - II (Contd.)

| Sl. No | Date of creation or acquisition of capital assets | Amount of CSR spent for creation or acquisition of capital asset. | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | Name of Asset | Location of Asset | | Complete Address |
|--------|---|---|--|---------------------------------|-------------------|------------|---|
| | | | | | State | District | |
| 14 | May 04, 2022 | 2,402,786 | Sri Chaitanya Seva Trust | Force Ambulance | Maharashtra | Mumbai | Bhaktivedanta Hospital, Sector 1, Shrishti Complex, Mira Road, Thane - 401107 |
| 15 | March 25, 2022 to March 30, 2022 | 4,646,250 | Seva Sahayog Foundation | Mini Science kit | Bihar | Gaya | "UHS Sonash, Khizarsarai, Gaya- 824233, Bihar UHS , Shadipur, Manpur, Gaya- 823002, Bihar UHS Punnakala, Gaya-824209, Bihar UHS Nagwa, fatehpur, Gaya- 824232, Bihar Musalla, Mohanpur, Gaya- 824201, Bihar UHS Karubigha, Nimchak Bathani, Gaya-823311, Bihar UHS-Chiralla, Baganj, Gaya-804403, Bihar UHS- Bitho, Gaya-823003, Bihar UHS Birhut, Bodhgaya, Gaya-823004, Bihar UMS-Ballyari, Aamas, Gaya-824219, Bihar" |
| 16 | March 31, 2022 | 490,494 | People's United for Social Participation and Awareness Centre | General Ambulance (Maruti ECCO) | Odisha | Malkangiri | Malikeswar Colony(Near Satsang Bihar), Sukma Road, PO Malkangiri, Pin- 764045, Dist-Malkangiri, Odisha |

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Maresh Kumar Sharma
Managing Director & CEO
DIN: 08740737

Shobinder Duggal
Chairman - CSR Committee
DIN: 00039580

Place: Mumbai
Date: July 28, 2022



Annexure - III

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

SBI Life Insurance Company Limited

Natraj, M.V. Road & Western Express Highway Junction,
Andheri (East), Mumbai - 400069

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SBI Life Insurance Company Limited [CIN: L99999MH2000PLC129113] (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent applicable;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; during the period under review not applicable to the Company
 - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

1. Insurance Act, 1938 (amended till date) and Insurance Rules, 1939;
2. Insurance Regulatory and Development Authority Act 1999, and Rules & Regulation, Circular and Notifications etc issued by the IRDAI there under;
3. Prevention of Money Laundering Act (PMLA), 2002 and Anti-Money Laundering Regulation issued by IRDAI and various Circulars and Guidelines thereunder;
4. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. All the relevant Circulars, Notifications, Regulations and Guidelines issued by Insurance Regulatory and Development Authority of India.

We have also examined compliance with Secretarial Standards issued by The Institute of Company

Annexure - III (Contd.)

Secretaries of India (ICSI) with respect to board and general meetings

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. All the decisions taken in the Board meetings and Committees were passed unanimously including the resolutions passed through circulation and with the requisite majority in General Meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations

and Guidelines. All the notices and orders received by the Company pursuant to the above Laws Rules, Regulations and Guidelines has been adequately dealt with/ duly replied/ complied with.

We further report that during the audit period the following activities took place in the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- a) The Nomination & Remuneration Committee at their meeting held on July 26, 2021 had approved the grant of 7,97,850 stock options at a price of INR 1,031.10 per option to the eligible employees of the Company under the Employee Stock Option Plan – 2018.
- b) During the year the Stakeholder's Relationship Committee allotted 2,99,654 shares to the eligible employees under the Employee Stock Option Plan – 2018.

For **M/s. N. L. Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800
UDIN: F005436D000465995

Bharat R. Upadhyay
Partner
FCS No: 5436
C P No.: 4457
Peer Review No.: 700/2020

Place: Mumbai

Date: June 06, 2022

Note: This Report is to be read with our letter of even date which forms an integral part of this report.



To,

The Members,

SBI LIFE INSURANCE COMPANY LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we have followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **M/s. N. L. Bhatia & Associates**
Practising Company Secretaries
UIN: P1996MH055800

Bharat R. Upadhyay
Partner
UDIN: F005436D000465995
FCS No: 5436
C P No.: 4457
P/R No.: 700/2020

Place: Mumbai
Date: June 06, 2022

Annexure - IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

| | |
|--|--|
| I. CIN | L99999MH2000PLC129113 |
| II. Registration Date | October 11, 2000 |
| III. Name of the company | SBI Life Insurance Company Limited |
| IV. Category of the Company | Life Insurance Company |
| V. Address of the Registered office and contact details | Natraj, M. V. Road, Western Express Highway Junction, Andheri (East), Mumbai – 400 069 Tel.: +91 22 6191 0000 Fax: +91 22 6191 0517 Website: www.sbilife.co.in |
| VI. Whether listed company | Yes |
| VII. Name, Address and Contact details of Registrar and Transfer Agent, if any | M/s. KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Rangareddi, Telangana, India - 500032 Tel: (91 40) 23311968 Fax: (91 40) 23420184 |

II. Principal Business Activities of the Company:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Life insurance | 65110 | 100% |

III. Particulars of Holding, Subsidiary and Associate Companies:

| Sl. No | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|--------|---|---------|--------------------------------|------------------|--------------------|
| 1 | State Bank of India State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai – 400 021. | NA | Holding Company | 55.48 | 2(46) |



IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|----------|--------------------|-------------------|---|----------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| e) Banks / FI | 555,000,000 | 0 | 555,000,000 | 55.50 | 555,000,000 | 0 | 555,000,000 | 55.48 | (0.02) |
| f) Any Other... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 555,000,000 | 0 | 555,000,000 | 55.50 | 555,000,000 | 0 | 555,000,000 | 55.48 | (0.02) |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other... | 2,003,612 | 0 | 20,03,612 | 0.20 | - | - | - | - | (0.20) |
| Sub-total (A) (2):- | 2,003,612 | 0 | 2,003,612 | 0.20 | - | - | - | - | (0.20) |
| Total shareholding of Promoter (A) = (A) (1)+(A) (2) | 557,003,612 | 0 | 557,003,612 | 55.70 | 555,000,000 | 0 | 555,000,000 | 55.48 | (0.22) |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds and AIF | 68,915,161 | 0 | 68,915,161 | 6.89 | 123,904,429 | 0 | 123,904,429 | 12.38 | 5.49 |
| b) Banks / FI | 550,500 | 0 | 550,500 | 0.06 | 752,860 | 0 | 752,860 | 0.08 | 0.02 |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | 305,098,496 | 0 | 305,098,496 | 30.51 | 241,543,803 | 0 | 241,543,803 | 24.15 | (6.36) |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B) (1):- | 374,564,157 | 0 | 374,564,157 | 37.45 | 366,201,092 | 0 | 366,201,092 | 36.61 | (0.85) |
| (2) Non- Institutions | | | | | | | | | |

Annexure - IV (Contd.)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | No. of Shares held at the end of the year | | | % change during the year |
|---|---|----------|----------------------|---|----------|----------------------|--------------------------|
| | Demat | Physical | Total | Demat | Physical | Total | |
| a) Bodies Corp. | | | | | | | |
| i. Indian | 4,030,536 | 0 | 4,030,536 | 4,979,304 | 0 | 4,979,304 | 0.50 |
| ii. Overseas | - | - | - | 18 | 0 | 18 | 0.00 |
| b) Individuals | | | | | | | |
| i. Individual shareholders holding nominal share capital upto ₹ 1 lakh | 21,289,269 | 5 | 21,289,274 | 20,894,940 | 5 | 20,894,945 | 2.09 |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 3,577,690 | 0 | 3,577,690 | 3,861,374 | 0 | 3,861,374 | 0.39 |
| c) Others (specify) | | | | | | | |
| i. NBFCs Registered with RBI | 30,000 | 0 | 30,000 | 4,500 | 0 | 4,500 | 0.00 |
| ii. Clearing Members | 639,845 | 0 | 639,845 | 310,691 | 0 | 310,691 | 0.03 |
| iii. Foreign Bodies | 15,100,000 | 0 | 15,100,000 | 15,100,000 | 0 | 15,100,000 | 1.51 |
| iv. Foreign Nationals | - | - | - | - | - | - | - |
| v. Non-Resident Indians | 980,720 | 0 | 980,720 | 944,189 | 0 | 944,189 | 0.09 |
| vi. NRI Non-Repatriation | 403,427 | 0 | 403,427 | 511,903 | 0 | 511,903 | 0.05 |
| vii. Trusts | 2,109,926 | 0 | 2,109,926 | 210,152 | 0 | 210,152 | 0.02 |
| viii. Qualified Institutional Buyer | 20,341,721 | 0 | 20,341,721 | 32,352,394 | 0 | 32,352,394 | 3.23 |
| Sub-total (B)(2):- | 68,503,134 | 5 | 68,503,139 | 79,132,091 | 5 | 79,132,096 | 7.91 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 443,067,291 | 5 | 443,067,296 | 445,370,557 | 5 | 445,370,562 | 44.52 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | |
| Grand Total (A)+(B)+(C) | 1,000,070,903 | 5 | 1,000,070,908 | 1,000,370,557 | 5 | 1,000,370,562 | 100.00 |

ii. Shareholding of Promoters

| Sl no. | Shareholder's name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | |
|--------|---------------------|---|----------------------------------|--|--------------------------------------|----------------------------------|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |
| 1 | State Bank of India | 555,000,000 | 55.50 | Nil | 555,000,000 | 55.48 | Nil |
| 2 | BNP Paribas Cardif | 2,003,612 | 0.20 | Nil | - | - | Nil |

iii. Change in Promoters' Shareholding

| Particulars | Date | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| At the beginning of the year | April 01, 2021 | 557,003,612 | 55.70 | 557,003,612 | 55.70 |
| Shares sold by BNP Paribas Cardif (Market Sale) | February 22, 2022 to February 23, 2022 | 2,003,612 | 0.20 | 555,000,000 | 55.48 |
| At the End of the year | March 31, 2022 | 555,000,000 | 55.48 | 555,000,000 | 55.48 |



