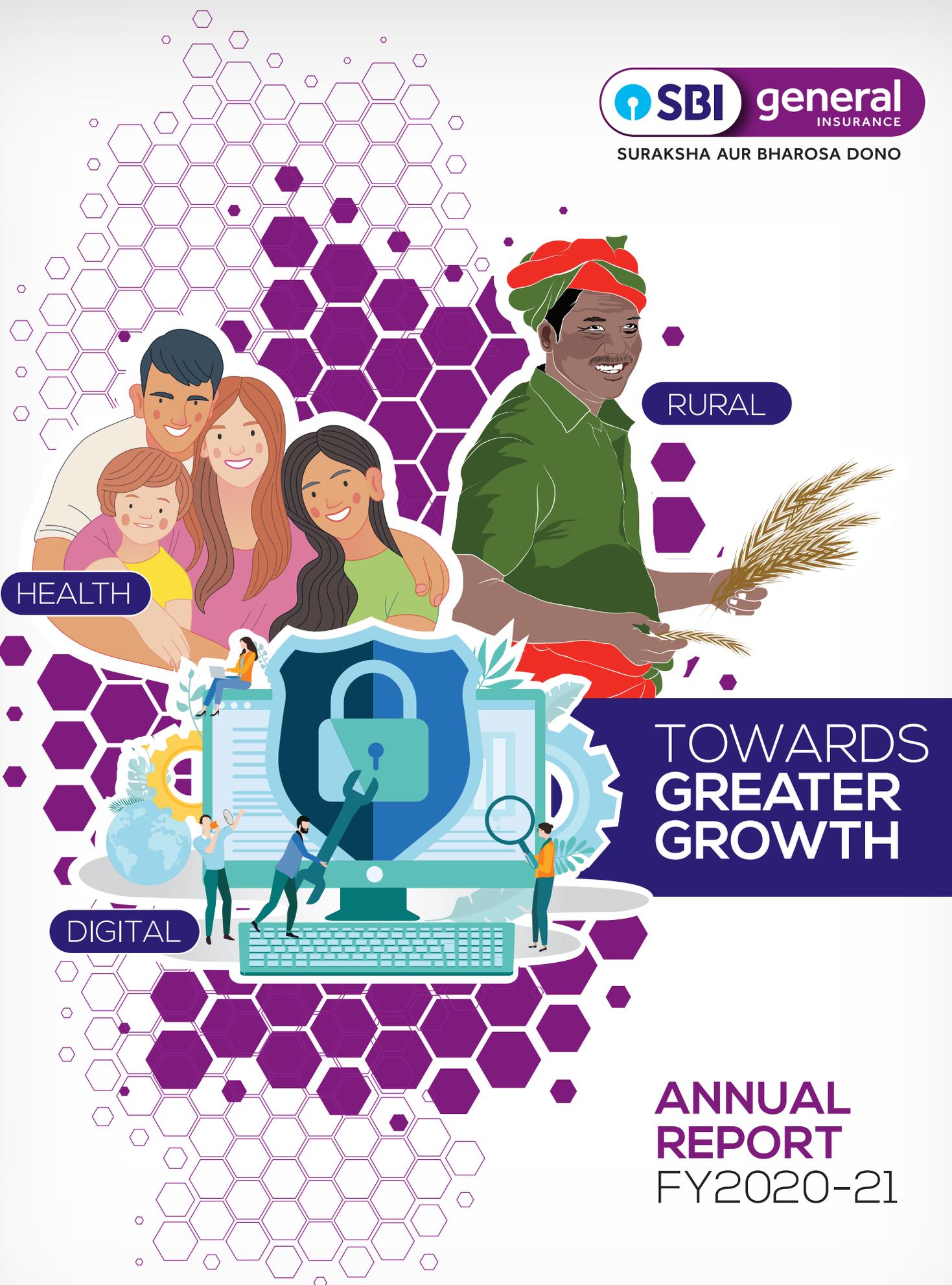




SURAKSHA AUR BHAROSA DONO



HEALTH

RURAL

DIGITAL

TOWARDS  
GREATER  
GROWTH

ANNUAL  
REPORT  
FY2020-21

SBI GENERAL INSURANCE COMPANY LIMITED

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

- Shri Dinesh Kumar Khara, Chairman
- Shri Ashwini Kumar Tewari, Director
- Shri T K Kurien, Non-Executive Director (Nominee of Napean Opportunities LLP)
- Shri Mahendra Kumar Garg, Independent Director
- Shri D. Sundaram, Independent Director
- Dr. Ashima Goyal, Independent Director
- Shri Prakash Chandra Kandpal, Managing Director & CEO

## MANAGEMENT TEAM

- Shri Prakash Chandra Kandpal, Managing Director & CEO
- Shri Pushan Mahapatra, President - Strategic Investments & Head-Open Market
- Shri Rikhil K. Shah – Chief Financial Officer
- Shri Deepak Lingwal, Chief Operating Officer
- Shri Atul Deshpande - Head-Claims and Digital Projects
- Shri Shirish Thatte, Head- Internal Audit
- Ms. Gayle Adams, Appointed Actuary
- Shri Pradeep Manshani, Chief Investment Officer
- Shri Avez Sayed, Chief Risk Officer
- Shri Pankaj Verma, Head- Underwriting
- Shri Samir Chhabra, Head- Bancassurance
- Shri Shatrughan Singh – Company Secretary & Compliance Office

## CORPORATE & REGISTERED OFFICE

'Natraj', 301, Junction of Western Express Highway & Andheri-Kurla Road,  
Andheri (East), Mumbai 400 069  
Phone: +91 22 42412000  
Fax: +91 22 42412071

## BANKERS

State Bank of India  
HDFC Bank Ltd.  
Standard Chartered Bank

## AUDITORS (FY 2020-21)

M/s. A. Bafna & Co., Chartered Accountants  
M/s. MKPS & Associates, Chartered Accountants

CIN: U66000MH2009PLC190546

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FINANCIAL STATEMENTS • STATUTORY REPORTS • COMPANY OVERVIEW



## CHAIRMAN'S WELCOME

Dear Shareholders,

I would like to appreciate SBI General on yet another successful year of operations and profits. SBI General has been showcasing a consistent growth over the past decade which is certainly commendable. The Company has put its best foot forward to service the customers, even in such dire circumstances that was dampened largely by the pandemic, thereby living up to the commitment of Suraksha aur Bharosa Dono.

Financial year 2021 affected growth across sectors and economies owing to the lower global demand arising out of the COVID-19 pandemic. The crisis has slowed down the economic activity in the country in the first few months of the new fiscal year. With the pandemic still looming on the horizon, the insurance industry still managed to grow by 5.2% in FY 21. While there has been a boost in awareness due to the pandemic, there is a huge population that still needs be brought under the fold of insurance and have their risks covered.

Times have been tough, but we have been resilient, and I am sure, this too shall pass. The outbreak impact is likely to continue into FY22 and the recovery is largely dependent on the extent of limiting the spread of the next wave in India. The situation, however, has brought about more awareness about health insurance amongst customers. Improved insurance awareness and increased digital penetration have emerged as the silver lining of this dark pandemic cloud. Combined with the government's increasing emphasis on insurance; I believe that State Bank of India and SBI General, are uniquely placed in assisting the government's aim of making insurance accessible for millions.

I wish SBI General all the best for the endeavours to progress ahead.

Best regards,

**Dinesh Khara**

Chairman, State Bank of India



## FROM THE MANAGING DIRECTOR'S DESK

### Dear Shareholders,

The year 2020 has been unprecedented with the outbreak of COVID-19 but it has also been the year that was the true test of our, spirit, resilience, future readiness, and commitment to our stakeholders. We have overcome challenges to keep our customers reassured and business uninterrupted.

People and businesses have been grappling with the devastating coronavirus pandemic for the past year and a half. At SBI General, we strongly believe that we have been well prepared with our business contingency plan, to effectively tackle the crisis and have emerged stronger. Along with the BCP, we have taken all the necessary measures to protect the health and well-being of our employees and our customers. We deployed necessary measures and platforms to ensure consistent connectivity with our customers for any queries / requirements related to insurance solutions and are constantly focused to enhance the same.

Despite the challenges, SBI General has delivered a robust performance in the financial year 2020-21. For the year under review, the General Insurance sector grew by 5.2% and reported Gross Direct Premium (GDP) of ₹ 1,98,735 crores. SBI General improved its market share to 4.2% from 3.6% in the previous year with Gross written Premium (GWP) of ₹ 8,312 cr, representing a growth of 22% over the previous year. The Combined Operating Ratio was 99.8% this year. As on March 31, 2021, the Company had a solvency ratio of 2.00 as against the regulatory requirement of minimum of 1.50. We recorded growth across all major lines of business and Fire, Motor, Health, Crop and Personal Accident continued to be the primary drivers of our growth. In the year, we sold over 86 lakh policies. On the other hand, we ensured the claim settlement processes were further streamlined with automated approval systems to provide best-in-class experience to our customers in terms of settlement ratios and turnaround times. We have been focused to introduce various customer centric initiatives over the past few years, which helped increase digitisation, adoption of innovative technologies or process improvements. These initiatives helped us service our customers with minimal snag and our business as usual remained uninterrupted through the COVID-19 outbreak. The digitisation journey is also critical for us to fulfil our long-term transformation plans, drive innovation, form and participate in industry ecosystems.

We believe that the Company has been agile and future-ready with our core focus on deploying new age technologies to enhance operational efficiencies to deliver a faster, more seamless experience to our customers. We understand, there is an increased awareness about insurance solutions as a financial security tool. This would result in the increased penetration of the insurance industry in India. While we continue to pursue our business milestones, we will remain focused on creating long-term value for our stakeholders. I would like to convey my sincere appreciation to the Board of Directors for their guidance and would also like to express my heartiest gratitude to all our stakeholders for their continued faith in SBI General.

Best regards,

Prakash Chandra Kandpal  
Managing Director & CEO, SBI General Insurance

## WELCOME TO SBI GENERAL

SBI General Insurance commenced its operations as a joint venture between State Bank of India (SBI) and Insurance Australia Group (IAG). Pursuant to stake sale by IAG in March 2020, SBI now owns 70%, while Napean Opportunities LLP (Premji Invest affiliate) owns 16.01%. The remaining share is divided amongst Honey Wheat Investment Ltd., an entity forming part of Warburg Pincus Group (9.99%), PI Opportunities Fund-1 (2.35%) and Axis New Opportunities AIF-I (1.65%).

The Total Capital invested as on date is 15,481 mn with a Book Value Per Share of 126.97 and a Net Worth of 27,361.30 mn.

**SBI General has completed over a decade of excellence. With a focused approach and strong understanding of risk has enabled the Company to cross many a milestones. From just 17 branches in 2011, we now have a presence with over 137 branches spread all across India. We are one of the fastest growing companies and the only company in the private General Insurance industry in India to achieve a GWP of ₹6000 crore in 10 years of its operations. These milestones, expert industry knowledge and sectoral understanding that have become ingrained in the SBI General's ethos and continue to drive us even today. Having marked consistent growth through the years, SBI General is focused towards greater growth with profitability.**

## VISION

Our vision is to become the most trusted general insurer for a transforming India.

## MISSION

Our mission is to provide simple and innovative general insurance solutions, be responsive to our customers' needs and build a sustainable business for the future.

## VALUES

**TRANSPARENCY** - We strive to be fair, dependable and trustworthy in all our interactions.

**EMPATHY** - We understand and are supportive of our customers' needs, helping them get back on their feet when needed.

**AGILITY** - We are innovative in reacting quickly and positively to all our stakeholders.

**MOTIVATION** - We are always eager to do our best for our customers, our people and our business

**SERVICE** - We provide the highest levels of service with dedication and consistency

## BOARD OF DIRECTORS



**Shri Dinesh Kumar Khara**  
Chairman,  
State Bank of India



**Shri Ashwini Kumar Tewari**  
Managing Director (IB, T & S),  
State Bank of India



**Shri T K Kurien**  
Non-Executive Director (Nominee of  
Napean Opportunities LLP)



**Shri Mahender Kumar Garg**  
Independent Director



**Shri D. Sundaram**  
Independent Director



**Dr. Ashima Goyal**  
Independent Director



**Shri Prakash Chandra Kandpal**  
Managing Director & Chief Executive Officer

## MANAGEMENT TEAM



**Prakash Chandra Kandpal**  
Managing Director &  
Chief Executive Officer



**Pushan Mahapatra**  
President -  
Strategic Investments & Head -  
Open Market



**Rikhil Shah**  
Chief Financial Officer



**Deepak Lingwal**  
Chief Operating Officer



**Shirish Thatte**  
Head -  
Internal Audit



**Gayle Adams**  
Appointed Actuary



**Pradeep Kumar Manshani**  
Chief Investment Officer



**Avez Sayed**  
Chief Risk Officer



**Pankaj Verma**  
Head- Underwriting



**Samir Chhabra**  
Head -  
Bancassurance



**Atul Deshpande**  
Head-Claims and  
Digital Projects



**Shatrughan Singh**  
Company Secretary &  
Compliance Officer

## RETAIL PRODUCTS



### MOTOR INSURANCE

- Private Car Insurance Policy-Package
- Two Wheeler Insurance Policy Package



### HOME INSURANCE

- Simple Home Insurance Policy
- Bharat Griha Raksha



### TRAVEL INSURANCE

Travel Insurance  
(Business & Holiday)



### PERSONAL ACCIDENT INSURANCE

Individual Personal Accident  
Insurance Policy



### HEALTH INSURANCE

- Health Insurance Policy – Retail
- Critical Illness Insurance Policy
- Hospital Daily Cash Insurance Policy
- Loan Insurance
- Arogya Sanjeevani
- Arogya Premier Policy
- Arogya Plus Policy
- Arogya Top Up Policy
- MicroInsurance Policy

## CORPORATE PRODUCTS



### FIRE INSURANCE

- Standard Fire and Special Perils Insurance Policy
- Consequential Loss (Fire) Insurance Policy
- Bharat Sookshma Udyam Suraksha
- Bharat Laghu Udyam Suraksha



### HEALTH INSURANCE

- Group Personal Accident
- Group Health Insurance



### MOTOR INSURANCE

- Commercial Vehicle Insurance Policy Package (goods/passenger/misc.)



### MARINE INSURANCE

- Marine Cargo Insurance



### PACKAGE INSURANCE

- Industrial All Risks Insurance Policy
- Business Package Insurance Policy



### MISCELLANEOUS

- Plate Glass Insurance Policy
- Burglary Insurance Policy
- Money Insurance Policy



### CONSTRUCTION / ENGINEERING

- Contractors Plant and Machinery Insurance
- Erection All Risk Insurance
- Machinery Breakdown Insurance
- Boiler & Pressure Plant Insurance
- Electronic Equipment Insurance
- Machinery Loss of Profit Insurance Policy
- Trade Credit Insurance Policy



### RURAL

- Agriculture Pump set
- Cattle Insurance



### CYBER DEFENSE



### LIABILITIES

- Public Liability Insurance Act Policy
- Public Liability Insurance Policy
- Product Liability Insurance Policy
- Commercial General Liability Insurance Policy
- Directors & Officers Liability Insurance
- Errors & Omissions Liability Insurance

# ON A GROWTH PATH

Our focused approach and strong understanding of risk has enabled us to record consistent growth over the years. The growth is due to our expansive pan-India reach enabled by the increasing number of distribution partners in bancassurance, OEM tie-ups and digital integrations. Here are some key highlights of the last financial year that showcase our performance.

## COMPANY PERFORMANCE

COMPANY GWP

₹8,312 Crore

COMPANY GWP GROWTH

22%

CLAIMS SETTLED

1587038

VALUE OF CLAIMS

₹3,828 Crore

## TOP LINE GROWTH

### GWP GROWTH

**CY 22 %**  
LY: 45%

### MARKET SHARE

**CY 4.2 %**  
LY: 3.6%

### MARKET RANK

**CY 12**  
LY: 13

## FINANCIAL GROWTH

### PROFIT BEFORE TAX

**CY ₹718 Crore**  
LY: ₹564 crore

### INVESTMENT INCOME

**CY ₹710 Crore**  
LY: ₹503 Crore

### COMBINED RATIO

**CY 99.8%**  
LY: 98.0%

## BALANCE SHEET

### ASSETS UNDER MANAGEMENT

**CY ₹9,578 Crore**  
LY ₹ 7427 crore

### RETURN ON EQUITY

**CY 22.0 %**  
LY: 20.4%

### SOLVENCY RATIO

**CY 2.00**  
LY: 2.27

## POSITION IN THE INDUSTRY

### AMONG PRIVATE PLAYERS

**7TH**

### OVERALL INDUSTRY RANKING

**12TH**

**1ST**

position in Personal  
Accident business lines in  
the entire GI industry

# PUTTING OUR CUSTOMERS FIRST. ALWAYS.

The introduction of 'Express Claims Process' has enabled us to process small value claims of up to ₹10 Lakhs digitally. This has helped reduce average Turn-around-time (TAT) by 45% over the previous financial year, accompanied by significant cost reduction in survey expenses.

The Health Claims team put in their best foot forward to live up to SBI General's claims promise. A testimony to their commitment is the management of around 1.4 lakh health indemnity claims received across a range of products with a settlement ratio of 99.76% despite the ongoing pandemic. The team implemented the process for digitised document submission during the lockdown for the ease of customers. Around 98% cashless approvals were processed within 2 hours from the time that the documents were received from hospitals. The settlement TAT for Health Indemnity claims were 5 days, which is best-in-class.

The team also settled COVID claims amounting to ₹114.47 cr wherein 53% of the claims were processed without the use of cash. Despite being faced with multiple challenges due to the pandemic, the team was able to achieve a Claim Settlement Ratio of PA and benefit claims of up to 99.61%.

The Motor OD claims team achieved 100% Claims Disposal, carrying forward the stellar work and settled 1.78 Lakh claims amounting to over ₹470 cr. The feat was achieved by over 275 resilient and dedicated Motor OD team members spread across 100+ locations PAN India in a median TAT of 8 days. Despite the restriction imposed due to the lockdown and the ongoing pandemic, the team effectively co-ordinated with claimants and repair partners through remote

inspection functionality and document submission, resulting in 2.7 days of Invoice to Settlement TAT. Through simplified Live Streaming functionality (LVS)- remote inspection adoption percentage was 68% of the total claims reported.

The team has handled claims arising out of catastrophic events by creating a dedicated team to provide immediate support and relief to the affected claimants.

The Commercial Claims team has continued to excel in the management of approximately 1300 Natural Catastrophe claims arising out of events like Amphan, Nisarga, Nivar and AP Telangana floods in FY 2020-21. This exceptional result has been possible due to SBI General's tested CAT Claims processes which has multiple customer centric enablers like document waivers, simplified formats, spot settlement and interim payments to assist in reinstatement of damaged property under a new process of Express Claims. Close to 100% of these claims have been concluded with remarkable efficiency and best in class TAT.

The team also handled 12,000 non-CAT claims with a settlement ratio of 100% while earning plaudits from policy holders and channel partners.

## INNOVATIONS AND DIGITIZATION IN THE CLAIMS PROCESS

The health claims team introduced an AI & ML tool for health indemnity claims payment processing which improved the quality and reduced the TAT significantly. On the digital platform, for PA claims, SBI General has developed Secure & YONO applications. This enables uploading of claim documents resulting in faster submissions, thereby speeding up the claims process. Claim intimation and real time claim status functionality have also been developed in Secure, Yono application and website, enhancing claims status visibility to the customer.

The Motor claims team has kickstarted a Paperless Claims journey, facilitating the insured and workshop partners to submit claim documents digitally resulting in much faster turnaround times. The shorter TATs have resulted in the elimination of storage and archival needs of physical claim files. Repairer specific claims performance score card has been created in conjunction with Information Management team to measure/benchmark performance of partner repairers. The team also onboarded a partner for AI-based Damage Detection and Estimate solution. This will help the

claim handlers by enabling immediate and accurate damage prediction and assessment.

Express Claims Process was introduced for non-CAT claims of up to ₹10 lakh. The process includes simplified format for survey reports, etc. This has enabled SBI General to reduce average TAT by 45% over the previous financial year with significant cost reduction in survey expenses. Continuing with our ongoing quest to digitise processes and adopt technologies, we now use Drone Surveys in handling of CAT-event claims as a service tool and we also plan to use Artificial Intelligence to manage small value predictive claims.

The entire Customer Communication cycle at all stages of a claim, in adherence to the PPHI Guidelines of IRDAI, have been fully automated through SMS and mails. On Crop Claims, we have successfully processed a total claim amount of ₹843 cr pertaining to PMFBY, PFFBY and RWBCIS claims of Rajasthan, Himachal Pradesh, and Uttarakhand Kharif 2020 crop seasons, benefitting over 6.30 lakh beneficiary farmers in the process.



# DELIGHTING CUSTOMERS AT EVERY TURN (NPS)

---

At SBI General, we believe in a customer-centric approach, keeping customers at the heart of our business. We constantly strive for excellence in customer service, with an aim to achieve customer delight. We ensure that all our customer service touchpoints offer a standard and uniform service level. To keep a constant check on the same, we measure Net Promoter Score (NPS) for all the services across customer touchpoints. This practice also allows us to engage with our customers and obtain their feedback on every interaction with the organization. This interaction enables us to gather inputs from ground-level and bridge the gaps, if any.

The NPS of the Company is a reflection of our customers' satisfaction level at each of the service touch points and accentuates the trust that they have in SBI General. NPS is also a key measure of customers' overall perception of the brand.

We at SBI General introduced measuring NPS at service levels in 2017, and since then we have seen enhancement in the score, which has today become a driver for service excellence across the entire customer journey.

The results are not viewed just in terms of the number of people who respond, promote, stay passive or negative, but also in terms of the actionable insights derived from the data and the improvements made to each and every touchpoint. The NPS has improved over time, validating our commitment to betterment.

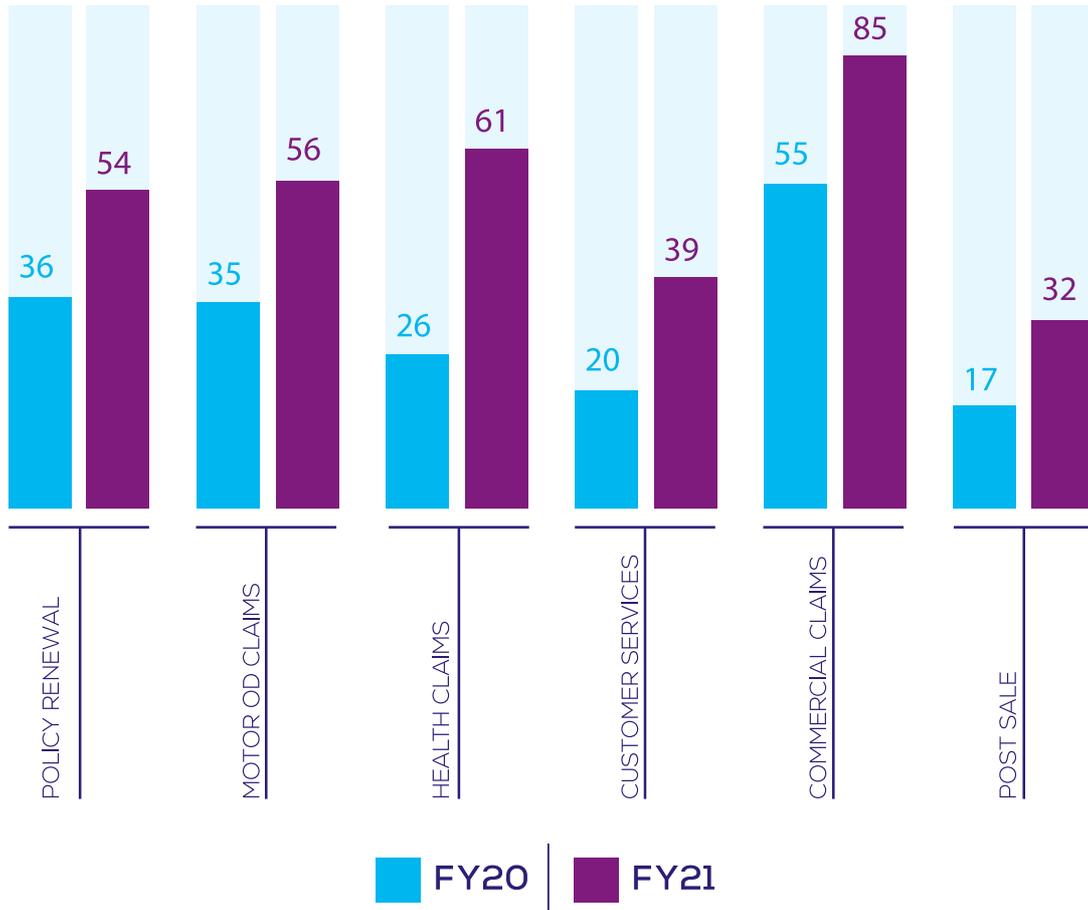
We are glad to share SBI General's Net Promoter Score for FY2020-21 for claims and all six services.

## **NET PROMOTERS SCORE (CLAIMS)**

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The score, reflective of our customer centric process and engagement, for Health claims stands at 61 as on March 21 which is an accretion of more than 100% compared to last year's score of 26 and is the highest in the entire industry. The motor claims team achieved an NPS score of 58. The team ensured transparency with claimants by communicating the status of claims at every stage viz. intimation, surveyor appointment, Work Approval, Settlement, Payment details, etc. The score for Commercial claims is at 84%. This is a jump of more than 50% compared to last year.

## NET PROMOTERS SCORE (Services)



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

We, at SBI General Insurance, are cognizant of the emerging need to embed Environmental, Social and Governance (ESG) aspects within the organization. We have started our journey towards incorporating ESG principles in our business strategy and decisions. We are formulating an ESG Policy and governance mechanism to integrate ethical, environmental and social considerations into our business activities, thereby mitigating material risks and exploring new avenues of opportunities. We are also conducting a study to identify areas of improvement in our systems and processes, based on global ESG standards and industry best practices. Following this, systems and controls will be implemented to monitor and report our ESG performance, to be made available to all our stakeholders. This will include defining short-term and long-term targets along with specific indicators, and its linkage to performance management of employees. Going forward, we plan to identify and integrate material ESG risks within our Risk Management framework.

# CATALYST OF CHANGE

**Disruption is everywhere. Data and Technology have catalyzed disruption, and it has caused a shift in the way businesses communicate and engage with their customers.**

**Customer experience is of the highest priority for us, and our focus has always been to enhance and enrich the experience of each and every single one of them. We have undertaken multiple initiatives to enable the same. Some of them are:**

## Unified customer view

We facilitated provision of holistic information about customers (policy, products, demography, claims, interaction, experience, etc.) in one place, combined with the use of visualization or infographics to provide a bird's eye view for detailed transaction viewing.

## Preferred Mode of Communication

We worked on an initiative that identifies classification and response data for each customer segment for their respective preferred mode of communication. This helps us communicate with customers in the way they like best.

## Customer Life Cycle

We enabled identification of target customers based on Analytics models (classification propensity, lookalike models, hypothesis, etc.), We analyzed characteristics and pattern of customers about to churn vis-a-vis retain and developed a classification model that generates a propensity score for each customer.

Today, in the wake of the pandemic, risk assessment and mitigation have come under the spotlight. Insurance, being one of the best risk protection tools available to people, is inevitably going to gain traction. However, the insurance industry can optimally leverage upon this opportunity through initiatives like.

## Prescriptive Model Dealer

The objective of this tool is to highlight dealer-wise historical business trends and suggest the optimal Model mix at the dealer level which will help in increasing profitability. This in turn highlights areas/segments where loss ratio is high or low by dealer, based on multiple parameters. BI tools suggest the Optimal Policy Mix at dealer, make, model, level etc. It thereby helps in achieving a profitable portfolio at dealer level with improved GWP. The tool also helps in identifying potential opportunities based on demographic data.

## Bank Branch Penetration Tool

The objective of the project is to enable Sales teams to drive business based on potential and historical business trends. Thus, channelizing our efforts towards product penetration and GWP. This helps in increasing the penetration rate at product, bank branch and RM level. It enables guided selling and improved GWP and commission at desired penetration rate.

## Enabling and Empowering Bharat

Commitment to corporate and social responsibility has always been a central part of our strategy; it is embedded in our values and frames our corporate character. We invest in our communities and support charitable causes that align with our values, and we give in ways that bring about a sustainable difference. We take this commitment seriously. So, when the world around us began to feel the significant impacts of the COVID-19 pandemic, we stepped up in ways that we felt would make a difference to those who are in the business of helping others. As an established and well-respected financial institution in India, we provided much needed funding to the NGOs and Foundations who work in the most remote parts of India in the sectors of mental health, road safety, sanitation, education, sports, sustainability and livelihoods, and Covid-19 relief. Fund disbursement earmarked specifically towards CSR projects for the year 2020-21 has been completed at 100%. 22 NGO projects were finalised by the SBI General's CSR committee to be funded a total budget of ₹ 9.70 cr. for the year ending March 2021, including three projects under the SBI Foundation which were supported with ₹ 2.41 cr. In the past three years, we have directly impacted more than 100,000 beneficiaries across India. We want to establish deeper engagement with communities, and help our partners scale their operations. We aim to be present in every Indian state and city to make a significant social impact, narrowing the gap between rural and urban India.

### COVID-19 Relief

In the first quarter of the financial year, with onset of pandemic and the nation-wide lockdown, SBI General commenced its CSR activities by providing free meals for a period of 30 days to 2000 migrant and homeless population across India, in association with the Akshay Patra Foundation.

During the same quarter, we funded the Grace Cancer Foundation in Hyderabad, for one ICU bed in a 'mobile ICU bus' which accommodates 3 ICU beds, providing medical relief to Covid-19 affected people in the rural districts of Telangana and Karnataka. We also supported a hospital in the remote underserved area of Gadchiroli, Maharashtra, run by SEARCH (Society for Education, Action and Research in Community Health) providing health care, Covid relief and protection to the tribal population of the area through the SBI Foundation.

In February 2021, we partnered with the Collective Good Foundation and launched an ambitious vaccination program, of vaccinating 37,480 underprivileged people in numerous districts of Maharashtra and Telangana, covering over 12 districts in both states.

### Mental health

Located in the remote location of Badlapur, Maharashtra, Sangopita serves a strong social cause by offering committed service and nurturing people with special needs. As a part of our CSR initiative, we have been associated with Sangopita enabling the 'nurturing of people with special needs' at the Sangopita Home, and providing speech, occupational, and physiological therapies to individuals with special needs. In addition, SBI General also supported the operational and medical expenses of the team.



## Road Safety - Providing Neuro-Rehab Therapy to accident victims

Despite India having one of the highest road accident rates in the world, road safety often remains overlooked. To change this, we have partnered with the Indian Head Injury Foundation (IHIF), an organisation created to foster the development of a comprehensive brain trauma care system in India. Last year, we had supported IHIF to open up a Neuro rehab centre in Delhi NCR. This year we funded the capital expenses, provision of rehabilitation facilities along with therapy expenses at the centre. The numerous neuro rehab therapy sessions conducted by the centre benefited approximately 7000 accident victims during the year.

### Education

Rural schools in the under-developed areas of India present a lot of challenges for girls and lack basic facilities like toilet blocks. The Learning Space Foundation (LSF) identified this need and supported building of restrooms with the aim to make health, sanitation and hygiene accessible to the children, especially girls. In partnership with LSF, we have funded the construction of 16 'safe space' restrooms for girls around schools in the rural districts of Maharashtra (Wada, Palghar and Chimur, Chandrapur). In addition to the 10 built last year, and 5 the year before, it will benefit over 15,000 girls in the next five years. This will create a sense of ownership and qualitative change in their hygiene habits and also increase the attendance of girls at the schools. We have also funded the construction of a hostel for tribal girls at Satyaniketan School in Rajur village, in Maharashtra. Presently, the girl students have to walk for two hours to get to school from their homes and many of the students drop out because of this travel. The hostel, which will be completed by July 2021, will be a two storied building catering to 200 girls attending the school.



### Creating sustainable livelihoods for rural India

Our CSR program also supported SBI Foundation's Gram Seva program. Under this initiative for rural development, SBI General concentrated on 10 focus areas with 26 interventions, supporting integrated village development initiatives such as natural resource management, soil and water conservation, tree plantations, SHG promotion and bank leverages, school infrastructure development, construction of community, individual restrooms, etc. Gram Seva Program worked towards building self-reliant villages that would continue to grow sustainably. The Gram Seva Program supports 2 clusters of 5 villages each in Gadag Districts of Karnataka and Sangareddy District of Telangana. The program benefitted 16,000 people living in these villages.



### Sports

We supported the education, nutrition and training of 163 student athletes at JSW Foundation's Inspire Institute of Sport (IIS). Located in Vijayanagar, Karnataka, IIS is India's first privately funded high-performance Olympic training centre launched with the vision of propelling India's performance at the Olympic Games. Athletes selected from IIS' nationwide scouting program are guided by the best coaches along with a top-notch sports science team, world class facilities and tailor-made academic curriculum, giving them the best chance to succeed. Additionally, we, through SBI Foundation, funded the year-round training of 5 potential junior athletes at Abhinav Bindra Foundation's training centres in Pune and Bangalore.

# Directors' Report

## To the Members,

Your Directors' have pleasure in presenting the 12<sup>th</sup> Annual Report of SBI General Insurance Company Limited ("SBI General" or "Company") along with the audited financial statements for the year ended March 31, 2021 (FY 2020 - 21).

## 1. General Insurance Industry

The general insurance industry premium in FY21 grew to ₹ 1.98 lakh crores from ₹ 1.89 lakh crores in FY20, a growth rate of 5.2%. Insurance penetration continues to be low at less than 1% as compared to a global average of 2.8% clearly indicating the extent of opportunity in the country especially in rural market.

In FY21, your Company's GWP (Gross Written Premium) increased to ₹ 8,311.60 crores from ₹ 6,839.79 crores with a growth of 22% compared to the industry growth of 5.2%. The market share of the Company improved to 4.16% in FY 21 as against 3.60% in FY20. Your Company ranked at 7<sup>th</sup> position among the private insurers in FY 21.

## 2. Financial Results

The Financial Highlights for the FY ended 31<sup>st</sup> March 2021 is as under:

Particulars	(₹ in crores)	
	2020-21	2019-20
Gross Written Premium	8,311.60	6,839.79
Underwriting Profit / (Loss)	16.87	74.84
Total Income from Investments and Other Income/Expense	701.05	489.57
Profit / (Loss) before Tax	717.92	564.41
Provision for Taxation	(174.33)	(152.65)
Profit / (Loss) after Tax	543.59	411.76
EPS-Basic	25.22	19.11
Solvency Ratio (times)	2.00	2.27

FY 20-21 was the 12<sup>th</sup> full year of operation. It was also the 5<sup>th</sup> straight year of post-tax profits. The Company went on to record a positive underwriting margin for the fourth consecutive year, a rare feat across the industry. Better claims management, efficient expense controls and an effective reinsurance program were the major drivers.

## 3. Reserves & Dividend

Based on Company's performance during the year under review, the Board of Directors of the Company, at their meeting held on 13<sup>th</sup> March 2021 had declared an interim dividend @ 10% i.e. Re 1 per equity share of ₹ 10 each aggregating to ₹ 215,500,000/- (Rupees Twenty One Crore Fifty Five Lakhs only) for the financial year 2020-21. The same was paid to Equity Shareholders on 19<sup>th</sup> March 2021. The Interim Dividend may be treated as Final Dividend for the year ending March 31, 2021.