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

| Sr. No. | Name of Shareholders ^{\$} | Shareholding at the beginning of the year April 01, 2021 | | Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Shareholding at the end of the year March 31, 2022 | | | |
|---------|---|--|----------------------------------|--|--|----------------------------------|------------|------|
| | | No. of shares | % of total shares of the company | | No. of shares | % of total shares of the company | | |
| 1 | ICICI Prudential Equity Savings Funds | 71,26,550 | 0.71 | 09/04/2021 to 31/03/2022 | 29,366,293 | 2.94 | 36,492,843 | 3.65 |
| 2 | Government of Singapore | 23,209,888 | 2.32 | 09/04/2021 to 31/03/2022 | 8,162,335 | 0.82 | 31,372,223 | 3.14 |
| 3 | Macritchie Investments Pte Ltd | 15,100,000 | 1.51 | NA | Nil | Nil | 15,100,000 | 1.51 |
| 4 | ICICI Prudential Life Insurance Company Limited | 8,930,353 | 0.89 | 09/04/2021 to 31/03/2022 | 5,561,218 | 0.56 | 14,491,571 | 1.45 |
| 5 | HDFC Trustee Company Ltd | 5,521,652 | 0.55 | 09/04/2021 to 31/03/2022 | 8,616,509 | 0.86 | 14,138,161 | 1.41 |
| 6 | SBI Magnum Equity ESG Fund | 7,514,268 | 0.75 | 09/04/2021 to 31/03/2022 | 4,307,598 | 0.43 | 11,821,866 | 1.18 |
| 7 | Aditya Birla Sun Life Trustee Pvt Ltd | 2,908,960 | 0.29 | 09/04/2021 to 31/03/2022 | 7,760,957 | 0.78 | 10,669,917 | 1.07 |
| 8 | DSP Equity Opportunities Fund | 6,860,839 | 0.69 | 09/04/2021 to 31/03/2022 | 2,666,269 | 0.26 | 9,527,108 | 0.95 |
| 9 | Monetary Authority of Singapore | 6,271,223 | 0.63 | 09/04/2021 to 31/03/2022 | 2,487,569 | 0.25 | 8,934,130 | 0.89 |
| 10 | SBI Pension Fund Scheme | 5,767,619 | 0.58 | 09/04/2021 to 31/03/2022 | 3,125,490 | 0.31 | 8,893,109 | 0.89 |

^{\$} The list of top 10 shareholders is derived on the basis of PAN consolidation.

v. Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Name of the Director / KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| Mr. Mahesh Kumar Sharma, MD & CEO | | | | | |
| 1 | At the beginning of the year | - | 0.00% | - | 0.00% |
| 2 | Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease | - | Nil | - | Nil |
| 3 | At the end of the year | - | 0.00% | - | 0.00% |
| Mr. Sangramjit Sarangi, Chief Financial Officer | | | | | |
| 1 | At the beginning of the year | 777 | 0.00%^ | 777 | 0.00%^ |
| 2 | Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease | - | 0.00% | - | 0.00% |
| 3 | At the end of the year | 777 | 0.00%^ | 777 | 0.00%^ |
| Mr. Vinod Koyande, Company Secretary | | | | | |
| 1 | At the beginning of the year | - | 0.00% | - | 0.00% |
| 2 | Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease | - | 0.00% | - | 0.00% |
| 3 | At the end of the year | - | 0.00% | - | 0.00% |

^Holding of equity shares is less than 0.01% in the total share capital of the Company

Annexure - IV (Contd.)

V. INDEBTEDNESS

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|-----------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | Nil | Nil | Nil | Nil |
| ii. Interest due but not paid | | | | |
| iii. Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |
| Change in Indebtedness during the financial year | | | | |
| - Addition / Reduction | Nil | Nil | Nil | Nil |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | Nil | Nil | Nil | Nil |
| ii. Interest due but not paid | | | | |
| iii. Interest accrued but not due | | | | |
| Total (i+ii+iii) | Nil | Nil | Nil | Nil |

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹'000)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---------|--|-----------------------------------|--------------|
| | | Mr. Mahesh Kumar Sharma, MD & CEO | |
| 1 | Gross salary | | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 ¹ | 4,472 | 4,472 |
| | b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,845 | 1,845 |
| | c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | - as % of profit | - | - |
| | - others, specify | - | - |
| 5 | Others, please specify | - | - |
| | Total (A) | 6,317 | 6,317 |

¹ Includes performance linked incentives paid in FY 2021-22 for FY 2020-21.

B. Remuneration to other directors:

(₹'000)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | | Total |
|------------|--|--------------------|---|-------------------------------|----------------------------|---------------------------|---------------------|---------------|
| | | Mr. Deepak Amin | Ms. Joji Sekhon Gill ¹ | Mr. Narayan K. Seshadri | Mr. Shobinder Duggal | Dr. Tejendra M. Bhasin | Ms. Usha Sangwan | |
| 1. | Independent Directors | | | | | | | |
| | • Fee for attending board committee meetings | 2,525 | 675 | 3,550 | 3,025 | 2,150 | 1,150 | 13,075 |
| | • Commission | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | • Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (1) | 2,525 | 675 | 3,550 | 3,025 | 2,150 | 1,150 | 13,075 |
| 2. | Other Non-Executive Directors | | | | | | | |
| | • Fee for attending board committee meetings | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | • Commission | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | • Others, please specify | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (2) | NIL | NIL | NIL | NIL | NIL | NIL | NIL |
| | Total (B)=(1+2) | 2,525 | 675 | 3,550 | 3,025 | 2,150 | 1,150 | 13,075 |

¹ Ms. Joji Sekhon Gill ceased as an Independent Director w.e.f. September 6, 2021 due to expiry of her second term.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹'000)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|---|--|--------------------------------------|---------------|
| | | Mr. Sangramjit Sarangi President and Chief Financial Officer | Mr. Vinod Koyande, Company Secretary | Total Amount |
| 1 | Gross salary | | | |
| | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 26,469 | 1,672 | 28,142 |
| | Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1,030 | - | 1,030 |
| | Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Options Granted during the year (No. of Options) | 18,590 | - | 18,590 |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (does not include the number of stock options) | 27,499 | 1,672 | 29,172 |

VII. Penalties / Punishment/ Compounding of Offences:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | | | | | |
| Punishment | - | - | - | - | - |
| Compounding | | | | | |
| B. Directors | | | | | |
| Penalty | | | | | |
| Punishment | - | - | - | - | - |
| Compounding | | | | | |
| C. Other Officers in default | | | | | |
| Penalty | | | | | |
| Punishment | - | - | - | - | - |
| Compounding | | | | | |

Annexure - V

TO THE MEMBERS OF SBI LIFE INSURANCE COMPANY LIMITED

We have examined all the relevant records of SBI Life Insurance Company Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2021 to March 31, 2022. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. N. L. Bhatia & Associates**

Practising Company Secretaries

UIN: P1996MH055800

UDIN: F005436D000466149

Bharat R. Upadhyay

Partner

FCS: 5436

CP. No. 4457

Date: June 06, 2022

Place: Mumbai.



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| | |
|--|--|
| 1. Corporate Identity Number (CIN) of the Company | L99999MH2000PLC129113 |
| 2. Name of the Company | SBI Life Insurance Company Limited |
| 3. Registered address | "Natraj" M.V. Road & Western Express Highway Junction, Andheri (East), Mumbai – 400069 |
| 4. Website | www.sbilife.co.in |
| 5. E-mail id | vinod.koyande@sbilife.co.in |
| 6. Financial Year reported | 2021-22 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise) | 65110 |
| 8. List three key products/services that the Company manufactures/provides (as in balance sheet) | The Company offers a wide range of 34 individual and 6 group products across categories like savings, protection, retirement, pension, health, etc. |
| 9. Total number of locations where business activity is undertaken by the Company | The Company has Pan-India presence though a vast network of 952 offices as on March 31, 2022. Additionally, we have distribution touch points through several tie-ups comprising of 64 partners, 114 brokers and 146,057 Life Mitras i.e. individual life insurance agents. |
| (a) Number of International Locations (Provide details of major 5) | The Company does not have any International Locations/ Branches. |
| (b) Number of National Locations | The Company have pan-India presences though a vast network of 952 offices as on March 31, 2022. |
| 10. Markets served by the Company – Local/State/National/ International | The Company serves customer across India. |

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | |
|--|--|
| 1. Paid up Capital (INR) | ₹ 1,000.37 Cr |
| 2. Total Turnover (INR) | ₹ 58,759.64 Cr |
| 3. Total profit after taxes (INR) | ₹ 1,506.00 Cr |
| 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | ₹ 26.73 Cr or approximately 2% of the average net profit of last three years has been spent towards CSR activities in FY 2021-22. |
| 5. List of activities in which expenditure in 4 above has been incurred:- | The CSR efforts of the company have been focused majorly on providing education to the economically disadvantaged children, supporting preventive healthcare and wellness, rural development and environmental upgrade. The company continues to remain focused on improving the quality of life and serving communities through CSR. The budget for the Company's CSR spends for FY 2021-22 was ₹ 24.71 Cr, which was equivalent to 2% of average net profit of last 3 years computed in accordance with Section 135 of the Companies Act, 2013. The actual spend for CSR was ₹ 26.73 Cr. Details of the Company's CSR activities are provided in the 'Corporate Social Responsibility' section of the Annual Report for FY 2021-22. |

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**
No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
Not applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
No

Business Responsibility Report (Contd.)

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/ Directors responsible for implementation of the BR policy/policies

1. DIN Number - 08740737
2. Name - Mr. Mahesh Kumar Sharma
3. Designation - Managing Director and Chief Executive Officer

b) Details of the BR head

| No. | Particulars | Details |
|-----|----------------------------|--|
| 1 | DIN Number (if applicable) | NA |
| 2 | Name | Mr. Sangramjit Sarangi |
| 3 | Designation | President & Chief Financial Officer |
| 4 | Telephone number | 022-6191 0281 |
| 5 | e-mail id | sangramjit.sarangi@sbilife.co.in |

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6* | P7* | P8 | P9 |
|-----|--|----|----|----|----|----|-----|-----|----|----|
| 1 | Do you have a policy/ policies for... | Y | Y | Y | Y | Y | N | N | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | - | - | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Y | Y | Y | Y | Y | - | - | Y | Y |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | - | - | Y | Y |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | - | - | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | Y | Y | Y | Y | Y | - | - | Y | Y |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | - | - | Y | Y |
| 8 | Does the company have in-house structure to implement the policy/ policies. | Y | Y | Y | Y | Y | - | - | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | - | - | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | - | - | Y | Y |

*P6 – The aspects under this principle are not substantially relevant to the Company given the nature of business. The Company constantly endeavors to undertake innovative initiatives to protect the environment. The Company is committed to keeping its environmental footprints as small as possible and has taken proactive steps to reduce direct impact of its operations on the environment.

*P7 - In taking public policy positions, the Company has not advocated/lobbied through any association.

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The company is aware of its Business Responsibilities and shall review and assess initiatives periodically.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published the link of BR report in its Annual report for FY 2021-22. The website link of the report is <https://www.sbilife.co.in/en/about-us/investor-relations/annual-reports>



SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

The Company is committed to the best practises in the areas of Corporate Governance and it committed to acting professionally, fairly and with integrity in all its dealings.

The Company has a well-defined Code of Conduct which lays down principles for every employee to act in accordance with the highest standards of personal and professional integrity, honesty, ethical and legal conduct. The Code is applicable to all Directors, Senior Management and employees of the Company.

The Company through its Whistle Blower Policy (Vigil Mechanism Policy) encourages and enables directors, employees to raise serious concerns, grievances about any unacceptable practice or any event of misconduct, irregularities, governance weaknesses, financial reporting issues within the Company.

Yes, the policy has been extended to cover vendors, channel partners and distributors as well.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

We have a dedicated client relationship team which takes every care to resolve customer complaints/ grievances within stipulated timelines. Further, in order to ensure fair and unbiased resolution of grievances of the policyholders/claimants regarding claim settlement, the company formed a Claims Review Committee. Exhibiting the commitment of the Company to provide a fair resolution to the claimants' grievances in a transparent manner. The Claims Review Committee comprises of key members of top management and a Retired High Court Justice.

Total 3,607 customer complaints were received during the FY 2021-22. All these complaints have been satisfactorily resolved.

Additionally, the Company has also setup an Investor Grievance mechanism to respond to investor grievances in a timely and appropriate manner. The investor grievances are reviewed by the Board through 'Stakeholders Relationship Committee'. Total 77 Shareholders complaints were received during FY 2021-22, and all these have been satisfactorily resolved.

PRINCIPLE 2

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

SBI Life offers a comprehensive range of products that span across Protection, Savings Investment, Retirement, Women, Children and Health categories.

Protection business is one area where there has been an increased demand in the recent years, especially during the prolonged pandemic phase. Our protection portfolio includes SBI Life - eShield Next, SBI Life - Smart Swadhan Plus, SBI Life - Smart Shield, SBI Life - Sampoon Cancer Suraksha, SBI Life - Saral Jeevan Bima and SBI Life - Poorna Suraksha which cover the protection needs of varied segments of the society. Corona Rakshak plan helped provide timely financial coverage to the affected customers.

Arogya Shield was also launched in collaboration with SBI General Insurance offering Protection and Health insurance in one product.

In today's times, social security and an independent financial future has high prominence. SBI Life - Smart Platina Plus was recently launched, which offers long term financial freedom by providing regular guaranteed income.

Our Micro-insurance products like SBI Life - Grameen Super Suraksha and SBI Life - Grameen Bima cater to our Rural and Social Sector responsibility.

We continue to support "Pradhan Mantri Jeevan Jyoti Bima Yojana" (PMJJBY) - the flagship insurance scheme launched by Government of India as a low premium insurance cover to widen penetration of insurance in India. Currently we have insured over 2.5 Crore members under this scheme.

SBI Life - New Smart Samriddhi, SBI Life - Saral Swadhan+ & SBI Life - Saral Pension are available to the POS (Point of Sale) Channel. These are meant to address the insurance and savings needs of the lower strata of the society.

Further, with growing focus on digitization, number of internet users, growing penetration of smart phones, etc., we have launched innovative products that can be easily accessed through our digital platform. We have developed a digital platform to provide an entirely paperless new policy issuance and servicing process to our customers. This platform has also been extended to our partners and Life Mitras. This has not only helped us in improving our digital footprint but has ensured customer convenience through quick service delivery by following social distancing norms. This has led to a positive impact on the society.

Business Responsibility Report (Contd.)

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
Not applicable considering the nature of business of the Company.
- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Not applicable considering the nature of business of the Company.

- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
Not applicable

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Not applicable considering the nature of business of the Company.

- a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
Not applicable

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

As our Company is not a manufacturing Company, this point is not applicable.

PRINCIPLE 3

1. Please indicate the Total number of employees.

As on March 31, 2022 our total employee count was 18,515. Additionally, we have 146,057 individual insurance agents associated with us who are distributing insurance on our behalf.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

As on March 31, 2022 total count of contractual workers i.e. temporary staff was 904 excluding housekeeping staff, office boys etc.

3. Please indicate the Number of permanent women employees.

As on March 31, 2022, we had 3,127 permanent women employees.

4. Please indicate the Number of permanent employees with disabilities

We are an equal opportunity employer and treat all our employees at par, thus we do not specifically track number of disabled employees. Based on income tax declarations received from employees for claiming tax deduction for self-disability, the Company has 17 such employees.

5. Do you have an employee association that is recognized by management?

The Company does not have any employee association.

6. What percentage of your permanent employees is members of this recognized employee association?

Not applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company's recruitment policy does not permit any engagement of child labor, forced labor or involuntary labor. The Company also refrains from any discrimination on the basis of caste, creed, gender or religion.

The company has a policy against Sexual Harassment of Women at work place in accordance with applicable regulations. 1 case was pending at the beginning of the FY 2021-22; During the year FY 2021-22 under review, 5 sexual harassment cases were filed. Of these, all 6 cases were disposed-off during the year and appropriate actions were taken within timelines in FY 2021-22.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees - 98.98% of the total employees were given skill upgradation training in FY 21-22. 95.94% of permanent employees have undergone more than three different trainings in FY 21-22.
- (b) Permanent Women Employees - 97.91% of the total women employees were given skill upgradation training in FY 21-22. 90.62% of women employee have completed more than three training programs in FY 21-22.
- (c) Casual/Temporary/Contractual Employees - NIL



- (d) Employees with Disabilities – Total 17 employees with disabilities. 94.11% employees with disability have undergone 3 or more trainings in Financial Year and 100% training coverage.