The Board does not propose to carry any amount to General Reserve from profits of the Company on account of declaration of Dividend.

In line with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, your Company has formulated a Dividend Distribution Policy which is available at the Company's website i.e. <https://www.sbigeneral.in/SBIG/important-links>.

Pursuant to Section 124 & 125 of the Companies Act 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, there was no unpaid/unclaimed dividend to be transferred to Investor Education and Protection Funds in FY 2020-21.

## 4. Risk Management

At SBI General, risk management is central to the sustainability of the Company's business and our decision-making process. As we grow big, we are moving towards an insight-driven and performance-oriented approach to risk management, one that creates a culture where everyone factors risk into their decision-making process. We have adopted an integrated Risk Management approach wherein our Enterprise Risk Management framework is designed to assure the Board and the Risk Management Committee that the risks faced by the Company are being appropriately identified, monitored and managed in line with our defined risk appetite and risk tolerance limits. The Company has in place various policies and framework to identify, assess, and manage risk. There are multiple internal committees to review the risk exposure to the organisation on a periodic basis. All key risks as part of the risk universe and are reviewed by the Senior Management and the Risk Management Committee of the Board on a quarterly basis. The Company has in place a risk awareness plan to establish a robust risk culture with an objective to establish a practice of factoring risk & reward before making decisions. Risk owners are identified from each department for monitoring and reviewing the risk mitigation plan as agreed during the risk and control self-assessment workshops. The Company has a robust Business Continuity Management framework in line with the ISO 22301:2019 standard. This ensures resilience and continuity of key processes at a minimum acceptable level if crisis situation arise. The Company is also certified as ISO 27001:2013 demonstrating compliance to Information Security Management Systems & Standards.

### Covid-19 update

Since the outbreak of COVID-19, SBI General has been closely monitoring the situation in liaison with the Central/State/Local Authorities and necessary advisories have been issued to the employees and other stakeholders.

We have taken a balanced view of our employees' health and established remote working norms including meetings over Video conferencing and restrictions on travel. Our early strategic investment in IT & Automation over the years has created a leverage for us to maintain a Business as usual (BAU) during the crisis. In order to enhance the health & hygiene at the workplace, several measures have been undertaken on the lines of Local Government & WHO advisories. We are also ensuring the safety and commitment to our customers by staying connected with them through various digital platforms and taking care of their needs & requirements. The Senior Management, EMT & IMT on a periodic basis review and monitor emerging risk trends & scenarios developing from the Covid19 crisis and accordingly issue directions for risk control & minimisation.

### Environmental, Social and Governance (ESG)

We, at SBI General Insurance, are cognizant of the emerging need to embed Environmental, Social and Governance (ESG) aspects within the organization. We have started our journey towards incorporating ESG principles in our business strategy and decisions. We are formulating an ESG Policy and governance mechanism to integrate ethical, environmental, and social considerations into our business activities, thereby mitigating material risks and exploring new avenues of opportunities. We are also conducting a study to identify areas of improvement in our systems and processes, based on global ESG standards and industry best practices. Following this, systems and controls will be implemented to monitor and report our ESG performance, to be made available to all our stakeholders. This will include defining short-term and long-term targets along with specific indicators, and its linkage to performance management of employees. Going forward, we plan to identify and integrate material ESG risks within the organisational Risk Management framework.

### The Company has a Risk Management Committee comprising members of the Board of Directors.

The Company has a Risk Management Committee comprising members of the Board of Directors.

The Risk Management Committee inter-alia:

- a. Assists the Board in effective operation of the risk management system by ensuring performance of specialized analysis and quality reviews.
- b. Advise the Board with regards to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.
- c. Reports to the Board, detailed and aggregated view of the enterprise risk exposures and the actions taken to manage these exposures, at its quarterly meetings.
- d. Review and monitor risks pertaining to the business on a regular basis.
- e. Review the solvency position of the Company on a regular basis.
- f. Monitor implementation of Anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.

## 5. Internal Audit and Compliance Framework

### Internal Audit:

The company has an internal audit system, commensurate with the size, scale, and complexity of its operations. The scope and authority of the Internal Audit function is properly defined. Internal Audit assignments are executed based on a risk-based audit plan developed annually and approved by the Audit Committee. The audit plan is designed to address the most significant risks identified. The Internal Audit Department monitors and evaluates the design, efficacy, and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all operating locations of the Company i.e. head office and branches. The company's Internal Audit function has Head - Internal Audit with a dedicated internal audit team based at head office as well as in regions. The company also engages specialized professional

firms to support internal audits in specialized areas and in concurrent audit. Based on the report of internal audit function, process owners undertake corrective as well as preventive action in their respective areas and thereby strengthen the controls. Significant audit observations along with management response thereon are presented to the Audit Committee of the Board on quarterly basis.

#### Compliance:

The Audit Committee of the Company has laid down governing principles for managing the compliance framework of the Company. 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 and Compliance Officer is placed at the Audit Committee of the Board on a quarterly basis.

## 6. Management Report

In accordance with the Insurance Regulatory and Development Authority India (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the Management Report is placed separately.

## 7. Material changes and commitments affecting the financial position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

## 8. Public Deposits

During the year under review, your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 nor within the meaning of the provisions of the Non-Banking Financial Companies (Reserve Bank) Directions 1998, vide notification no. DFC118/DG(SPT). 98 dated 31<sup>st</sup> January 1998.

## 9. Capital

During the year under review, the shareholding of the Company was in compliance with the statutory requirements. There was no fresh capital infusion by the promoters in the Company during the FY 2020-21.

During the year under review, there has been no change in the Authorised Share Capital of the Company. The issued, subscribed and paid-up capital of the Company is ₹ 215.5 Crores. The shareholding pattern is provided in the Corporate Governance Report which is annexed to this Report.

The net worth of Company increased from ₹ 2,214 crores as at March 31, 2020 to ₹ 2,736 crores as at March 31, 2021. The solvency position of Company as at March 31, 2021 was 2.00 times as against minimum of 1.50 times prescribed by IRDAI.

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Companies Act, 2013 read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Companies Act, 2013 read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## 10. Employee Stock Option Scheme 2019

Your Company with the objective of introducing a long term incentive tool to attract, motivate, retain talent and reward loyalty, formulated "SBI General Insurance Employee Stock Option Scheme – 2019" for grant of a maximum of 6,465,000 stock options to the eligible employees of the Company. The Nomination and Remuneration Committee of Board of Directors of the Company at its meeting held on March 11, 2019 has approved the grant of the employee stock options ("Options") under the provisions of ESOS- 2019. The Information as per provisions of Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 as on 31<sup>st</sup> March 2021 is furnished herewith:

Details	ESOP Scheme- 2019
Options granted as on 1 <sup>st</sup> April 2020	4,622,300
Options vested during the year	924,460
Options exercised during the year	0
Total number of Equity shares arising as a result of exercise of option	0
Options Lapsed/Forfeited during the year	0
Exercise price (in ₹)	Options were granted at an exercise price of ₹ 559/- per equity share
Money realized by exercise of options (in ₹)	0
Total number of options in force as at March 31, 2021	4,622,300

There are no employees who have received a grant of options during the year amounting to five percent or more of total options granted. There are no employees who were granted options, during the year, equal to or exceeding one percent of the issued capital, of the Company at the time of grant.

## 11. Alteration to Memorandum and Articles of Association of the Company

On 27<sup>th</sup> March 2020, IAG International Pty. Ltd. sold its entire holding of 56,030,000 equity shares (26% of the paid-up capital) in the Company to Napean Opportunities LLP and Honey Wheat Investments Ltd. and exited as a joint venture Partner of the Company. Therefore, the Memorandum of Association and the Articles of Association of the Company were amended by the Shareholders at the Extra Ordinary General meeting held on 8<sup>th</sup> May 2020.

## 12. Registration

Insurance Regulatory and Development Authority of India (IRDAI) has issued a Circular dated 7<sup>th</sup> April 2015 which states that Section 3A of the Insurance Act 1938 has been amended by the passing of the Insurance Laws (Amendment) Act 2015 to remove the process of annual renewal of the Certificate of Registration issued to the Insurers under Section 3 of the Insurance Act, 1938. The Insurers, however, continue to pay such annual fees as may be prescribed by the Regulations. Thus w.e.f. 26<sup>th</sup> December 2014 insurers shall not be issued the Renewal Certificate of Registration (IRDAI/R6) on an annual basis.

Accordingly, the Certificate of Registration of the Insurers renewed in 2014 shall continue to be in force from 1<sup>st</sup> April 2015, subject to the provisions of Section 3A read with Section 3 of the Insurance Act, 1938. The requisite renewal fee for the Financial year 2021-22 has been remitted to the IRDAI timely and the registration of the Company is in force.

In view of the same the Company is in compliance with the provisions of Section 3A read with Section 3 of the Insurance Act, 1938.

## 13. Accolades

The Company has won several awards during the year under review, some of which are highlighted below:

- **Won the "Most trusted brand"** by Readers Digest, 2020
- **Won the "Insurance Company of the Year"** (General Insurance) at 5<sup>th</sup> India Insurance and Summit Awards, 2020
- **Won the "Insurer of the Year"** by FICCI
- **Won the Asia's Best General Insurance Company for CSR activity, 2020** by Insurance Alerts
- Won Three awards at the 59<sup>th</sup> **ABCI Annual Awards, 2020 for internal campaign**
- **Won "Company with Great Managers"** at the **Great Managers Awards, 2020**
- Awarded **GOLD by ACEF 9<sup>th</sup> Global Customer Engagement Awards** under the category of BEST USE OF CELEBRITY ENDORSEMENT for the National Sports Day Video 'Bas Tu Khel'.
- **Won Silver Shield** for our **Excellence in Financial Reporting 2019-20** in the **Non-Life Insurance category** organized by ICAI
- **Recognition for CSR** by **BFSI Digital Stallion Awards, 2021**
- **General Insurance Provider of the Year** at the **25<sup>th</sup> edition of Business Today - Money Today Financial Services Awards, 2021**.
- Won 2 awards for **CSR** by **ICC Social Impact and Awards, 2021**
- **Finnoviti, 2021** Award for our innovation in making **Health insurance available on Whatsapp**
- **Won the "Customer Fest Awards, 2021"**, for the Best Overall Customer Experience
- Recognized for **CSR** and **Save Tax video** by BFSI Digital Stallion Awards, 2021
- **Won the "Best mobile based learning"** – by BW Business world

We believe that each of the awards demonstrates the Company's and its employee's commitment to achieve excellence, across all spheres of its activities and operations. We owe these awards to the constant support and trust reposed by our Policyholders and Stakeholders and the hard work and dedication of our work force.

## 15. Credit Rating

During the year, your Company was assigned corporate credit rating of "AAA/Stable" by CRISIL. This indicates that the Company has highest credit rating, has a fundamentally strong position and prospect of meeting its obligations is the best.

## 16. Directors & Key Managerial Personnel

The Board of Directors of the Company as on March 31, 2021 consisted of six (6) Directors out of which three (3) were Independent Directors, two (2) non-executive non Independent Directors and one (1) Executive Director. None of the Directors

of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Companies Act, 2013, and Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Shri D. Sundaram was re-appointed as an Independent Director of the Company at the 13<sup>th</sup> Extra-ordinary General Meeting of the Company held on October 16, 2017 for a period of 3 (three) years commencing from December 12, 2017. At the Extra ordinary General Meeting held on 18<sup>th</sup> November 2020, the Shareholders of the Company had approved the revision in the existing terms of appointment of Shri D. Sundaram, Independent Director from 3 Years commencing from December 12, 2017 to 5 years commencing from December 12, 2017, while all other terms of appointment of Shri D. Sundaram as Independent Directors remained unchanged.

During the year under review, at the 11<sup>th</sup> Annual General Meeting of the Company held on 18<sup>th</sup> August 2020, the Shareholders of the Company had approved the regularization of Additional Director, Shri T K Kurien (DIN: 03009368) by appointing him as a Non-Executive Director (Nominee of Napean Opportunities LLP) of the Company.

Shri P C Kandpal, was appointed as SBI Nominee Director with effect from 2<sup>nd</sup> June 2020 and as a Managing Director & CEO of the Company for a period of 3 years subject to approval of Insurance Regulatory & Development Authority of India (IRDAI). IRDAI had vide its letter dated 7<sup>th</sup> July 2020 approved the appointment of Shri P C Kandpal as a Managing Director & CEO of the Company. Shri P C Kandpal assumed charge as Managing Director & CEO of the Company with effect from 20<sup>th</sup> July 2020.

Shri Pushan Mahapatra stepped down as MD & CEO of the Company with effect from 18<sup>th</sup> July 2020. Shri Pushan Mahapatra was appointed as a Whole Time Director (SBI Nominee) designated as Director-Strategic Investments & Digital Initiatives subject to the approval of IRDAI. IRDAI had vide its letter dated 13<sup>th</sup> August 2020, approved the appointment of Shri Pushan Mahapatra as Whole Time Director of the Company for a period from 18<sup>th</sup> July 2020 to 31<sup>st</sup> December 2020.

Shri Pushan Mahapatra retired from the office of Whole Time Director of the Company and SBI Nominee Director with effect from close of business hours on 31<sup>st</sup> December 2020 upon completion of his term as Whole Time Director of the Company and attainment of superannuation from the services of State Bank of India on 31<sup>st</sup> December 2020.

During the year under review, Shri Dinesh Kumar Khara (DIN 06737041), SBI Nominee Director had assumed the office of Chairman of SBI and therefore pursuant to Article 169 of the Articles of Association of the Company, Shri Dinesh Kumar Khara was appointed as Chairman of the Board of the Company.

Shri Ashwini Kumar Tewari was appointed as Nominee Director of SBI on the Board of the Company with effect from 20<sup>th</sup> April 2021.

During the year under review, Dr. Ajit Kumar Saxena (DIN: 05308801) resigned as an Independent Director with effect from close of business day of 20<sup>th</sup> August 2020. Shri Rajnish Kumar, SBI Chairman (retd.), resigned as SBI Nominee Director with effect from the close of business day of 6<sup>th</sup> October 2020 on demitting the office of Chairman of State Bank of India on completion of his term.

Shri Mahendra Tripathi, Head- Compliance & Company Secretary resigned from the Company with effect from 28<sup>th</sup> June 2021. Shri Shatrughan Singh has been appointed as Company Secretary & Compliance Officer of the Company with effect from 17<sup>th</sup> July 2021.

The Board has placed on record its warm appreciation of the contribution made by Shri Rajnish Kumar, Dr. A K Saxena and Shri Pushan Mahapatra during their tenure as Director(s) on the Board of the Company.

A detailed report on composition of the Board and mandatory Board Committees is provided in the Corporate Governance Report forming part of this Report.

As per the requirements of Section 203 of the Companies Act, 2013 and the rules made thereunder, the following are the Key Managerial Personnel's (KMP) of the Company:

1. Shri Prakash Chandra Kandpal - Managing Director and CEO (w.e.f. 20<sup>th</sup> July 2020)
2. Shri Pushan Mahapatra - (as MD & CEO upto 18<sup>th</sup> July 2020 and as Whole Time Director w.e.f. 18<sup>th</sup> July 2020 upto 31<sup>st</sup> December 2020)
3. Shri Mahendra Kumar Tripathi – Head-Compliance, Legal & CS (upto 28<sup>th</sup> June 2021)
4. Shri Rikhil K. Shah - Chief Financial Officer
5. Shri Shatrughan Singh - Company Secretary & Compliance officer (w.e.f. 17<sup>th</sup> July 2021)

Further, in accordance with Corporate Governance Guidelines issued by IRDAI, following are the Key Management Persons including above mentioned KMPs:

1. Shri Pushan Mahapatra - President - Strategic Investments & Head - Open Market (w.e.f 1<sup>st</sup> January 2021)
2. Shri Atul Deshpande, Head- Claims, Digital & Projects
3. Shri Deepak Lingwal, Chief Operating Officer
4. Shri Shirish Thatte, Head- Internal Audit
5. Ms. Gayle Adams, Appointed Actuary

6. Shri Amar Joshi, Head- Emerging Business Lines (KMP upto 17<sup>th</sup> July 2021)
7. Shri Pradeep Manshani, Chief Investment Officer (w.e.f. 18<sup>th</sup> July 2020)
8. Shri Ganesh Prasad- Chief Investment Officer (upto 18<sup>th</sup> July 2020)
9. Shri Avez Sayed, Chief Risk Officer
10. Shri Pankaj Verma, Head- Underwriting
11. Shri Samir Chhabra, Head- Bancassurance

### Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the fields of finance, strategy, auditing, tax and risk advisory services, infrastructure, banking, insurance, financial services and investments and they hold highest standards of integrity. Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors. Accordingly, the Independent Directors of the Company have registered themselves with the India Institute of Corporate Affairs (IICA) for the said purpose. The Independent Directors of the Company are exempted from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

### Retirement by rotation

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company, every year except for SBI Nominee Director. In accordance with the provisions of Section 152 of the Companies Act, 2013 read with applicable law, Shri T K Kurien, Non-executive Director of the Company, will retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. A brief profile of Shri T.K. Kurien along with the requisite details as required under Secretarial Standard 2 on General meeting issued by the Institute of Company Secretaries of India is provided in the Explanatory Statement to the Notice of the AGM.

## 17. Annual Evaluation of Directors, Committee and Board

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of the Directors, Chairman, the 'Board-as-a-whole' and the Board Committees were conducted based on the Parameters as mentioned in the Evaluation Policy approved by the Board of Directors. Feedback was sought by way of a structured questionnaire and the evaluation was carried out based on responses received from the Directors.

Pursuant to the provisions of the Companies Act, 2013 and guidelines for insurance companies issued by Insurance Regulatory and Development Authority of India (IRDAI), the Board of Directors on the recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and Committees was carried out. The evaluation is based on various aspects like level of participation in the Board meetings, expression of views and opinions on critical issues, etc.. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board in their respective meetings.

As part of the evaluation process, the Independent Directors in their separate meeting held on 22<sup>nd</sup> May 2021 had reviewed the performance of the Chairman and 'Board-as-a-whole'.

## 18. Investor Relations

The Company continuously strives for excellence in its Investor Relations engagement with Foreign and Domestic investors. It believes in adopting the emerging best practices in Investor Relations and building a relationship of mutual understanding with investor/ analysts.

The Managing Director & CEO, Chief Financial Officer and other Senior Management members participate in structured and periodic investor/analyst interactions including one-on-one meeting, investor conferences & quarterly earnings calls. The Company conducted various meetings with Indian investors and analysts during the financial year.

The Company ensures that financial information of the Company is available to all the stakeholders by uploading it at the Company's website. The financial information includes Financial Statement and Annual Report.

## 19. Disclosures related to Board and Board Committees

The Board of Directors met 10 times during the financial year ended 31<sup>st</sup> March 2021 in accordance with the provisions of the Companies Act, 2013, and Rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

84 <sup>th</sup> BM : 8 <sup>th</sup> May 2020	90 <sup>th</sup> BM :18 <sup>th</sup> November 2020
85 <sup>th</sup> BM : 1 <sup>st</sup> June 2020	91 <sup>st</sup> BM: 20 <sup>th</sup> January 2021
86 <sup>th</sup> BM : 29 <sup>th</sup> June 2020	92 <sup>nd</sup> BM: 15 <sup>th</sup> February 2021
87 <sup>th</sup> BM : 18 <sup>th</sup> July 2020	93 <sup>rd</sup> BM: 13 <sup>th</sup> March 2021
88 <sup>th</sup> BM : 18 <sup>th</sup> August 2020	
89 <sup>th</sup> BM : 26 <sup>th</sup> October 2020	

The Details of the Board Committees is mentioned in the Corporate Governance Report in details.

## 20. Remuneration Policy for Directors/KMPs

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the criteria for determining qualifications, positive attributes, independence of a Director and policies relating to remuneration for Directors, Key Managerial Personnel. The remuneration policy for KMPs and Directors were reviewed annually by the Board in its 93<sup>rd</sup> meeting held on 13<sup>th</sup> March 2021.

The objective of the Remuneration Policies is inter-alia to:

- (i) ensure the level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay;
- (ii) retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- (iii) have performance measurement parameters in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees; and
- (iv) ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.

In respect of Directors nominated by SBI/Managing Director, the remuneration shall be governed by the terms of their nomination by State Bank of India and to that extent this policy shall not be applicable to MD & CEO. The performance linked Incentive to MD & CEO is governed as per the Performance Linked Incentive Policy for SBI Deputes approved by the Board. The Remuneration Policies for KMPs and Directors are available on the website of the Company ([www.sbigeneral.in](http://www.sbigeneral.in)).

## 21. Corporate Social Responsibility

The Company has constituted the Corporate Social Responsibility (CSR) Committee 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, which drives the CSR programme 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 the CSR Policy of the Company.

### CSR Mission Statement

**To serve the most vulnerable communities and people at risk with sustainable interventions that help transform lives.**

### Background on CSR program

At SBI General Insurance, our CSR programme is driven with the mission to serve the most vulnerable communities and people at risk with sustainable interventions that can help to transform their lives. Aligned with this mission, we have partnered with NGOs who work in the most rural parts of India in the sectors of mental health, road safety, sanitation, education, sustainability and livelihoods and sports.

We have contributed to organisations and causes since our inception, but it's been only three years since we formally set up our CSR programme with a focused strategy and a CSR mission. In our efforts to reach the grassroots, we have joined hands with NGOs that do not have access to large corporate funds. Majority of our programme partners are founder-led and have a sure strategy to contribute to the varied causes we want to impact.

### COVID-19 Relief:

In the first quarter of the financial year, and at the onset of the pandemic and the nation-wide lockdown, SBI General commenced its CSR activities by providing free meals for a period of 30 days to 2000 migrants and homeless across certain locations in India, in association with Akshay Patra Foundation.

During this quarter, SBI General funded Grace Cancer Foundation, Hyderabad, for a 'mobile ICU bus' fitted with 3 ICU beds, providing medical relief to the Covid-19 affected people in the rural districts of Telangana and Karnataka, adjoining Hyderabad.

During the pandemic, a hospital in the remote underserved area of the backward district of Gadchiroli in Maharashtra, run by SEARCH (Society for Education, Action and Research in Community Health) providing health care, Covid relief and protection to the tribal segment of the remote region, was supported by SBI General through SBI Foundation.

Towards the end of the financial year, in February 2021, SBI General appointed Collective Good Foundation and launched an ambitious vaccination program, with a target of vaccinating 37,480 underprivileged people in specific districts of Maharashtra and Telangana, covering outskirts of Mumbai, Pune, Nagpur; subdistricts of Yavatmal and Chandrapur; districts of Osmanabad, Raigad, Palghar, Jalgaon, Latur, Ahmednagar, in Maharashtra; and the districts of Amravati and Vijayawada in Telangana.

### Mental health

A substantial share of CSR funds in India goes to education, healthcare and rural development. Mental health, however, is stigmatized in personal and professional settings, and SBI General continues to do its best to change this.

SBI General continues to support Sangopita, an organization that exemplifies compassion and understanding for special needs. Sangopita's shelter at Badlapur, District Thane, Maharashtra, offers lifetime residential care to the physically, mentally and sensory-impaired, and for those with autism. The beneficiaries, young and adult male and female, are taught many life skills, such as weaving yarn, making incense sticks, stitching bags, and molding candles. This has a two-fold benefit: it teaches them constructive things and expends energy, which if not utilized, leads to destructive behaviour.

SBI General is supporting in care of the 63 residential and 25 daycare beneficiaries at Sangopita, as well as the cost of physiotherapy, speech therapy and occupational therapy for the beneficiaries. Last year, SBI General had enabled Sangopita to build a security cabin, install security cameras on the premises, and create a sensory garden for physical activities and therapy sessions for the residents. This year SBI General funded not only the operational expenses but also the purchase of 60 new steel beds with mattresses for the residents of the home.

### Road Safety - Providing Neuro-Rehab Therapy to accident victims

Road safety in India is an area much overlooked; we have one of the highest road accidents rates in the world. According to the Ministry of Road Transport and Highways, India suffers over 1,50,000 fatalities due to head injuries every year. In addition, about a million survivors face some form of lifelong debilitation. With proper treatment, training and rehabilitation, this situation is substantially reversible. Delhi-NCR has nearly half a million traumatically injured people from the weaker sections who have no access to rehabilitation. Most of them suffer from neuro, hearing, speech, loneliness and locomotive disorders and issues.

SBI General, as it did the last year, continues to make a positive impact here having partnered with Indian Head Injury Foundation, an organisation created to foster the development of a comprehensive brain trauma care system in India. Last year, SBI General had supported Indian Head Injury Foundation (IHIF) to open up a Neuro rehab centre in Delhi NCR. This year, SBI General funded the capital expenses, provision of rehabilitation facilities and therapy expenses at the centre. The numerous neuro rehab therapy sessions conducted by the centre benefited approximately 7000 accident victims during the year. SBI General also supported IHIF to conduct awareness programs to educate the masses about the scourge of Traumatic Brain Injuries (TBI).

### Creating sustainable livelihoods for rural India

Through our CSR programme, we also support SBI Foundation's Gram Seva programme. Under the Gram Seva programme, which is a holistic approach for rural development, SBI General is concentrating on 10 focus areas with 26 interventions, supporting integrated village development initiatives such as natural resource management, soil and water conservation, tree plantations, SHG promotion and bank leverages, school infrastructure development, construction of community, individual restrooms, etc. Gram Seva Program will work towards building self-reliant villages that would continue to grow sustainably. Program interventions have been defined with specific targets/ objectives, outcomes, and focused beneficiaries. The Gram Seva Program, support 2 clusters i.e. 5 villages in Gadag Districts of Karnataka and 5 villages in Sangareddy District of Telangana. The program will benefit the population of around 16,000 people of the 2 village clusters.

### Education

Providing access to education for girls.

Rural schools in the under-developed areas of India are not girl friendly and lack basic facilities like toilet blocks. Learning Space Foundation has identified this need and supports building of restrooms with the aim to provide this fundamental right to the children (especially the girls) and ensure their health and hygiene well-being. In partnership with the LSF, SBI General has funded the construction of 16 'safe space' restrooms for girls in schools in rural districts of Maharashtra (Wada, Palghar and Chimur, Chandrapur). These 16 restrooms along with the 10 built last year, and 5 built the year before, aggregating to 31 will be used by over 15,000 girls in the coming five years. This will have a two-fold impact, not only will it create a sense of ownership and qualitative change in their hygiene habits, but also increase the attendance of girls at the schools. In addition to this, special workshops on hygiene and sanitation were also conducted for the girls.

SBI General has also funded the construction of a hostel for tribal girls at Satyaniketan school in Rajur village, Ahmednagar in Maharashtra. In this village, the girl students had to walk for two hours to get to school from their homes and many of the students would drop out because of this travel after the existing hotel dilapidated due to passage of time. The new hostel, which will be completed in July 2021, will be two story building and will cater to 200 girls attending the school. Living in the hostel has

other benefits for the students – they will be safe and protected and will be given healthy meals every day. This will reduce the stress and burden on their parents.

### Sports

SBI General supported the education, nutrition and training of 163 student athletes at JSW Foundation's Inspire Institute of Sport (IIS). Located in Vijayanagar, Karnataka, the IIS is India's first privately funded high-performance Olympic training center launched with the vision of propelling India's performance at the Olympic Games. The scholarship athletes selected from IIS' nationwide scouting program are guided by the best names in coaching along with a top-notch sports science team, world class facilities and tailor-made academic curriculum, giving them the best chance to succeed.

Additionally, SBI General, through SBI Foundation, funded the year round training of 5 potential junior athletes at Abhinav Bindra Foundation's training centres in Pune and Bangalore.

### Way forward

In the last three years of our CSR programme, we have directly impacted approximately 60,000 beneficiaries across India. We want to engage deeper with communities, and help our partners scale their operations. Our aim is to be present in every state and impact every Indian city – especially the rural communities in India.

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 '1'** to this report, as mandated under the said Rules.

## 22. Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is not applicable to the Company.

## 23. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report at **Annexure "2"**.

## 24. Corporate Governance Report

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. The Company has taken structured initiatives towards Corporate Governance and its practices are valued by various stakeholders. A detailed Report on Corporate Governance is annexed and forms part of this Report at **Annexure "3"**.

## 25. Particulars of Loans, Guarantees or Investments

The provisions of Section 186(4) of the Companies Act, 2013 requiring disclosure in the financial statements of the full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are not applicable to the Company. There are no Loans and Guarantees made by the Company during the financial year 2020-21. The details of Investments are given in Schedule 8 and Schedule 8A of the Financial Statements.

## 26. Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s N. L. Bhatia & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2020-21. There has been no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditor in the Report. The Report of the Secretarial Auditor is annexed herewith as **Annexure "4"** to this report.

## 27. Annual Return

The Annual Return as on March 31, 2021 in accordance with Section 92 of the Companies Act 2013 read with the Companies (Management and Administration) Rules, 2014 in Form MGT-7 is available on the website of the Company. The website link is: <https://www.sbigeneral.in/SBIG/important-links>.

## 28. Related Party Transactions

The Company has formulated a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters,

Directors, Key Managerial Personnel or other designated persons who may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval. The Audit Committee grants omnibus approval for Related Party Transactions as per the provisions contained in Companies Act 2013 and rules thereunder for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. There is no material Related Party Transaction neither there were Related Party Transactions requiring approval of the Board and/or Shareholders. Accordingly, Form- AOC-2 with "NIL" report is attached at **Annexure "5"**.

## 29. Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable.

## 30. Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organization to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy on Prevention of Sexual Harassment'. Internal Complaints Committee and Regional Complaints Committee has been set-up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, deputed) are covered under this policy. There were NIL cases reported as per the policy guidelines during the year under review under the said Policy.

## 31. Rural and Social Responsibility

Your company have complied with the obligations for Rural and Social Sector as prescribed in the Insurance Regulatory and Development Authority (Obligations of insurers to Rural or Social Sectors) Regulations, 2002 for the Financial Year 2020-21.

Sector wise details of the policies issued are given below:

Sector	For the year ended March 31, 2021		
	GDP (₹ in Crs.)	% of GDP	No of Policies
Rural Sector	2,157.48	26.10%	3,508,063
Urban Sector	6,107.38	73.90%	5,093,054
Total	8,264.86	100.00%	8,601,117

Sector	For the year ended March 31, 2021	
	GDP (₹ in Crs.)	No. of Lives
Social Sector	2,332.96	6,012,709

## 32. Auditors' Report

There is no qualification in the Statutory Auditors' Report for FY 2020-21. Notes to the Accounts referred to in the Auditors' Report are self -explanatory.

Your Company is subject to supplementary/test audit and Transaction Audit of the C&AG. The Joint Statutory Auditors of your Company have submitted a copy of their Audit Report to the C&AG pursuant to Section 143(5) of the Companies Act, 2013. The Comptroller and Auditor General of India (C&AG) had conducted a supplementary audit under section 143(6)(a) of the Companies Act, 2013 of the financial statements of the Company for FY 2020-21. C&AG vide letter dated 15<sup>th</sup> July 2021 has stated that on the basis of said supplementary audit nothing significant has come to their knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143 (6)(b) of the Companies Act, 2013.

## 33. Statutory Auditors

Pursuant to Section 139(5) of the Companies Act, 2013, the Statutory Auditors of your Company are appointed by the C&AG. The Insurance Regulatory and Development Authority of India prescribes eligibility criteria to be fulfilled by Statutory Auditors and further requires an Insurance Company to have Joint Statutory Auditors for Statutory Audit of the Company. Your Company is also subject to supplementary/test audit and Transaction Audit of the C&AG.

M/s. A. Bafna & Co., Chartered Accountants and M/s. MKPS & Associates., Chartered Accountants, were appointed as Joint Statutory Auditors of your Company by the C&AG for the financial year ending 31<sup>st</sup> March 2021. The Statutory Auditors for the FY 2021-22 will be appointed by the C&AG in accordance with Section 139(5) of the Companies Act, 2013. Your Company has already written to the C&AG seeking appointment of the Statutory Auditors for the FY 2021-22.

#### Statutory Audit and other Fees paid to Joint Statutory Auditors

During FY 2020-21, the total fees for the statutory audit and other services rendered by the Joint Statutory Auditors are given below:

Name of Audit Firm	M/s. A. Bafna & Co., Chartered Accountants and M/s. MKPS & Associates., Chartered Accountants*
Particulars	Fees for FY 2020-21 (in ₹)
Statutory Audit	5,400,000
Limited Review*	3,540,000
CFS	600,000
Tax Audit	600,000
IFC & Other Certification charges*	930,000
<b>Total</b>	<b>11,070,000</b>

\* Includes remuneration paid to M/s S. Bhandari & Co., Chartered Accountants, Statutory Auditors of the previous year for Q1-FY 2020-21 Limited Review & Other certifications done by them jointly with M/s A Bafna & Co.

#### 34. Comments of Comptroller & Auditor General of India

Since your Company is subject to supplementary/test audit and transaction Audit of the C&AG, the Joint Statutory Auditors of your Company have submitted a copy of their Audit Report to the C&AG pursuant to Section 143(5) of the Companies Act, 2013. The office of CAG has conducted a supplementary audit, under Section 143(6)(a) of the Companies Act 2013, of the financial statements of the Company for the financial year 2020-21. The comments received from the office of C&AG under Section 143(6)(b) of the Companies Act 2013 vide letter No. GA/CA-1/Accounts/SBIGIC/2020-21/46 dated 15<sup>th</sup> July 2021 issued by C&AG is placed next to the Statutory Auditors' Report in the Annual Report

#### 35. Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoings

Since General Insurance Business is the core activity of your Company, Section 134(3)(m) of the Companies Act, 2013 read with the rules made thereunder, the clause relating to Conservation of Energy and Technology absorption is not applicable to your Company and hence the information required to be disclosed in the Board's Report is not given.

As a responsible corporate citizen, the Company continues to pursue and adopt appropriate energy conservation measures. The Company makes every effort to conserve energy as far as possible in its branches, Offices, etc. The Company also takes significant measures to reduce energy consumption by using energy efficient computers and by purchasing energy efficient equipment. The Company purchases PCs, laptops, air conditioners etc. that meet environment standards, wherever possible and replace old equipment with more energy-efficient equipment.

During the year under review, the net expenditure in foreign currencies amounted to ₹ 88.30 crores.

#### 36. Directors' Responsibility Statement

To the best of the knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in accordance with the provisions of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March 2021:

- (i) In preparation of the financial statements, all applicable accounting standards, generally accepted accounting principles and policies have been followed, and there have been no material departures from the aforesaid;
- (ii) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the operating profit under the Revenue Account and of the profit in the Profit and Loss Account of the Company for the year ended March 31, 2021;
- (iii) The management has taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and the Companies Act 2013 (1 of 2013), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The management has prepared the financial statements on a going concern basis;
- (v) The management has set up an internal audit system commensurate with the size and nature of the business and the same was operating effectively during the year; and
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 37. Internal Financial Controls

Your Company has laid down, the Internal Controls on Financial Reporting and the same are being followed by the Company. Further, Internal Control over Financial Reporting are adequate and operating effectively so as to ensure the orderly and efficient conduct of our business. This includes adherence to company's policies, safeguarding of assets, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information during the financial year 2020-21.