Learning & Development designs appropriate training to all employees and segments based on the identified needs. Training is imparted through classroom modules led by an instructor; web-based e-learning and mobile app. Equal focus is laid on product, process and behavioral trainings. The new LMS platform, e-Shiksha Empowered, encourages self-paced 24 X 7 learning. In addition, Learning and Development facilitates On the Job trainings too in collaboration with functional departments.

We also tie-up with reputed management institutes within and outside India, avail the services of global domain experts and professional trainers besides third party service providers to impart specialized training to employees as well as distributors.

The Company accords prime importance to employee health and safety. All employees undergo periodic training on basic & advanced fire safety including evacuation drills. Fire evacuation drills are periodically conducted for all our offices. Further employees are also periodically sensitized on fire safety norms. The Company has tie-ups with vendors to educate and demonstrate use of fire-fighting equipment. Educative mailers are circulated to all employees on Health, Safety & Environment (HSE), natural calamities and epidemics on a regular basis.

All new employees undergo mandatory orientation sessions. Employees at junior, middle and senior levels undergo need based training programmes including management development, leadership workshops apart from functional skills programmes on product & process knowledge. Digital knowledge repositories have also been made available to enable new hires to access key learning content on the go and on demand.

With an intention to encourage employees to acquire higher functional qualifications/certifications, the Company defined a policy to incentivize its employees for acquiring higher functional/technical qualifications.

We have an Internal Job Posting system that encourages job rotation and multi-skilling. We offer all colleagues the opportunity to take on challenging roles across a variety of functions and geographies and thereby, facilitate their career growth and success.

PRINCIPLE 4

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its key stakeholder groups.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company is guided as per regulations prescribed by IRDAI on a definite/certain percentage of our customized affordable insurance products to be sold to the customers in rural areas and under privileged sectors. Details of the rural and social sector obligations of the Company are provided in the Directors' Report of the Company.

The company caters to rural and under privileged sectors through microinsurance, pure risk premium products on both individual (SBI Life – Grameen Bima) and group (SBI Life – Grameen Super Suraksha). These products are designed to provide financial assistance, at nominal cost, to the families of the life assured in case of any eventuality.

The Company is also providing specific products for women segment and few products are for social security schemes as launched by the Government. The company is also managing SBI Life - Dhanrashi scheme for Delhi Government. This scheme was announced by Delhi Government to encourage birth of girl child born and facilitate completion of their education. The scheme also provides financial support to girls who are below poverty line and annual income of parents is less than ₹ 1 lakh. As per the scheme, the government will deposit the fixed sum amount of money at various stages like, on her birth, admission in the school, admission in different standard and all the money will be given to the girl when she turns age of 18 years.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

SBI Life engages with vulnerable and marginalised stakeholder through various CSR initiatives across multiple states in India. In FY 21-22, SBI Life reached to more than ₹ 2 Lakhs beneficiaries belonging to underprivileged sections of society.

Education being key to personal growth and development, Company has taken various initiatives to improve education status in rural and slum communities. Access, inclusion and quality being the main thrust areas of educational program; company has reached to more than 21000 underprivileged / differently abled/ rural / girl children.

Improving the health of communities is a high priority of SBI Life. Through its regular healthcare initiatives such as sponsoring cost of treatment, providing medical equipment, improving health and nutrition status of rural / tribal children between 0-2 years of age, pregnant and lactating mother.

Please also refer Principle 2.

Business Responsibility Report (Contd.)

PRINCIPLE 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is an equal opportunity, gender neutral employer and has a zero tolerance policy towards any discrimination based on gender, religion, caste or class and strives to uphold fairness at the workplace through transparent policies, systems and processes and has instituted a structured grievance redressal mechanism to address employee concerns.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

For details, kindly refer Principle 1.

PRINCIPLE 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

This principle is not substantially relevant to the Company given the nature of its business.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company constantly endeavors to undertake innovative initiatives to protect the environment. The Company has contributed towards making a greener planet by maintaining the plantations and promoting renewable energy in the states of Maharashtra, Odisha and Kerala. Thus, as part of our 'Go Green Initiative' we have adopted following practices in some of our offices:

- (a) The corporate office building is a Green Building; certified by Indian Green Building Council (IGBC) to comply with efficient use of natural resources and minimal waste generation. The administrative processes are designed to ensure efficient use of natural resources. Few of the sustainable green initiatives to conserve natural resources and protect the environment are as given below.

- (i) **Reduction of Food Wastage:** Food wastage in the cafeteria is discouraged through awareness campaign through graffiti's. Leftover food and food waste generated in our cafeteria is collected and recycled through a composter biodegradation process into organic manure of about 100 kg per month for plants in the premises.

- (ii) **Solar Power Generation:** A feasibility study to ascertain the viability of power generation on roof top using solar panels is under way. Completion of the project will result in saving of electricity load by up to 35 percent from existing demand.

- (iii) **Waste Water Recycling:** We have incorporated process of collecting the waste water which is available in the water dispensers' station. The water so collected is being used for in the watering of indoor plants and floor mopping. This way we have been able to conserve within the premises.

The Company is committed to keeping its environmental footprints as small as possible and has taken proactive steps to reduce direct impact of its operations on the environment.

3. Does the company identify and assess potential environmental risks? Y/N

The Company complies with applicable environmental regulations in respect of its premises and operations. The Company tries to address environmental concerns through various measures towards waste management and water management. Please refer point 2 above for more details.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The aspect outlined in this principle is not applicable to the Company given its nature of its business.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

As mentioned in Point 2 above, the Company undertakes several measures to reduce wastage and for ensuring optimum utilization of resources.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable considering the nature of business of the Company.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Not applicable considering the nature of business of the Company.

**PRINCIPLE 7****1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- (a) Life Insurance Council
- (b) The Federation of Indian Chambers of Commerce and Industry (FICCI)
- (c) The Confederation of Indian Industry
- (d) The Advertising Standards Council of India
- (e) The Indian Society of Advertisers

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

In taking public policy positions, the Company has not advocated/lobbied through any association.

PRINCIPLE 8**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

SBI Life's CSR policy promotes inclusive development in alignment with national priorities. SBI Life's CSR initiatives focuses primarily on education and healthcare followed by environment. Through these initiatives the Company strive to support the underprivileged communities and work towards sustainable growth.

The CSR initiatives undertaken by SBI Life can be broadly categorized under-

| Education | Healthcare | Environment |
|---|--|---|
| <ul style="list-style-type: none"> Support towards education, nutrition and overall development of underprivileged children from the society. Support towards infrastructure, education and training to visually challenged, mentally & differently abled children. Support towards the infrastructure development of school premises, hostels, playgrounds, classrooms, digital equipment for building smart classrooms, sanitation facilities, kitchen facilities, transport facilities to various schools in rural areas. Support for vocational training and skill development to people from disadvantaged sections of the society in order to enhance their livelihood opportunities. | <ul style="list-style-type: none"> Support for healthcare including development of infrastructure, preventive care and treatment support for cancer and other diseases. | <ul style="list-style-type: none"> The Company has contributed towards making a greener planet by planting saplings and maintaining the plantations / supporting renewable energy. |

2. Are the programmes /projects undertaken through in-house team/own foundation / external NGO/government structures/any other organization?

SBI Life's in-house team drives the CSR projects, which are executed with the help of implementing partners registered as either Trust or Society or Section 8 Company to leverage the expertise in the specific sector for more meaningful impact.

3. Have you done any impact assessment of your initiative?

There is an integrated monitoring and evaluation framework in place which is customized for various projects.

Both qualitative as well as quantitative parameters are considered while evaluating the impact of the project.

In FY 21-22, SBI Life impacted more than 2,00,000 lives across the country through its various CSR initiatives. Out of these, 21,000 were children, youth and women across 19 states who have benefitted out of the support extended by SBI Life through its educational initiatives like support in the form of educational material / sponsorship / infrastructure facilities etc. Impact evaluation of such initiatives show increased number of enrolments, enhanced academic performance of the children, improved attendance.

Business Responsibility Report (Contd.)

Similarly, over 1,99,000 beneficiaries across 15 states had received support under health interventions – both regular or COVID-19 relief efforts. Initiatives under health interventions are tracked for performance with indicators like patient registrations, patient's savings on the treatment, improved knowledge of patients on various health issues, etc.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

In FY 2021-22, SBI Life has contributed ₹ 26.73 Crore under various CSR initiatives, details of the contribution are listed below:

| CSR Project | Sector in which the project is covered | Project Reach | Total Amount spent in FY 21-22 (₹ in Cr.) |
|---|--|------------------|---|
| Support for vocational training and skill development to people from disadvantaged sections of the society in order to enhance their livelihood opportunities | Education | Across 19 States | 0.58 |
| Support towards education, nutrition and overall development of underprivileged children from the society | Education | | 13.69 |
| Support towards infrastructure, education and training to visually challenged, mentally & differently abled children | Education | | 3.47 |
| Support towards the infrastructure development of school premises, hostels, playgrounds, classrooms, digital equipment for building smart classrooms, sanitation facilities, kitchen facilities, transport facilities to various schools in rural areas | Education | | 0.60 |
| Environmental Sustainability Initiatives including planting and maintenance of saplings and support towards renewable energy | Environment | Maharashtra | 0.86 |
| Support for healthcare including development of infrastructure, preventive care and treatment support for cancer and other diseases & Covid-19 Relief efforts | Healthcare | Across 15 States | 7.54 |

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

As guidelines, the implementing partner has to have minimum 3 years of experience in implementing similar projects. This ensures that partner has developed skill set in community mobilization as well as proposed activities are tested on the ground for community acceptance. Additionally, implementing partners are advised to use tools like rural participatory appraisal during need assessment to ensure community involvement from beginning. Assistance is provided to implementing partners in developing Information Education Communication (IEC) material having local community focus.