### 38. Reporting of Frauds by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor have reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

### 39. Secretarial standards

The Company is in compliance with the applicable Secretarial Standards issued by the ICSI. The same has also been confirmed by the Secretarial Auditor of the Company.

### 40. Vigil Mechanism/ Whistle Blower Policy

The Company has formulated Whistle Blower Policy & established Mechanism for the Employees of the Company to report, serious and unethical behavior, actual or suspected fraud and violation of the Company's code of conduct or ethics. It also provides adequate safeguards against victimisation of persons, who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee.

The main objective of this policy is to provide a platform to the Employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company which have a negative bearing on the organisation either financially or otherwise.

The Whistle Blower Policy is available on the Company's website.

### 41. Updates on Indian Accounting Standards

As per IRDAI circular vide IRDAI/F&A/CIR/ACTS/023/01/2020 dated 21<sup>st</sup> January 2020, the insurance regulator has observed IFRS 4 shall be replaced by IFRS 17 once the standard is effective. Accordingly, implementation of IND AS 104 is not considered desirable. Therefore, implementation of IND AS in insurance sector is deferred until further notice. Also, in the circular as mentioned above, IRDAI withdrew the requirement for quarterly submission of Proforma Ind AS financial statements.

### 42. Appreciation and Acknowledgment

Your Directors are highly grateful for all the help, guidance and support received from the Insurance Regulatory and Development Authority of India, Registrar of Companies, Reserve Bank of India, the Comptroller and Auditor General of India (CAG), the Statutory Auditors M/s. A. Bafna & Co., Chartered Accountants and M/s MKPS & Associates., Chartered Accountants, Secretarial Auditor M/s. N. L. Bhatia & Associates, Company Secretaries our reinsurers and various channel partners. The Directors would also like to place on record their sincere appreciation for the assiduous efforts and dedicated contributions put in by the employees of the Company at all levels to ensure that the Company continues to grow and excel.

Your Board wishes to acknowledge the contribution made by Shri Rajnish Kumar, Dr. Ajit Kumar Saxena and Shri Pushan Mahapatra, who have demitted their office as Directors of the Company, for their invaluable services and guidance provided by them.

For and on behalf of the Board of Directors of  
**SBI General Insurance Company Ltd.**

**Dinesh Kumar Khara**  
Chairman  
(DIN: 06737041)

**P C Kandpal**  
MD & CEO  
(DIN: 06452437)

Date: 17<sup>th</sup> July 2021  
Place: Mumbai

## Annexure 1 to the Directors Report FY 2020-21

# Annual Report on CSR Activities for the financial year ended 31<sup>st</sup> March 2021

### 1. Brief outline on CSR Policy of the Company

The CSR Policy of SBI General Insurance Co. Ltd. defines the broad governance framework for all CSR-related activities carried out by SBI General with a view to:

- (i) contribute to the betterment of society by investing in and empowering vulnerable communities;
- (ii) ensure that all CSR activities are conducted in a transparent and efficient manner compliant with Indian laws and regulations;
- (iii) generate, through its CSR initiatives, community goodwill for SBI General thereby helping reinforce a positive and socially responsible image of SBI General as a corporate entity;
- (iv) create a social orientation amongst the employees of SBI General as a conscious organizational policy; and
- (v) make CSR an integral part of SBI General's narrative.

Whenever possible, the CSR function will join forces with other teams within SBI General and / or the SBI Group to implement strategy-aligned activities across markets and to engage relevant stakeholders.

SBI General and its branch offices will primarily focus in the areas of Education, Healthcare and Socio-economic and Environmental Sustainability in order to create impact and achieve results. However, this will not preclude SBI General from supporting any CSR activity falling within the scope of Schedule VII of the Act if the activity is approved in line with the process stipulated in this policy.

In collaboration with identified partners, SBI General shall undertake CSR activities and programs across the focus areas, which include but are not limited to the following:

- (i) *Eradicating hunger, poverty and malnutrition*
- (ii) *Promoting healthcare including preventive healthcare*
- (iii) *Ensuring environment sustainability and ecological balance*
- (iv) *Supporting skill development and generation of employment*
- (v) *Promoting education across the continuum – primary, secondary and tertiary – especially among children, women, elderly and the differently-abled*
- (vi) *Promoting sports, sports education and games*

Given SBI General's pan-India presence, an endeavour shall be made to undertake such CSR activities that support populations, communities and initiatives in Tier 2, 3 and 4 cities across India.

### 2. Composition of CSR Committee as on 31<sup>st</sup> March 2021:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year <sup>1</sup>	Number of meetings of CSR Committee attended during the year
1	Dr. Ashima Goyal(Chairperson) <sup>2</sup>	Independent Director	1	1
2	Shri Dinesh Kumar Khara	SBI Nominee Director	3	1
3	Shri P C Kandpal	MD & CEO	2	2
4	Shri Pushan Mahapatra <sup>3</sup>	Erstwhile Whole Time Director	2	2
5	Dr. Ajit Kumar Saxena <sup>4</sup>	Independent Director	1	1

#### NOTE:

<sup>1</sup>Number of CSR Committee Meetings held during the tenure of Director.

<sup>2</sup>Dr. Ashima Goyal was appointed as the Chairman and member of the Committee w.e.f. 1<sup>st</sup> February 2021

<sup>3</sup>Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

<sup>4</sup>Dr. Ajit Kumar Saxena resigned as Director w.e.f. 20<sup>th</sup> August 2020

**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.**

The same is hosted on the website of the Company i.e. www.sbigeneral.in

**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).**

Not applicable for FY 2020-21 as the Company did not meet the criteria of having the average CSR obligation of ₹ 10 crore or more in the 3 preceding financial years to undertake an impact assessment study of its projects, through an independent agency.

**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**

The amount available for set off in FY 2020-21 for the succeeding FY 2021-22 in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is as per table below:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the succeeding financial year, if any (in ₹)
1	2020-21	₹ 508,635	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
<b>Total</b>		<b>₹ 508,635</b>	

**6. Average net profit of the company as per section 135(5)** – ₹ 4,824,566,902/-

**7. (a)** Two percent of average net profit of the company as per section 135(5) – ₹ 96,491,338/-

(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) – ₹ 96,491,338/-

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹) – NIL#				
	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	Date of transfer
CSR Budget ₹ 96,491,338	Nil	Nil	Nil	Nil	Nil
Amount Spent ₹ 96,999,973*					
Excess spent over Budget ₹ 508,635					

\* As on 31<sup>st</sup> March 2021, the Company had disbursed its entire CSR obligation for FY 2020-21 of ₹ 96,999,973/- (including ₹ 508,635 spent over CSR budget) to NGOs/Foundation of which CSR fund of ₹ 49,939,019/- have been utilised for CSR activities by NGOs/Foundations as on 31<sup>st</sup> March 2021 while the CSR Funds of ₹ 47,060,954 advanced to NGOs/ Foundations remained unutilised as at 31<sup>st</sup> March 2021. The unutilised CSR funds for FY 2020-21 with NGOs/ Foundations are expected to be completed in next 3-6 months.

#The CSR funds of ₹ 20,820,140/- was advanced to the NGO-Collective Good Foundation (CGF) during FY 2020-21 for the Covid Vaccination Project for underprivileged people in specific districts of Maharashtra and Telangana. However, due to the country-wise scarcity and unavailability of vaccination doses, CGF was not able to execute the project on ground and therefore the said CSR amount is being refunded back to the Company. On receipt of the entire funds of ₹ 20,820,140/- from the NGO, the Company shall transfer the same to a fund specified under schedule VII of the Companies Act 2013, on or before 30<sup>th</sup> September 2021.

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

The details of CSR amount spent against ongoing projects for the financial year 2020-21 is enclosed as **Annexure- 1**.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

The details of CSR amount spent against other than ongoing projects for the financial year 2020-21 is enclosed as **Annexure- 2**.

**(d) Amount spent in Administrative Overheads**

		₹
CSR Implementation on	The Good Edge Agency Fee	3,624,000
	18% GST on Implementing Agency Fee	652,320
Other Administrative Expenses	Sundaram Stationery Store (Blankets for NGO Sangopita)	42,100
	The Muffin Man (Boxes of Sweetmeat for NGO Sangopita Visit by MD and team)	14,455
<b>Total</b>		<b>4,332,875</b>

**(e) Amount spent on Impact Assessment, if applicable** - Not Applicable

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)** - ₹ 96,999,973/- spent during FY 2020-21. However, an amount of ₹ 20,820,140/- advanced to NGO for the Covid Vaccination Project is being refunded back to Company as the said project could not succeed due to scarcity and unavailability of vaccination doses. The said CSR amount on receipt from the NGO shall be transferred to a fund specified under schedule VII of the Companies Act 2013, on or before 30<sup>th</sup> September 2021.

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 96,491,338
(ii)	Total amount spent for the Financial Year 2020-21	₹ 96,999,973*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 508,635*
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 508,635

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

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	Amount (in ₹)	Date of transfer	
1.	2020-21	Nil	₹ 96,491,338*	NA	NA	NA	Nil
2.	2019-20	Nil	₹ 69,244,409	NA	Nil	NA	Nil
3.	2018-19	Nil	₹ 30,140,000	NA	Nil	NA	Nil
	<b>Total</b>	<b>Nil</b>	<b>₹ 195,875,747</b>	<b>NA</b>	<b>Nil</b>	<b>NA</b>	<b>Nil</b>

\*An amount of ₹ 20,820,140/- advanced to NGO for the Covid Vaccination Project is being refunded back to Company and the same shall be transferred to PM Cares fund on or before 30<sup>th</sup> September 2021, on receipt of entire CSR funds from the NGO.

**(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s):**

The details of CSR amount spent in the Financial Year 2020-21 for ongoing projects of the preceding financial year(s) is enclosed as **Annexure- 3**.

**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**

Not applicable. In the Financial Year 2020-21, the Company did not create or acquire any capital asset through the budgeted CSR spend.

**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).**

For the financial year 2020-21, the Company has successfully complied with the requirement of spending the requisite 2% of the average net profit, as per section 135(5) of the Act, entirely on the CSR activities.

**Dr. Ashima Goyal**  
Chairperson, CSR Committee

**P C Kandpal**  
Managing Director & CEO

Date: 17<sup>th</sup> July 2021  
Place: Mumbai

# ANNEXURE 1 to CSR Report

FY 2020-21 CSR BUDGET - ₹ 96,491,338

## 8 (b) Details of CSR amount spent against ONGOING PROJECTS for the financial year FY 2020-21:

1	2	3	4	5		6	7	8	9	10	11	
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		Project Duration	Amount Allocated for the Project (in ₹)	Amount spent in the current Financial Year 2020-21 (in ₹)	Amount transferred to Unspent CSR Account for the 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	GIRLS' EDUCATION: Construction of 16 Rest Rooms for 1000+ Girls in 16 Rural schools	(i) Promoting Preventive Health Care and Sanitation(ii) Promoting Girls' Education	No	Maharashtra	(1) Thane (2) Chandrapur	3 Years	8,352,000	8,352,000	Nil	No	NGO - Learning Space Foundation	NA
2	HEALTH CARE: Support to the Home for 63 mentally challenged persons	(i) Promoting Health care	No	Maharashtra	Thane	3 Years	6,100,000	6,100,000	Nil	No	NGO - Sangopita Trust	NA
<b>Total</b>							<b>14,452,000</b>	<b>14,452,000</b>				

# Annexure 2 to CSR Report

## 8 (c) Details of CSR amount spent against OTHER THAN ONGOING PROJECTS for the financial year FY 2020-21:

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 in the current Financial Year 2020-21 (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
			State	District			Name (NGO / Foundation)		
							CSR Registration number		
1	RURAL DEVELOPMENT: Gram Seva Program - Holistic Approach: 10 Focus areas and 26 Interventions in 10 Villages	(i) Livelihood Enhancement (x) Rural Development	No	Karnataka & Telangana	Gadag & Sangareddy	21,124,000	No	SBI Foundation - NGO - Sankalpa Rural Development Society/SBI Foundation - NGO - Bhavishya Bharat	NA
2	SPORT: STEAM Scholarship Program for 5 potential Athletes	(vii) Promoting Sports	No	Maharashtra & Karnataka	Pune & Bangalore	1,000,000	No	SBI Foundation - NGO - Abhinav Bindra Foundation, Mohali / Chandigarh, Punjab	NA
3	COVID-19 RELIEF: Providing hospital care to COVID-19 patients in tribal and rural under-served areas of Gadchiroli	(i) Preventive Health care(xii) Disaster Management including Relief (for Tribals)	No	Maharashtra	Gadchiroli	2,000,000	No	NGO - SEARCH (Society for Education, Action and Research in Community Health), Gadchiroli, Maharashtra	NA
4	COVID-19 RELIEF: Providing free meals to 2000 migrants and homeless for a period of 30 days	(xii) Disaster Management including Relief (COVID Relief)	No	PAN India	PAN India	1,500,000	No	NGO - The Akshaya Patra Foundation, Bangalore	NA
5	COVID-19 RELIEF: Mobile ICU Bus for the rural districts	(xii) Disaster Management including Relief (COVID Relief)	No	Karnataka & Telangana	Districts in Karnataka & Telangana	1,400,000	No	NGO - Grace Cancer Foundation, Hyderabad	NA
6	HEALTH CARE: Fitting of Artificial Limbs and other aids and appliances to the physically challenged	(ii) Aid to the Differently abled	No	Rajasthan	Jaipur	2,000,000	No	NGO - Shree Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), 'Jaipur Foot', Jaipur, Rajasthan	NA
7	HEALTH CARE: Operational support to Neuro Rehab Centre - providing neuro rehabilitation and psychological therapies to approx. 7000 accident victims	(i) Promoting Health Care (Road Accident Victims)	No	Delhi	Delhi	3,650,000	No	NGO - India Head Injury Foundation, New Delhi	NA
8	GIRLS EDUCATION: Construction of Hostel Building for 120 Tribal School Girls	(ii) Promoting Girls' Education(iii) Setting up Hostel for women (Tribal School Girls)	No	Maharashtra	Ahmednagar (Rajur, Akole Taluka)	8,200,000	No	NGO - Satyaniketan Trust, Akole Taluka, Ahmednagar District, Maharashtra	NA
9	SPORT: Promotion of sports through Olympic level training for 163 Student Sportspersons (male & female) at the Inspire Institute of Sport	(vii) Promoting Olympic Sports	No	Karnataka	Bellary (Viayanagar)	5,000,000	No	NGO - JSW Foundation - Inspire Institute of Sport, Vijayanagar, Karnataka	NA

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 in the current Financial Year 2020-21 (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	CSR Registration number
				State	District			Name (NGO / Foundation)	
10	SKILL DEVELOPMENT: Program for 180 Youth with Disabilities for employability skills - 80% boys + 20% girls	(ii) promoting employment enhancing vocation skills - livelihood enhancement	No	Maharashtra	All over Maharashtra	2,534,413	No	NGO - Youth 4 Jobs Foundation, Hyderabad	NA
11	SKILL DEVELOPMENT: Program for 175 Marginalised Women - Tailoring & Beautician Courses - from Cluster of 10-15 villages in Barshitaki block	(ii) promoting employment enhancing vocation skills - livelihood enhancement	No	Maharashtra	Akola, Vidarbha	2,000,000	No	NGO - Youth For Unity And Voluntary Action (YUVA), Navi Mumbai	NA
12	EDUCATION: Factory-modified diesel school bus for 100 Special-needs children of Armed Forces at AWWA's Asha School, Chandimandir, Western Command	(ii) Promoting Education of Differently abled(vi) measures for the benefit of dependent of armed forces personnel	No	Punjab	Chandigarh	2,106,925	No	NGO - Army Wives Welfare Association (AWWA- Western Command), Chandigarh, Punjab	NA
13	HEALTH CARE: Care of 320 orphaned and abandoned elderly (Old Age Homes)	(i) & (iii) Promoting Healthcare of elderly (Old Age Homes)	No	Delhi & Uttar Pradesh	Delhi & Garmukteshwar	500,000	No	NGO - Sant Hardyal Educational and Orphans Welfare Society (SHEOWS), Delhi	NA
14	HEALTH CARE: Treatment of approx. 1400 Cancer affected Underprivileged Children - The Golden Crab All Project	(i) Promoting Health Care (of Children)	No	18 States	67 major treating hospitals	1,500,000	No	NGO - Cankids KidsCan - National Society for Change for Childhood Cancer in India, New Delhi	NA
15	WOMEN EMPOWERMENT: Project Ujjwala: Skill Development and Capability Building for 45 Women Rescued in Trafficking	(ii) promoting employment enhancing vocation skills for women(iii) empowering women	No	Karnataka	Bangalore	600,000	No	NGO - Vidyanaya, Bangalore	NA
16	SUSTAINABILITY & LIVELIHOOD: Sustainable Agriculture and Livelihood enhancement through Climate Change Adaptations for 250 Marginal Women Farmers across 10 Villages	(ii) Livelihood Enhancement(iv) Environmental sustainability	No	Orissa	Koraput (Lakhimpur Block)	600,000	No	NGO - Women's Organisation for Rural Development (WORD), Koraput District, Orissa	NA
17	SKILL DEVELOPMENT: Training 138 Persons with Intellectual & Developmental Disabilities (PwIDD) for sheltered employment	(ii) promoting employment enhancing vocation skills for the differently abled	Yes	Maharashtra	Mumbai	600,000	No	NGO - Jai Vakeel Foundation, Mumbai	NA
18	RURAL DEVELOPMENT: Providing 2 Borewells for developing irrigation systems benefiting 22 Families (115 people) in Bangerchole village	(i) Livelihood Enhancement(x) Rural Development	No	Maharashtra	Paighar	479,620	No	NGO - Fandry Foundation, Mumbai	NA

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 in the current Financial Year 2020-21 (in ₹)	Mode of Implementation - Direct (Yes /No)	Mode of Implementation - Through Implementing Agency Name (NGO / Foundation) CSR Registration number
19	EDUCATION: Providing Solar Panels and Poti-making machine to the school for 'ghumantu' (migrants) children in Srdungargarth in Rajasthan	(ii) & (iii) Promoting Education in socially and economically backward groups	No	Rajasthan Bikaner	600,000	No	NGO - Sewa Bharti Samiti, Srdungargarth, Bikaner, Rajasthan NA
20	COVID-19 RELIEF: Vaccination Program - Vaccinating 37,480 underprivileged people in specific locations of Maharashtra and Telangana		No	Maharashtra & Telangana Maharashtra: 1. Outskirts of Mumbai, Pune, Nagpur 2. Subdistricts - Yavatmal, Chandrapur 3. Districts - Osmanabad, Raigad, Palghar, Jalgaon, Latur, Ahmednagar Telangana: 1. Districts - Amravati, Vijayawada	20,820,140	No	NGO - Collective Good Foundation (Samhita Social Ventures) NA
<b>Total</b>					<b>78,215,098</b>		

## Annexure 3 to CSR Report

### 9. (b) Details of CSR amount spent in the Financial Year 2020-21 for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project 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	NA	GIRLS' EDUCATION: Construction of Rest Rooms for Girls in Rural schools	2018-19	3 years				Ongoing - to be completed in next 6 months - delayed to the Pandemic
					2018-19	2,000,000	2,000,000	
					2019-20	4,950,000	4,950,000	
					2020-21	8,352,000	8,352,000	
2	NA	HEALTH CARE: Support to the Home for mentally challenged persons	2018-19	3 years				Completed - But the NGO will also be supported in FY 2021-22
					2018-19	7,140,000	7,140,000	
					2019-20	7,000,000	7,000,000	
					2020-21	6,100,000	6,100,000	
<b>Total</b>							<b>35,542,000</b>	

## Annexure 2 to the Directors Report FY 2020-21

# Management's Discussion and Analysis Report

### 1. Macro-Economic Environment and Non-Life Insurance Industry Developments

The global economy struggled to get momentum due to Covid 19 pandemic, worldwide lockdown triggering a slowdown in trade environment. Financial markets have remained unsettled with bouts of volatility. Governments and central banks across the globe deployed various policy tools to support their economies such as lowering policy rates, quantitative easing measures, etc.

In domestic economy, there was a slump in real GDP growth Industrial production has been lower. The production of capital goods and consumer durables also contracted. Demand for automobile remained tepid. Services sector activity weakened, and rural and urban demand continued to slow down. The Reserve Bank's consumer confidence survey also shows weak consumer sentiment, especially relating to non-essential items.

Agriculture remained the silver lining while contact-based services, manufacturing, construction were hit hardest, and are recovering steadily. India remained a preferred investment destination in FY 2020-21 with FDI pouring in amidst global asset shifts towards equities and prospects of quicker recovery in emerging economies. Reignited inter and intra state movement and record-high monthly GST collections have marked the unlocking of industrial and commercial activity.

In India the impact on economic activity was felt much during the entire year when the country wide lockdown was announced. Restricted travel, physical distancing, disruption in supply chains, reduced demand resulted in an overall contraction of economic activity. Maintaining operational resilience for critical services became utmost important for the country.

Although COVID-19 second wave spread impact is likely to continue and spill over the next financial year, the economy is witnessing increased adoption in digital ways to keep businesses up and running, mitigating operational disruption and building resilience and identifying the other revenue streams. Healthcare takes centre stage, while COVID-19 pandemic emphasized the importance of healthcare sector and its inter-linkages with other sectors such as health showcased how a health crisis transformed into an economic and social crisis.

V-shaped recovery is underway, as demonstrated by a sustained resurgence in high frequency indicators such as power demand, e-way bills, GST collection, steel consumption, etc.

The COVID-19 pandemic has severely impacted many industries across the globe. Impact on insurance is mixed with positive impact on health due to higher awareness while negative on motor due to lockdown and lower sales. Commercial lines have minimal impact of Covid-19. On the core side, it is significant and disruptive, ranging from business continuity and employee safety, customer service to operating profits. Since the outbreak of COVID-19, SBI General has been closely monitoring the situation in liaison with the Central/State/Local Authorities and necessary advisories have been issued to the employees and other stakeholders.

Your Company is confident to get through the challenging and uncertain times arising out of the global pandemic crisis. The technological initiatives undertaken by your company in the last few years have come in handy to maintain operational resilience and swiftly adapt to the new complete digital work environment. It is necessary for all to remain calm and focus on capacity building and innovative strategies to tide over the situation and be future ready for the post lockdown economic scenario.

The critical functions such as Operations, Claims, Customer Service, Investments, Underwriting, Finance, Actuarial etc. continue to operate and achieve satisfactory productivity. Government and Regulatory Authority's orders are being diligently followed and information regarding the policies implemented by the Company have been regularly communicated to all our stakeholders through identified channels. Assessment of various risks that we anticipate emerging due to the COVID-19 including those arising out of Business, Investments, Sales & intermediaries, Claims & Servicing, Pricing, Valuations & Solvency have been undertaken and mitigation measures for these assessed risks have been planned and implemented. We have also done stress testing on the business plan under various scenarios arising out of COVID-19 on tapered growth and found that there would be impact on our P&L, but no negative impact on solvency and accordingly, no capital erosion or capital requirement for next FY.

#### Non-Life Insurance Industry developments

The FY 21 will go down for the Indian non-life insurance sector as a year of transformation that resulted in large scale digital embracement and increased health insurance awareness and growth in sales, reduced overall business, industry consolidation, large losses, etc.

Despite the economic slowdown and a visible drop in the automobile demand, the domestic general insurance industry has ended the current fiscal year FY21 with a higher premium driven primarily by Health Insurance.

With gradual opening of the economy, motor insurance segment has picked up but without a hike in third party premium rates, the growth is likely to be muted. In FY21, under General Insurance Industry GDP, Motor remained the dominant line of business with 34% share followed by Health at 30.0%, Crop at 15% and Fire at 10%.

The Industry LOB business performance indicates that Motor segment growth rate has moderated to -1.7%, impacted by decline in domestic sales of vehicles. Fire segment has registered high growth of 28 % in FY21. Health segment achieved 18% growth largely on the back of improved insurance penetration and awareness due to pandemic. The crop segment registered a growth of -3% in FY21.

## 2. Summary of Operations

### i Business Operations & Company Performance

SBI General Insurance completed its 12<sup>th</sup> year of operations, with 136 branches pan India and HO and 99 insurance products approved by IRDAI as on 31<sup>st</sup> March 2021.

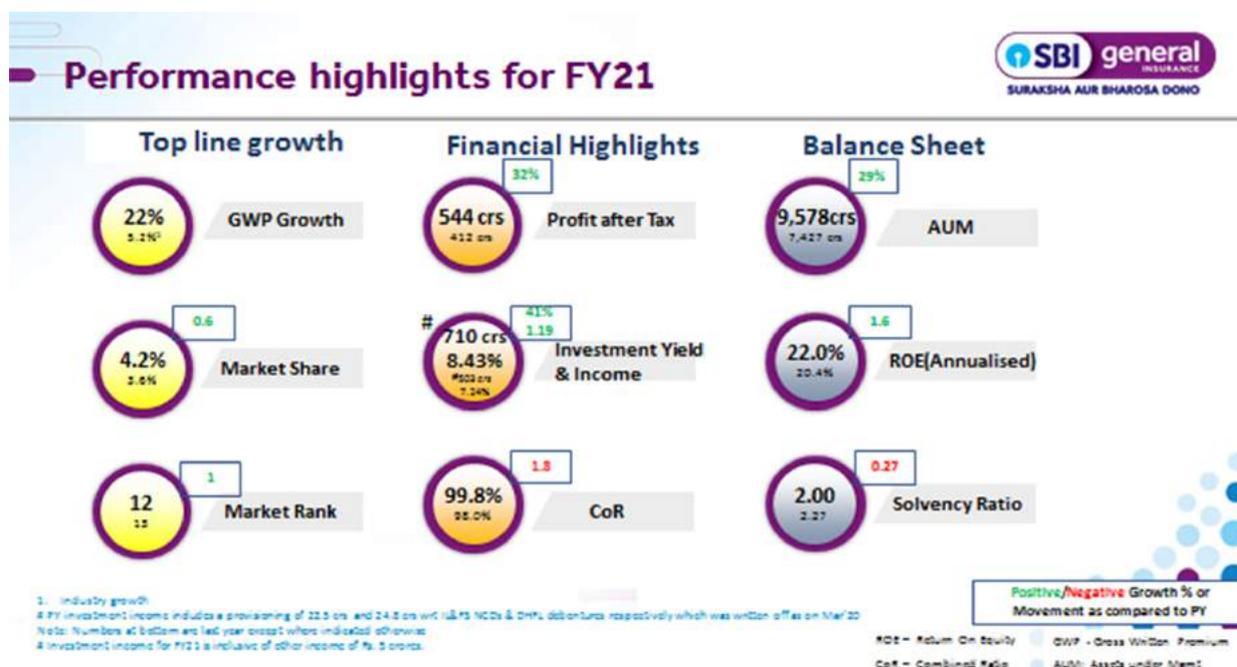
#### Key Statistics FY 2020-21

Particulars	FY 20	FY21
No. of PA Certificates	22,131,880	20,984,449
No. of Employees	3,994	4,548
No. of Agents	12,158	13,270
No. of SP's	24,580	26,293
No. of Brokers	366	404
Total no. of Policies issued	5,797,228	8,601,117

In terms of market ranking in the Industry, SBI General is at 7<sup>th</sup> among private insurers and at 12<sup>th</sup> in the industry. Market share of the Company has improved by 0.6 percentage points in FY 21 as against FY20.

The Company registered a growth of 27% in its profit before tax from ₹ 564 Crore during FY20 to ₹ 718 Crore during FY21. Your company has registered underwriting profit of ₹ 16.9 Cr in FY2020-21.

The performance highlight of the Company is as under:



1 Industry Growth

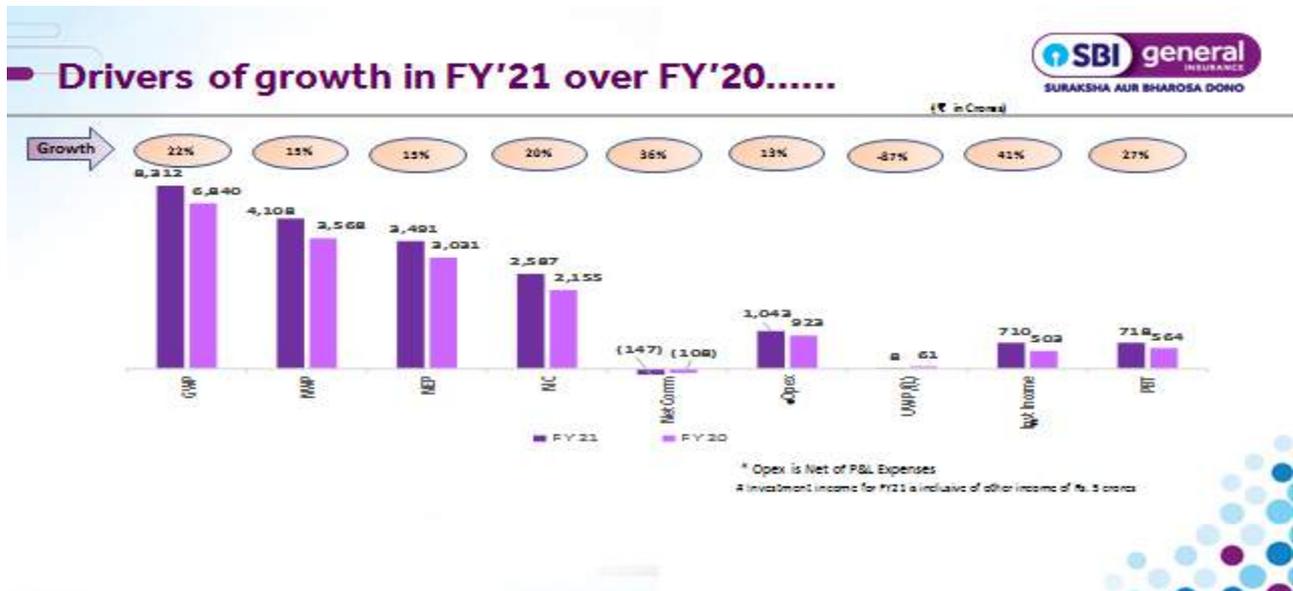
# PY investment income includes a provisioning of ₹ 22.5 crs and ₹ 24.8 crs wrt IL&FS NCDs & DHFL debentures respectively which was written off as of Mar'20

# Investment income for FY21 is inclusive of other income of ₹ 5 crores.

**Note:** Numbers at bottom are last year except where indicated otherwise

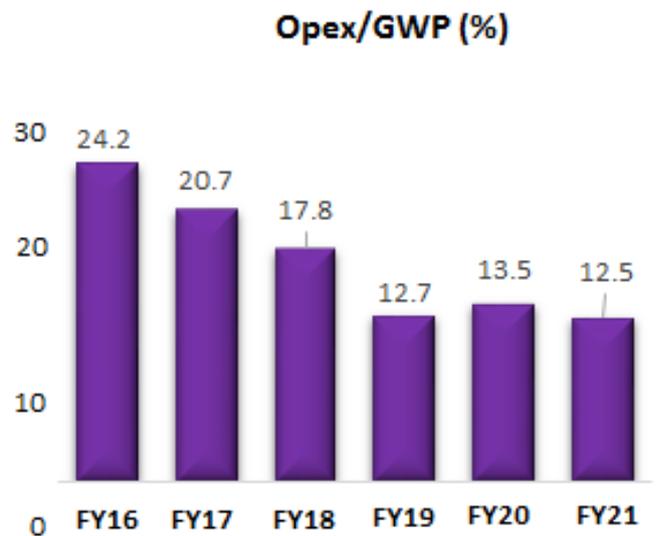
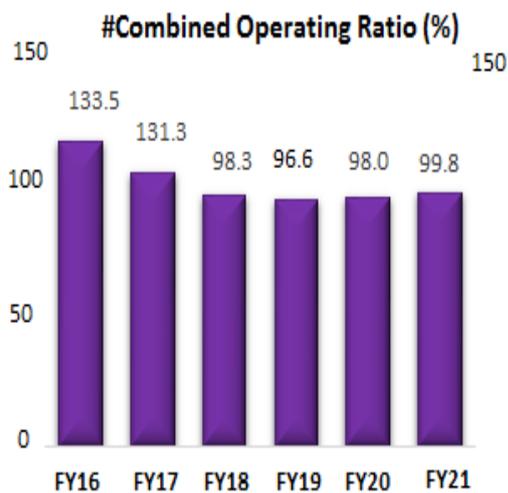
GWP: Gross Written Premium  
 ROE: Return on Equity  
 CoR: Combined Ratio  
 AUM: Asset Under Management

The driver of growth is depicted as under:



# Investment income for FY21 is inclusive of other income of ₹ 5 crores

Net Earned Premium increased to ₹ 3,491 crores for fiscal 2021 from ₹ 3,031 crore for fiscal 2020, an increase of 15%. Operating expenses related to insurance business includes employees' remuneration, rents, rates and taxes, advertisement, sales promotion, business support service and others. Operating expenses ratio (Exp/GWP) for current fiscal is at 12.5%. CoR is at 99.8% for current fiscal year.



# COR = NIC/NEP + (Net comm+Opex)/NEP

Your Company has been focusing on a rigorous business continuity plan as a part of the disaster management program and has built capabilities to handle disruption. This is a continuous activity and with a focus on continuing profitable growth, your Company's strategies had been defined to target profitable growth and efficient expenses management which resulted in significant profits in FY21.

Your Company launched multiple products during current year consisting of Arogya Sanjeevani, standardized products for Covid-19, standardized products for Fire, micro products such as Kutumb Swasthya Bimaand Grameen Samriddhi Bima. In addition, there is revamp in Health portfolio with Arogya Supreme and Master Health product filing approval received from IRDA.

Your Company is now preferred Insurance Partner in many auto insurance tie ups covering two-wheeler, private car and commercial vehicle total OEM tie ups stands at 15.

On the distribution front, your company has enabled the expansion by new corporate agency tie ups with leading Banks and Cooperative societies.

In the digital space, your company is leveraging existing tie ups and onboarded new digital partners. Also, additional reach through RRBs, Financial Corporations, NBFCs, retail broker tie ups have been achieved in FY 21.

Your Company has launched RPA to ensure our business operations are automated and increased data security along with lowering cost of acquisition. Our goal for process automation has been supported by 8 bots now.

Your Company has focused on executing strategic level initiatives for making organization future ready and enhance Employee Productivity, Customer service, lower cost of operations and Channel Partner Management.

#### a. Bancassurance

The BancaNBG channel has contributed to 30% of GWP during the year under review. In absolute terms, premium contribution was ₹ 2,190 Crores from NBG Retail, ₹ 125 from RRB and ₹ 306 Crore from SME, total Banca premium contribution was ₹ 2,621 Crore. During the year under review, your Company recorded good business in new product sales namely Group Loan Insurance (GWP 123 Cr), Simple Home (144 Cr) and Arogya Series (117 Cr). LTH has registered a degrowth of 1% and GWP contribution was ₹ 498 Crore. In GPA our flagship LOB we registered a growth of 1% and GWP of ₹ 586 Cr and Simple Health (Banca Health) registered a growth of 6% and GWP of ₹ 139 Crore. Our Branch activation improved and reached 90% and SP Activation 66% at the end of March 2021. RRB has contributed ₹ 125 Crore with a growth of 25%. Overall, the channel closed the year at 8% growth over last year with a LR of 33% and COR of 51%.

#### b. Agency and Alternate Channel

##### 1. Agency

Agency Channel started with a mission to hit 5000 mark in agent recruitment and closed the FY 21 with 5550 new licensed agents against 2089 in last FY. Total no of licensed agents stands at over 10800.

Overall GWP closed at INR 558.5 Crs. with a growth of 29% vis a vis corresponding year FY 20 contributing 7% to the total GWP.

With continued focus on profitable lines of business, the channel continued building health and non-motor business to increase profitability and presence, apart from increasing profitable Motor business in desired Markets and desired tonnage in GCV.

The channel closed at a healthy ratio of 75:25 (Motor to Non-motor & Health). The loss ratio for the channel has come down from 101% last FY to 91% in March 2021.

Retail Health business has grown by 34%. Non -Motor business grew by 29%. Motor 2Wheeler, after going live in portal, has also gained momentum towards the last quarter and closed above ₹ 10 Cr. Mark.

The Agent Portal (Saral) usage has grown to 78%.

##### 2. Alternate

The alternate (OEM) vertical has booked ₹ 912.56 crores as GWP showing a growth of 18% over the previous financial year. The channel contributed almost 10.98% of total GWP.

The market share in OEM channels stands at:

OEM Share	Hyundai	Maruti	Toyota	TVS
FY 2017-18	7%	2.48%	17%	NA
FY 2018-19	7%	3%	17%	NA
FY 2019-20	6%	5%	19%	NA
FY 2020-21	7%	6.10%	21%	6.82%

New dealer empanelment and dealer activation remained the top priority, 955 New Dealers were empaneled. Correction of Age mix and regional mix was taken as a goal which was successfully achieved. 55% of the GWP was contributed by new vehicles and 28% of the business was sourced by South region.

The right geographical spread and portfolio mix helped in bringing down the Loss Ratio from 87% in March '20 to 83 % in March'21.

### c. Broker and Direct Corporate

Corporate Broking and Direct channel achieved a robust growth of 35% over FY'20. The channel has exhibited exemplary consistency in penetrating the market & in fact has set its footprint in 112 mega accounts across the country. The Company increased participation in the existing Large & Mid Corporate accounts coupled with addition of new accounts & leadership in few large corporates.

The Company continues to build its corporate portfolio selectively focusing on the target segments within each Risk category under each line of business through a mix of broking channel & direct business opportunity. Broking Channel is a key channel for Corporate business and to harness its full potential the channel is engaged with large and mid-segment Brokers to create the portfolio spread. The contribution from broking channel to Corporate business increased to 82% in FY 21 from 78 % in FY 20. Group Health continues to be price sensitive and with hardening of rates in fire portfolio this line of business continues under stress despite the pandemic. We continue to write this line of business with caution and have adopted a portfolio approach. Liability business has also seen an 80% growth over previous year which is also one of our focus segments.

The financial year 2021 witnessed major catastrophic events in the form of cyclone Amphan and Nisarga including few large AOG losses which has impacted the property portfolio. The Pandemic has impacted the Group Health portfolio with a surge in Covid claims.

As a customer service initiative, we have emphasized on risk prevention and undertaken multiple risk engineering and loss prevention webinars across all lines to ensure value addition to the customers.

With pandemic having left its mark on all industries and sectors that had a cascading impact on the business, we have ensured quick delivery on workforce strategies through proper resource allocation & priority settings to assuage any concerns on uninterrupted customer service.

### d. Rural and Agriculture

Government of India had launched Pradhan Mantri Fasal Bima Yojana (PMFBY) during 2016 with a goal of minimum premium and maximum insurance for the benefit of farming community. Premium rates to be paid by farmer were kept lower as compared to previous crop insurance schemes.

With a view to increase the penetration on Gross Cropped Area (GCA) to 50 % by 2022, Government has come out with new directives for companies to increase spending in creating awareness and deployment of resources in rural area to manage crop insurance.

Recognizing the opportunities provided by a heavily under-insured rural market, your company has created a dedicated channel focusing on the Rural & Agriculture insurance. This channel clocked aggressive growth right from inception and has contributed 27.65% of the total GDPI, amounting to ₹ 2,285 Crores (Including Rural Agricultural of ₹ 7.5 Crores). Your Company has also surpassed the rural business obligations mandated by the Insurance Regulatory and Development Authority of India in FY 2020-21.

The Rural-Retail channel was set up to have a dedicated focus on rural and micro insurance business and FY 21 was the first year of operation. The vertical closed FY 21 at a GWP of ₹ 7.51 Crores as a major part of the year was focused on getting with new channel partners onboarded, new digital portal was designed and launched and last but not the least a dedicated team was formed to cater to the needs of the rural market. Vertical is operating 100% on the digital mode from day one and has also got seven micro insurance products approved from the regulator. Channel will be focusing further on strengthening the distribution network via CSC, BC partners, Micro Insurance agents, Rural Brokers, Micro finance Institutions and other community-based organizations.

### e. SME

The SME segment has grown by 39% over FY 19-20 with 46% of premium coming from new business even during the pandemic scenario.

The penetration in SME space has also seen a significant improvement over last year. Contribution from health LOB has seen a phenomenal growth of 54% largely from new SME customers.

The specialized team continues to focus on various opportunities and initiatives to achieve defined business goals.

With the customized and end to end service delivery, renewal retention in SME segment has been more than 85% of the overall base.

We have made SME our key focus area and to provide the much-needed impetus to this segment we continue to engage through multiple channels & have aligned our operating model to factors critical to this segment.

### ii Underwriting

Your Company accepts insurance risks as per the Underwriting Policy approved by the Board which is reviewed annually. The Company continues to write business on a risk-based pricing approach. Your Company's risk selection and approach remains consistent over time which is reflected in the loss ratios of the Company. However, where warranted, your Company has taken corrective actions to improve the loss ratios in various portfolios.

The year under review witnessed impact of covid on business volumes in multiple lines of business, most prominently in Motor and Marine. The unpredictable territory of covid pandemic is likely to continue for some more time. During this period initial lack of growth in business led to fierce competition for business and heavy discounting in Motor, liability and Group health business in the last quarter of FY21. Your company has chosen a well calibrated approach for risk acceptance during the period.

Regulatory activity with regard to standardization of products has been initiated for Home, SME segments in Fire lines of business. Minimum pricing requirements in reinsurance treaties, which was implemented effective 1<sup>st</sup> April 2019 has continued during the current financial year. This continues to have positive impact on profitability of this segment in the medium term, till the prices are reviewed again.

### iii Reinsurance

Your Company's business portfolio is protected by way of adequate reinsurance arrangements such that the Company's exposure to a large loss, affecting a single risk or a series of losses affecting a number of risks arising out of a single catastrophic event does not materially impact the Company.

### iv Claims

Your Company handled 1,600,437 claims intimations in the fiscal year 2020-21 which is an increase of 482% over last fiscal year with major increase in Commercial and Health portfolios with 1,976% and 63% respectively. The huge increase in the Commercial claims was due to individual policies issued/claims settled to the farmers which were under group policies in earlier fiscal period. The Company settled 1,476,583 direct claims in the year FY21 for total claims disbursement of INR. 3,827.61 Crores, thus achieving overall claims settlement ratio of 99% against 102% in the FY 2019-20.

Your Company has handled 178,326 Motor OD claims in the current fiscal. This includes the catastrophic event related claims which were reported due to Amphan Cyclone, Nisarg Cyclone, AP & Telangana floods, etc. Motor OD Net Promoter Score has shown significant improvement by 66% as compared to last fiscal year due to the major overhaul in processes and quicker settling of claims. There is reduction in TAT for Motor OD claims by about 21% compared to last fiscal year. While in the significant part of H1 we were constrained with non – operative workshops and repairers, in H2 the disrupted supply chain for spares led to vehicle repair times increasing. Difficult territories like North East, Parts of Himalayan regions and deep interior pockets of CG, Jharkhand, MP, AP continued to have severe deficit of spares and skilled labour at dealer workshops. Despite prevailing situation, the claim disposal rate of 100% was achieved.

Your Company has handled about 140,112 health claims during the fiscal and achieved a 100% claims settlement ratio. Regulator has been continuously updating guidelines on handling of health claims related to Covid-19. Your Company has ensured that there is strict compliance of all guidelines. The Health NPS has shown marked improvement by 135% (increased from 26 to 61) as compared to last fiscal year, due to various initiative taken like deeper engagement with TPAs, continuous reviews of outstanding claims and aggressive follow-up on reimbursement claims. There has been a significant reduction in PA claims TAT by about 56% compared to last fiscal year as result of introduction of various initiatives like doorstep document procurement services, process reengineering etc.

Your Company has handled about 13,252 claims in Commercial Line claims (this excludes 1,233,255 Crop Claims) during the fiscal year. This includes about 1800+ catastrophic event related claims which were reported due in Amphan Cyclone, Nisarg Cyclone, Nivar Cyclone, Telangana & AP Floods, Bihar & Kerala Floods, etc in the year FY 21. The Net Promoter Score for commercial lines claims has shown improvement of more than 39% as compared to last fiscal. Current year score YTD March 21 stood at 85% which is probably the highest across industry.

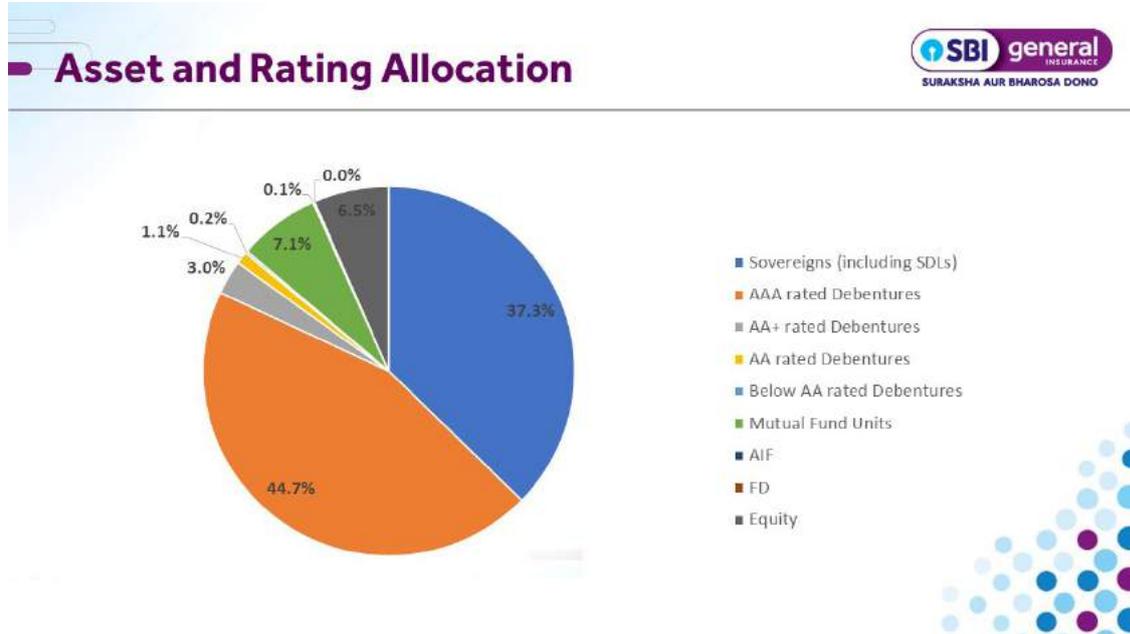
In Motor Third Party claims, due to prevailing pandemic, courts were taking up only urgent matters and not conducting physical hearings for most part of the year. As against 4 National Lok Adalats (NLA) held every year, this fiscal saw only one such NLA held in December 20. Besides, due to the environment around, the number of conciliations were muted as there were no courts working to record the conciliations. Against this backdrop, we have settled, 1095 Third Party claims through Lok Adalats and conciliations during the year. In addition, there were 252 awards settled during the year.

This year due to the prevailing pandemic situation, Claims Team faced various challenges like lockdowns, restricted access to offices, non-functional workshops, unavailability of spares and skilled manpower at repairer workshops in Motor OD claims, Courts non-operative for most part of the year and stress on health infrastructure to cope up with documentation. Despite all the odds, we are glad to report that Claims has functioned in near normal and excelled in many areas of work living up to our promise – **to put our insured back on their feet.**

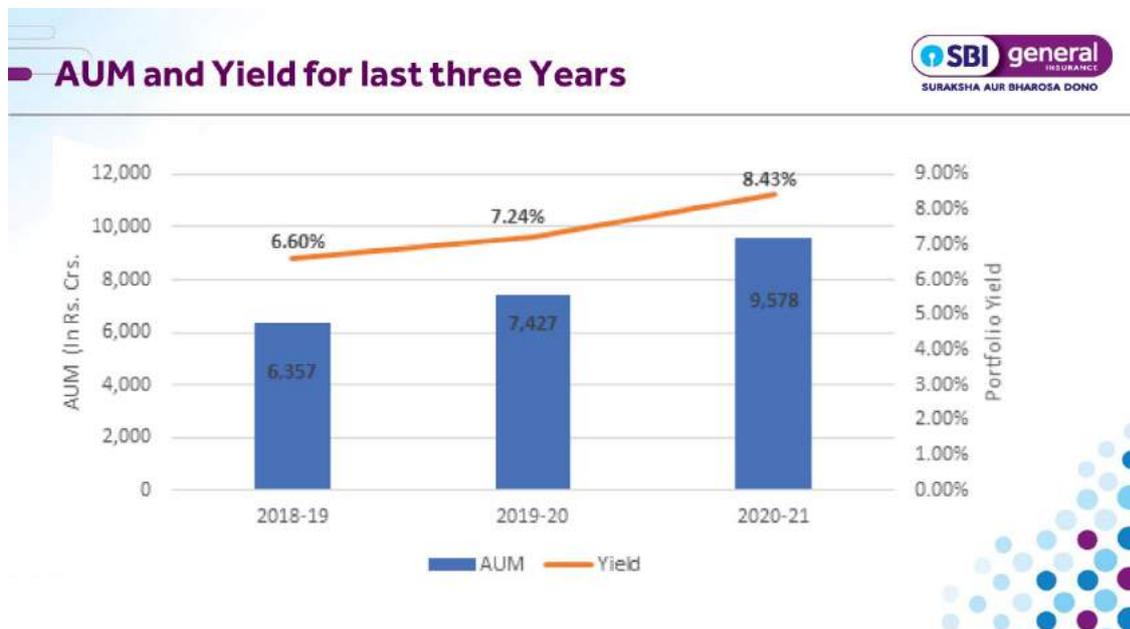
### v Investment Activity

Investments are made in accordance with the regulations laid down by IRDAI (Investment) Regulations, 2016, Insurance Act 1938 and the Board Approved Investment Policy. Efforts are made to optimize the returns on the portfolio while matching the duration of Assets and Liabilities prudently and maintaining adequate liquidity in the Company. The Investment Committee of the Board reviews the investment performance on a quarterly basis.

As on 31<sup>st</sup> March 2021, the Investment portfolio stood at ₹ 9,578.03 crores. Your Company's investment corpus comprises of 86.23% of debt securities. 81.98% of the investment portfolio is invested in Sovereigns and AAA/A1+ rated securities, 4.04% in AA+/AA and 0.21% in AA-/BBB rated securities. Further, 7.08% is invested in liquid/overnight schemes of mutual funds, 0.02% in fixed deposits, 0.12% in Alternative Investment Funds and 6.55% in equities. The yield on investments stands at 8.43% for the year ended 31<sup>st</sup> March 2021.



Assets under management and Portfolio Yield in last three Financial Year:



Your Company's Investment in various sectors as prescribed by IRDAI and Investment Policy (IP).

Sr.	IRDA Broad Category	IRDAI Mandate	IP Mandate	Holding (₹ Cr.) as on 31/03/21	Holding % as on 31/03/21
1	Central Government Securities	20% (min)	20% (min)	2,613.60	27.98%
2.i	Central Government Securities & Other Approved Securities (OAS)	30% (min)	30% (min)	3,686.24	39.46%
2.ii	Approved Investments (AI)	0% -70%	0% - 70%	5,476.72	58.63%
2.iii	Other Investments (OI)	0% -15%	0% - 15%	178.98	1.92%
3	Housing & Infrastructure - (AI + OI)	15% (min)	15% (min)	3,125.18	33.45%

Investment pattern is applicable to the Funds Representing Solvency Margin (FRSM) portion of shareholder's funds and the Policyholder's funds which are together known as the Investment Assets (IA). The total holding in respect of above is pegged to ₹ 9,341.94 crores, which represents the Investment Assets. Remaining funds were invested in Shareholders Excess Solvency Margin Account (SHESMA).

## vi Information Technology

Your Company's IT Department has achieved benchmarks on increasing the total number of system policies issued in a year from 5.34 million to 6.16 million policies. The total number of IT enabled branches are 134.

Your Company's IT Department has successfully completed two successful Disaster Recovery drills, to ensure that there is system continuity in case of a disaster at the Primary Data Centre.

Your Company's IT Department enabled all employees and outsourced staff to work from remote locations, without compromising on security, during the lock down, due to the pandemic.

Your Company's IT Department has successfully rolled out a mobile app for its Crop Cutting Exercise, Cattle Policy Platform, CoE for Robotic Process Automation and AI/ML solutions for Claims Assessment. Forty products were launched on the middle office solution InsureMO to facilitate digital; integrations. A new mobile application was launched for sales and service to customers. The New Brand Logo and Theme on Website and Portal were launched. The BPM (Business Process Management) platform was extended to all branch offices across India.

Your Company's IT Department has successfully integrated with additional digital partners. A new Rural portal was launched integrated with Common Service Centres. Integration with DigiLocker was done for customers' convenience. Integration with WhatsApp was done for policy sales.

Your Company's IT Department has successfully completed the transition of the Core Insurance Application support from HCL to CTS. A Digital Business Support Team was added to improve the online customers user experience. An Enterprise Architecture Team was added to ensure that we have applications and technology that is future ready. Business Solutions Group is created to focus on business user's requirements from IT Applications.

Your Company has embarked on the journey of Environmentally Sustainable Governance with a 5-year Vision.

Your Company's Infosec Department has also successfully completed the ISO 27000 audit and retained the certification.

Further business driven transformation initiatives are planned for the FY 2021-22 which include a new Core Insurance Application, ChatBOT for customers and development of a Virtual Office Portal for Distribution.

## vii Human Resources

Your Company started the financial year 2020-21 with the headcount of 3,994 and the closing headcount was 4,548.

The Company like the sector in general, faced the unprecedented situation of the unexpected pandemic. The age-old established manner of doing business came under question as the new normal swept in rapidly. The debilitating impact of the pandemic was not limited to employees but extended to their families, business partners, customers relating to business dependencies, psyche, and the complete work environment. There was an immediate need to instill resilience into the workforce, strengthen their mindsets and immediately establish normalcy at all workfront touchpoints. Your Company instantly rose to the occasion and with a slew of engagements activities and facilities ensured safety and well-being measure for employees and their family members.

Your Company also has undertaken structured initiatives to ensure that it's frontline managers, mid managers, as well as it's top leadership is aligned to the organizational goals and geared mentally to meet the aggressive aspirations inspite of the imposition of the #NewNormal. The leadership was coached into accountable alignment to organizational expectations and in turn they simultaneously engaged with all employees on a same day, same time in a path breaking Vision, Mission, Values & Goal alignment workshops.

In continuation of the Leadership Development Journeys committed earlier, the Company launched the more detailed and advanced leadership development journeys titled 'FLAME - Emerging Leaders' Program' and 'Building Leaders of Tomorrow - Young Leaders' Program' aimed at creating long term engagement and learning agenda for mid and mid senior level leaders. Focus and thrust on developing leadership competence continues to be the topmost emphasis of the Company so as to remain relevant as well as capable of handling any current & future challenges and to incrementally enhance the delivery capabilities of people.

Through regular Listening Posts, a structured interaction program, the Company ensured top leadership accessibility across the board right up to the branch level employees. It helped in building an emotional connect in these challenging times and reinforcing culture and values, providing opportunity to the employees to connect with leadership in a free, transparent, and open environment and discuss their woes and wants as well.

It is a remarkable attestation of these engagements and connect that inspite of all of us facing an unprecedented situation, SBIGens have shown remarkable resilience and will to serve customers in the face of adversity throughout the fiscal, meet organizational expectations and surpass industry average yet again.

## viii Operations & Customer Services

Your Company has serviced 8,601,117 policies, 3,103,417 Crop Insurance Farmer-wise Certificate of Insurance, 20,984,449 Personal Accident Policy certificates and over 713,056 Endorsement transactions in the current fiscal. A host of process refinements and IT functionalities were introduced during the year to improve upon operational efficiencies:

- Successful Business continuity planning from all branch locations and Head Office during lockdown ensured end-to-end services for our customers
- Implemented automated policy issuance system which includes quotes generation to policy issuance for products with high volume
- Developed and implemented endorsement module in an app with 'Do It Yourself' (DIY) experience to the requestors. 85% of the total endorsements are processed using automation techniques
- Optimization of manpower with Operations up to 20%, due to automation and centralization of redundant processes
- Successfully implemented Tele MER for prospects eligible for pre policy medical check-up thereby improving TAT for these policies
- Company's Contact Centre has handled over 6.30 lakh calls and over 2.92 lakh emails of customers and prospects.

**Complaints Management:** Your Company has integrated its CRM platform with IRDAI's Integrated Grievance Management System for efficient management of customer complaints and has handled 1,555 complaints during the fiscal.

**Grievance Redressal Committee:** Your Company has a Grievance Redressal Committee of the Management with an objective to review the representations made by customers against repudiation and policy related issues, if any. The Committee is empowered to review the representation both on merits and technicality. The Committee has met 20 times during the year 2020-21 and has attended and disposed-of 101 complaints received by it.

## 3. SBI General's Net Promoter Score – NPS

At SBI General, we believe in a customer-centric approach, keeping customers at the heart of the business. We constantly strive for excellence in customer service, with an aim to transit the customer service to customer delight. With this goal, we ensured all the customer service touchpoints offer a standard and uniform service levels. To keep a constant check on the same, we measure NPS \_ Net Promoter Score for all the services at customer touchpoints. This practice also allows us to engage our customers and obtain their feedback on every interaction with the organization. With this constant interaction with our customers, we are able to gather inputs from ground-level and close the gaps, if any.

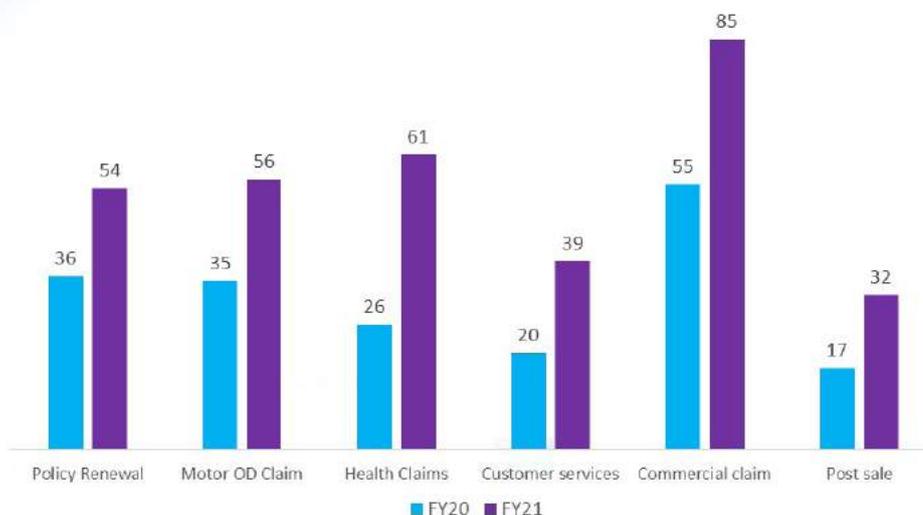
The NPS Score of the Company is also a reflection of our customers satisfaction level at each of the service touch points and accentuates the trust that they have in SBI General. NPS is also a key measure of customers' overall perception of the brand. As NPS is critical a indicator for obtaining customer feedback, it thereby leads to improvement in customer experience.

SBIG introduced measuring NPS at service levels in 2017, and since then we have seen enhancement in the score, which has today become a drive for service excellence across the entire customer journey.

The results, are not viewed just in terms of the number of people who respond, promote, stay passive or negative, but also in terms of the actionable insights derived from the data and the improvements made to each and every touchpoint. The NPS has improved over time, validating our commitment to betterment.

We are glad to share SBI General's Net Promoter Score for the FY2020-21 for all six services.

## Net Promoter Score



#### 4. Solvency

An insurance company is considered to be solvent if its assets are adequate and liquid to pay off claims or liabilities as and when they arise. The solvency ratio is used to assess this. Thus, an insurance company's solvency ratio indicates its claim paying ability; higher the solvency ratio, better the claim paying ability. As on March 31, 2021, the Company had a solvency ratio of 2.00 as against the minimum regulatory requirement of 1.50.

#### 5. Future Outlook

COVID 19 outbreak impact is likely to continue into FY22 and the recovery is largely depended on the extent of limiting the spread of the second wave and the pace of vaccination and development of the health infrastructure. The situation has however brought about more awareness to health insurance amongst customers. Improved insurance awareness and increased digital penetration are some of the new trends observed in the short term due to COVID 19 impact.

In addition, the economy and regulatory reforms are enabling insurer easier access to capacity, capital, distribution reach and customer information more than ever before. While this is expected to intensify the competition at one end, it shall also improve the ability of insurers to provide customized insurance solutions to the customers over the long term.

The company's focus is on growth with sustainable profitability.

The company's major focus in coming year will be on capacity building and redefining the organization for a successful journey under the changing external environment. The future strategic plan to manage change would be:

Customer first approach:

- All our attempt will be on providing value to the customer be it internal or external and each action be evaluated from the customer experience.
- Keeping eyes open to competition and ensuring that we are better than best in providing customer experience.
- Creating higher focus on health and digital verticals as we see higher growth and opportunity there.
- Investing in people
- The only differentiation that a company can sustainably maintain is its quality of people and we are making significant investment in people across levels.
- Process improvement
- Investment in core systems, CRM and data warehouse to make technology and processes more efficient for the company.

This will encompass customer centricity, expansion of distribution capacity, improvement in effectiveness and efficiency across functions, enhanced product portfolio, better digital footprint and control over expenses while we build the capacity for profitable growth.

The Company will continue to focus on profitable growth across channels and lines of business in FY22. The company would continue to focus on customer retention and heighten the association with other associates and subsidiaries of the group.

## Annexure 3 to the Directors Report FY 2020-21

# Report on Corporate Governance

Good governance is integral to the very existence of a Company. Corporate Governance is the practice of consistently creating and enhancing long-term sustainable value for its stakeholders through ethically driven business processes. It plays a key role in enhancing the confidence of all stakeholders. Corporate Governance is the application of best Management Practices, Compliance of Laws in letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. The Company follows the best governance practices with highest integrity, transparency and accountability. It believes that Corporate Governance is not merely about enacting regulations and procedures but also about establishing an environment of trust and confidence among various stakeholders. During the year, the Board continued its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

In accordance to the provisions of the Corporate Governance Guidelines issued by the Insurance Regulatory & Development Authority of India (IRDAI), the report containing details of the Corporate Governance systems and processes of the Company for the financial year ended 31<sup>st</sup> March 2021 is as under:

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is intrinsic to the Management of Company affairs. Good Governance aids effective management and control of business. Your Company believes that sound Corporate Governance plays a crucial role in enhancing and retaining the trust of the stakeholders. It enables the Company to maintain high level of business ethics and to optimize the value for all the stakeholders. The Company ensures that its performance goals are aligned with integrity. The Company adheres to ethical standards which lead to effective management. It believes in accurate and transparent disclosures pertaining to its operations, performance, risk and financial position. The Company philosophy is depicted as under:



### 2. BOARD OF DIRECTORS:

#### a. Composition and Category of the Board

The Board of Directors along with its Committees provide leadership and guidance to the Company's Management and supervises & controls the performance of the Company. The Board's action and decisions are aligned with the Company's best interest.

The Composition of the Board of Directors is governed by the Companies Act, 2013, Corporate Governance Guidelines issued by the IRDAI and the Articles of Association of the Company.

The Directors of the Company are from diverse backgrounds and enjoy a wide range of experience and expertise in various fields. The Company has established systems and procedures to ensure that its Board is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long term shareholders value.

The Board of Directors of the Company comprises of Executive Director, Non-Executive Directors as well as Independent Directors. There is an optimum combination of Executive and Non-Executive/Independent Directors. Except for Managing Director and CEO, all other directors are Non-Executive Directors. There is one Woman Director on the Board of Company. The Directors possess experience in diverse fields including Banking, Finance, Insurance, Human Resource, Information Technology, Marketing, Management and Actuarial science. The skill and knowledge of the Directors have been 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, all 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 Companies Act 2013, 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.

The Company has obtained certificate from M/s. S. S. Rauthan & Associates, Company Secretaries in Practice, dated 28<sup>th</sup> May 2021 certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2021.

### Composition of the Board

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors. As on 31<sup>st</sup> March 2021, the total strength of Board is 6 (Six) Directors out of which 2 (two) are nominees of State Bank of India (SBI), 1 (one) nominee of Napean Opportunities LLP and 3 (three) are Independent Directors.

The Composition of the Board of Directors of the Company as at 31<sup>st</sup> March 2021 is as follows:

Name of the Director	Designation	Category
Shri Dinesh Kumar Khara <sup>1</sup>	Chairman	Non-Executive, SBI Nominee
Shri T. K Kurien <sup>2</sup>	Non-Executive Director	Non-Executive Director
Shri M. K. Garg	Director	Non-Executive, Independent Director
Shri D. Sundaram <sup>3</sup>	Director	Non Executive, Independent Director
Dr. Ashima Goyal	Director	Non Executive, Independent Director
Shri P C Kandpal <sup>4</sup>	Managing Director & CEO	Executive, SBI Nominee

#### Note:

<sup>1</sup> Shri Dinesh Kumar, SBI Nominee Director was appointed as Chairman of the Board during the year.

<sup>2</sup> Shri T K Kurien, was appointed as Non-Executive Director as Nominee of Napean Opportunities LLP w.e.f. 8<sup>th</sup> May 2020.

<sup>3</sup> During the year, the shareholders had approved revision in existing terms of appointment of Shri D. Sundaram, Independent Director from 3 years commencing from December 12, 2017 to 5 years commencing from December 12, 2017.

<sup>4</sup> Shri P C Kandpal was appointed as SBI nominee Director w.e.f. 2<sup>nd</sup> June 2020 and was appointed as MD & CEO w.e.f. 20<sup>th</sup> July 2020.

- Shri Pushan Mahapatra stepped down as MD & CEO w.e.f. 18<sup>th</sup> July 2020 and was appointed as a Whole Time Director (as SBI Nominee) w.e.f. 18<sup>th</sup> July 2020 to 31<sup>st</sup> December 2020. Shri Pushan Mahapatra demitted the office of Whole-time Director of the Company w.e.f. 31<sup>st</sup> December 2020 due to superannuation.
- Shri Rajnish Kumar, SBI Chairman (retd.), resigned as SBI Nominee Director w.e.f. close of business day of 6<sup>th</sup> October 2020 as he had demitted the office of Chairman of State Bank of India on completion of his term.
- Dr. Ajit Kumar Saxena resigned as an Independent Director w.e.f. close of business day of 20<sup>th</sup> August 2020.

The details of the Directors like qualification, specialization, and status of directorship as well as brief profile, as at 31<sup>st</sup> March 2021, is given at **Annexure-I (COGO)** enclosed with this report. The terms & conditions of the appointment of the Independent Directors are hosted on the Company's website.

## b. Number of Board Meetings held and attendance during 2020-21:

The number of Board Meetings held and attended by each of Directors of the Company is depicted in the table given below:

During the year under review, 10 (Ten) Board Meetings were held on the following dates:

84 <sup>th</sup> BM : 8 <sup>th</sup> May 2020	90 <sup>th</sup> BM : 18 <sup>th</sup> November 2020
85 <sup>th</sup> BM : 1 <sup>st</sup> June 2020	91 <sup>st</sup> BM: 20 <sup>th</sup> January 2021
86 <sup>th</sup> BM : 29 <sup>th</sup> June 2020	92 <sup>nd</sup> BM: 15 <sup>th</sup> February 2021
87 <sup>th</sup> BM : 18 <sup>th</sup> July 2020	93 <sup>rd</sup> BM: 13 <sup>th</sup> March 2021
88 <sup>th</sup> BM : 18 <sup>th</sup> August 2020	
89 <sup>th</sup> BM : 26 <sup>th</sup> October 2020	

Directors	Total Meetings held during the tenure	Attendance at the Company's Board Meetings	Whether present at the last AGM held on 18 <sup>th</sup> August 2020
Shri Dinesh Kumar Khara <sup>1</sup>	10	10	Yes
Shri T.K Kurien <sup>2</sup>	10	10	Yes
Shri M. K. Garg	10	10	Yes
Shri. D. Sundaram <sup>3</sup>	10	10	Yes
Dr. Ashima Goyal	10	10	Yes
Shri P C Kandpal <sup>4</sup>	8	8	Yes
Shri Pushan Mahapatra <sup>5</sup>	7	7	Yes
Shri Rajnish Kumar <sup>6</sup>	5	2	No
Dr. Ajit Kumar Saxena <sup>7</sup>	5	5	Yes

### Note:

<sup>1</sup> Shri Dinesh Kumar, SBI Nominee Director was appointed as Chairman of the Board during the year.

<sup>2</sup> Shri T K Kurien, was appointed as Non-Executive Director as Nominee of Napean Opportunities LLP w.e.f. 8<sup>th</sup> May 2020.

<sup>3</sup> During the year, the shareholders had approved revision in existing terms of appointment of Shri D. Sundaram, Independent Director from 3 years commencing from December 12, 2017 to 5 years commencing from December 12, 2017.

<sup>4</sup> Shri P C Kandpal was appointed as SBI nominee Director w.e.f. 2<sup>nd</sup> June 2020 and was appointed as MD & CEO w.e.f. 20<sup>th</sup> July 2020.

<sup>5</sup> Shri Pushan Mahapatra stepped down as MD & CEO w.e.f. 18<sup>th</sup> July 2020 and was appointed as a Whole Time Director (as SBI Nominee) w.e.f. 18<sup>th</sup> July 2020 to 31<sup>st</sup> December 2020. Shri Pushan Mahapatra demitted the office of Whole-time Director of the Company w.e.f. 31<sup>st</sup> December 2020 due to superannuation.

<sup>6</sup> Shri Rajnish Kumar, SBI Chairman (retd.), resigned as SBI Nominee Director w.e.f. close of business day of 6<sup>th</sup> October 2020 as he had demitted the office of Chairman of State Bank of India on completion of his term.

<sup>7</sup> Dr. Ajit Kumar Saxena resigned as an Independent Director w.e.f. close of business day of 20<sup>th</sup> August 2020.