This is also supplemented by progress reports, photographs etc. documenting the involvement of the community. Implementing partners are advised to train community leaders from sustainability perspective.

Exit strategy highlighting how the ownership will be transferred to community is an integral part of the project document.

**PRINCIPLE 9****1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

All complaints received (3,607) during FY 2021-22 are resolved within regulatory TAT. There is no outstanding at the end of FY 2021-22. This status puts us best in the industry. Customer complaints are received through Call Center, E-mail, SMS, WhatsApp, Company website, mobile app Easy Access and walk-in at our branch offices across the country. Customer complaint can be registered at SBI branch. SBI Bank CRM is directly integrated with our CRM for seamless flow of customer grievance for time bound resolution.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not applicable considering the nature of business of the Company. With respect to products and services, the Company complies with the disclosures requirements.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

In the ordinary course of insurance business, several customers have disputes with the Company which could result in their filing a civil suit, criminal complaint or a consumer complaint alleging deficiency of services. The Company always strives to have a cordial relationship with its customers and attempts to have an amicable settlement of the dispute but in some cases needs to pursue legal resolution of the same.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has implemented Net Promoter Score (NPS) as a management tool that is used to gauge the loyalty of a firm's customer relationships. Net Promoter Score has been deployed to conduct customer experience feedback survey across various touch-points. These feedbacks aid in tracking, measuring & improving the client experience effectively.

Management Report

In accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, and circulars/guidelines issued by IRDAI thereafter, the following management report is submitted by the Board of Directors for the financial year ended March 31, 2022.

1. Certificate of Registration

The Company is registered with the Insurance Regulatory and Development Authority of India ('IRDAI') vide registration no. 111 dated March 29, 2001 and is carrying on the business of life insurance. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ('IRDAI') to enable the Company to transact life insurance business was valid as at March 31, 2022 and is in force as on the date of this report.

2. Statutory Dues

We certify that all relevant statutory dues payable by the Company have been generally deposited on time except those under dispute or disclosed under contingent liabilities in the notes to accounts forming part of the financial statements.

3. Shareholding Pattern

We confirm that the shareholding pattern of the Company is in accordance with the requirements of the Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act, 2021) ('Act') and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000. Further, transfer of shares during the year have been in compliance with the applicable statutory and regulatory requirement. There was no capital infusion by the promoters during the year. During the year, the Company has allotted equity shares on exercise of certain stock options granted under SBI Life Employees Stock Option Scheme 2018 ('the scheme' or 'ESOS 2018').

The shareholding pattern is available in schedule 5A which forms part of the financial statements. Further, the shareholding pattern in accordance with the SEBI (Listing Obligation and Disclosure Requirement Regulations) Requirement 2015 is available on the website of the Company (www.sbilife.co.in) and on the website of the stock exchanges i.e. NSE and BSE.

4. Investment of Funds

We have not directly or indirectly invested the funds of the holders of the policies issued in India in any securities outside India.

5. Solvency Margin

We confirm that the Company has adequate assets to cover both its liabilities and the minimum solvency margin as stipulated in Section 64VA of the Insurance Act,

1938 (as amended by the Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021) and IRDAI (Assets, Liabilities and Solvency Margins of life insurance business) regulations 2016.

The actual solvency ratios as compared to required minimum solvency ratio of 1.50 are as below:

| Particulars | March 31, 2022 | March 31, 2021 |
|-----------------------|----------------|----------------|
| Actual Solvency Ratio | 2.05 | 2.15 |

6. Valuation of Assets

We certify that the values of all the assets have been reviewed on the date of Balance Sheet and to best of our knowledge and belief, the amounts reflected under "Loans", "Investments" (excluding debt securities held in the Shareholders' account and non-linked Policyholders' account which are carried at weighted average amortised cost), "Agents balances", "Outstanding Premium", "Interest, Dividend and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amount due from other persons or bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the items specified under "Other Accounts" does not exceed their respective realisable or market value.

7. Application and Investments of Life Insurance Funds

We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act 2021), and all investments made are in accordance with IRDAI (Investment) Regulations, 2016, and orders/directions issued by IRDAI thereafter.

8. Risk Exposure and Mitigation

The Company has a comprehensive Risk Management policy covering a wide gamut of risks. The policy is reviewed on an annual basis. Together with policies on all key functions and a system of documented standard operating procedures, the Company's risk management policy ensures a robust risk management framework for its operations. The Risk Management Committee of the Board (RMC-B)) is responsible for overseeing the Company's risk management programme and for ensuring that significant risks to the Company are monitored and reported to the Board on a timely basis.

The Risk Management Committee of the Executives (RMC-E) and the Asset Liability Committee (ALCO) are jointly responsible for reviewing the risk management framework of the Company and periodically evaluating the various risk management initiatives undertaken by the Company and provide updates to the RMC-B on a regular basis.

At the apex level, the Company has the Corporate Risk Appetite statement basis which it decides the extent of risk it is willing to take in pursuance of its strategic



objectives. At the departmental/regional level, the Company has functional risk appetite statements.

(I) Risk Mitigation Strategies

Risk mitigation strategies for major risks faced by the Company are as under:

(a) Market Risk:

To manage the interest risk, the Company monitors the duration of assets and liabilities for different portfolios on quarterly basis. Also, expected cash-flows of the assets and liabilities are monitored closely to identify any potential re-investment risk.

Investment strategy for each line of business is laid down so that the assets are appropriately matched by the nature and duration of liabilities. A range is provided for each asset class and the investment front office team takes tactical investment decision within the stated range. The Corporate Risk Appetite is the basis on which the risk reward framework is optimised for this purpose.

All investments are made strictly in compliance to the IRDAI investment regulations issued from time to time. Market risk is monitored at the fund level and the Company level.

(b) Credit Risk:

The Company manages the credit risk through the following measures:

- (i) Exposure limits for companies, groups and industries are in accordance with IRDAI (Investment) Regulations, 2016, and regulations/ orders/ directions issued by IRDAI thereafter.
- (ii) Internal risk assessment and constant monitoring of the Investment Portfolio for change in credit ratings.
- (iii) Limit Credit Exposure by setting a range for investments in Corporate bonds, in the context of risk reward Framework.
- (iv) Counterparty risk is mitigated by placing reinsurance only with reputed and highly rated reinsurers.
- (v) Counterparty credit risk under derivative transactions is mitigated through exchange of margin once MTM threshold is crossed.

(c) Liquidity Risk:

The Company faces limited liquidity risk due to the nature of its liabilities & business structure. The cash investment along with expected future premium from

existing business provides the liquidity to meet outgoes.

(d) Morbidity and Mortality Risk:

The Company uses the following approaches to manage its mortality and morbidity risk:

- (i) **Reinsurance:** The Company uses a combination of surplus, quota share and catastrophe reinsurance treaties. The reinsurance treaties are reviewed and compliant with the relevant IRDAI regulations.
- (ii) **Experience analysis:** The Company monitors the expected vs. actual mortality experience on quarterly basis and takes suitable action.
- (iii) **Repricing:** The Company reserves the right to review risk charges, in case of adverse experience, with appropriate IRDAI approval.
- (iv) **Underwriting and claims controls:** Underwriting and claims policies and procedures are in place to assess and manage the risks. The Company conducts periodic reviews of both underwriting and claims procedures and policies to ascertain the mortality risk experience. The underwriting norms are generally aligned to pricing basis.
- (v) **Others:** Various measures have been recently introduced to combat fraudulent death claims and as response to the modification of Section 45 of the Insurance Act. These include:
 - a) Monitoring the early claims at agent, unit manager, branch and regional level.
 - b) Introduction of risk-based underwriting through claim analysis.

(e) Persistency Risk:

The persistency risk is managed with the following approaches:

- (i) **Experience analysis:** The Company conducts its experience analysis quarterly to ensure that corrective action can be initiated at the earliest opportunity and that assumptions used in product pricing and embedded value are in line with experience.
- (ii) **Product features:** The Company uses features like bonuses, guaranteed additions and additional allocation of units to encourage policyholders to

Management report (Contd.)

continue with the policy. However, such features are included strictly in compliance with the IRDAI product regulations issued from time to time.

(iii) Service initiatives: The Company uses a combination of proactive and reactive interventions to manage persistency. The interventions could include sending communication via different media like email, mailers, SMS to customers and distributors, reminders and telephonic interviews with customers, and visits to customers. Various customer education initiatives are also taken up for this cause.

(iv) Aligning key performance areas: The Company uses different key performance areas for different levels of hierarchy in Sales and Operations to align interests and ensure adequate focus on persistency. Persistency Managers at regional level help focus on the need and requirements matching of the customers besides contributing to the renewal business.

(f) Expense Risk:

The Company actively monitors its expense levels, which are then fed back into new product pricing, calculation of reserves and management reporting. In case of any adverse deviations between actual and planned, mitigation measures are taken.

Regular monitoring ensures that the actual expense does not vary a great deal from the budgeted expense level.

(g) Operational Risk:

The Company manages its Operational Risks through-

(i) Risk Registers

Risk Registers document the high-level risks for all the offices based on likelihood & impact rating. Controls in place to manage the risks are captured and rated to arrive at the residual risk.

(ii) Risk Control Self-Assessment (RCSA)

RCSA requires each business unit within the Company to identify and assess inherent risks and controls relevant to the risk. The risk events are then mapped to the existing control framework to determine the residual risk. The controls are periodically assessed for its effectiveness.

(iii) Incident reporting

The Company also has a web-based incident reporting process to collect loss incidents to track the extent of operational risk. The incident reporting tool has helped the Company in development of system based modules for operational efficiency and to prevent recurrence. Loss data records may be used to estimate the capital required for operational risk.

(iv) Risk Control Unit (RCU)

A 'Risk Control Unit' (RCU) is in place to undertake proactive measures for detecting process gaps/ weakness so as to mitigate frauds/ leakages. Lacunae observed are addressed in consultation with the relevant stakeholder. The RCU carries out 'Risk Assessments,' reviews processes and provide inputs to mitigate risks.

(v) Fraud monitoring

The Company takes a holistic approach to identify, measure, control and monitor Fraud risk through the Fraud prevention policy. Various measures taken in coordination with the concerned stakeholders to mitigate Fraud risk. The Company also participates in Industry forums to proactively obtain information on latest Fraud trends.

(vi) Information security

The Information Security Committee (ISC) monitors information and cyber security risks. The Company complies with relevant regulatory and statutory information security requirements and is ISO 27001 certified. To further enhance the information security, the Company periodically conducts user awareness campaigns across locations.

(vii) Data Protection

The Company employs various data protection solutions to ensure that the data of its customers, employees, vendors and other stakeholders is appropriately handled through its life cycle. A Data Governance Framework is in the process of being formulated by the Company.

(viii) Business continuity management

The Company has requisite business continuity and disaster recovery plans



in place and is ISO 22301 certified. The Company adheres to the business continuity requirements notified by the Authority.

(h) Regulatory Risk:

Compliance function monitors regulatory risks and has a sound compliance management and suitable monitoring mechanisms in place. Relevant regulatory requirements and clarifications are communicated to relevant business functions on a timely basis. Suitable training is imparted to ensure adherence to applicable regulations.

(i) Reputational Risk:

The Company has a structured process for identifying and managing risks emerging from reputational and other external events. Such events are discussed in the Risk Events Monitoring committee, which meets on a quarterly basis. Events impacting the reputation are also monitored through the Corporate Risk Appetite statement.

(j) Legal Risk:

Litigation cases are reviewed periodically by the senior management and appropriate steps are taken to adequately represent the Company in various forums.

(k) Country Risk:

The Company is operating only in India and hence has no exposure to other country risk.

(l) COVID-19

In view of COVID-19 pandemic, the Company has assessed the overall impact of this

pandemic on its business and financials, including valuation of assets, policy liabilities and solvency for the year ended March 31, 2022. Based on the evaluation, the Company have made an additional reserve amounting to ₹ 2,893,383 thousands towards COVID-19 pandemic and the same has been provided for as at 31/03/2022 in the actuarial policy liability. The Company will continue to closely monitor any future developments relating to COVID-19 which may have any impact on its business and financial position.

(II) Risk Quantification, Capital Allocation and Concentration:

The Company has a mechanism to calculate risk on an economic basis. As a part of economic capital exercise, the exposure level to various risks is monitored. The Company also ensures that adequate capital is maintained to cover its risks and thereby remain solvent on an economic basis.

9. Ageing of Claims

Mortality Claims Average Settlement period for last 5 years

| Financial Year | Average Claim Settlement Time (in days) |
|----------------|---|
| FY 2022 | 6.91 |
| FY 2021 | 4.26 |
| FY 2020 | 2.76 |
| FY 2019 | 2.76 |
| FY 2018 | 3.71 |
| FY 2017 | 4.43 |

The ageing of claims* registered and not settled are as below:

(i) Traditional Claims

| Year | Upto 30 days | | 30 days to 6 months | | 6 months to 1 year | | 1 year to 5 years | | 5 years & above | |
|---------|--------------|--------|---------------------|--------|--------------------|--------|-------------------|--------|-----------------|--------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| FY 2022 | 17,201 | 28,496 | 7,924 | 4,946 | 26 | 166 | - | - | - | - |
| FY 2021 | 19,031 | 19,200 | 6,520 | 5,961 | 52 | 69 | - | - | - | - |
| FY 2020 | 17,083 | 10,979 | 2,690 | 1,364 | 517 | 146 | 3 | 6 | - | - |
| FY 2019 | 779 | 1,002 | 2,102 | 686 | 1 | 1 | 9 | 19 | 3 | 14 |
| FY 2018 | 1,792 | 5,000 | 2,436 | 3,222 | 6 | 60 | 22 | 82 | 2 | 36 |
| FY 2017 | 181 | 311 | 1,315 | 1,480 | 12,410 | 432 | 32,982 | 1,618 | 199 | 14 |

₹ in lakhs

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(ii) Ulip claims

₹ in lakhs

| Year | Upto 30 days | | 30 days to 6 months | | 6 months to 1 year | | 1 year to 5 years | | 5 years & above | |
|---------|--------------|--------|---------------------|--------|--------------------|--------|-------------------|--------|-----------------|--------|
| | Count | Amount | Count | Amount | Count | Amount | Count | Amount | Count | Amount |
| FY 2022 | 3,171 | 15,712 | 235 | 1,731 | - | - | - | - | - | - |
| FY 2021 | 7,374 | 27,327 | 330 | 2,436 | 2 | 17 | 1 | 7 | - | - |
| FY 2020 | 2,417 | 8,196 | 197 | 896 | 19 | 339 | - | - | - | - |
| FY 2019 | 1,022 | 4,340 | 179 | 390 | - | - | - | - | - | - |
| FY 2018 | 976 | 4,042 | 112 | 492 | 3 | 10 | 14 | 47 | 1 | 1 |
| FY 2017 | 2,411 | 7,926 | 30 | 153 | 13 | 41 | 86 | 376 | 18 | 43 |

*Claims includes death, maturity, survival, surrender, withdrawal, annuity and health

10. Valuation of Investments

We certify that the investments made out of Shareholders' funds and Non-Linked Policyholders' funds in debt securities, redeemable preference shares are classified as "held to maturity" and stated at historical cost subject to amortisation of premium or accretion of discount over a period of holding/maturity on yield to maturity basis. Fixed Deposit and Reverse Repo are valued at cost.

The book value and the market value of these investments are as follows:

₹ ('000)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Book value | Market value | Book value | Market value |
| Non-linked and shareholder funds' Investments valued at book value subject to amortisation of premium & discount | 1,114,750,660 | 1,127,203,482 | 901,545,567 | 945,034,826 |
| Non-linked and shareholder funds' investments valued at market value | 99,490,710 | 133,087,174 | 114,639,916 | 145,016,384 |
| Total investments in non-linked and shareholder funds | 1,214,241,370 | 1,260,290,656 | 1,016,185,483 | 1,090,051,210 |

i. Valuation – shareholders' investments and non-linked policyholders' investments

Debt securities

Debt securities, including Government securities and money market securities are stated at historical cost subject to amortisation of premium or accretion of discount over a period of holding/ maturity on yield to maturity basis.

Investments in Fixed Deposit with banks and Reverse Repo are valued at cost.

Equity, equity related instruments & preference shares

Listed equity shares, equity related instruments & preference shares are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the closing price at primary exchange i.e. NSE is considered.

If NSE closing price is not available for any security, then BSE closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.

In case of Security Lending & Borrowing ('SLB'), equity shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from Credit Rating Information Services of India Limited ('CRISIL').

Unrealised gains or losses arising due to change in the fair value of equity shares are recognised in the Balance Sheet under "Fair value change account".

On each Balance Sheet date, the Company assess whether impairment of listed equity securities has occurred. Any impairment loss is recognised as an expense in the Revenue or Profit and Loss Account to the extent of the difference between the re-measured fair value of the security or investment and its weighted average cost as reduced by any previous impairment loss recognised as an expense in the Revenue or Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue or Profit and Loss Account, is recognised in the Revenue or Profit and Loss account.



Mutual funds

Investments in mutual funds are valued at the previous day's Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the balance sheet under "Fair Value Change account".

Alternative Investment Funds (AIFs)

Investments in Alternative Investment Funds (AIFs) are valued at latest available NAV. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognised in the Balance Sheet under "Fair Value Change account".