## c. Availability of information to the Board:

The Board of Directors of your Company has unfettered and complete access to all the information within the Company and to the employees of your Company. The Meetings are convened by giving appropriate Notice to all the Board of Directors. Detailed Agenda, Memoranda alongwith all the relevant documents and explanatory statements are circulated to the members of the Board to facilitate meaningful, informed and focused decisions at the meetings. Wherever agenda includes any Affirmative Vote Matter as prescribed in the Articles of Association, a disclosure to this effect is made in the memorandum. Where it is not practicable to circulate any document or agenda, the same is tabled with the unanimous consent of the Board members as permitted by the Articles of Association.

The agenda papers are prepared by the concerned functional heads and approved by the Managing Director & CEO of your Company before such agenda papers are circulated amongst the members of the Board/ Committee by the Company Secretary. The Committees of the Board have authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist the Committee in its work.

With a view to leveraging technology and moving towards paperless systems for the preservation of environment, the Company has adopted a web-based application for transmitting Board/Committee papers. The Directors of the Company receive the agenda in electronic form through the secure application. The application meets the high standards of security and integrity required for storage and transmission of Board/Committee agenda in electronic form.

The Board, inter alia, is apprised with all the information pertaining to the following:

- Minutes of meetings of the various Committees of the Board of Directors like Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Bancassurance Committee, Nomination & Remuneration Committee, CSR Committee, HR Committee and Technology Committee.

- General notices of interest received from Directors of the Company
- Quarterly/Half Yearly/Annual Financial Statements of the Company
- Information pertaining to the policies of the Company
- Information on recruitment and remuneration of senior officers just below the Board level
- Any significant developments on the human resources aspect
- Updates on the Regulatory and Statutory Compliances of the Company
- Control Returns in respect of decision taken as per Financial Delegation of Powers
- Reports on Claims and Grievances received by the Company and ageing thereof.
- State of affairs of the Company vide detailed CEO updates.

#### d. Familiarisation Programme for Independent Directors

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of the industry and the business model of the Company at the time of their appointment as Directors. A Board Manual is handed over to the new inductee, which includes the Company's Corporate Profile, its Mission, Vision and Values Statement, Organisational structure, Code of Conduct applicable to Directors / employees of the Company, Roles and Responsibilities of Directors, Term of Reference of Committees, Key policies of the Company alongwith the latest Annual Report and Memorandum & Articles of Association of the Company. A detailed Appointment Letter is issued for the acceptance of the Independent Directors.

The Company through its Managing Director & CEO/Key Managerial Personnel conducts programmes/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such programmes /presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The programmes/presentations also familiarises the Independent Directors with their roles, rights and responsibilities. When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Managing Director & CEO, Chief Financial Officer and Company Secretary to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

Further, quarterly presentations on operations is made to the Board which include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, compliances, regulatory scenario, etc.

### 3. BOARD COMMITTEES:

The Board Committees plays a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has constituted 6 (Six) mandatory Committees namely the Audit Committee, Nomination and Remuneration Committee, CSR Committee, Investment Committee, Risk Management Committee and Policyholders Protection Committee as per the Companies Act 2013 read with Corporate Governance Guidelines issued by IRDAI. The Board has also constituted a Bancassurance Committee to focus on the Bancassurance business of the Company, a HR Committee and a Technology Committee. The Terms of Reference of Risk Management Committee include the expectations from ALM Committee ("optional committee") whereas the Terms of Reference of HR Committee include the expectations from the Ethics Committee ("optional committee") as conceived in the IRDAI's Guidelines on Corporate Governance. The Audit Committee of the Board is designated to act as Compliance Committee for the purpose of monitoring compliance obligations of the Company.

These Committees have a critical role in strengthening the control environment in the Company. Apart from the above, there are a number of Management Committees with specific terms of reference. Meetings of such Management level Committees are held as and when the need for discussing the matter concerning the purpose arises. The recommendations and minutes of all the Board committees are submitted to the Board in its subsequent meetings.

All the committees have an optimum composition of Non-Executive Directors and the Nominee Directors of SBI. No quorum at any meeting of the Committee shall be validly constituted unless (i) at least one SBI Nominee Director is present at the commencement of such meeting and throughout its proceedings, and (ii) in case of committees other than those requiring a majority of Independent Directors under Applicable Law, the total number of SBI Nominee Directors present at the beginning of, and throughout such meeting, is more than the total number of nominee Directors or any other Shareholder present at the beginning of, and throughout such meeting.

As per the provisions of regulation 7.3(a) of the Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2000 issued by IRDAI, an Appointed Actuary is entitled to attend all the Meetings of the Company. Accordingly, in compliance with this regulation, the Appointed Actuary is invited to attend all the Board and Committee meetings of the Company.

#### i- AUDIT COMMITTEE:

The Board had formed the Audit Committee pursuant to the provisions of section 177 of the Companies Act 2013 and Clause 7.1 of the Corporate Governance Guidelines issued by the IRDAI. The Audit Committee is guided by the terms of reference adopted by the Board.

##### a. Composition of the Audit Committee as on 31<sup>st</sup> March 2021:

The composition of the Audit Committee as on 31<sup>st</sup> March 2021 is as follows:

Name of the Director	Designation	Category
Shri M. K. Garg	Chairman	Independent Director
Shri Dinesh Kumar Khara	Member	Non-Executive Director, SBI
Shri D. Sundaram	Member	Independent Director

##### Note:

- Dr. Ajit Kumar Saxena ceased as a member of the Audit Committee w.e.f.20<sup>th</sup> August 2020
- Shri Ashwini Kumar Tewari has been appointed as member of the Audit Committee w.e.f. 24<sup>th</sup> May 2021.

Shri M. K. Garg, Chairman of the Audit Committee, is an Independent Director of the Company and is a Chartered Accountant with Financial background. All the members of the Committee have strong financial analysis background. The Constitution and Terms of Reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013 and Corporate Governance Guidelines issued by IRDAI. The Head of Finance Function i.e. Chief Financial Officer, Appointed Actuary, Statutory Auditors, Compliance Officer and Head- Internal Audit are invited to attend the meetings of the Audit Committee.

##### b. Meetings held:

During the year under review, the Audit Committee met 10 (Ten) times on the following dates:

58 <sup>th</sup> AC: 8 <sup>th</sup> May 2020	59 <sup>th</sup> AC: 1 <sup>st</sup> June 2020
60 <sup>th</sup> AC: 25 <sup>th</sup> June 2020	61 <sup>st</sup> AC: 18 <sup>th</sup> July 2020
62 <sup>nd</sup> AC: 18 <sup>th</sup> August 2020	63 <sup>rd</sup> AC: 26 <sup>th</sup> October 2020
64 <sup>th</sup> AC: 18 <sup>th</sup> November 2020	65 <sup>th</sup> AC: 20 <sup>th</sup> January 2021
66 <sup>th</sup> AC: 12 <sup>th</sup> February 2021	67 <sup>th</sup> AC: 13 <sup>th</sup> March 2021

Necessary quorum was present at all the meetings of the Audit Committee.

##### c. Attendance:

The details of attendance at the Company's Audit Committee Meetings held during the year under review are as follows:

Name of Members	Committee Meeting Number										Held During Tenure	Attended	% of Attendance
	1	2	3	4	5	6	7	8	9	10			
Shri M. K. Garg											10	10	100%
Shri Dinesh Kumar Khara											10	10	100%
Shri D. Sundaram					X						10	9	90%
Dr. Ajit Kumar Saxena <sup>1</sup>						NA	NA	NA	NA	NA	5	5	100%

<sup>1</sup>Dr. Ajit Kumar Saxena ceased as a member of the Audit Committee w.e.f.20<sup>th</sup> August 2020.

The Chairman of the Audit Committee attends the Annual General Meeting to answer shareholders queries, if any.

The Company Secretary of the Company acts as Secretary to the Audit Committee.

##### d. Brief Description of the Terms of Reference:

The primary objective of the Audit Committee is to carry on functions enshrined in Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and to carry on functions as may be prescribed under the Corporate Governance guidelines as applicable to the Company. The Committee monitors and provides effective supervision of the Management's financial reporting process to ensure accurate and timely

disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee reviews the financial reporting process by the management, internal auditors, joint Statutory Auditors and the Comptroller and Auditor General of India. The Committee recommends the appointment/ re-appointment of statutory auditors and their Audit fees. It reviews the adequacy of internal audit controls, significant internal audit findings/ related party transactions, audit finding of the Statutory Auditors etc. The Committee is a link between Statutory Auditors and the Board of Directors of the Company.

## ii- NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted by the Board in its meeting held on 22<sup>nd</sup> April 2014 to carry on functions enshrined in Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

### a. Composition

The composition of the Nomination & Remuneration Committee is as follows as on 31<sup>st</sup> March 2021:

Name of the Director	Designation	Category
Shri M. K. Garg	Chairman	Independent Director
Shri Dinesh Kumar Khara	Member	Non Executive Director, SBI
Shri D. Sundaram	Member	Independent Director

#### Note:

- Dr. Ajit Kumar Saxena ceased as a member of the Committee w.e.f.20<sup>th</sup> August 2020
- Shri Ashwini Kumar Tewari has been appointed as member of the Committee w.e.f. 20<sup>th</sup> April 2021

### b. Meetings held:

During the year under review, the Nomination and Remuneration Committee met 6 (Six) times on the following dates:

34 <sup>th</sup> NRC : 8 <sup>th</sup> May 2020	35 <sup>th</sup> NRC: 1 <sup>st</sup> June 2020
36 <sup>th</sup> NRC : 18 <sup>th</sup> July 2020	37 <sup>th</sup> NRC: 26 <sup>th</sup> October 2020
38 <sup>th</sup> NRC: 12 <sup>th</sup> February 2021	39 <sup>th</sup> NRC: 13 <sup>th</sup> March 2021

Necessary quorum was present at all the meetings of the Nomination and Remuneration Committee.

### c. Attendance:

The details of attendance at the Nomination and Remuneration Committee Meetings held during the year under review are as follows:

Name of Members	Committee Meeting Number						Held During Tenure	Attended	% of Attendance
	1	2	3	4	5	6			
Shri M. K. Garg							6	6	100%
Shri Dinesh Kumar Khara							6	6	100%
Shri D. Sundaram							6	6	100%
Dr. Ajit Kumar Saxena <sup>1</sup>				NA	NA	NA	3	3	100%

<sup>1</sup>Dr. Ajit Kumar Saxena ceased as a member of the Committee w.e.f.20<sup>th</sup> August 2020.

## iii- INVESTMENT COMMITTEE:

The role of Investment Committee is crucial in managing the investments of the Company. The Constitution and the Terms of reference of the Committee are in compliance with the requirements of the IRDAI (Investment) Regulations, 2016, as amended, and the Corporate Governance Guidelines for Insurance Companies issued by IRDAI. The Investment Committee of the Board reviews the Investment Policy of the Company based on the performance of investments and the evaluation of dynamic market condition. It ensures proper implementation of the Policy and operational framework of the investment operations. The committee takes care of the liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure commensurate yield on investments and above all protection of policyholders' funds.

### a. Composition

The composition of the Investment Committee is as per Regulation 9(1) of the IRDAI (Investment) Regulations 2016 read with IRDAI Guidelines on Corporate Governance and is as follows as on 31<sup>st</sup> March 2021:

Name of the Director/Member	Designation	Category
Shri Dinesh Kumar Khara	Chairman	Non-Executive Director, SBI
Shri T. K. Kurien <sup>1</sup>	Member	Non-Executive Director (Napean Opportunities LLP)
Shri D. Sundaram	Member	Independent Director
Dr. Ashima Goyal	Member	Independent Director
Shri P. C. Kandpal <sup>2</sup>	Member	Managing Director & CEO
Shri Rikhil Shah	Member	Chief Financial Officer
Shri Avez Sayed	Member	Chief Risk Officer
Ms. Gayle Adams	Member	Appointed Actuary
Shri Ganesh Prasad <sup>3</sup>	Member	Chief Investment Officer
Shri Pradeep Kumar Manshani <sup>4</sup>	Member	Chief Investment Officer

**Note:**

<sup>1</sup> Shri T K Kurien, was appointed as member of the Committee w.e.f. 1<sup>st</sup> June 2020

<sup>2</sup> Shri P C Kandpal was appointed as member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>3</sup> Shri Ganesh Prasad ceased as a member of the Committee w.e.f. 18<sup>th</sup> July 2020

<sup>4</sup> Shri Pradeep Kumar Manshani was appointed as member of the Committee w.e.f. 18<sup>th</sup> July 2020

- Shri Pushan Mahapatra ceased as member w.e.f. 31<sup>st</sup> December 2020

- Shri Ashwini Kumar Tewari has been appointed as Member of the Committee w.e.f. 20<sup>th</sup> April 2021 and Chairman of the Committee w.e.f. 24<sup>th</sup> May 2021

**b. Meetings held:**

During the year under review, the Investment Committee met 5 (Five) times on the following dates:

42 <sup>nd</sup> Investment Committee : 1 <sup>st</sup> June 2020	43 <sup>rd</sup> Investment Committee : 22 <sup>nd</sup> June 2020
44 <sup>th</sup> Investment Committee : 18 <sup>th</sup> August 2020	45 <sup>th</sup> Investment Committee: 18 <sup>th</sup> November 2020
46 <sup>th</sup> Investment Committee: 13 <sup>th</sup> March 2021	

Necessary quorum was present at all the meetings of the Investment Committee.

**c. Attendance:**

The details of attendance at the Company's Investment Committee Meetings held during the year under review are as follows:

Name of Members	Committee Meeting Number					Held During Tenure	Attended	% of Attendance
	1	2	3	4	5			
Shri Dinesh Kumar Khara				X		5	4	90%
Shri T. K. Kurien <sup>1</sup>	NA					4	4	100%
Shri D. Sundaram						5	5	100%
Dr. Ashima Goyal						5	5	100%
Shri P. C. Kandpal <sup>2</sup>	NA	NA				3	3	100%
Shri Pushan Mahapatra <sup>3</sup>					NA	4	4	100%
Shri Rikhil Shah						5	5	100%
Ms. Gayle Adams						5	5	100%
Shri Avez Sayed						5	5	100%
Shri Ganesh Prasad <sup>4</sup>			NA	NA	NA	2	2	100%
Shri Pradeep Kumar Manshani <sup>5</sup>	NA	NA				3	3	100%

**Note:**

<sup>1</sup> Shri T K Kurien, was appointed as member of the Committee w.e.f. 1<sup>st</sup> June 2020

<sup>2</sup> Shri P C Kandpal was appointed as member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>3</sup>Shri Pushan Mahapatra ceased as member w.e.f. 31<sup>st</sup> December 2020

<sup>4</sup>Shri Ganesh Prasad ceased as a member of the Committee w.e.f. 18<sup>th</sup> July 2020

<sup>5</sup>Shri Pradeep Kumar Manshani was appointed as member of the Committee w.e.f. 18<sup>th</sup> July 2020

The Chief Investment Officer of the Company acts as Secretary to the Investment Committee.

#### iv- POLICYHOLDERS PROTECTION COMMITTEE:

The Policyholders Protection Committee of the Board of Directors of the Company was constituted pursuant to the Corporate Governance Guidelines issued by IRDAI. The Committee reviews the process being followed by the Company in redressal of complaints/grievances from Policyholders, amongst others. The Policyholders Protection Committee reviews the status of the Complaints received from the policyholders at periodic intervals. The Reports of the Policyholders Protection Committee are submitted to the Board in its subsequent meetings.

##### a. Composition:

The composition of the Policyholders Protection Committee as on 31<sup>st</sup> March 2021 is as follows:

Name of the Director	Designation	Category
Shri Dinesh Kumar Khara	Chairman	Non-Executive Director, SBI
Shri M. K. Garg	Member	Independent Director
Shri P. C. Kandpal <sup>1</sup>	Member	Managing Director & CEO

##### Note:

<sup>1</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020

- Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

- Shri Ashwini Kumar Tewari has been appointed as Member of the Committee w.e.f. 20<sup>th</sup> April 2021 and Chairman of the Committee w.e.f. 24<sup>th</sup> May 2021.

The Terms of reference of the Committee are in compliance with the Corporate Governance Guidelines for Insurance Companies issued by IRDAI.

##### b. Meetings held:

During the year under review the Policyholders Protection Committee met 4 (four) times on the following dates:

42 <sup>nd</sup> PPC: 9 <sup>th</sup> June 2020	43 <sup>rd</sup> PPC: 18 <sup>th</sup> August 2020
44 <sup>th</sup> PPC: 18 <sup>th</sup> November 2020	45 <sup>th</sup> PPC: 12 <sup>th</sup> March 2021

Necessary quorum was present at all the meetings of the Policyholders Protection Committee.

##### c. Attendance:

The details of attendance at the Company's Policyholders Protection Committee Meetings held during the year under review are as follows:

Name of Members	Committee meeting Number				Held During Tenure	Attended	% of Attendance
	1	2	3	4			
Shri Dinesh Kumar Khara	X		X	X	4	1	25%
Shri M.K Garg					4	4	100%
Shri P. C. Kandpal <sup>1</sup>	NA				3	3	100%
Shri Pushan Mahapatra <sup>2</sup>				NA	3	3	100%

##### Note:

<sup>1</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>2</sup>Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> December 2020

The Company Secretary of the Company acts as Secretary to the Policyholders Protection Committee.

#### v- RISK MANAGEMENT COMMITTEE:

The Risk Management Committee of the Board of Directors of the Company was constituted pursuant to the Corporate Governance Guidelines issued by IRDAI. The Risk Management Committee is responsible for setting up a strong Risk Management System and mitigation strategies to manage the various risks across the organisation.

##### a. Composition

The composition of the Risk Management Committee as on 31<sup>st</sup> March 2021 is as follows:

Name of the Director	Designation	Category
Shri Dinesh Kumar Khara	Chairman	Non Executive Director, SBI
Shri M K Garg	Member	Independent Director
Shri P. C. Kandpal <sup>1</sup>	Member	Managing Director & CEO

**Note:**

<sup>1</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

- Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

- Shri Ashwini Kumar Tewari has been appointed as Member of the Committee w.e.f. 20<sup>th</sup> April 2021 and Chairman of the Committee w.e.f. 24<sup>th</sup> May 2021

The Terms of reference of the Committee are in compliance with the Corporate Governance Guidelines for Insurance Companies issued by IRDAI.

**b. Meetings held:**

During the year under review the Risk Management Committee met 5 (Five) times on the following dates:

46 <sup>th</sup> RMC : 1 <sup>st</sup> June 2020	47 <sup>th</sup> RMC : 18 <sup>th</sup> August 2020
48 <sup>th</sup> RMC : 18 <sup>th</sup> Nov 2020	49 <sup>th</sup> RMC: 12 <sup>th</sup> Feb 2021
50 <sup>th</sup> RMC : 12 <sup>th</sup> March 2021	

Necessary quorum was present at all the meetings of the Risk Management Committee.

**c. Attendance:**

The details of attendance at the Company's Risk Management Committee Meetings held during the year under review are as follows:

Name of Members	Committee Meeting Number					Held During Tenure	Attended	% of Attendance
	1	2	3	4	5			
Shri Dinesh Kumar Khara			X		X	5	3	60%
Shri M K Garg						5	5	100%
Shri P. C. Kandpal <sup>1</sup>	NA					4	4	100%
Shri Pushan Mahapatra <sup>2</sup>				NA	NA	3	3	100%

**Note:**

<sup>1</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>2</sup>Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> December 2020

**vi- BANCASSURANCE COMMITTEE:**

The Bancassurance Committee of the Board of Directors of the Company was constituted in order to establish better synergy and communication points with multiple streams of SBI for drawing group-wide distribution strategy of the insurance products & for pricing and service efficiency. The Committee provides strategic direction for the development of general insurance initiatives for SBI bank channel, ensures alignment of SBI & the Company's target numbers by facilitating active involvement in the Company's Annual Business planning exercise.

**a. Composition:**

During the year under review, the Board had approved re-structuring of the Bancassurance Committee. The Composition of the Bancassurance Committee as on 31<sup>st</sup> March 2021 comprised of following ex-officio Members of State Bank of India and the Company:

Sr. No.	Name of the Director/Officer
1.	MD (R&DB), SBI/ex-officio- Chairman
2.	MD (IB,T&S), SBI/ex-officio- Member
3.	DMD (Retail Business), SBI/ex-officio- Member
4.	DMD (CAG), SBI/ex-officio- Member
5.	DMD (FI&MM), SBI/ex-officio- Member
6.	DMD (CCG), SBI/ex-officio- Member
7.	MD & CEO, SBI General- Member#
8.	CGM (Digital Transformation & e-Commerce), SBI/ex-officio-Member
9.	CGM (A&S), SBI/ex-officio- Permanent Invitee
10.	GM (CVE-BU), SBI/ex-officio-Permanent Invitee
11.	DGM (RRB), SBI/ex-officio- Permanent Invitee

**Note:**

# On assuming the office of MD & CEO, Shri P C Kandpal MD & CEO became member of the Committee w.e.f. 20<sup>th</sup> July 2020. Shri Pushan Mahapatra ceased as member of the Committee w.e.f. 18<sup>th</sup> July 2020 due to his resignation as MD &CEO of the Company.

- The members of the Committee are ex-officio of SBI and the Company. The membership of the Bancassurance Committee is based on the designation and therefore, the ex-officio members assume the Committee membership upon attainment of designation as stated in the composition of the Bancassurance Committee and they resign upon change in their designation.

The Company Secretary of the Company act as the Secretary to the Bancassurance Committee.

**b. Meetings held:**

During the year under review the Bancassurance Committee met 4 (four) times on the following dates:

25 <sup>th</sup> Bancassurance Meeting: 9 <sup>th</sup> June 2020	26 <sup>th</sup> Bancassurance Meeting: 18 <sup>th</sup> August 2020
27 <sup>th</sup> Bancassurance Meeting: 18 <sup>th</sup> November 2020	28 <sup>th</sup> Bancassurance Meeting : 12 <sup>th</sup> March 2021

Necessary quorum was present at all the meetings of Bancassurance Committee.

**c. Attendance:**

The details of attendance at the Company's Bancassurance Committee Meetings held during the year under review are as follows:

Name of Members	Committee Meeting Number				Held During Tenure	Attended	% of Attendance
	1	2	3	4			
Shri Dinesh Kumar Khara, (Chairman, SBI) <sup>1</sup>			NA	NA	2	2	100%
Shri C. S. Setty, MD (R&DB), SBI					4	4	100%
Shri Ashwini Bhatia, MD (CB&GM), SBI <sup>2</sup>	NA	NA		NA	1	1	100%
Shri Ashwini Kumar Tewari, MD (IB, T&S), SBI <sup>2</sup>	NA	NA	NA		1	1	100%
Smt. Saloni Narayan, DMD (Retail), SBI <sup>3</sup>		X			4	3	75%
Shri Keshav Kumar Thekepat, DMD (CCG2), SBI	NA	NA	NA		1	1	100%
Shri V. S. Radhakrishnan, DMD (CAG), SBI	NA	NA	NA		1	1	100%
Shri Sanjeev Nautial, DMD (FIMM), SBI	NA	NA	NA		1	1	100%
Shri Sonny George, (Advisor, Digital Transformation and E-commerce), SBI	NA	NA	NA	X	1	0	0
Shri Prabodh Parikh, DMD (CCG), SBI <sup>4</sup>				NA	3	3	100%
Shri P. C. Kandpal, (MD & CEO) <sup>5</sup>	NA				3	3	100%
Shri Pushan Mahapatra, (Erstwhile MD&CEO &Whole Time Director) <sup>6</sup>				NA	3	3	100%

**Note:**

<sup>1</sup>Shri Dinesh Kumar Khara, demitted the office of MD (GB&S), w.e.f. 06.10.2020 upon assuming the position of Chairman of SBI. Shri Ashwini Bhatia took charge as MD (GB&S) w.e.f. 02.11.2020 and became the ex-officio member of the Committee.

<sup>2</sup> Shri Ashwini Bhatia took charge as MD (CB&GM), SBI w.e.f. 28.01.2021 and ceased to be the ex-officio member of the Committee. Further the designation of MD (GB&S) has been renamed as MD (IB, T&S). Shri Ashwini Kumar Tewari, took charge as MD(IB, T&S), w.e.f. 28.01.2021 and became the ex-officio member of the Committee.

<sup>3</sup>Ms. Saloni Narayan took charge as DMD (Retail), SBI w.e.f. 1<sup>st</sup> June 2020 and became ex-officio member of the Committee in place of Shri K. V. Haridas, DMD (Retail), SBI who demitted the office upon attainment of superannuation from the services of SBI.

<sup>4</sup>Shri Prabodh Parikh took charge as DMD (CCG), SBI w.e.f. 1<sup>st</sup> June 2020 and became ex-officio member of the Committee in place of Shri P. N. Prasad, DMD (CCG), SBI who demitted the office upon attainment of superannuation from the services of SBI.

<sup>5</sup>On assuming the office of MD & CEO, Shri P C Kandpal became ex-officio member of the Committee w.e.f. 20<sup>th</sup> July 2020. Shri Pushan Mahapatra ceased as member of the Committee w.e.f. 31<sup>st</sup> December 2020 due to completion his term as Whole Time Director of the Company and attainment of superannuation from the services of SBI.

- The Committee was reconstituted w.e.f. 18<sup>th</sup> November 2020, to include the following as ex-officio members of the Committee, MD(R&DB) as Chairman, DMD (Retail), DMD (CCG), DMD (FIMM), DMD (CAG), CGM (Digital Transformation and E-Commerce).

- The members of the Committee are ex-officio of SBI and the Company. The membership of the Bancassurance Committee is based on the designation and therefore, the ex-officio members assume the Committee membership upon attainment of designation as stated in the composition of the Bancassurance Committee and they resign upon change in their designation.

## vii- CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board of Directors of the Company was constituted on 22<sup>nd</sup> April 2014 to formulate and recommend to the Board, CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013, review and recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the company and monitor the CSR policy of the Company from time to time.

### a. Composition

The composition of the Corporate Social Responsibility Committee as on 31<sup>st</sup> March 2021 is as follows:

Name of the Director	Designation	Category
Dr. Ashima Goyal <sup>1</sup>	Chairperson	Independent Director
Shri Dinesh Kumar Khara	Member	Non Executive Director, SBI
Shri P. C. Kandpal <sup>2</sup>	Member	Managing Director & CEO

#### Note:

<sup>1</sup> Dr. Ashima Goyal was appointed as Chairperson and member of the Committee w.e.f. 1<sup>st</sup> February 2021

<sup>2</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

- Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

- Dr. Ajit Kumar Saxena ceased to be the member of the Committee w.e.f. 20<sup>th</sup> August 2020

- Shri Ashwini Kumar Tewari has been appointed as member of the Committee w.e.f. 20<sup>th</sup> April 2021

The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee.

### b. Meetings held:

During the year under review the Corporate Social Responsibility Committee met 3 (Three) times on the following dates:

18 <sup>th</sup> CSR : 1 <sup>st</sup> June 2020	19 <sup>th</sup> CSR :18 <sup>th</sup> November 2020
20 <sup>th</sup> CSR : 12 <sup>th</sup> March 2021	

### c. Attendance:

Name of Members	Committee meeting Number			Held During Tenure	Attended	% of Attendance
	1	2	3			
Dr. Ashima Goyal <sup>1</sup>	NA	NA		1	1	100%
Shri Dinesh Kumar Khara		X	X	3	1	33%
Shri P. C. Kandpal <sup>2</sup>	NA			2	2	100%
Shri Pushan Mahapatra <sup>3</sup>			NA	2	2	100%
Dr. Ajit Kumar Saxena <sup>4</sup>		NA	NA	1	1	100%

#### Note:

<sup>1</sup> Dr. Ashima Goyal was appointed as the Chairman and member of the Committee w.e.f. 1<sup>st</sup> February 2021

<sup>2</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>3</sup>Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> December 2020

<sup>4</sup>Dr. Ajit Kumar Saxena ceased to be the member of the Committee w.e.f. 20<sup>th</sup> August 2020

## viii- TECHNOLOGY COMMITTEE

The Technology Committee of the Board of Directors of the Company was constituted on 4<sup>th</sup> February 2015 to support/ advise the Board of Directors of SBI General Insurance Company Ltd in Implementing a strategic IT planning process that is integrated with the business strategy, measure and manage the amount spent on and the value received from technology initiatives, enable IT to add value to the business and mitigate risks and to be responsible for directing, controlling and measuring the IT activities of the Company.

### a. Composition

The composition of the Technology Committee as on 31<sup>st</sup> March 2021 is as follows:

Name of the Directors	Designation	Category
Shri D. Sundaram	Chairman	Independent Director
Shri Dinesh Kumar Khara	Member	Non Executive Director, SBI
Shri T. K. Kurien <sup>1</sup>	Member	Non Executive Director (Napean Opportunities LLP)
Shri P. C. Kandpal <sup>2</sup>	Member	Managing Director & CEO

**Note:**

<sup>1</sup>Shri T K Kurien, was appointed as the member of the Committee w.e.f. 1<sup>st</sup> June 2020.

<sup>2</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

- Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

- Shri Ashwini Kumar Tewari has been appointed as member of the Committee w.e.f. 20<sup>th</sup> April 2021

The Head -IT of the Company acts as Secretary to the Technology Committee.

### b. Meetings held:

During the year under review, the Technology Committee met 4 (Four) times on the following dates:

21 <sup>st</sup> Technology Committee: 1 <sup>st</sup> June 2020	22 <sup>nd</sup> Technology Committee: 18 <sup>th</sup> August 2020 (adjourned and continued on 23 <sup>rd</sup> September 2020)
23 <sup>rd</sup> Technology Committee: 18 <sup>th</sup> November 2020	24 <sup>th</sup> Technology Committee: 13 <sup>th</sup> March 2021

Necessary quorum was present at all the meetings of Technology Committee.

### c. Attendance:

Name of Members	Committee meeting Number				Held During Tenure	Attended	% of Attendance
	1	2	3	4			
Shri D. Sundaram					4	4	100%
Shri Dinesh Kumar Khara			X		4	3	75%
Shri T. K. Kurien <sup>1</sup>	NA				3	3	100%
Shri P. C. Kandpal <sup>2</sup>	NA				3	3	100%
Shri Pushan Mahapatra <sup>3</sup>				NA	3	3	100%

**Note:**

<sup>1</sup>Shri T K Kurien, was appointed as the member of the Committee w.e.f. 1<sup>st</sup> June 2020.

<sup>2</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>3</sup>Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> December 2020

## ix- HR COMMITTEE

The HR Committee of the Board of Directors of the Company was re-constituted on 21<sup>st</sup> April 2015 for the purpose of reviewing SBI General's HR Policies and recommending new policies in future to the Board.

### a. Composition

The composition of the HR Committee as on 31<sup>st</sup> March 2021 is as follows:

Name of the Directors	Designation	Category
Shri D. Sundaram	Chairman	Independent Director
Dr. Ashima Goyal	Member	Independent Director
Shri P C Kandpal <sup>1</sup>	Member	Managing Director & CEO

**Note:**

<sup>1</sup> Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

- Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

- Shri Ashwini Kumar Tewari has been appointed as member of the Committee w.e.f. 20<sup>th</sup> April 2021

The Company Secretary of the Company acts as Secretary to the HR Committee.

### b. Meetings held:

During the year under review, the HR Committee met 2 (two) times on the following dates:

13 <sup>th</sup> HR :18 <sup>th</sup> November 2020	14 <sup>th</sup> HR : 12 <sup>th</sup> March 2021
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Necessary quorum was present at all the meetings of HR Committee.

### c. Attendance:

Name of Members	Committee Meeting Number		Held During Tenure	Attended	% of Attendance
	1	2			
Shri D. Sundaram			2	2	100%
Dr. Ashima Goyal			2	2	100%
Shri P. C. Kandpal <sup>1</sup>			2	2	100%
Shri Pushan Mahapatra <sup>2</sup>		NA	1	1	100%

**Note:**

<sup>1</sup>Shri P C Kandpal was appointed as a member of the Committee w.e.f. 20<sup>th</sup> July 2020.

<sup>2</sup>Shri Pushan Mahapatra ceased to be the member of the Committee w.e.f. 31<sup>st</sup> Dec 2020

### x- INDEPENDENT DIRECTOR'S MEETING

The code of conduct for Independent Directors prescribed vide Schedule IV of the Companies Act, 2013, provides for an evaluation mechanism for the Board / Chairperson / Non-executive Directors/ Whole-time Directors which would need to be done at a separate Meeting of Independent Directors, without the attendance of Non-independent Directors and members of management.

A separate meeting of the Independent Directors was held during the financial year 2020-21 on 22<sup>nd</sup> May 2021 to inter-alia discuss the framework for evaluation of Directors. The Non-Independent Directors and Management Personnel did not take part in the meeting.

## 4. DETAILS OF DIRECTORS' REMUNERATION (FY 2020-21)

### Remuneration of Independent Directors:

The details of the Sitting Fees paid to the Independent Directors of the Company during the year 2020-21 is as follows:

Directors	Board Fee (in ₹)	Other Committee Fee (in ₹)	Total (in ₹)
Shri M. K. Garg	900,000	1,420,000	2,320,000
Shri D. Sundaram	900,000	1,710,000	2,610,000
Dr AK Saxena <sup>1</sup>	450,000	575,000	1,025,000
Dr. Ashima Goyal	900,000	405,000	1,305,000

<sup>1</sup>During the year 2020-21, Dr A K Saxena resigned as Director with effect from 20<sup>th</sup> August 2020.

## 5. GENERAL BODY MEETINGS (During the previous three financial years):

The details of the Annual General Meeting and the Extra Ordinary General Meetings held during the previous three financial years are as under:

Year	EGM/ AGM	Date	Venue	Business Transacted by Special Resolution
2020-21	EGM	18-11-2020	Through Video Conference (VC) by using Microsoft Teams Application at State Bank Bhavan, Corporate Center, Madame Cama Road, Nariman Point, Mumbai-400021	Special Resolution was passed by the Members in this Meeting.
2020-21	AGM	18-08-2020	Through Video Conference (VC) by using Microsoft Teams Application at State Bank Bhavan, Corporate Center, Madame Cama Road, Nariman Point, Mumbai-400021	No Special Resolution was passed by the Members in this Meeting.
2020-21	EGM	08-05-2020	Through Video Conference (VC) by using Microsoft Teams Application at State Bank Bhavan, Corporate Center, Madame Cama Road, Nariman Point, Mumbai-400021	Special Resolution was passed by the Members in this Meeting
2019-20	EGM	04-02-2020	10 <sup>th</sup> Floor, "Maurya" Conference Room, Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	No Special Resolution was passed by the Members in this Meeting.
2019-20	AGM	25-09-2019	10 <sup>th</sup> Floor, Conference Room "Chera", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	Special Resolution was passed by the Members in this Meeting.
2019-20	EGM	01-11-2019	10 <sup>th</sup> Floor, "Maurya", Conference Room, Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	No Special Resolution was passed by the Members in this Meeting.

2018-19	EGM	21-02-2019	10 <sup>th</sup> Floor, Conference Room "Chera", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	Special Resolution was passed by the Members in this Meeting.
2018-19	EGM	19-12-2018	10 <sup>th</sup> Floor, Conference Room "Kalinga", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	Special Resolution was passed by the Members in this Meeting.
2018-19	EGM	05-09-2018	10 <sup>th</sup> Floor, Conference Room "Kalinga", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	Special Resolution was passed by the Members in this Meeting.
2018-19	AGM	05-09-2018	10 <sup>th</sup> Floor, Conference Room "Kalinga", Corporate Centre, State Bank Bhavan, Nariman Point, Mumbai- 400021	No Special Resolution was passed by the Members in this Meeting.