Interest Rate Derivatives (IRDs)

Interest Rate Derivative (IRD) contracts for hedging of highly probable forecasted transactions on insurance contracts and investment cash flows in life, pension and annuity business, are accounted for in the manner specified in accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute Of Chartered Accountants of India (ICAI) in June 2015 effective from FY 2016-17, IRDAI circular no. IRDA/F&I/INV/CIR/138/06/2014 dated June 11, 2014 ('the IRDAI circular on Interest Rate Derivatives') and IRDAI Investment Master Circular issued in May 2017.

The Company has well defined Board approved interest rate risk hedging policy and process document covering various aspects related to functioning of the derivative transactions undertaken to mitigate interest rate risk as per the interest rate risk hedging strategy. At the inception of the hedge, the Company designates and documents the relationship between the hedging instrument and the hedged item, the risk management objective, strategy for undertaking the hedge and the methods used to assess the hedge effectiveness. Hedge effectiveness is the degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter at balance sheet date.

Forward Rate Agreement ("FRA") is a forward contract to hedge the risk of movements in interest rates. In a FRA contract, the Company fixes the yield on the government bond for the period till the maturity of the contract. The Company enters into FRA to hedge interest rate risk on forecasted transactions: a) Reinvestment of maturity proceeds of existing fixed income Investments; b) investment of interest income receivable; and c) expected

policy premium income receivable on insurance contracts which are already underwritten in Life, Pension & Annuity business.

The Company follows "hedge accounting" for accounting of all interest rate derivative financial instruments as per Guidance Note on Accounting for Derivative Contracts issued by Institute of Chartered Accountants of India (ICAI).

The Forward Rate Agreement (FRA) contract is valued at the difference between the market value of underlying bond at the spot reference yield taken from the SEBI approved rating agency and present value of contracted forward price of underlying bond including present value of intermediate coupon inflows from valuation date till FRA contract settlement date, at applicable INR-OIS rate curve. The fair valuation or mark to market valuation of the derivative financial instruments is done independently by both the parties i.e. the Company and the counter party. The counter party (bank) valuation is considered for margin settlement as the counter party (bank) is the valuation agent as per forward rate agreement.

Hedging instruments are initially recognised at fair value and are re-measured at fair value at subsequent reporting dates. The effective portion of fair value gain/loss on the interest rate derivative that is determined to be an effective hedge is recognised in equity account i.e. "Hedge Fluctuation Reserve" or "HFR" under the head 'Credit/(Debit) Fair Value Change Account' in the balance sheet and the ineffective portion of the change in fair value of such derivative instruments is recognised in the revenue account or profit and loss account in the period in which they arise. The fair value gain / loss on the interest rate derivative that is determined to be an ineffective hedge is recognised in the revenue account or profit and loss account in the period in which they arise.

The accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue Account or profit and loss account, in the same period during which the income from investments acquired from underlying forecasted cash flow is recognised in the Revenue account or profit and loss account. Hedge accounting is discontinued when the hedging instrument is terminated or it becomes probable that the expected forecast transaction will no longer occur or the risk management objective is changed or no longer expected to be met. On such termination, accumulated gains or losses that were recognised in the Hedge Fluctuation Reserve are reclassified into Revenue account or profit and loss account. Costs associated with derivative contracts are considered as at a point in time cost.

Management report (Contd.)

Real Estate Investment Trusts (REITs)/ Infrastructure Investments Trusts (InvITs)

The investment in Units of REITs / InvITs are valued at Market Value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust. Unrealised gains or losses arising due to change in the fair value of Real Estate Investment Trust (REITs)/Infrastructure Investments Trusts (InvITs) are recognised in the Balance Sheet under "Fair value Change Account".

ii. Valuation – Linked Business

Debt Securities

Debt securities including Government Securities with remaining maturity of more than one year are valued at prices obtained from CRISIL.

Debt securities including government securities with remaining maturity of less than one year are valued on yield to maturity basis, where yield is derived using market price provided by CRISIL on the day when security is classified as short-term. If security is purchased during its short-term tenor, it is valued at amortised cost using yield to maturity method. In case of securities with options, earliest Call Option/Put Option date will be taken as maturity date for this purpose.

Money market securities are valued at historical cost subject to amortisation of premium or accretion of discount on yield to maturity basis.

Investments in Fixed Deposits with banks and Reverse Repo are valued at cost.

Equity, Equity related Instruments & Preference Shares

Listed equity shares, equity related instruments & preference shares are measured at fair value on the balance sheet date. For the purpose of determining fair value, closing price at primary exchange i.e. NSE is considered.

If NSE closing price is not available for any security, then BSE closing price is used for valuation.

Unlisted equity shares, equity related instruments & preference shares are measured at historical cost.

In case of Security Lending & Borrowing (SLB), Equity Shares lent are valued as per valuation policy for equity shares as mentioned above.

Additional Tier 1 (Basel III Compliant) Perpetual Bonds classified under "Equity" as specified by IRDAI, are valued at prices obtained from CRISIL.

Unrealised gains or losses arising due to change in the fair value are recognised in the revenue account.

Mutual Funds

Investments in mutual funds are valued at the previous day's Net Asset Value (NAV). Unrealised gains or losses arising due to change in the fair value of mutual fund units are recognised in the Revenue account.

Real Estate Investment Trusts (REITs)/ Infrastructure Investments Trusts (InvITs)

The investment in units of REITs / InvITs are valued at market value (last quoted price should not be later than 30 days). For the purpose of determining market value, the closing price at primary exchange i.e. NSE is considered. If NSE closing price is not available for any security, then BSE closing price is used for valuation. Where market quote is not available for the last 30 days, the units are valued as per the latest NAV (not more than 6 months old) of the units published by the trust. Unrealised gains or losses arising due to change in the fair value of REITs units are recognised in the revenue account.



11. Review of Asset Quality

The Company invests its funds in Government Securities, Bonds & Debentures, equity shares, money market instruments, fixed deposits, etc. in accordance with the Investment guidelines prescribed by IRDAI from time to time. The assets held are ₹ 267,409 crores as on March 31, 2022 and is having the following bifurcation:

| Investment Category | Shareholders' Funds | Policyholders' funds | | Total |
|-----------------------------|---------------------|----------------------|-----------|---------|
| | | PH - Non-ULIP | PH - ULIP | |
| Government Securities | 44.75% | 58.78% | 29.90% | 42.85% |
| Corporate bonds: | | | | |
| - AAA | 27.87% | 19.86% | 10.73% | 15.29% |
| - AA / AA+ | 7.69% | 1.73% | 1.39% | 1.77% |
| - AA- & below | 0.91% | 0.16% | 0.17% | 0.19% |
| Equity Shares [^] | 15.07% | 9.06% | 50.86% | 31.58% |
| Fixed Deposits with Banks | 0.00% | 1.93% | 0.51% | 1.10% |
| Mutual fund | 0.00% | 0.00% | 0.00% | 0.00% |
| Money Market Instruments | 2.99% | 7.09% | 5.40% | 6.03% |
| Others* | 0.71% | 1.39% | 1.05% | 1.18% |
| Grand Total | 100.00% | 100.00% | 100.00% | 100.00% |
| Size of Funds (₹ in crores) | 10,076 | 114,708 | 142,625 | 267,409 |

[^] Includes investment in Equity Exchange Traded funds (ETF), Additional Tier 1 (AT1) bonds.

* Include Investment in Loans, Loan against policy, REITs, INVIT, Alternate Investment Funds and Net Current Assets.

The investments are made with strong research recommendations based on fundamentals, long-term view and growth potentials. Around 77% of the equity investments are in large cap Nifty 50 index stocks and approximately 96% (including Central Government Securities, State Government Securities and Other Approved Securities) of the rated debt investments are in AAA or equivalent rating for long-term and A1+ or equivalent rating for short-term instruments, which indicates the safe & reliable asset quality. The Company follows the guidelines, prescribed by IRDAI, with respect to strong Investment Risk Management Systems & Processes. Further, all the investment transactions are subject to independent Concurrent Audit.

Returns generated by Unit Linked Funds during the year are given below:

| Funds | AUM as on March 31, 2022 (₹ in crs) | Return for 1 year | | Return for 3 years (CAGR) | | Return for 5 years (CAGR) | |
|--------------------------------------|---|-------------------|-----------|---------------------------|-----------|---------------------------|-----------|
| | | Fund | Benchmark | Fund | Benchmark | Fund | Benchmark |
| EQUITY FUNDS | | | | | | | |
| Equity | 38,268.44 | 18.57% | 18.88% | 14.22% | 14.53% | 12.86% | 13.74% |
| Equity Pension | 523.66 | 20.41% | 18.88% | 14.77% | 14.53% | 13.50% | 13.74% |
| Equity Pension II | 5,277.33 | 19.57% | 18.88% | 14.68% | 14.53% | 13.62% | 13.74% |
| Growth | 2,038.83 | 14.56% | 14.66% | 13.77% | 13.19% | 12.19% | 12.18% |
| Growth Pension | 197.05 | 15.04% | 14.66% | 14.26% | 13.19% | 12.56% | 12.18% |
| Equity Optimiser | 1,712.02 | 17.25% | 15.91% | 12.78% | 12.95% | 11.98% | 12.41% |
| Equity Optimiser Pension Fund | 160.13 | 15.74% | 15.91% | 14.28% | 12.95% | 13.23% | 12.41% |
| Equity Elite | 12.77 | 26.00% | 15.91% | 19.44% | 12.95% | 16.70% | 12.41% |
| Equity Elite fund II | 9,367.84 | 15.94% | 15.91% | 13.25% | 12.95% | 12.20% | 12.41% |
| Index | 132.39 | 18.91% | 18.88% | 14.84% | 14.53% | 13.33% | 13.74% |
| Index Pension | 32.51 | 19.31% | 18.88% | 14.83% | 14.53% | 13.36% | 13.74% |
| Top 300 fund | 1,210.02 | 17.36% | 15.91% | 15.56% | 12.95% | 14.11% | 12.41% |
| Top 300 Pension Fund | 195.34 | 18.02% | 15.91% | 15.96% | 12.95% | 14.34% | 12.41% |
| Midcap Fund | 6,686.40 | 26.11% | 25.32% | 21.00% | 17.60% | 16.01% | 11.54% |
| Pure Fund | 594.32 | 19.39% | NA | 16.40% | NA | 11.48% | NA |
| DEBT FUNDS | | | | | | | |
| Bond Fund | 26,140.95 | 4.04% | 4.48% | 7.22% | 8.22% | 6.57% | 7.29% |
| Bond Pension Fund | 376.35 | 3.87% | 4.48% | 7.61% | 8.22% | 7.19% | 7.29% |
| Bond Pension Fund II | 17,136.21 | 3.76% | 4.48% | 6.43% | 8.22% | 5.98% | 7.29% |
| Group Short-Term Plus Fund | 0.00 | 2.38% | 4.48% | 4.05% | 8.22% | 5.98% | 7.29% |
| Group Short-Term Plus Fund II | 1.37 | 3.55% | 4.48% | 5.80% | 8.22% | 6.29% | 7.29% |
| Guaranteed Pension fund GPF070211 | 2.50 | 3.50% | NA | 6.43% | NA | 6.20% | NA |

Management report (Contd.)

| Funds | AUM as on March 31, 2022 (₹ in crs) | Return for 1 year | | Return for 3 years (CAGR) | | Return for 5 years (CAGR) | |
|--------------------------------|---|-------------------|-----------|---------------------------|-----------|---------------------------|-----------|
| | | Fund | Benchmark | Fund | Benchmark | Fund | Benchmark |
| Bond Optimiser Fund | 1,414.92 | 9.26% | 7.42% | 15.72% | 9.89% | NA | NA |
| Corporate Bond Fund | 588.10 | 4.95% | 5.46% | 9.06% | 8.75% | NA | NA |
| BALANCED FUNDS | | | | | | | |
| Balanced | 20,372.73 | 11.25% | 11.79% | 11.46% | 12.03% | 10.55% | 10.95% |
| Balanced pension | 89.27 | 11.20% | 11.79% | 12.53% | 12.03% | 11.57% | 10.95% |
| Flexi Protect | 0.06 | 1.57% | NA | 2.10% | NA | 3.44% | NA |
| Flexi Protect (series II) fund | 0.03 | 2.17% | NA | 3.02% | NA | 4.49% | NA |
| Group Balance Plus | 109.08 | 7.33% | 8.16% | 9.99% | 10.28% | 9.21% | 9.22% |
| Group Balance Plus II | 105.68 | 7.53% | 8.16% | 9.82% | 10.28% | 9.16% | 9.22% |
| Group Debt Plus | 3.26 | 5.47% | 5.95% | 8.73% | 9.08% | 8.08% | 8.09% |
| Group Debt Plus II | 141.94 | 5.53% | 5.95% | 8.66% | 9.08% | 8.03% | 8.09% |
| Group Growth Plus Fund | 1.86 | 9.40% | 11.07% | 12.37% | 11.70% | 11.38% | 10.62% |
| Group Growth Plus Fund II | 4.75 | 9.57% | 11.07% | 12.05% | 11.70% | 10.96% | 10.62% |
| Daily Protect Fund II | 0.04 | 2.25% | NA | 3.95% | NA | 5.18% | NA |
| Daily Protect Fund III | 0.09 | 4.22% | NA | 4.81% | NA | 5.84% | NA |
| P/E Managed Fund | 265.72 | 11.10% | NA | 10.58% | NA | 9.80% | NA |
| LIQUID FUNDS | | | | | | | |
| Money Market | 338.42 | 3.30% | 3.81% | 4.48% | 4.86% | 5.31% | 5.71% |
| Money Market Pension | 47.73 | 3.23% | 3.81% | 4.46% | 4.86% | 5.31% | 5.71% |
| Money Market Pension II | 900.70 | 3.06% | 3.81% | 4.19% | 4.86% | 5.03% | 5.71% |
| Group Money Market Plus Fund | 2.22 | 2.71% | 3.81% | 3.77% | 4.86% | NA | NA |
| Group STO Plus Fund II | 0.00 | NA | NA | NA | NA | NA | NA |
| DISCONTINUED FUNDS | | | | | | | |
| Discontinued Policy Fund | 6,502.72 | 3.92% | NA | 5.40% | NA | 5.62% | NA |
| Discontinue Pension Fund | 1,669.56 | 3.83% | NA | 5.82% | NA | 5.54% | NA |

NA – indicates that the fund has not completed the relevant period under consideration.

Returns generated by conventional portfolios and shareholders' portfolio during the year are given below:

| Particulars | Assets held (₹ '000) | | Returns on assets * (%) | |
|--|----------------------|----------------|-------------------------|----------------|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Participating policyholders' funds | 465,709,819 | 403,896,099 | 9.32% | 8.73% |
| Non participation policyholders' funds | 681,369,789 | 556,618,761 | 8.21% | 8.15% |
| Shareholders' funds | 100,758,226 | 86,047,092 | 10.40% | 8.58% |

* Returns are based on realised income i.e. without considering the unrealised gains and losses.

12. Management's Responsibility Statement

The Management of the Company also confirm that:

- in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
- the management has adopted accounting policies and applied them consistently and made judgements 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 operating profit and of the profit of the Company for the year;
- the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) (amended by Insurance Laws (Amendment) Act, 2015 and Insurance Laws (Amendment) Act, 2021), Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the management has prepared the financial statements on a going concern basis;
- the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

**13. Payments made to individuals, firms, companies and organisations in which directors are interested**

The details of payments made to individuals, firms, companies and organisations in which directors are interested are as follows:

| | | | | ₹ ('000) | |
|---------|---------------------------|--|---------------|------------|------------|
| Sr. No. | Name of director | Entity in which director is interested | Interested as | FY 2022 | FY 2021 |
| 1 | Mr. Dinesh Kumar Khara | State Bank of India | Chairman | 14,408,405 | 12,446,936 |
| | | SBI Cards And Payment Services Limited | Chairman | 1 | 235 |
| | | SBI General Insurance Company Limited | Chairman | 8,272 | 6,507 |
| | | SBI Foundation | Chairman | - | - |
| | | SBI Capital Markets Limited | Chairman | - | - |
| | | Sbi Funds Management Pvt. Limited | Director | - | - |
| | | SBICAP Ventures Limited | Director | - | - |
| | | SBI Caps (Singapore) Limited | Director | - | - |
| | | | | | |
| 2. | Mr. Ashwini Kumar Tewari* | State Bank Of India | Director | 14,408,405 | 12,446,936 |
| | | SBI Cards And Payment Services Limited | Director | 1 | 235 |
| | | Sbi General Insurance Company Limited | Director | 8,272 | 6,507 |
| | | SBICAP Securities Limited | Director | 22,341 | 32,326 |
| | | SBI DFHI Limited | Director | - | - |
| | | SBI Global Factors Limited | Director | - | - |
| | | SBI Foundation | Director | - | - |
| | | SBI Capital Markets Limited | Director | - | - |
| | | SBI Funds Management Pvt. Limited | Director | - | - |
| | | SBI Pension Funds Private Ltd. | Director | - | - |
| | | SBICAP Ventures Limited | Director | - | - |
| | | SBI Payment Services Private Ltd. | Director | - | - |
| | | SBI Infra Management Solutions Private Limited | Director | - | - |
| | | | | | |
| | | | | | |
| | | | | | |

*Mr. Ashwini Kumar Tewari was appointed as Nominee Director of the Company w.e.f. April 12, 2021

For and on behalf of the Board of Directors

Dinesh Kumar Khara

Chairman

(DIN: 06737041)

Narayan K. Seshadri

Director

(DIN: 00053563)

Mahesh Kumar Sharma

MD & CEO

(DIN: 08740737)

Sangramjit Sarangi

President & CFO

Prithesh Chaubey

Appointed Actuary

Vinod Koyande

Company Secretary

Place: Mumbai

Date: April 28, 2022