## 6. Recording of the Minutes and Proceedings of Various Meetings:

The Company Secretary of the Company is responsible for recording the Minutes and proceedings of various meetings of the Board, General Meetings of the Members and the Meetings of the Committees of the Board (except Investment Committee and Technology Committee wherein the Chief Investment Officer and Head-IT & CIO acts as the member secretary of the Committees respectively, and records the minutes and proceedings of the Committee meetings). The finalized Minutes and proceedings of the meetings are entered into the Minutes Book within 30 days from the conclusion of the meeting.

## 7. SUBSIDIARY COMPANY:

The Company does not have any subsidiary companies.

## 8. DISCLOSURE REGARDING DIRECTOR SEEKING APPOINTMENT

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with applicable law, Shri T.K. Kurien, Non-executive Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## 9. DISCLOSURES

There were no materially significant related party transactions with the promoters, directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to the Accounts forming part of the Annual Report. During the year, there were no cases of penalties or strictures imposed by any statutory authority for any violation related to the capital market.

The Company has a Whistle Blower Policy duly approved and any employee, if he/ she desires, has free access to meet or communicate with the Senior Management and report any matter of concern.

All the mandatory requirements of Corporate Governance Guidelines issued by the IRDAI as amended from time to time are complied with. A certificate by the Compliance Officer is placed alongside at **Annexure (II)**.

## 10. COMPANY SECRETARY & COMPLIANCE OFFICER

Name: Shri Shatrughan Singh  
Company Secretary & Compliance Officer

Address: 301, Junction of Western Express Highway & Andheri Kurla Rd., Andheri East, Mumbai – 400 069  
Contact: +91-22-42412070  
E-mail: Shatrughan.Singh@sbigeneral.in  
Fax: +91-22-42412071

**Note:** Shri Mahendra K. Tripathi Head- Compliance & Company Secretary resigned from the Company on 1<sup>st</sup> June 2021 and his resignation was accepted by the Board of Directors w.e.f 28<sup>th</sup> June 2021.

## 11. GENERAL SHAREHOLDERS INFORMATION:

<b>Date of Incorporation</b>	24 <sup>th</sup> February 2009
<b>CIN No.</b>	U66000MH2009PLC190546
<b>Financial year</b>	2020-21
<b>Board meeting for adoption of Audited Financial Accounts</b>	29 <sup>th</sup> April 2021
<b>IRDAI Registration No.</b>	144
<b>Date &amp; Venue of Annual General Meeting</b>	25 <sup>th</sup> August 2021 State Bank Bhavan, Corporate center, Madame Cama Road, Nariman Point, Mumbai – 400 021 through video conference
<b>Company's Website</b>	www.sbigeneral.in

## 12. Share Transfer System

The Registrar and Transfer Agent of the Company is Karvy Fintech Private Limited for Equity Shares. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. As per SEBI Notification No. SEBI/ LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

Address of Registrar & Transfer Agent:

**Karvy Fintech Private Limited**

Karvy Selenium Tower B,  
Plot 31-32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad 500 032

## 13. Dematerialisation of Shares

During the year, Equity shares of the Company representing 100% of the Company's equity share capital are dematerialised as on March 31, 2021. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE01MM01017.

## 14. DISTRIBUTION OF SHAREHOLDING:

The Details of Shareholding pattern of the Company as at 31<sup>st</sup> March 2021 is as under:

#	Name of Shareholder	Number of Shares	Shareholding Percentage
1.	State Bank of India	150,849,950	70
2.	Shri Dinesh Kumar Khara *	10	
3.	Shri Devendra Kumar *	10	
4.	Shri P. Madhumohan Patro *	10	
5.	Shri Karunakaran Pradeep *	10	
6.	Shri P C Kandpal *	10	
7.	PI Opportunities Fund-1	5,060,000	2.35
8.	Axis New Opportunities AIF - I	3,560,000	1.65
9.	Napean Opportunities LLP	34,501,550	16.01
10.	Honey Wheat Investment Ltd	21,528,450	9.99
	<b>Total</b>	<b>215,500,000</b>	<b>100</b>

\* Shares held as SBI Nominee. 10 Shares held by Shri Dinesh Kumar Khara, Chairman were transferred to Shri Priyadarshan on 15<sup>th</sup> April 2021.

## 15. COMPANY'S ADDRESS:

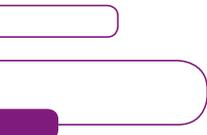
**Registered Office & Corporate Office: (Correspondence Address)**

Natraj, 301,  
Junction of Western Express Highway & Andheri Kurla Road,  
Andheri (East), Mumbai – 400 069.

## Annexure 1 to the Corporate Governance Report

# Details of the Directors of the Company as on 31st March 2021:

Name of the Directors	Category	Qualification	Field of Specialization	Other Directorship's
Shri Dinesh Kumar Khara DIN: (06737041)	Chairman (Non-Executive Director, SBI Nominee)	M. Com & MBA	Banking & Finance	<ol style="list-style-type: none"> <li>1. State Bank of India</li> <li>2. SBI Capital Markets Limited</li> <li>3. SBICAP Securities Limited</li> <li>4. SBICAPS Ventures Limited</li> <li>5. SBI Foundation</li> <li>6. SBI DFHI Limited</li> <li>7. SBI Global Factors Limited</li> <li>8. SBI Funds Management Private Limited</li> <li>9. SBI Cards and Payment Services Limited</li> <li>10. SBI Pension Funds Private Limited</li> <li>11. SBI Life Insurance Company Limited</li> <li>12. SBICAP (Singapore) Limited</li> </ol>
Shri T K Kurien DIN: (03009368)	Non Executive Director (Napean Nominee LLP)	Masters	Finance	<ol style="list-style-type: none"> <li>1. Fabindia Overseas Private Limited</li> <li>2. Wipro GE Health Private Limited</li> <li>3. PI International Holdings LLC</li> <li>4. Autonom8 Private Limited</li> <li>5. Plan Investment Company Pte Limited</li> <li>6. Innovium Inc</li> <li>7. PI Investment Advisory LLP</li> </ol>
Shri M. K. Garg DIN: (00081454)	Non Executive, Independent Director	Chartered Accountant/ FII	Finance & Administration and Insurance. Industry experience	<ol style="list-style-type: none"> <li>1. Rolesoft Mercantile Co. Pvt. Ltd.</li> <li>2. Instant Creations Pvt. Ltd.</li> </ol>
Shri. D. Sundaram DIN: (00016304)	Non Executive, Independent Director	B. Com, Masters in Management Studies, FCWA	Finance	<ol style="list-style-type: none"> <li>1. TVS Capital Funds Private Limited</li> <li>2. TVS Investments Private Limited</li> <li>3. Infosys Limited</li> <li>4. GlaxoSmithKline Pharmaceuticals Limited</li> <li>5. Crompton Greaves Consumer Electricals Limited</li> <li>6. TVS Wealth Private Limited</li> <li>7. ACC Limited</li> <li>8. Schneider Electric India Private Limited</li> </ol>
Dr Ashima Goyal DIN: (00233635)	Non Executive, Independent Director	M.A., M. Phil., PhD,	Investment Banking and Financial Services, Economics	<ol style="list-style-type: none"> <li>1. IDBI Bank Limited</li> <li>2. Edelweiss Financial Services Limited</li> </ol>
Shri P.C. Kandpal DIN: (07307428)	Managing Director & CEO (SBI Nominee)	B.Sc., MA. (Eco), Master's in Financial Management	Banking & Insurance	<ol style="list-style-type: none"> <li>1. SBI Foundation</li> </ol>



## Annexure 2 to the Corporate Governance Report

# Certification for Compliance of the Corporate Governance Guidelines (FY 2020-21)

I, Shatrughan Singh, hereby certify that the Company has complied with the Corporate Governance Guidelines issued by Insurance Regulatory & Development Authority for Insurance Companies, as amended from time to time, and nothing has been concealed or suppressed to the best of my knowledge.

Shatrughan Singh  
Company Secretary & Compliance Officer  
SBI General Insurance Company Limited  
Place: Mumbai

# Certificate by CEO & CFO

To  
The Board of Directors  
SBI General Insurance Company Limited

## Certificate

As required under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the extent applicable to SBI General Insurance Co. Ltd., we certify that:-

- a) We have reviewed Financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:-
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:-
  - i. Significant changes in internal control over financial reporting, if any, during the year;
  - ii. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**(P. C. Kandpal)**  
MD & CEO

**(Rikhil K. Shah)**  
SVP & CFO

Date: 29<sup>th</sup> April 2021

## Annexure 4 to Directors Report FY 2020-21

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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 General Insurance Company Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SBI GENERAL INSURANCE COMPANY LIMITED (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, 2021 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, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. Insurance Act, 1938 (amended till date) and Insurance Rules, 1939;
- iv. Insurance Regulatory and Development Authority Act 1999, and Rules & Regulation, Circular and Notifications etc issued by the IRDAI there under;
- v. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- vi. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made there under to the extent applicable;
- vii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **Not Applicable** to the Company:-
  - a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) 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, 2019;
  - e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - 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;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2016;
  - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

**Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:**

1. Anti-Money Laundering Regulation issued by IRDAI and various Circulars and Guidelines there under;
2. The States Shops and Establishment Act
3. Tax Laws:
  - The State Goods & Services Tax Act, 2017.
  - Integrated State Goods & Services Tax Act, 2017.
  - The Central Goods & Services Tax Act, 2017.
  - The Union Territory Goods and Service Tax Act, 2017.
  - Professional Tax Act.
  - Income Tax Act, 1961
4. Employee Laws:
  - Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972;
  - Payment of Bonus Act, 1965, and Payment of Bonus Rules, 1975
  - Payment of Wages Act, 1936;
  - Minimum Wages Act, 1948;
  - Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & the scheme provided there under;
  - Employees' State Insurance Act 1948;
  - The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
  - The Maternity Benefit Act, 1961;
  - The Contract Labour (Regulation & Abolition) Act, 1970 & Rules;
  - Child Labour (Prohibition and Regulation) Act, 1986;
  - The Apprentices Act, 1961 and Apprenticeship Rules, 1991 under the above Rules;
  - Labour Welfare Fund Act;
  - Equal Remuneration Act, 1976;
  - Workmen's Compensation Act, 1923;
  - Employment Standing Orders Act, 1946.
5. Indian Stamp Act, 1899 and the State Stamp Acts;
6. Copyright Act, 1957;
7. Prevention of Money Laundering Act, 2002
8. Trademarks Act, 1999
9. Indian Contract Act, 1872
10. Negotiable Instruments Act, 1881
11. Information Technology Act, 2000
12. Whistle Blowers Protection Act, 2011
13. Registration Act, 1908;
14. Limitation Act, 1963;
15. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- ii. MCA Notification holding Meetings through VC / OAVM.

**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 have been taken unanimously and no dissent recorded in Board 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 year under review,

- (a) On May 8, 2020, there was an amendment in the Memorandum of Association & Articles of Associations of the Company stating that IAG International Pty Limited (IAG) had transferred total 56,030,000 fully paid-up equity shares of face value of ₹ 10/- each to Napean Opportunities LLP (34,501,550 fully paid up equity shares of ₹ 10/- each) and Honey Wheat Investment Limited (21,528,450 fully paid up equity shares of ₹ 10/- each) and IAG ceased to be Shareholders of the Company.
- (b) On November 18, 2020, there was Approval for revision in existing terms of appointment of Shri D. Sundaram, Independent Director from 3 Years commencing from December 12, 2017 to 5 years commencing from December 12, 2017 to commencing from December 12, 2017.

**For M/s N.L. Bhatia & Associates  
Practicing Company Secretaries**

UIN: P1996MH055800

UDIN: F005436C000346216

**Bharat Upadhyay  
Partner**

FCS: 5436

CP.No.: 4457

P/R No.: 700/2020

Place: Mumbai

Date: May 19, 2021

## Annexure 5 to Directors Report 2020-21

# Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	- NIL
(b) Nature of contracts/arrangements/transactions	- NIL
(c) Duration of the contracts/arrangements/transactions	- NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	- NIL
(e) Justification for entering into such contracts or arrangements or transactions	- NIL
(f) date(s) of approval by the Board	- NIL
(g) Amount paid as advances, if any:	- NIL
(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	- NIL

### 2. Details of material contracts or arrangement or transactions at arm's length basis\*

(a) Name(s) of the related party and nature of relationship	- NIL
(b) Nature of contracts/arrangements/transactions	- NIL
(c) Duration of the contracts/arrangements/transactions	- NIL
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	- NIL
(e) Date(s) of approval by the Board, if any:	- NIL
(f) Amount paid as advances, if any:	- NIL

\* There have not been any Material transactions approved by the Audit Committee of the Board. Accordingly, Nil report is submitted. There were no transactions **at arm's length basis** reported to the Board for approval.

**Dinesh Kumar Khara**  
Chairman  
(DIN: 06737041)

**P C Kandpal**  
MD & CEO  
(DIN: 06452437)

Date: 17<sup>th</sup> July 2021  
Place: Mumbai

# Management Report

**1.** In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted by the Board of Directors with respect to the operations of the Company for the year ended 31st March 2021. The Management of the Company confirms, certifies and declares as below.

## **2. Certificate of Registration**

The Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ("IRDA" of India) to enable the Company to transact General Insurance business continues to stand valid.

## **3. Statutory Dues**

To the best of our knowledge and belief, all the dues payable to the statutory authorities have been duly paid.

## **4. Shareholding Pattern**

The Company's shareholding pattern and any transfer of shares during the year are in accordance with the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000.

## **5. Investment of Funds**

The Company has not invested outside India, either directly or indirectly, any of the Policy holders' funds received in India.

## **6. Solvency Margin**

The Company has adequate assets to cover both its liabilities and the minimum solvency margin as stipulated in Section 64 VA of the Insurance Act, 1938.

## **7. Valuation of Assets**

The values of all assets have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the amounts reflected in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings - "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends 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 several items specified under "Other Accounts".

## **8. Risk exposure and Mitigation strategy**

### **Risk Management**

At SBI General, risk management is central to the sustainability of the Company's business and our decision-making process. We are continually advancing our risk management practices, building a strong foundation of risk & opportunity identification, protection and compliance which focus on different risk factors that impact strategic decision-making and operational performance. A data-driven risk selection framework, adequate reserving and quality reinsurance are at the heart of our governing principles. Our selective underwriting approach by continuous risk measurement has helped us avoid adverse selections. Our Investment Policy lays down the asset allocation strategy to ensure financial liquidity, security, and diversification. The IT systems of the Company are compliant to security best practices as laid down by ISO 27001:2013 Standard. The Company has a robust Business Continuity Management framework in line with the ISO 22301 standard. This ensures resilience and continuity of key processes at a minimum acceptable level during crisis situations. We have gone through the certification journey and have been recommended for the ISO 22301:2019 certification. During the year, SBI General has been assigned highest corporate credit rating of "AAA/Stable" awarded by CRISIL.

As we grow big, we are moving towards an insight-driven and performance-oriented approach to risk management, one that creates a culture where everyone factors risk into their decision-making process.

We have adopted an integrated Risk Management approach wherein our Enterprise Risk Management framework is designed to assure the Board and Risk Committee that risks are being appropriately identified and managed in line with our defined risk appetite and risk tolerance limits.

The overall objective is to strike the right balance between growth and conservatism by promoting risk awareness culture through focused group discussions, risk awareness sessions, self-assessment workshops, training modules, mailers, newsletters etc. resulting in aligning the Company's risk and reward strategy with a robust governance framework.

## **9. Operations in other Countries**

The Company does not have any operations outside India..

## **10. Claims**

a) Ageing analysis of claims outstanding during the five preceding year ended March 31, 2021 is included in Annexure 1.

- b) The trend in average claim settlement time during the five-preceding year ended March 31, 2021 is included in Annexure 2..

## 11. Valuation of Investments

1. All investments in debt securities have been considered to be on a held to maturity category. These are carried at amortized costs. The premium or discount at the time of acquisition is amortized over the remaining period to maturity on constant yield basis by charge to revenue account or profit & loss account as the case may be.
2. To calculate the market value, for comparison purposes, the convention laid down by RBI in consultation with FBIL has been followed, wherein FBIL publishes the price/yields of all traded Central Government Securities as on March 31, 2021. The market value of State Development Loans have been valued at a spread of 25 bps over the corresponding benchmark security of the respective year as per RBI guidelines. Similarly, in the case of securities classified under the category of Other Approved Securities, the Market Value has been taken at a spread of 25 bps over corresponding benchmark security. To calculate the Market Value of Corporate Securities, the spreads prescribed by FBIL for different tenors of securities with different credit ratings have been considered. The spreads applicable for PSU FI and Banks, Private sector, NBFC are different. The prescribed spreads added to the base rate for the respective tenor of the security, depending on the nature of the corporate and its rating, is considered for calculating the Market Value.
3. The mutual fund investments including Bond Exchange Traded Fund (ETFs) are stated at fair value being the closing net asset value as at the balance sheet date. In the event of the balance sheet date being a holiday/non-business day, the NAV for valuation of the fund is considered as published on last day for which NAV is available. In accordance with the regulation, unrealized gain/loss arising due to changes in fair value of mutual fund/Bond ETF investments are not taken to Revenue/Profit and loss account but are taken to Fair Value Change Account in Balance Sheet.
4. Listed and actively traded equity securities including Equity ETFs are valued at the last quoted closing prices on the National Stock Exchange of India Limited, which is the primary exchange, as of the Balance Sheet date. In case, the shares are not listed/not traded in NSE the valuation shall be done at the last quoted closing price on the BSE, which is the secondary exchange for valuation purpose. Unrealized gains or losses are credited / debited to the fair value change account in Balance Sheet.
5. The Alternative Investment Funds (AIFs) are stated at fair value being the latest available NAV published by the

fund as at the Balance Sheet date. In accordance with the regulation, unrealized gains or losses are credited / debited to the fair value change account in Balance Sheet.

## 12. Review of Asset Quality and Performance of Investments

All investments at the period end are performing investments. Investments are managed by competent personnel under the supervision of the Investment Committee appointed by the Board of Directors of the Company. The quality and performance of assets are subject to periodical review by such Committee. The Company invests only in high credit quality instruments. The company has not made any direct investment in real estate or extended any loan directly.

## 13. Directors' Responsibility Statement

The Board of Directors of the Company also state that:

- (a) In preparation of the financial statements, all applicable accounting standards, generally accepted accounting principles and policies have been followed, and there have been no material departures from the aforesaid;
- (b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the operating Profit under the Revenue Account and of the profit in the Profit and Loss Account of the Company for the year ended March 31, 2021;
- (c) The management has taken sufficient and proper care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and the Companies Act 2013 (1 of 2013), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The management has prepared the financial statements on a going concern basis; and
- (e) The management has set up an internal audit system commensurate with the size and nature of the business and the same was operating effectively during the year.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. Detail of Payments made to individuals, firms, companies and organizations in which the Directors are interested during the year ended March 31, 2021 are as follows:**

(₹ in '000)

Sr. No.	Particulars of Company/ Firm	Nature of Interest	Name	Total
1	State Bank of India	Chairman	Shri Dinesh Kumar Khara	3,240,423
2	SBI Life Insurance Company Ltd.	Chairman	Shri Dinesh Kumar Khara	91,783
3	SBI Capital Markets Ltd.	Chairman	Shri Dinesh Kumar Khara	44
4	SBICAP Securities Private Limited	Chairman	Shri Dinesh Kumar Khara	44,428
5	SBI Cards and Payment Services Limited	Chairman	Shri Dinesh Kumar Khara	9,284
6	SBI Foundation	Chairman	Shri Dinesh Kumar Khara	24,124
		Director	Shri P C Kandpal	
7	SBI Funds Management Pvt Ltd	Chairman	Shri Dinesh Kumar Khara	46

Note - Includes payments in the nature of expenses and claims paid and does not include capital transactions like deposit payments, securities purchased, etc.

For and on behalf of the Board of Directors

**Dinesh Kumar Khara**

Director  
(DIN No : 06737041)

**Ashwini Kumar Tewari**

Director  
(DIN No : 08797991)

**Prakash Chandra Kandpal**

Managing Director & CEO  
(DIN No : 06452437)

**Rikhil K. Shah**

Chief Financial Officer  
(M. No. 112490)

**Mahendra K.Tripathi**

Company Secretary  
(M. No. A21090)

Place: Mumbai  
Date: April 29, 2021

## Detail of claims outstanding during the preceding 5 years

### Annexure 1 - Annexure to Management report

For the year ended 31<sup>st</sup> March 2021

Product	Fire		Marine Cargo		Motor		Workmen Compensation		Public Liability		Engineering		Aviation		Personal Accident		Health		Others		Total	
	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved		
30 days	162	631,938	237	135,317	4,674	710,364	10	2,803	12	11,303	65	16,210	-	-	455	338,194	7,351	501,526	8,309	566,655	21,275	2,914,311
30 days to 6 months	381	1,118,680	199	58,726	4,717	2,143,709	10	5,386	19	14,241	85	27,388	-	-	611	500,166	2,628	377,494	6,176	162,586	14,826	4,408,375
6 months to 1 year	305	1,292,660	12	1,204	849	567,199	-	-	4	2,824	34	78,992	-	-	10	13,824	12	2,437	207	76,289	1,433	2,035,429
1 year to 5 years	488	698,015	16	22,317	4,667	4,868,611	6	3,300	8	34,880	29	22,906	-	-	300	310,631	326	131,548	1,671	189,293	7,511	6,281,501
5 years and above	141	702,311	1	52	1,519	1,591,534	3	1,165	-	-	2	1,742	-	-	106	92,242	30	4,176	20	63,611	1,822	2,456,834
<b>Total</b>	<b>1,477</b>	<b>4,443,604</b>	<b>485</b>	<b>217,617</b>	<b>16,426</b>	<b>9,881,417</b>	<b>29</b>	<b>12,654</b>	<b>43</b>	<b>63,247</b>	<b>215</b>	<b>147,238</b>	<b>-</b>	<b>-</b>	<b>1,482</b>	<b>1,255,066</b>	<b>10,347</b>	<b>1,017,181</b>	<b>16,383</b>	<b>1,058,434</b>	<b>46,867</b>	<b>18,096,449</b>

For the year ended 31<sup>st</sup> March 2020

Product	Fire		Marine Cargo		Motor		Workmen Compensation		Public Liability		Engineering		Aviation		Personal Accident		Health		Others		Total	
	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved		
30 days	110	182,324	67	9,511	5,262	486,392	5	1,162	6	1,242	28	25,019	-	-	274	220,293	5,896	443,038	468	624,817	12,116	1,993,798
30 days to 6 months	313	1,058,872	267	34,527	3,526	1,317,451	28	4,339	28	17,564	74	34,618	-	-	574	441,804	1,502	196,861	741	1,265,792	7,053	4,371,828
6 months to 1 year	210	678,955	89	7,341	1,000	921,935	3	1,765	12	15,324	43	9,520	-	-	53	59,919	118	29,306	903	216,885	2,431	1,940,951
1 year to 5 years	409	1,104,407	26	31,155	4,295	5,050,557	6	2,011	6	7,590	34	14,189	3	5,968	330	364,547	249	44,433	594	182,821	5,952	6,807,678
5 years and above	99	332,706	-	-	981	995,661	3	806	-	-	2	1,812	-	-	221	61,831	7	847	13	15,015	1,326	1,408,677
<b>Total</b>	<b>1,141</b>	<b>3,357,264</b>	<b>449</b>	<b>82,534</b>	<b>15,064</b>	<b>8,771,997</b>	<b>45</b>	<b>10,083</b>	<b>52</b>	<b>41,719</b>	<b>181</b>	<b>85,158</b>	<b>3</b>	<b>5,968</b>	<b>1,452</b>	<b>1,148,394</b>	<b>7,772</b>	<b>714,486</b>	<b>2,719</b>	<b>2,305,330</b>	<b>28,878</b>	<b>16,522,932</b>

For the year ended 31<sup>st</sup> March 2019

Product	Fire		Marine Cargo		Motor		Workmen Compensation		Public Liability		Engineering		Aviation		Personal Accident		Health		Others		Total	
	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved		
30 days	123	134,258	65	15,501	4,400	414,997	5	804	3	22,000	14	2,099	-	-	388	280,462	4,961	222,346	4,998	1,515,088	14,957	2,607,555
30 days to 6 months	242	650,584	128	51,733	3,263	1,266,160	9	1,710	1	4,885	44	31,995	-	-	1,321	862,770	1,898	100,531	234	1,019,095	7,140	3,989,463
6 months to 1 year	141	490,053	32	12,798	1,318	766,664	4	2,323	1	5,000	18	63,662	-	-	564	320,836	84	12,970	147	273,213	2,309	1,947,519
1 year to 5 years	324	1,462,399	18	7,692	4,882	5,257,490	7	3,022	2	5,571	13	124,177	8	7,314	538	374,581	96	10,100	107	113,617	5,995	7,365,963
5 years and above	44	68,155	1	181	402	373,341	3	761	-	-	-	-	2	2,772	187	20,420	-	-	7	11,877	646	477,508
<b>Total</b>	<b>874</b>	<b>2,805,449</b>	<b>244</b>	<b>87,904</b>	<b>14,265</b>	<b>8,078,653</b>	<b>28</b>	<b>8,620</b>	<b>7</b>	<b>37,456</b>	<b>89</b>	<b>221,932</b>	<b>10</b>	<b>10,086</b>	<b>2,998</b>	<b>1,859,069</b>	<b>7,039</b>	<b>345,947</b>	<b>5,493</b>	<b>2,932,891</b>	<b>31,047</b>	<b>16,388,008</b>

For the year ended 31<sup>st</sup> March 2018

(₹ in '000)

Product	Fire		Marine Cargo		Motor		Workmen Compensation		Public Liability		Engineering		Aviation		Personal Accident		Health		Others		Total	
	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved		
30 days	122	309,305	79	14,144	3,625	581,623	3	91	-	-	14	2,168	-	-	939	532,994	2,468	111,715	163	58,405	7,413	1,610,445
30 days to 6 months	203	371,226	47	18,507	2,821	980,049	8	1,715	2	7,567	30	36,843	7	2,609	1,640	937,027	1,101	57,942	86	24,606	5,945	2,438,091
6 months to 1 year	83	387,220	12	5,405	1,461	951,521	3	1,506	-	-	8	137,791	1	1,733	553	252,882	63	4,230	40	49,693	2,224	1,791,981
1 year to 5 years	278	1,591,156	9	5,021	5,076	4,582,884	6	1,182	1	167	8	13,035	1	3,696	352	80,571	48	4,571	55	42,611	5,834	6,324,895
5 years and above	11	26,210	2	326	63	50,795	-	-	-	-	2	438	1	2,531	1	16	-	-	1	337	81	80,652
<b>Total</b>	<b>697</b>	<b>2,685,117</b>	<b>149</b>	<b>43,403</b>	<b>13,046</b>	<b>7,146,872</b>	<b>20</b>	<b>4,495</b>	<b>3</b>	<b>7,734</b>	<b>62</b>	<b>190,274</b>	<b>10</b>	<b>10,570</b>	<b>3,485</b>	<b>1,803,490</b>	<b>3,680</b>	<b>178,458</b>	<b>345</b>	<b>175,653</b>	<b>21,497</b>	<b>12,246,065</b>

For the year ended 31<sup>st</sup> March 2017

(₹ in '000)

Product	Fire		Marine Cargo		Motor		Workmen Compensation		Public Liability		Engineering		Aviation		Personal Accident		Health		Others		Total	
	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved	No of claims	Amount involved		
30 days	214	348,253	50	11,242	3,263	462,742	4	1,730	1	100	15	4,918	-	-	847	459,502	2,025	85,914	102	19,072	6,521	1,393,473
30 days to 6 months	217	908,589	71	24,017	3,326	1,300,580	11	1,764	1	575	28	17,010	-	-	1,430	762,241	735	34,242	110	67,204	5,929	3,116,221
6 months to 1 year	99	1,307,486	20	13,481	2,112	1,188,417	5	865	-	-	11	39,255	1	3,696	574	246,643	50	3,739	15	25,250	2,887	2,828,831
1 year to 5 years	209	1,571,665	20	18,043	4,360	3,237,101	3	555	-	-	20	15,808	29	19,877	424	89,444	11	958	32	35,061	5,108	4,988,512
5 years and above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>739</b>	<b>4,135,993</b>	<b>161</b>	<b>66,783</b>	<b>13,061</b>	<b>6,188,840</b>	<b>23</b>	<b>4,913</b>	<b>2</b>	<b>675</b>	<b>74</b>	<b>76,991</b>	<b>30</b>	<b>23,573</b>	<b>3,275</b>	<b>1,557,830</b>	<b>2,821</b>	<b>124,851</b>	<b>259</b>	<b>146,588</b>	<b>20,445</b>	<b>12,327,037</b>

## Details of Average claim settlement time for preceding 5 years\*\*

## Annexure 2 - Annexure to Management report

(₹ in '000)

Particulars	For the year ended 31 <sup>st</sup> March 2021			For the year ended 31 <sup>st</sup> March 2020			For the year ended 31 <sup>st</sup> March 2019			For the year ended 31 <sup>st</sup> March 2018			For the year ended 31 <sup>st</sup> March 2017			For the year ended 31 <sup>st</sup> March 2016		
	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)	No of claims settled	Average settlement time (Days)
Fire	9,104	30	6,871	60	9,993	22	2,944	104	1,775	127	3,259	101	-	-	-	-	-	-
Marine Cargo	1,400	49	953	89	868	38	784	99	538	118	1,169	99	-	-	-	-	-	-
Motor	182,651	26	173,672	31	160,944	22	112,009	62	96,354	64	69,072	47	-	-	-	-	-	-
Workmen Compensation	141	157	83	142	55	119	33	191	20	207	63	146	-	-	-	-	-	-
Public Liability	54	272	45	96	5	152	4	131	-	-	1	200	-	-	-	-	-	-
Engineering	574	71	373	111	231	42	232	123	144	172	373	143	-	-	-	-	-	-
Aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Accident	5,847	8	7,879	7	6,780	12	6,549	19	3,179	38	5,324	208	-	-	-	-	-	-
Health	139,756	5	88,495	9	62,853	7	37,278	7	15,849	9	22,442	46	-	-	-	-	-	-
Others	1,247,511	16	58,896	42	6,746	15	1,916	87	1,119	100	1,378	90	-	-	-	-	-	-

\*\*(excludes co-insurance claim settlements)

# Independent Auditors' Report

## To the Members of SBI General Insurance Company Limited on the Financial Statements

### Opinion

We have audited the accompanying financial statements of SBI General Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the related Revenue Accounts of the Fire, Marine & Miscellaneous Businesses, the Profit and Loss Account and Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in accordance with the requirements of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), Insurance Regulatory and Development Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "Regulations"), Orders / Directions / Circulars issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Companies Act 2013 as amended ("the Act"), to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- in the case of Revenue Accounts, of the operating profit for the year ended on that date;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

### Basis for opinion

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

of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the Insurance Act, the IRDA Act, the Regulations, the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, read with para (b) of other matters is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter Paragraph

We invite attention to Note No 3.44 to the financial statements regarding uncertainties associated with the COVID-19 pandemic and impact assessment made by the company on its business and financial statements for the year ended 31<sup>st</sup> March 2021. The said assessment made by the management is highly dependent upon how the circumstances evolve in subsequent periods.

Our Opinion is not modified on the above matter.

### Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises of Directors Report, Management Discussion & Analysis report, Management report and Corporate Governance Report, but does not include the financial statements and our Auditor's Report thereon. These reports other than the Management report are expected to be made available to us after the date of this Auditor's Report

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of these other information, we are required to report that fact.

## Responsibilities of management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and receipts and payments of the Company in accordance with the requirements of the Insurance Act 1938, as amended by Insurance Laws (Amendment) Act, 2015 read with the IRDA Act, the Regulations, order/ directions issued by the IRDAI in this regard and in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and current practices prevailing within the insurance industry in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

## Other Matters

- a) The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial

valuation of these liabilities as at March 31, 2021, has been duly certified by the Appointed Actuary. The Appointed Actuary have also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by Insurance Regulatory and Development Authority of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Company's Appointed Actuary certificate in this regard for forming our opinion on the financial statements of the Company.

- b) Due to the COVID-19 pandemic, restrictions imposed by the Central / State Government / other authorities, the necessary records as per our requirement were made available by the management through digital means which we test checked and relied upon such data, information and other supporting documents made available to us. We further relied on the additional information, explanations and other evidences provided by the management and discussion with them through telephone and electronic communication channels. The audit processes were carried out based on the remote access made available by the Company.
- c) The financial statements of the Company for the year ended March 31, 2020 were jointly audited by joint auditors of the company, one of whom were the predecessor audit firm who expressed an unmodified opinion dated May 08, 2020 on such financial statements.

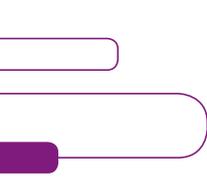
Our opinion is not modified in respect of the above matters

### Report on other legal and regulatory requirements

1. As required by the Regulations, we have issued a separate certificate dated April 29, 2021, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Regulations.
2. As required under Para 2 of schedule C of the Regulations, read with Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) As the Company's financial accounting system is centralized at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
  - d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
  - e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with

the provisions of the Insurance Act, 1938 and Regulations and/or orders/directions issued by IRDAI in this behalf;

- f) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Regulations, orders/directions/circulars issued by IRDAI and also in compliance with Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions/circulars issued IRDAI, in this behalf;
- g) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements dealt with by this report are prepared in accordance with the requirements of the Insurance Act, the IRDA Act, the Regulations and orders/directions/circulars issued by the IRDAI. The aforesaid financial statements also comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDAI in this regard.
- h) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act;
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- j) With respect to the matter to be included in the Auditors' Report under section 197(16), in our opinion and according to the explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act and Section 34A of the Insurance Act.
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note No 3.39 of Schedule 16 to the financial statements.

3. As required under section 143(5) of the Companies Act, 2013, based on our audit as aforesaid, we enclose herewith, as per "Annexure B", the directions including sub-directions issued by the Comptroller & Auditor General of India, action taken thereon and the financial impact on the accounts and financial statements of the Company.

For **A. Bafna & Co.**  
Chartered Accountants  
Firm Registration No.003660C

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration No.302014E

**CA Ashish Trivedi**  
Partner  
Membership No. 109376  
UDIN: 21109376AAAAES5118

**CA Ankita Nemani**  
Partner  
Membership No. 159486  
UDIN: 21159486AAAAAL4497

Place: Mumbai  
Date: 29th April, 2021

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(i) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SBI General Insurance Company Limited on the financial statement as of and for the year ended March 31, 2021]

### Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the aforesaid financial statements of SBI General Insurance Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of

collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Other Matters

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2021, has been duly certified by the Appointed Actuary. The Appointed Actuary have also certified that in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by Insurance Regulatory and Development Authority

of India ("IRDAI") and the Institute of Actuaries of India in concurrence with the Authority. Accordingly, our opinion on the Internal Financial Control does not include reporting on the adequacy and operative effectiveness of the Internal Control over the valuation and accuracy of the aforesaid actuarial liabilities. Our opinion is not modified in respect of this matter.

### Opinion

In our opinion, the Company has, in all material respects, maintained an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **A. Bafna & Co.**  
Chartered Accountants  
Firm Registration No.003660C

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration No.302014E

**CA Ashish Trivedi**  
Partner  
Membership No. 109376  
UDIN: 21109376AAAAES5118

**CA Ankita Nemani**  
Partner  
Membership No. 159486  
UDIN: 21159486AAAAAL4497

Place: Mumbai  
Date: 29th April, 2021

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of SBI General Insurance Company Limited on the financial statements for the year ended March 31, 2021]

### Directions under Section 143(5) of Companies Act 2013

1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
  - **As per the information and explanation given to us, the company has a IT system in place and the transactions are processed through IT System, The company has different IT system related to Core insurance area such as premium, commission, claims etc and investment functions and the transactions recorded in these IT systems flow into the accounting system through automation except for Crop Insurance Business and Reinsurance Inward, which is entered manually in Oracle Financial Accounting System, which is used for preparation of financial statements and other reporting purposes.**
  - **As part of our audit procedures, we have verified the data flowing through these IT systems to the accounting system and on the basis of sample verification, nothing significant has come to our attention that causes us to believe that there are material gaps in the IT control related area.**

**Further, there is system audit report from an outsourced agency appointed by the management which has not reported any significant gaps.**
2. Whether there is any restructuring of an existing loan or cases of waiver / write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (in case, lender is a Government company, then its direction is also applicable for statutory auditor of lender company)
  - **As informed, the company has not taken any loan, thus restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc made by a lender to the company due to Company's inability to repay the loan is not applicable.**
3. Whether funds (grants/subsidy etc.) received / receivable for specific schemes from central / state Government or its agencies were properly accounted for / utilized as per its terms and conditions? List the cases of deviation.
  - **As informed, the company has received subsidy under Pradhan Mantri Fasal Bima yojana (PMFBY) from Central / State Government. Fund received/ receivable under PMFBY scheme from central/ state government were accounted for/ utilized as per terms and conditions and no deviation observed.**

### Sub- directions issued by C&AG of India

1. Number of titles of ownership in respect of CGS/SGS/Bonds/ Debentures etc. available in physical/ demat form and out of these, number of cases which are not in agreement with the respective amounts shown in the Company's books of accounts may be verified and discrepancy found may be suitably reported.

- **Details for number of titles of ownership in respect of CGS/SGS/Bonds/ Debentures etc. as on 31st March 2021 available in physical / demat form are as under:**

Sr. No.	Asset Type	Mode of Holding	Number of titles of ownership	Book Value (₹ in 000)	Discrepancy
1	CGS	Demat	52	26,626,368	Nil
2	SGS	Demat	91	9,123,554	Nil
3	Bonds	Demat	155	46,839,200	Nil
4	Equities	Demat	40	6,271,084	Nil
5	Fixed Deposits	Physical	1	19,900	Nil
6	AIF	Physical	3	117,085	Nil
7	Mutual Funds	Physical	9	6,783,081	Nil
	<b>Total</b>		<b>351</b>	<b>95,780,272</b>	

2. Whether stop loss limits have been prescribed in respect of the investments. If yes, whether or not the limit was adhered to. If no, details may be given.

- **Stop loss limits have been prescribed in the Investment Policy of the company and delegation of authority has been provided to execute the cut loss limits of Investments per day.**

**Once the scrip reaches the Cut Loss limit, the decisions to hold/sell is taken by the CIO or Investment Operations Committee as per delegation. The necessary approvals of Board wherever required is generally taken in next investment committee meeting followed by approval of the Board.**

3. Whether Company has carried out reconciliation exercise for inter-company balances reflected in their financial statements with other PSU insurers and whether confirmation has been obtained from other PSU insurers for balances due from them?

- **The Company has sent balance confirmation to PSU Insurers for the co-insurance transactions / balances as on Feb 2021 and the balances have been duly reconciled w.r.t the responses received from their respective offices. The company is required to reconcile the Co-Insurance balances w.r.t. Transactions from 1st April 2018 from ETASS System on continuous basis and majority of the transactions available in ETASS have been confirmed where SBIGL is the leader and the transactions where SBIGL is the follower have been reconciled to the extent of data in ETASS / off line intimation sent by the leader.**

**Reconciliation exercise of accounts with PSU Reinsurer has been carried out on the basis of Confirmation of Statement of Account obtained from such PSU Reinsurer as on 31<sup>st</sup> December 2020, as per the terms of the treaty**

4. Whether the method of accounting of premium and reported claims are as per conditions of agreement/scheme relating to:

- Pradhan Mantri Fasal Bima Yojana
- Rashtriya Swasthya Bima Yojana
- Prime Minister Jan Aarogya Yojana
- **Premium on Pradhan Mantri Fasal Bima Yojana ("PMFBY") has been booked on the basis of information available on the Govt. Portal as on the balance sheet date except premium which have not been booked pertaining to the applications which are not approved by the company on Govt. Portal due to non-receipt of premium /other details.**

**As per information and explanation given by the management, the company has not made any provision for interest payable since it has made timely payment of claims to farmers after receipt of full subsidy from Government in accordance with the terms of the scheme. However, the Govt of Rajasthan has levied an interest of Rs 5.26 crores under PMFBY due to delayed payment of claim which has been provided for, Further, no interest receivable has been claimed or accounted w.r.t delayed receipt of subsidy under PMFBY.**

- **As per the records made available by the Company, there is no such premium and claims relating to Rashtriya Swasthya Bima Yojana and Prime Minister Jan Aarogya Yojana.**

5. Whether the Company has complied with IRDAI circular (No. IRDA/F&A/CIR/MISC/052/03/2018 dated 27<sup>th</sup> March 2018) regarding exemption of re-insurance schemes of specified insurance schemes such as Pradhan Mantri Fasal Bima Yojana, Pradhan Suraksha Bima Yojana etc. from the purview of GST and passed on to the insured / Government the benefit of reduction in premium?

- **As per the records made available by the Company, GST is not applicable on policies issued under Pradhan Mantri Fasal Bima Yojana, Pradhan Suraksha Bima Yojana etc.. Further, as explained to us the company has stated that while computing pricing of PMFBY products, the Company is not considering GST as a cost. Therefore, the**

premium does not include GST as a cost and hence passing on the benefit of GST to the insured/Government does not arise.

6. Whether entire input tax credit (ITC) available on GST portal in respect of the company has been availed within prescribed time limits.
- The company prepares a reconciliation statement of ITC available on GST portal with its Books of Accounts and identifies those credits which are ineligible and not pertaining to the company.
  - This eligible ITC Credits identified by the Company for FY 2018-19 and 2019-20 had been availed within the prescribed time limit i.e. 30.09.2019 and 30.09.2020 respectively.
  - The reconciliation is also done for FY 2020-21 and the company have time till 30.09.2021 to avail the ITC.

For **A. Bafna & Co.**  
Chartered Accountants  
Firm Registration No.003660C

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration No.302014E

**CA Ashish Trivedi**  
Partner  
Membership No. 109376  
UDIN: 21109376AAAAES5118

**CA Ankita Nemani**  
Partner  
Membership No. 159486  
UDIN: 21159486AAAAAL4497

Place: Mumbai  
Date: 29th April, 2021

# INDEPENDENT AUDITORS' CERTIFICATE

Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 29th, 2021

To:  
The Board of Directors  
M/s SBI General Insurance Company Limited  
"Natraj" 301,  
Junction of Western Express Highway,  
Andheri-Kurla Road, Andheri (East)  
Mumbai - 400 069

Dear Sirs,

1. This certificate is issued in accordance with the terms of our engagement letter with SBI General Insurance Company Limited (the "Company"), wherein we are requested to issue certificate for compliance with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "Regulations") read with regulation 3 of the Regulations.

## Management's Responsibility

2. The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Regulations and orders/directions issued by the Insurance Regulatory and Development Authority of India ("IRDAI") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

## Auditor's Responsibility

3. Our responsibility for the purpose of this certificate is to obtain reasonable assurance and form an opinion based on our audit and examination of books and records as to whether the Company has complied with the matters contained in paragraphs 3 and 4 of Schedule C of the Regulations read with regulation 3 of Regulations.
4. We have audited financial statements of the Company for the financial year ended March 31, 2021 on which we have issued an unmodified audit opinion vide our report dated April 29<sup>th</sup> 2021. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by ICAI.
6. The Guidance Note requires that we comply with the independence and other ethical requirements of the Code of ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services engagements.

## OPINION

7. In accordance with information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended March 31, 2021, we certify that:

- a. We have reviewed the Management Report attached to the financial statements for year ended March 31, 2021, and on the basis of our review, there is no apparent mistake or material inconsistency with the financial statements;
- b. Based on information and explanations received during the normal course of our audit, management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration as stipulated by the IRDAI;
- c. We have verified the cash balances to the extent considered necessary and securities relating to the Company's loans and investments as at March 31, 2021, based on management certificates, Custodian certificates / Depository Participants confirmation & other Confirmation's as the case may be.
- d. The Company is not a trustee of any trust; and
- e. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act relating to the application and investments of the Policyholders' Funds.

### Restriction to use

8. This certificate is issued at the request of the company solely for use of the company for inclusion in the annual accounts in order to comply with the Regulations and should not be used by any other person or for any other purpose. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **A. Bafna & Co.**  
Chartered Accountants  
Firm Registration No.003660C

For **MKPS & Associates**  
Chartered Accountants  
Firm Registration No.302014E

**CA Ashish Trivedi**  
Partner  
Membership No. 109376  
UDIN: 21109376AAAAAES5118

**CA Ankita Nemani**  
Partner  
Membership No. 159486  
UDIN: 21159486AAAAAL4497

Place: Mumbai  
Date: 29th April, 2021

## Comments of the Comptroller and Auditor General of India under section 143(6 (b) of the Companies Act,2013 on the financial statements of SBI General Insurance Company Limited, for the year ended 31<sup>st</sup> March 2021

The preparation of financial statements of SBI General Insurance Company Limited for the year ended 31<sup>st</sup> March 2021 in accordance with the financial reporting framework prescribed under the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29<sup>th</sup> April 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI General Insurance Company Limited for the year ended 31<sup>st</sup> March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6)(b) of the Act.

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

**(P V Hari Krishna)**  
Principal Director of Audit (Shipping)

Place: Mumbai  
Date: 15<sup>th</sup> July 2021

Form B-RA

**Revenue Account for the year ended 31<sup>st</sup> March 2021**

(₹ in '000)

Particulars	Fire			Marine			Miscellaneous			Total
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	Schedule	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	
1. Premiums earned (Net)	2,819,720	1,990,424	1	232,630	177,410	31,853,474	28,139,112	34,905,824	30,306,946	
2. Profit/ Loss on sale/redemption of Investments	96,366	61,166		3,623	1,997	530,779	331,671	630,768	394,834	
3. Others										
(a) Interest Income-Nuclear / Terrorism Pool	13,440	5,540		-	-	1,622	3,662	15,062	9,202	
(b) Interest Income on Unclaimed Policyholder	829	640		31	21	4,568	3,472	5,428	4,133	
(c) Miscellaneous Income	829	-		31	-	16,096	6,860	16,956	6,860	
(d) Diminution in value of Investment (Debt)	-	96,900		-	3,163	-	525,439	-	625,502	
(e) Write off in value of Investment (Debt)	-	(131,646)		-	(4,297)	-	(713,843)	-	(849,786)	
4. Interest, Dividend & Rent – Gross	657,575	590,245		24,722	19,268	3,621,870	3,200,579	4,304,167	3,810,092	
<b>TOTAL (A)</b>	<b>3,588,759</b>	<b>2,613,269</b>		<b>261,037</b>	<b>197,562</b>	<b>36,028,409</b>	<b>31,496,952</b>	<b>39,878,205</b>	<b>34,307,783</b>	
1. Claims Incurred (Net)	1,506,406	1,101,863	2	310,492	128,058	24,050,542	20,322,956	25,867,440	21,552,877	
2. Commission (Net)	(2,454,093)	(2,257,000)	3	47,816	33,955	938,287	1,141,446	(1,467,990)	(1,081,599)	
3. Operating Expenses related to Insurance Business	749,055	628,829	4	47,896	40,211	9,540,766	8,418,190	10,337,717	9,087,230	
4. Premium Deficiency Reserve	-	-		-	-	-	-	-	-	
<b>TOTAL (B)</b>	<b>(198,632)</b>	<b>(526,308)</b>		<b>406,204</b>	<b>202,224</b>	<b>34,529,595</b>	<b>29,882,592</b>	<b>34,737,167</b>	<b>29,558,508</b>	
<b>Operating Profit/(Loss) [C = (A-B)]</b>	<b>3,787,391</b>	<b>3,139,577</b>		<b>(145,167)</b>	<b>(4,662)</b>	<b>1,498,814</b>	<b>1,614,360</b>	<b>5,141,038</b>	<b>4,749,275</b>	
APPROPRIATIONS										
Transfer to Shareholders' Account	3,787,391	3,139,577		(145,167)	(4,662)	1,498,814	1,614,360	5,141,038	4,749,275	
Transfer to Catastrophe Reserve	-	-		-	-	-	-	-	-	
Transfer to Other Reserves	-	-		-	-	-	-	-	-	
<b>TOTAL (C)</b>	<b>3,787,391</b>	<b>3,139,577</b>		<b>(145,167)</b>	<b>(4,662)</b>	<b>1,498,814</b>	<b>1,614,360</b>	<b>5,141,038</b>	<b>4,749,275</b>	
Notes to Financial Statements	16									

The Schedules referred to above form an integral part of the Financial Statements

As per our report attached

For **A. Bafna & Co.**  
Chartered Accountants  
(FRN 003660C)

For **MKPS & Associates**  
Chartered Accountants  
(FRN 302014E)

For and on behalf of the Board of Directors

**Dinesh Kumar Khara**  
Director  
(DIN No. : 06737041)

**Ashwini Kumar Tewari**  
Director  
(DIN No. : 08797991)

**Prakash Chandra Kandpal**  
Managing Director & CEO  
(DIN No. 06452437)

**Ashish Trivedi**  
Partner  
M.No. 109376

**Ankita Nemani**  
Partner  
M.No. 159486

**Rikhil K. Shah**  
Chief Financial Officer  
(M. No. 112490)

**Mahendra K. Tripathi**  
Company Secretary  
(M. No. A21090)

Place : Mumbai  
Date : April 29, 2021

Place : Mumbai  
Date : April 29, 2021

## Form B-PL

Profit and Loss Account for the year ended 31<sup>st</sup> March 2021

(₹ in '000)

Particulars	Schedule	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
1. OPERATING PROFIT/(LOSS)			
(a) Fire Insurance		3,787,391	3,139,577
(b) Marine Insurance		(145,167)	(4,662)
(c) Miscellaneous Insurance		1,498,814	1,614,360
2. INCOME FROM INVESTMENTS			
(a) Interest, Dividend & Rent – Gross		1,356,087	1,178,432
(b) Profit on sale of investments		785,385	384,592
Less: Loss on sale of investments		(80,918)	(401,985)
3. OTHER INCOME			
Miscellaneous Income		38,653	1,301
Profit & Loss on Sale of Assets		679	1,132
<b>Total (A)</b>		<b>7,240,924</b>	<b>5,912,747</b>
4. PROVISIONS (Other than taxation)			
(a) For diminution in the value of investments		(39,558)	(124,074)
(b) For doubtful debts		(2,765)	65,630
(c) Others		–	–
5. OTHER EXPENSES			
(a) Expenses other than those related to Insurance Business		–	–
(b) Bad debts written off		9,715	2,269
(c) Others			
Investment write off		–	247,687
Interest & Penalty		7,267	2,727
CSR Expenditure (Refer Para 3.36 of Sch 16)		49,939	69,244
Director's Fees		7,260	3,500
Others		29,857	1,709
<b>Total (B)</b>		<b>61,715</b>	<b>268,692</b>
Profit/(Loss) Before Tax		7,179,209	5,644,055
Provision for Taxation			
(a) Current Tax/ Minimum Alternate Tax		1,780,385	1,270,282
(b) Deferred tax (Income)/ Expense		(1,581)	256,166
(c) Short/ (Excess) provision of earlier years		(35,516)	–
Profit/(Loss) after tax		5,435,921	4,117,607
<b>Appropriations</b>			
(a) Interim dividends paid during the period		215,500	215,500
(b) Proposed final dividend		–	–
(c) Dividend distribution tax		–	–
(d) Transfer to any Reserves or other Accounts		–	–
Balance of profit/ (loss) brought forward		6,659,883	2,757,776
Balance carried forward to Balance Sheet		11,880,304	6,659,883
Basic Earning per share of ₹ 10 FV (Refer Para 3.27 of Sch 16)		25.22	19.11
Diluted Earning per share of ₹ 10 FV (Refer Para 3.27 of Sch 16)		24.95	19.11
Notes to Financial Statements	16		

The Schedules referred to above form an integral part of the Financial Statements

As per our report attached

For A. Bafna & Co.  
Chartered Accountants  
(FRN 003660C)For MKPS & Associates  
Chartered Accountants  
(FRN 302014E)Ashish Trivedi  
Partner  
M.No. 109376Ankita Nemani  
Partner  
M.No. 159486Place : Mumbai  
Date : April 29, 2021

For and on behalf of the Board of Directors

Dinesh Kumar Khara  
Director  
(DIN No : 06737041)Ashwini Kumar Tewari  
Director  
(DIN No : 08797991)Prakash Chandra Kandpal  
Managing Director & CEO  
(DIN No: 06452437)Rikhil K. Shah  
Chief Financial Officer  
(M. No. 112490)Mahendra K. Tripathi  
Company Secretary & CEO  
(M. No. A21090)  
Place : Mumbai  
Date : April 29, 2021

Form B-BS

**Balance Sheet as at 31<sup>st</sup> March 2021**

(₹ in '000)

Particulars	Schedule	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>SOURCES OF FUNDS</b>			
Share Capital	5	2,155,000	2,155,000
Reserves and Surplus	6	25,206,304	19,985,883
Fair Value Change Account – Shareholders		790,943	(857,146)
Fair Value Change Account – Policyholders		3,481	24,054
Borrowings	7	–	–
<b>Total</b>		<b>28,155,728</b>	<b>21,307,791</b>
<b>APPLICATION OF FUNDS</b>			
Investments – Shareholders	8	22,180,462	17,926,682
Investments – Policyholders	8A	73,599,810	56,342,978
Loans	9	–	–
Fixed Assets	10	2,135,862	1,116,747
Deferred tax asset (Refer Para 3.28 of Sch 16)		167,580	165,999
<b>Current Assets</b>			
Cash and Bank Balances	11	4,308,154	2,121,096
Advances and Other Assets	12	11,419,764	15,274,294
<b>Sub-Total (A)</b>		<b>15,727,918</b>	<b>17,395,390</b>
Current Liabilities	13	55,408,082	47,636,224
Provisions	14	30,247,822	24,003,781
<b>Sub-Total (B)</b>		<b>85,655,904</b>	<b>71,640,005</b>
Net Current Assets (C) = (A - B)		(69,927,986)	(54,244,615)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	–	–
Debit Balance in Profit and Loss Account		–	–
<b>Total</b>		<b>28,155,728</b>	<b>21,307,791</b>
Contingent Liabilities (Refer Para 3.1 of Sch 16)		1,402,338	933,339
Notes to Financial Statements	16		

The Schedules referred to above form an integral part of the Financial Statements

As per our report attached

For A. Bafna & Co.  
Chartered Accountants  
(FRN 003660C)

For MKPS & Associates  
Chartered Accountants  
(FRN 302014E)

Ashish Trivedi  
Partner  
M.No. 109376

Ankita Nemani  
Partner  
M.No. 159486

Place : Mumbai  
Date : April 29, 2021

For and on behalf of the Board of Directors

Dinesh Kumar Khara  
Director  
(DIN No : 06737041)

Ashwini Kumar Tewari  
Director  
(DIN No : 08797991)

Prakash Chandra Kandpal  
Managing Director & CEO  
(DIN No: 06452437)

Rikhil K. Shah  
Chief Financial Officer  
(M. No. 112490)

Mahendra K. Tripathi  
Company Secretary  
(M. No. A21090)

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule – 1: Premium Earned (Net)

Particulars	Fire						Marine			Miscellaneous*			Total				
	For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		Cargo		Cargo		Others		Others		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		
Premium from direct business written	14,114,376	11,961,638	335,925	281,737	–	–	–	–	–	–	–	–	–	68,198,274	55,726,317	82,648,575	67,969,692
Add: Premium on reinsurance accepted	34,765	42,690	32,362	–	–	–	–	–	–	–	–	–	–	400,327	385,541	467,454	428,231
Less: Premium on reinsurance ceded	10,144,390	8,831,517	87,351	81,605	–	–	–	–	–	–	–	–	–	31,808,180	23,805,793	42,039,921	32,718,915
<b>Net Premium</b>	<b>4,004,751</b>	<b>3,172,811</b>	<b>280,936</b>	<b>200,132</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36,790,421</b>	<b>32,306,065</b>	<b>41,076,108</b>	<b>35,679,008</b>
Adjustment for change in reserve for unexpired risks	(1,185,031)	(1,182,387)	(48,306)	(22,722)	–	–	–	–	–	–	–	–	–	(4,936,947)	(4,166,953)	(6,170,284)	(5,372,062)
<b>Total Premium Earned (Net)</b>	<b>2,819,720</b>	<b>1,990,424</b>	<b>232,630</b>	<b>177,410</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>31,853,474</b>	<b>28,139,112</b>	<b>34,905,824</b>	<b>30,306,946</b>
In India	2,819,720	1,990,424	232,630	177,410	–	–	–	–	–	–	–	–	–	31,853,474	28,139,112	34,905,824	30,306,946
Outside India	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Premium Earned (Net)</b>	<b>2,819,720</b>	<b>1,990,424</b>	<b>232,630</b>	<b>177,410</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>31,853,474</b>	<b>28,139,112</b>	<b>34,905,824</b>	<b>30,306,946</b>

\*Refer Schedule 1 – A

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule – 1 – A: Premium Earned (Net)

Particulars	Motor (OD)		Motor (TP)		Motor Total		Workmen's Compensation		Public Liability		Engineering	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	(₹ in '000)											
Premium from direct business	8,887,416	7,530,461	12,551,657	8,154,856	21,439,073	15,685,317	39,818	31,366	307,111	161,720	414,727	371,541
Add: Premium on reinsurance accepted	–	–	–	–	–	–	–	–	45,970	30,640	6,276	7,634
Less: Premium on reinsurance ceded	2,747,045	1,929,398	7,324,090	4,006,618	10,071,135	5,936,016	20,740	16,318	255,460	136,933	258,890	246,893
<b>Net Premium</b>	<b>6,140,371</b>	<b>5,601,063</b>	<b>5,227,567</b>	<b>4,148,238</b>	<b>11,367,938</b>	<b>9,749,301</b>	<b>19,078</b>	<b>15,048</b>	<b>97,621</b>	<b>55,427</b>	<b>162,113</b>	<b>132,282</b>
Adjustment for change in reserve for unexpired risks	(691,638)	(404,967)	(876,163)	(889,989)	(1,567,801)	(1,294,956)	(1,925)	(1,345)	(22,902)	(28)	(8,415)	(12,980)
<b>Total Premium Earned (Net)</b>	<b>5,448,733</b>	<b>5,196,096</b>	<b>4,351,404</b>	<b>3,258,249</b>	<b>9,800,137</b>	<b>8,454,345</b>	<b>17,153</b>	<b>13,703</b>	<b>74,719</b>	<b>55,399</b>	<b>153,698</b>	<b>119,302</b>
In India	5,448,733	5,196,096	4,351,404	3,258,249	9,800,137	8,454,345	17,153	13,703	74,719	55,399	153,698	119,302
Outside India	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Premium Earned (Net)</b>	<b>5,448,733</b>	<b>5,196,096</b>	<b>4,351,404</b>	<b>3,258,249</b>	<b>9,800,137</b>	<b>8,454,345</b>	<b>17,153</b>	<b>13,703</b>	<b>74,719</b>	<b>55,399</b>	<b>153,698</b>	<b>119,302</b>

### Schedule – 1 – A: Premium Earned (Net)

Particulars	Aviation		Personal Accident		Health Insurance		Weather & Crop Insurance		Others		Total Miscellaneous	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	(₹ in '000)											
Premium from direct business	1,083	980	8,656,161	8,317,487	12,567,629	7,436,706	22,770,747	22,157,313	2,001,925	1,563,887	68,198,274	55,726,317
Add: Premium on reinsurance accepted	–	–	–	–	347,267	347,267	–	–	814	–	400,327	385,541
Less: Premium on reinsurance ceded	1,075	974	486,234	452,403	628,381	371,835	19,660,965	16,136,396	425,300	508,025	31,808,180	23,805,793
<b>Net Premium</b>	<b>8</b>	<b>6</b>	<b>8,169,927</b>	<b>7,865,084</b>	<b>12,286,515</b>	<b>7,412,138</b>	<b>3,109,782</b>	<b>6,020,917</b>	<b>1,577,439</b>	<b>1,055,862</b>	<b>36,790,421</b>	<b>32,306,065</b>
Adjustment for change in reserve for unexpired risks	–	(1)	(281,234)	(1,142,458)	(2,992,795)	(1,228,485)	340,139	(523,237)	(402,014)	36,537	(4,936,947)	(4,166,953)
<b>Total Premium Earned (Net)</b>	<b>8</b>	<b>5</b>	<b>7,888,693</b>	<b>6,722,626</b>	<b>9,293,720</b>	<b>6,183,653</b>	<b>3,449,921</b>	<b>5,497,680</b>	<b>1,175,425</b>	<b>1,092,399</b>	<b>31,853,474</b>	<b>28,139,112</b>
In India	8	5	7,888,693	6,722,626	9,293,720	6,183,653	3,449,921	5,497,680	1,175,425	1,092,399	31,853,474	28,139,112
Outside India	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Premium Earned (Net)</b>	<b>8</b>	<b>5</b>	<b>7,888,693</b>	<b>6,722,626</b>	<b>9,293,720</b>	<b>6,183,653</b>	<b>3,449,921</b>	<b>5,497,680</b>	<b>1,175,425</b>	<b>1,092,399</b>	<b>31,853,474</b>	<b>28,139,112</b>

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule – 2: Claim Incurred (Net)

(₹ in '000)

Particulars	Fire			Marine			Miscellaneous*			Total	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	Cargo		Others	Cargo		Others	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
				For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020			
Direct	2,723,032	2,572,217	197,635	143,331	—	—	37,510,440	26,437,982	40,431,107	29,153,530	
Add: Re-insurance accepted	14,071	55	—	—	—	—	676,049	2,113	690,120	2,168	
Less: Re-insurance Ceded	1,760,267	1,698,591	11,570	9,370	—	—	18,493,844	11,112,315	20,265,681	12,820,276	
<b>Net Claims paid</b>	<b>976,836</b>	<b>873,681</b>	<b>186,065</b>	<b>133,961</b>	—	—	<b>19,692,645</b>	<b>15,327,780</b>	<b>20,855,546</b>	<b>16,335,422</b>	
Add: Claims Outstanding at the end	1,848,501	1,318,931	285,605	161,178	—	—	32,571,584	28,213,687	34,705,690	29,693,796	
Less: Claims Outstanding at the beginning	1,318,931	1,090,749	161,178	167,081	—	—	28,213,687	23,218,511	29,693,796	24,476,341	
<b>Total Claims Incurred</b>	<b>1,506,406</b>	<b>1,101,863</b>	<b>310,492</b>	<b>128,058</b>	—	—	<b>24,050,542</b>	<b>20,322,956</b>	<b>25,867,440</b>	<b>21,552,877</b>	

\*Refer Schedule 2 – A

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule – 2 – A: Claim Incurred (Net)

(₹ in '000)

Particulars	Motor (OD)		Motor (TP)		Motor Total		Workmen's Compensation		Public Liability		Engineering	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Claims paid												
Direct	5,377,770	5,229,287	994,685	1,666,373	6,372,455	6,895,660	8,848	3,961	10,177	10,851	91,053	147,025
Add: Re-insurance accepted	-	-	-	-	-	-	-	-	405	2,066	55	47
Less: Re-insurance Ceded	1,525,799	624,350	145,686	98,427	1,671,485	722,777	4,507	1,108	7,433	10,437	35,243	111,088
<b>Net Claims paid</b>	<b>3,851,971</b>	<b>4,604,937</b>	<b>848,999</b>	<b>1,567,946</b>	<b>4,700,970</b>	<b>6,172,883</b>	<b>4,341</b>	<b>2,853</b>	<b>3,149</b>	<b>2,480</b>	<b>55,865</b>	<b>35,984</b>
Add: Claims Outstanding at the end	1,576,219	1,573,448	18,451,390	14,717,052	20,027,609	16,290,500	24,124	20,970	58,325	41,301	109,727	92,842
Less: Claims Outstanding at the beginning	1,573,448	1,774,457	14,717,052	12,906,534	16,290,500	14,680,991	20,970	19,481	41,301	34,635	92,842	63,931
<b>Total Claims Incurred</b>	<b>3,854,742</b>	<b>4,403,928</b>	<b>4,563,337</b>	<b>3,378,464</b>	<b>8,438,079</b>	<b>7,782,392</b>	<b>7,495</b>	<b>4,342</b>	<b>20,173</b>	<b>9,146</b>	<b>72,750</b>	<b>64,895</b>

### Schedule – 2 – A: Claim Incurred (Net)

(₹ in '000)

Particulars	Aviation		Personal Accident		Health Insurance		Weather & Crop Insurance		Others		Total Miscellaneous	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Claims paid												
Direct	1,358	-	2,335,127	2,877,251	6,708,491	3,440,569	21,505,003	12,648,183	477,928	414,482	37,510,440	26,437,982
Add: Re-insurance accepted	-	-	-	-	675,589	-	-	-	-	-	676,049	2,113
Less: Re-insurance Ceded	1,350	-	117,610	144,719	335,467	172,028	16,055,975	9,797,791	264,774	152,367	18,493,844	11,112,315
<b>Net Claims paid</b>	<b>8</b>	<b>-</b>	<b>2,217,517</b>	<b>2,732,532</b>	<b>7,048,613</b>	<b>3,268,541</b>	<b>5,449,028</b>	<b>2,850,392</b>	<b>213,154</b>	<b>262,115</b>	<b>19,692,645</b>	<b>15,327,780</b>
Add: Claims Outstanding at the end	155	155	4,622,642	3,722,334	2,442,191	2,175,057	4,788,678	5,472,842	498,133	397,686	32,571,584	28,213,687
Less: Claims Outstanding at the beginning	155	154	3,722,334	3,724,563	2,175,057	1,650,690	5,472,842	2,774,511	397,686	269,555	28,213,687	23,218,511
<b>Total Claims Incurred</b>	<b>8</b>	<b>1</b>	<b>3,117,825</b>	<b>2,730,303</b>	<b>7,315,747</b>	<b>3,792,908</b>	<b>4,764,864</b>	<b>5,548,723</b>	<b>313,601</b>	<b>390,246</b>	<b>24,050,542</b>	<b>20,322,956</b>

Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

## Schedule – 3 : Commission (Net)

(₹ in '000)

Particulars	Fire			Marine			Miscellaneous*			Total
	Cargo			Cargo			Others			
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	
Commission paid										
Direct	1,587,672	1,364,534	49,376	37,091	—	4,097,616	3,467,750	5,734,664	4,869,375	
<b>Total (A)</b>	<b>1,587,672</b>	<b>1,364,534</b>	<b>49,376</b>	<b>37,091</b>	<b>—</b>	<b>4,097,616</b>	<b>3,467,750</b>	<b>5,734,664</b>	<b>4,869,375</b>	
Add: Re-insurance Accepted	4,727	5,381	3,269	—	—	17,562	15,090	25,558	20,471	
Less: Commission on Re-insurance Ceded	4,046,492	3,626,915	4,829	3,136	—	3,176,891	2,341,394	7,228,212	5,971,445	
<b>Net Commission</b>	<b>(2,454,093)</b>	<b>(2,257,000)</b>	<b>47,816</b>	<b>33,955</b>	<b>—</b>	<b>938,287</b>	<b>1,141,446</b>	<b>(1,467,990)</b>	<b>(1,081,599)</b>	
Break-up of Commission (Gross)										
Agents	67,218	33,160	9,207	7,496	—	361,938	271,929	438,363	312,585	
Brokers	460,285	245,041	39,860	29,300	—	1,711,534	1,502,865	2,211,679	1,777,206	
Corporate Agency	1,059,880	1,086,293	301	295	—	1,973,632	1,679,434	3,033,813	2,766,022	
Referral	—	—	—	—	—	—	—	—	—	
Others	289	40	8	—	—	50,512	13,522	50,809	13,562	
<b>Total (B)</b>	<b>1,587,672</b>	<b>1,364,534</b>	<b>49,376</b>	<b>37,091</b>	<b>—</b>	<b>4,097,616</b>	<b>3,467,750</b>	<b>5,734,664</b>	<b>4,869,375</b>	

\*Refer Schedule 3 – A

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule – 3 – A: Commission (Net)

(₹ in '000)

Particulars	Motor (OD)		Motor (TP)		Motor Total		Workmen's Compensation		Public Liability		Engineering	
	For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020	
	1,632,802	1,416,273	117,752	1,534,025	5,110	3,235	43,856	19,346	28,899	26,960		
Commission paid												
Direct	1,632,802	1,416,273	117,752	1,534,025	5,110	3,235	43,856	19,346	28,899	26,960		
<b>Total (A)</b>	<b>1,632,802</b>	<b>1,416,273</b>	<b>117,752</b>	<b>1,534,025</b>	<b>5,110</b>	<b>3,235</b>	<b>43,856</b>	<b>19,346</b>	<b>28,899</b>	<b>26,960</b>		
Add: Re-insurance Accepted	-	-	-	-	-	-	6,198	3,700	840	972		
Less: Commission on Re-insurance Ceded	585,301	365,328	678,001	1,043,329	7,054	5,398	83,593	39,774	76,144	42,383		
<b>Net Commission</b>	<b>1,047,501</b>	<b>1,050,945</b>	<b>(560,249)</b>	<b>490,696</b>	<b>(1,944)</b>	<b>(2,163)</b>	<b>(33,539)</b>	<b>(16,728)</b>	<b>(46,405)</b>	<b>(14,451)</b>		
Break-up of Commission (Gross)												
Agents	181,323	155,886	39,446	195,332	1,815	1,125	1,103	916	5,911	3,477		
Brokers	1,353,672	1,180,999	58,372	1,239,371	2,947	1,746	39,363	16,729	22,333	22,933		
Corporate Agency	66,016	69,205	17,998	87,203	341	347	2,660	1,422	655	548		
Referral	-	-	-	-	-	-	-	-	-	-		
Others	31,791	10,183	14,792	46,583	7	17	730	279	-	2		
<b>Total (B)</b>	<b>1,632,802</b>	<b>1,416,273</b>	<b>117,752</b>	<b>1,534,025</b>	<b>5,110</b>	<b>3,235</b>	<b>43,856</b>	<b>19,346</b>	<b>28,899</b>	<b>26,960</b>		

### Schedule – 3 – A: Commission (Net)

(₹ in '000)

Particulars	Aviation		Personal Accident		Health Insurance		Weather & Crop Insurance		Others		Total Miscellaneous	
	For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020	
	145	159	924,927	929,991	974,829	733,301	-	(1,675)	297,633	222,408	4,097,616	3,467,750
Commission paid												
Direct	145	159	924,927	929,991	974,829	733,301	-	(1,675)	297,633	222,408	4,097,616	3,467,750
<b>Total (A)</b>	<b>145</b>	<b>159</b>	<b>924,927</b>	<b>929,991</b>	<b>974,829</b>	<b>733,301</b>	<b>-</b>	<b>(1,675)</b>	<b>297,633</b>	<b>222,408</b>	<b>4,097,616</b>	<b>3,467,750</b>
Add: Re-insurance Accepted	-	-	-	-	10,418	10,418	-	-	106	-	17,562	15,090
Less: Commission on Re-insurance Ceded	8	7	128,572	60,960	133,492	42,069	1,391,293	1,000,796	101,798	106,678	3,176,891	2,341,394
<b>Net Commission</b>	<b>137</b>	<b>152</b>	<b>796,355</b>	<b>869,031</b>	<b>851,755</b>	<b>701,650</b>	<b>(1,391,293)</b>	<b>(1,002,471)</b>	<b>195,941</b>	<b>115,730</b>	<b>938,287</b>	<b>1,141,446</b>
Break-up of Commission (Gross)												
Agents	-	-	1,609	1,250	101,161	66,214	-	-	4,586	3,615	361,938	271,929
Brokers	145	159	5,131	1,800	126,286	156,437	-	(1,675)	67,967	65,365	1,711,534	1,502,865
Corporate Agency	-	-	918,183	926,941	744,256	509,600	-	-	225,018	153,373	1,973,632	1,679,434
Referral	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	4	-	3,126	1,050	-	-	62	55	50,512	13,522
<b>Total (B)</b>	<b>145</b>	<b>159</b>	<b>924,927</b>	<b>929,991</b>	<b>974,829</b>	<b>733,301</b>	<b>-</b>	<b>(1,675)</b>	<b>297,633</b>	<b>222,408</b>	<b>4,097,616</b>	<b>3,467,750</b>

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule – 4: Operating Expenses Related to Insurance Business

Particulars	Fire						Marine						Total
	For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		For the year ended 31 <sup>st</sup> March 2021		For the year ended 31 <sup>st</sup> March 2020		
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	
1. Employees' remuneration & welfare benefits	318,898	275,360	21,798	18,024	-	-	3,196,997	3,063,017	-	-	3,537,693	3,356,401	
2. Travel, conveyance and vehicle running expenses	2,822	34,002	198	2,360	-	-	38,804	400,553	-	-	41,824	436,915	
3. Training expenses	248	3,112	17	196	-	-	2,317	34,628	-	-	2,582	37,936	
4. Rents, rates & taxes	31,523	23,614	2,211	1,490	-	-	289,596	241,363	-	-	323,330	266,467	
5. Repairs	24,730	23,361	1,735	1,474	-	-	227,221	237,870	-	-	253,686	262,705	
6. Printing & stationery	6,481	12,483	438	772	-	-	139,238	303,211	-	-	146,157	316,466	
7. Communication	14,552	22,102	1,020	1,407	-	-	138,494	227,390	-	-	154,066	250,899	
8. Legal & professional charges	54,767	26,300	3,824	1,716	-	-	734,540	323,319	-	-	793,131	351,335	
9. Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-	
(a) as auditor	940	737	66	47	-	-	8,633	7,505	-	-	9,639	8,289	
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-	
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-	
(c) in any other capacity	140	94	10	6	-	-	1,282	959	-	-	1,432	1,059	
(d) out of pocket expenses	-	16	-	1	-	-	-	165	-	-	-	182	
10. Advertisement and publicity	58,463	41,600	4,101	2,624	-	-	1,290,853	782,348	-	-	1,353,417	826,572	
11. Interest & Bank Charges	548	2,711	38	171	-	-	62,173	28,407	-	-	62,759	31,289	
12. Others	-	-	-	-	-	-	-	-	-	-	-	-	
Electricity	6,513	7,860	457	496	-	-	59,929	80,032	-	-	66,899	88,388	
Office Administration Expenses	1,303	2,712	91	171	-	-	12,015	27,651	-	-	13,409	30,534	
Exchange (Gain)/ Loss	1	180	-	11	-	-	23	1,836	-	-	24	2,027	
Information Technology	76,797	60,353	5,387	3,809	-	-	714,378	622,478	-	-	796,562	686,640	
Insurance premium	496	389	35	25	-	-	4,553	3,965	-	-	5,084	4,379	
Coinsurance administration charges	22,696	13,750	551	449	-	-	1,058,090	879,147	-	-	1,081,337	893,346	
Other Miscellaneous Expenses	39,845	20,357	2,795	1,320	-	-	402,828	283,678	-	-	445,468	305,355	
Service Tax Expenses/ GST Expenses	12,298	11,523	863	727	-	-	149,886	159,610	-	-	163,047	171,860	
Crop & Weather Related Expenses	-	-	-	-	-	-	316,966	238,509	-	-	316,966	238,509	
Royalty	13,253	-	930	-	-	-	121,756	-	-	-	135,939	-	
13. Depreciation	61,741	46,213	1,331	2,915	-	-	570,194	470,549	-	-	633,266	519,677	
<b>TOTAL</b>	<b>749,055</b>	<b>628,829</b>	<b>47,896</b>	<b>40,211</b>	<b>-</b>	<b>-</b>	<b>9,540,766</b>	<b>8,418,190</b>	<b>-</b>	<b>-</b>	<b>10,337,717</b>	<b>9,087,230</b>	

\*Refer Schedule 4 – A

**Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021**  
**Schedule - 4 - A : Operating Expenses Related to Insurance Business**

(₹ in '000)

Particulars	Motor (OD)		Motor (TP)		Motor Total		Workmen's Compensation		Public Liability		Engineering	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
	March 2021	March 2020										
1. Employees' remuneration & welfare benefits	626,535	625,665	485,684	423,333	1,112,219	1,048,998	1,480	1,276	17,450	18,006	14,910	12,583
2. Travel, conveyance and vehicle running expenses	13,995	98,720	4,095	48,792	18,090	147,512	13	161	125	1,246	114	1,417
3. Training expenses	392	7,698	324	4,561	716	12,259	1	15	6	54	10	130
4. Rents, rates & taxes	48,333	41,687	41,148	30,874	89,481	72,561	150	112	768	413	1,276	985
5. Repairs	37,919	41,240	32,282	30,543	70,201	71,783	118	111	603	408	1,016	974
6. Printing & stationery	10,523	23,073	8,168	16,069	18,691	39,142	31	59	153	217	254	511
7. Communication	25,876	40,838	19,586	29,152	45,462	69,990	69	105	394	392	595	923
8. Legal & professional charges	288,348	76,669	71,754	43,631	360,102	120,300	260	125	1,329	459	2,269	1,200
9. Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditor	1,441	1,301	1,227	964	2,668	2,265	4	3	23	13	38	31
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	214	166	182	123	396	289	1	-	3	2	6	4
(d) out of pocket expenses	-	29	-	21	-	50	-	-	-	-	-	1
10. Advertisement and publicity	843,377	425,988	76,315	54,399	919,692	480,387	279	197	1,425	727	2,367	1,734
11. Interest & Bank Charges	56,333	5,587	715	3,545	57,048	9,132	3	13	13	47	22	113
12. Others	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	9,986	13,877	8,501	10,276	18,487	24,153	31	37	159	137	264	328
Office Administration Expenses	1,999	4,813	1,701	3,546	3,700	8,359	6	13	32	47	53	113
Exchange (Gain)/ Loss	2	318	2	236	4	554	-	1	12	3	-	8
Information Technology	122,758	112,253	100,264	78,923	223,022	191,176	366	286	1,872	1,054	3,109	2,516
Insurance premium	760	687	647	509	1,407	1,196	2	2	12	7	20	16
Coinsurance administration charges	30,204	49,535	1,020,364	823,456	1,050,568	872,991	2	2	510	168	588	617
Other Miscellaneous Expenses	95,071	110,287	52,017	26,616	147,088	136,903	190	97	1,367	469	1,613	848
Service Tax Expenses/ GST Expenses	18,856	20,443	16,053	15,068	34,909	35,511	59	55	329	229	498	480
Crop & Weather Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Royalty	20,321	-	17,300	-	37,621	-	63	-	323	-	537	-
13. Depreciation	94,666	81,581	80,593	60,421	175,259	142,002	294	219	1,505	807	2,499	1,927
<b>TOTAL</b>	<b>2,347,909</b>	<b>1,782,455</b>	<b>2,038,922</b>	<b>1,705,058</b>	<b>4,386,831</b>	<b>3,487,513</b>	<b>3,422</b>	<b>2,889</b>	<b>28,413</b>	<b>24,905</b>	<b>32,058</b>	<b>27,459</b>

## Schedules Annexed to and forming part of the Revenue Account for the year ended 31<sup>st</sup> March 2021

### Schedule - 4 - A : Operating Expenses Related to Insurance Business

Particulars	₹ in '000)											
	Aviation		Personal Accident		Health Insurance		Weather & Crop Insurance		Others		Total Miscellaneous	
	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
1. Employees' remuneration & welfare benefits	-	-	654,294	685,050	981,910	647,956	283,919	553,187	130,815	95,961	3,196,997	3,063,017
2. Travel, conveyance and vehicle running expenses	-	-	5,771	84,880	8,725	79,901	4,787	72,643	1,179	12,793	38,804	400,553
3. Training expenses	-	-	506	7,829	761	7,381	219	5,924	98	1,036	2,317	34,628
4. Rents, rates & taxes	-	-	64,308	58,537	96,711	55,971	24,486	44,824	12,416	7,960	289,596	241,363
5. Repairs	-	-	50,452	57,909	75,873	54,574	19,204	44,337	9,754	7,774	227,221	237,870
6. Printing & stationery	-	-	51,322	137,413	46,091	48,987	4,886	24,275	17,810	52,607	139,238	303,211
7. Communication	-	-	29,740	54,807	44,844	51,669	11,622	42,138	5,768	7,366	138,494	227,390
8. Legal & professional charges	-	-	111,202	66,345	168,129	65,111	43,365	49,940	47,884	19,839	734,540	323,319
9. Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditor	-	-	1,917	1,827	2,883	1,722	730	1,399	370	245	8,633	7,505
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	285	234	428	220	108	179	55	31	1,282	959
(d) out of pocket expenses	-	-	-	40	-	38	-	31	-	5	-	165
10. Advertisement and publicity	-	-	119,269	109,034	179,390	97,303	45,403	79,122	23,028	13,844	1,290,853	782,348
11. Interest & Bank Charges	-	-	1,117	6,721	1,680	6,334	2,074	5,145	216	902	62,173	28,407
12. Others	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	13,286	19,484	19,981	18,362	5,057	14,915	2,664	2,616	59,929	80,032
Office Administration Expenses	-	-	2,658	6,723	3,997	6,336	1,029	5,157	540	903	12,015	27,651
Exchange (Gain)/ Loss	-	-	2	447	4	421	1	342	-	60	23	1,836
Information Technology	-	-	156,677	149,608	237,916	141,837	61,166	115,917	30,250	20,084	714,378	622,478
Insurance premium	-	-	1,011	965	1,521	910	385	739	195	130	4,553	3,965
Coinsurance administration charges	11	10	(1,517)	10	6,402	4,810	-	-	1,526	539	1,058,090	879,147
Other Miscellaneous Expenses	-	-	81,280	50,362	122,240	47,533	30,957	39,195	18,093	8,271	402,828	283,678
Service Tax Expenses/ GST Expenses	-	-	25,090	28,570	37,730	27,159	46,405	63,694	4,866	3,912	149,886	159,610
Crop & Weather Related Expenses	-	-	-	-	-	-	316,966	238,509	-	-	316,966	238,509
Royalty	-	-	27,038	-	40,662	-	10,292	-	5,220	-	121,756	-
13. Depreciation	-	-	125,955	114,558	189,420	107,960	47,943	87,697	27,319	15,379	570,194	470,549
<b>TOTAL</b>	<b>11</b>	<b>10</b>	<b>1,521,663</b>	<b>1,641,353</b>	<b>2,267,298</b>	<b>1,472,495</b>	<b>961,004</b>	<b>1,489,309</b>	<b>340,066</b>	<b>272,257</b>	<b>9,540,766</b>	<b>8,418,190</b>

## Schedules Annexed to and forming part of the Balance Sheet as on 31<sup>st</sup> March 2021

### Schedule – 5: Share Capital

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Authorised Capital: 2,000,000,000 (Previous year 2,000,000,000) Equity Shares of ₹ 10 each	20,000,000	200,00,000
2. Issued Capital: 215,500,000 (Previous year 215,500,000) Equity Shares of ₹ 10 each	2,155,000	2,155,000
3. Subscribed Capital: 215,500,000 (Previous year 215,500,000) Equity Shares of ₹ 10 each	2,155,000	2,155,000
4. Called-up Capital: 215,500,000 (Previous year 215,500,000) Equity Shares of ₹ 10 each	2,155,000	2,155,000
Less : Calls unpaid	-	-
Add : Equity Shares forfeited (Amount originally paid up)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less : Preliminary Expenses	-	-
Expenses including commission or brokerage on	-	-
Underwriting or subscription of shares	-	-
<b>TOTAL</b>	<b>2,155,000</b>	<b>2,155,000</b>

### Schedule – 5A: Share Capital – Pattern of Shareholding

Particulars	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
<b>Promoters</b>				
Indian: State Bank of India (Holding Company)	150,850,000	70.00%	150,850,000	70.00%
Indian: Napean Opportunities LLP	34,501,550	16.01%	34,501,550	16.01%
<b>Others</b>				
Indian: PI Opportunities Fund-I	5,060,000	2.35%	5,060,000	2.35%
Foreign: Axis New Opportunities AIF-I	3,560,000	1.65%	3,560,000	1.65%
Foreign: Honey Wheat Investment Ltd.	21,528,450	9.99%	21,528,450	9.99%
<b>TOTAL</b>	<b>215,500,000</b>	<b>100.00%</b>	<b>215,500,000</b>	<b>100.00%</b>

### Schedule – 6: Reserves and Surplus

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Capital Reserve	-	-
2. Capital Redemption Reserve	-	-
3. Share Premium	13,326,000	13,326,000
4. General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for buy-back	-	-
5. Catastrophe Reserve	-	-
6. Other Reserves	-	-
7. Balance of Profit in Profit & Loss Account	11,880,304	6,659,883
<b>TOTAL</b>	<b>25,206,304</b>	<b>19,985,883</b>

### Schedule – 7: Borrowings

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Debentures/Bonds	-	-
2. Banks	-	-
3. Financial Institutions	-	-
4. Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Schedules Annexed to and forming part of Balance Sheet as on 31<sup>st</sup> March 2021

### Schedule – 8: Investments – Shareholders

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>LONG TERM INVESTMENTS</b>		
1. Government securities and Government guaranteed bonds including Treasury Bills	7,180,258	3,709,658
2. Other Approved Securities	1,518,886	751,975
3. Other Investments		
(a) Shares	–	–
i) Equity	5,904,582	2,105,310
ii) Preference	–	–
(b) Mutual Funds	–	–
(c) Debentures/ Bonds	1,809,781	2,973,966
(d) Investment Property-Real Estate	–	–
(e) Other Securities	–	–
i) Fixed Deposits	19,900	19,900
ii) ETF – Exchange Traded Funds	–	219,139
iii) AIF – Alternative Investment Funds	117,085	107,759
4. Investments in Infrastructure and Housing	5,326,115	7,738,977
Less : Provision for doubtful debts Investments	–	–
<b>Sub-Total</b>	<b>21,876,607</b>	<b>17,626,684</b>
<b>SHORT TERM INVESTMENTS</b>		
1. Government securities and Government guaranteed bonds including Treasury Bills	–	149,998
2. Other Approved Securities	–	–
3. Other Investments		
(a) Shares	–	–
i) Equity	–	–
ii) Preference	–	–
(b) Mutual Funds	–	–
(c) Debentures/ Bonds	303,855	–
(d) Other Securities	–	–
i) Fixed Deposits	–	–
ii) Certificate of Deposits	–	–
iii) Commercial Papers	–	–
iv) ETF – Exchange Traded Funds	–	–
4. Investments in Infrastructure and Housing	–	150,000
<b>Sub-Total</b>	<b>303,855</b>	<b>299,998</b>
<b>TOTAL</b>	<b>22,180,462</b>	<b>17,926,682</b>

- Requirements under Section 7 of Insurance Act, 1938 - As per IRDAI Notification No. IRDAI/F&I /CIR/INV/093/04/2015 dated 30th April 2015, the requirements in relation to Section 7 of Insurance Act, 1938 has been dispensed with.
- Aggregate book value of Investments (other than listed equity and derivative instruments) is ₹15,912,682 thousand (previous year ₹15,764,875 thousand)
- Aggregate market value of Investments (other than listed equity and derivative instruments) is ₹16,329,193 thousand (previous year ₹16,289,944 thousand)

## Schedules Annexed to and forming part of Balance Sheet as on 31<sup>st</sup> March 2021

### Schedule – 8A: Investments – Policyholders

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>LONG TERM INVESTMENTS</b>		
1. Government securities and Government guaranteed bonds including Treasury Bills	18,955,732	12,570,091
2. Other Approved Securities	9,709,594	6,650,363
3. Other Investments	–	–
(a) Shares	–	–
i) Equity	–	–
ii) Preference	–	–
(b) Mutual Funds	–	–
(c) Debentures/Bonds	10,552,405	8,330,818
Less : Provision for doubtful debts Investments	–	–
(d) Investment Property-Real Estate	–	–
(e) Other Securities	–	–
i) Fixed Deposits	–	–
ii) ETF – Exchange Traded Funds	–	–
iii) AIF – Alternative Investment Funds	–	–
4. Investments in Infrastructure and Housing	25,375,967	19,227,083
Less : Provision for doubtful debts Investments	–	–
<b>Sub-Total</b>	<b>64,593,698</b>	<b>46,778,355</b>
<b>SHORT TERM INVESTMENTS</b>		
1. Government securities and Government guaranteed bonds including Treasury Bills	–	1,454,926
2. Other Approved Securities	–	200,201
3. Other Investments	–	–
(a) Shares	–	–
i) Equity	–	–
ii) Preference	–	–
(b) Mutual Funds	6,783,081	3,294,186
(c) Debentures/Bonds	1,673,031	1,385,680
Less : Provision for doubtful debts Investments	–	–
(d) Other Securities	–	–
i) Fixed Deposits	–	–
ii) Certificate of Deposits	–	–
iii) Commercial Papers	–	–
iv) ETF – Exchange Traded Funds	–	520,168
4. Investments in Infrastructure and Housing	550,000	2,709,462
Less : Provision for doubtful debts Investments	–	–
<b>Sub-Total</b>	<b>9,006,112</b>	<b>9,564,623</b>
<b>TOTAL</b>	<b>73,599,810</b>	<b>56,342,978</b>

- Requirements under Section 7 of Insurance Act, 1938 - As per IRDAI Notification No. IRDAI/F&I /CIR/INV/093/04/2015 dated 30th April 2015, the requirements in relation to Section 7 of Insurance Act, 1938 has been dispensed with.
- Aggregate book value of Investments (other than listed equity and derivative instruments) is ₹ 73,596,329 thousand (previous year ₹ 56,318,924 thousand)
- Aggregate market value of Investments (other than listed equity and derivative instruments) is ₹ 76,171,636 thousand (previous year ₹ 58,370,649 thousand)

## Schedules Annexed to and forming part of Balance Sheet as on 31<sup>st</sup> March 2021

### Schedule – 9: Loans

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>1. SECURITY-WISE CLASSIFICATION</b>		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>2. BORROWER-WISE CLASSIFICATION</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>3. PERFORMANCE-WISE CLASSIFICATION</b>		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>4. MATURITY-WISE CLASSIFICATION</b>		
(a) Short Term	-	-
(b) Long Term	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## Schedules Annexed to and forming part of the Balance Sheet as on 31st March 2021

### Schedule – 10: Net Fixed Assets

Particulars	Cost/Gross Block			Depreciation			Net Block		
	Opening	Additions during the period ended	Deductions/ Adjustments during the period ended	As at 31 <sup>st</sup> March 2021	Up to Last	For the period ended 31 <sup>st</sup> March 2021	On Sales/ Adjustments	As on 31 <sup>st</sup> March 2021	As on 31 <sup>st</sup> March 2020
Goodwill	—	—	—	—	—	—	—	—	—
Intangibles (Software)	2,537,965	488,166	63	3,026,068	2,031,958	320,297	63	2,352,192	673,876
Land-Freehold	—	—	—	—	—	—	—	—	—
Leasehold Improvements	532,969	37,731	17,477	553,223	391,443	42,220	17,458	416,205	137,018
Buildings	—	—	—	—	—	—	—	—	—
Furniture & Fittings	127,043	31,121	8,753	149,411	108,110	20,595	8,336	120,369	29,042
Information Technology Equipment	1,251,432	106,450	141,482	1,216,400	874,428	221,338	141,264	954,502	261,898
Vehicles	2,177	—	—	2,177	1,534	436	—	1,970	207
Office Equipment	226,487	24,032	7,805	242,714	173,694	28,380	7,449	194,625	48,089
Others	—	—	—	—	—	—	—	—	—
<b>TOTAL</b>	<b>4,678,073</b>	<b>687,500</b>	<b>175,580</b>	<b>5,189,993</b>	<b>3,581,167</b>	<b>633,266</b>	<b>174,570</b>	<b>4,039,863</b>	<b>1,150,130</b>
Work in progress	19,841	985,732	19,841	985,732	—	—	—	—	985,732
<b>Grand Total</b>	<b>4,697,914</b>	<b>1,673,232</b>	<b>195,421</b>	<b>6,175,725</b>	<b>3,581,167</b>	<b>633,266</b>	<b>174,570</b>	<b>4,039,863</b>	<b>2,135,862</b>
Previous Year – March 2020	4,147,759	834,528	284,373	4,697,914	3,238,007	519,677	176,517	3,581,167	1,116,747

(₹ in '000)

## Schedules Annexed to and forming part of Balance Sheet as on 31<sup>st</sup> March 2021

### Schedule – 11: Cash and Bank Balances

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Cash (including cheques, drafts and stamps)	90,579	135,518
2. Bank Balances	–	–
(a) Deposit Accounts	–	–
(aa) Short-term (due within 12 months)	–	6,671
(bb) Others	2,500	–
(b) Current Accounts	4,215,075	1,978,907
(c) Others	–	–
3. Money at Call and Short Notice	–	–
(a) With Banks	–	–
(b) With other Institutions	–	–
4. Others	–	–
<b>TOTAL</b>	<b>4,308,154</b>	<b>2,121,096</b>
Balances with non-scheduled banks included in 2 and 3 above		
Cash and Bank Balances		
In India	4,308,154	2,121,096
Outside India	–	–
<b>TOTAL</b>	<b>4,308,154</b>	<b>2,121,096</b>

### Schedule – 12: Advances and Other Assets

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ADVANCES</b>		
1. Reserve deposits with ceding companies	–	–
2. Application money for investments	–	–
3. Prepayments	154,585	125,768
4. Advances to Directors/Officers	–	–
5. Advance tax paid and taxes deducted at source (Net of provision for taxation)	5,479	365,549
6. Security Deposits	95,284	97,721
7. Others	–	–
(a) Advances to Vendors and other parties	93,039	70,725
(b) Statutory Deposit towards filing Appeal	41,359	2,941
(c) Advances to Employees	620	444
(d) Advances to IRDA (Certifications Fees)	–	220
<b>TOTAL (A)</b>	<b>390,366</b>	<b>663,368</b>
<b>OTHER ASSETS</b>		
1. Income accrued on investments	2,044,629	1,722,845
Less : Provision for doubtful debts receivable	–	–
2. Outstanding Premiums	7,803,403	11,742,782
Less : Provision for doubtful debts receivable	(62,866)	(65,630)
3. Agents' Balances	2,470	2,280
4. Foreign Agencies Balances	–	–
5. Due from other entities carrying on insurance business (including reinsurers)	119,788	214,628
6. Due from subsidiaries/ holding	–	–
7. Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	–	–
8. Others	–	–
(a) Income Accrued on Deposits with Bank	2,566	984
(b) Asset held for unclaimed amount of policyholders	129,800	60,000
Add : Investment income accrued on unclaimed amount	3,207	9,517
(c) GST including Service tax	965,699	923,434
(d) Contracts For Sale of Securities	20,694	–
(e) Amount receivable on redemption of Debenture	–	–
Less : Provision for doubtful debts receivable	–	–
(f) Other	8	86
<b>TOTAL (B)</b>	<b>11,029,398</b>	<b>14,610,926</b>
<b>TOTAL (A+B)</b>	<b>11,419,764</b>	<b>15,274,294</b>

## Schedules Annexed to and forming part of Balance Sheet as on 31<sup>st</sup> March 2021

### Schedule – 13: Current Liabilities

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Agents' Balances	518,900	329,535
2. Balances due to other insurance companies	13,941,132	10,149,950
3. Deposits held on re-insurance ceded	–	–
4. Premiums received in advance	2,756,693	2,336,231
5. Unallocated Premium	2,075,024	3,805,668
6. Sundry Creditors	456,244	257,778
7. Due to subsidiaries/ holding company	209,132	147,635
8. Claims Outstanding	34,705,690	29,693,796
9. Due to Officers/ Directors	–	–
10. Statutory Dues	123,659	277,049
11. GST - Liability (net)	–	–
12. Unclaimed amount of policy holders	69,600	49,174
Add : Investment income accruing on unclaimed amount	8,966	5,792
13. Others		
(a) Contracts For Purchase of Securities	–	–
(b) Security Deposit From Others	3,242	2,067
(c) Salary payable	539,800	581,549
<b>TOTAL</b>	<b>55,408,082</b>	<b>47,636,224</b>

### Schedule – 14: Provisions

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Reserve for Unexpired Risk	28,746,478	22,576,194
2. For taxation (less advance tax paid and taxes deducted at source)	121,698	135,375
3. For proposed dividends	–	–
4. For dividend distribution tax	–	–
5. For Deferred Tax Liabilities	–	–
6. Employee Benefits		
For Gratuity	63,417	51,158
For Leave Entitlement	63,087	80,930
For Long Term Performance pay	174,431	100,147
7. Others - Provision of Expenses	1,078,711	1,059,977
<b>TOTAL</b>	<b>30,247,822</b>	<b>24,003,781</b>

### Schedule – 15: Miscellaneous Expenditure (to the extent not written off or adjusted)

(₹ in '000)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
1. Discount Allowed in issue of shares/ debentures	–	–
2. Others	–	–
<b>TOTAL</b>	<b>–</b>	<b>–</b>

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

(₹ in '000)

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
<b>Cash flows from operating activities</b>		
Premium received from policyholder incl advance receipt	94,711,818	69,744,484
Other receipts	65,407	17,212
Payment to the re-insurers, net of commission and claims	(16,816,838)	(13,719,610)
Payment to co-insurers, net of claims recovery	2,008,986	928,606
Payment of claims	(41,195,478)	(30,247,416)
Payment of commission and brokerage	(6,420,541)	(5,603,656)
Payments of other operating expenses	(10,654,513)	(8,255,133)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(57,229)	(46,151)
Income taxes paid (Net)	(1,398,372)	(1,134,992)
Service tax / GST (Net)	(2,828,644)	(3,886,572)
Director sitting fees	(7,260)	(3,500)
Retirement benefits	(111,964)	(78,185)
<b>Cash flow before extraordinary items</b>	<b>17,295,372</b>	<b>7,715,087</b>
Cash flow from extraordinary items	-	-
<b>Net cash flow from operating activities</b>	<b>17,295,372</b>	<b>7,715,087</b>
<b>Cash flows from investing activities</b>		
Purchase of Fixed Assets	(1,644,215)	(620,651)
Proceeds from Sale of Fixed assets	1,414	1,987
Purchase of Investments	(68,178,470)	(50,399,401)
Loans Disbursed	-	-
Sale of Investments	52,732,627	38,871,957
Repayments received	-	-
Rent / Interest / Dividend received on Investment	5,403,519	4,646,259
Investment in moneymarket and liquid fund instruments	356,052	986,507
Expenses related to Investments	(5,044)	(3,860)
Investments in Fixed deposits (Net)	(72,300)	21,200
<b>Net cash flow from investing activities</b>	<b>(11,406,418)</b>	<b>(6,496,001)</b>
<b>Cash flows from financing activities</b>		
Proceed from issuance of share capital (net of share issue expenses)	-	-
Proceeds from borrowing	-	-
Repayments from borrowings	-	-
Interest / Dividend paid (including Dividend Distribution Tax)	(215,500)	(215,500)
<b>Net cash flow from financing activities</b>	<b>(215,500)</b>	<b>(215,500)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, net</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,673,454</b>	<b>1,003,587</b>
Cash and cash equivalent at beginning of the year	5,415,282	4,411,696
Cash and cash equivalent at end of the year	11,088,736	5,415,282
Book overdraft at the end of the year	-	-
<b>Net increase in cash and cash equivalents</b>	<b>5,673,454</b>	<b>1,003,587</b>

Refer Schedule 11 for components of cash and cash equivalents

- 1) Cash and cash equivalents include cash on hand, balances with other banks in current account and fixed deposits with maturity upto 3 months, and liquid mutual funds
- 2) Receipts and Payments account has been prepared under the "Direct Method" in accordance with AS-3 "Cash flow statements"
- 3) Payment of Operating Expenses includes Payment made towards CSR (Including advances) amounting ₹ 97,000 (thousand)

### Signatures to the Receipts and Payments Account

As per our report attached

For **A. Bafna & Co.**  
Chartered Accountants  
(FRN 003660C)

For **MKPS & Associates**  
Chartered Accountants  
(FRN 302014E)

**Ashish Trivedi**  
Partner  
M.No. 109376

**Ankita Nemani**  
Partner  
M.No. 159486

Place : Mumbai  
Date : April 29, 2021

For and on behalf of the Board of Directors

**Dinesh Kumar Khara**  
Director  
(DIN No : 06737041)

**Ashwini Kumar Tewari**  
Director  
(DIN No : 08797991)

**Prakash Chandra Kandpal**  
Managing Director & CEO  
(DIN No: 06452437)

**Rikhil K. Shah**  
Chief Financial Officer  
(M. No. 112490)

**Mahendra K. Tripathi**  
Company Secretary  
(M. No. A21090)

Schedules Annexed to and forming part of the Revenue Account(s) and Profit and Loss Account for the financial year ended 31st March, 2021 and to the Balance Sheet as at 31st March, 2021

## Schedule – 16: Significant Accounting Policies and Notes to Financial Statements

### 1. Background

SBI General Insurance Company Limited ('the Company') was incorporated on February 24, 2009 as a public limited company under the Indian Companies Act, 1956 ('the Act') and was originally a joint venture between State Bank of India (SBI) and IAG International Pty Limited, a subsidiary of Insurance Australia Group Limited. After a small divestment in mid-2018, SBI now owns 70% of the total capital, whereas IAG, the erstwhile JV partner of 26%, has made a complete exit in March 2020, thereby divesting its entire stake. While SBI's divested equity of 4% is held by PI Opportunities Fund - I (2.35%) and Axis New Opportunities- AIF-I (1.65%), IAG's stake of 26% has been bought by Napean Opportunities LLP (16.01%), and Honey Wheat Investments Ltd (9.99%). The Company is registered with Insurance Regulatory and Development Authority of India ('IRDAI') with certificate of registration No. 144 dated 15<sup>th</sup> December 2009 and is in the business of General Insurance in India.

The Certificate of Registration granted by the Insurance Regulatory and Development Authority of India ("IRDAI") to enable the Company to transact General Insurance business continues to stand valid.

### 2. Significant Accounting Policies

#### 2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) followed in India under the historical cost convention and accrual basis of accounting. The financial statements are prepared in accordance with the statutory requirements of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015, Insurance Regulatory and Development Authority of India (IRDAI) Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations'), Master Circular on Preparation of Financial Statement - 2012 issued by IRDAI and subsequent guidelines/directions prescribed by the IRDAI in this behalf, the Companies Act, 2013 to the extent applicable and duly comply with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (to the extent applicable to General Insurance Companies) and current practices prevailing in the general Insurance industry. The financial statement are presented in Indian Rupees rounded off to the nearest thousand. Accounting policies applied are followed consistently unless otherwise stated.

#### 2.2 Use of Estimates

The preparation of financial statements in conformity with the GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the Balance sheet date, revenue and expenses for the year ended and disclosure of contingent liabilities as of the Balance sheet date. The estimates and assumptions used in preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods. Actual results may differ from these estimates and assumptions

#### 2.3 Revenue Recognition

##### (i) Premium

Premium including reinsurance accepted (net of Goods & service tax) is recognised in the books at the commencement of risk over the contract period or the period of risk, whichever is appropriate. In case the premium is recovered in installments, amount to the extent of installment due is recorded on the due date of installment. Premium (net of Goods & service tax) including reinstatement premium on direct business and reinsurance accepted, is recognised as income over the contract period or the period of risk, whichever is appropriate, on a gross basis under 1/365 method. In case of long term motor Insurance policies premium is recognised on a yearly basis as mandated by IRDAI. Any subsequent revision to premium is recognised over the remaining period of risk or contract period. Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled

##### (ii) Income earned on Investments:

Interest income on Investment is recognised on accrual basis and in accordance with guidelines for prudential norms for income recognition, asset classification and provisioning issued by IRDAI. Dividend income is

recognised when the right to receive the dividend is established. Interim dividend is accounted where the ex-dividend date is on or before 31st March.

Investment income (net of expenses) as above, including Profit/loss on sale of securities, is directly identifiable to the investment book which stands bifurcated under shareholders and policyholders in Schedule 8 and 8A. Accordingly, investment income is recognised under Revenue account(s) and Profit and Loss account as applicable.

Within the Revenue Account(s), the investment income is further allocated among the lines of business in the proportion of the average policyholders funds. (policyholders fund comprising of net reserves for unexpired risks, IBNR, IBNER and outstanding claims)

### **(iii) Premium / discount on purchase of investments**

Premium or discount on acquisition, as the case may be, in respect of fixed income securities and non convertible preference shares is amortized/ accreted on constant yield basis over the period of maturity/holding.

### **(iv) Gain / loss on sale / redemption of investments**

Gain or loss on sale/redemption of investments is recognised on the trade date/redemption date. The Gain/Loss is the difference between the sale/redemption consideration net of transaction cost and the cost of securities arrived at on weighted average cost basis. In respect of listed equity shares and mutual fund units, the gain/loss also includes the accumulated changes in the fair value/market value previously recognised through the fair value change account for the specific investments sold/ redeemed during the year.

### **(v) Commission on Reinsurance Ceded**

Commission on reinsurance ceded is recognised as income in the period in which reinsurance risk is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognised as income in the year of final determination of the profits as intimated by Reinsurer and combined with commission on reinsurance ceded.

Sliding scale commission under reinsurance treaties, wherever applicable, is recognised as income as per the reinsurance treaty conditions as confirmed by reinsurers and combined with commission on reinsurance ceded.

## **2.4 Reinsurance ceded**

In respect of proportional reinsurance ceded, the cost of reinsurance ceded is accrued at the commencement of risk over the contract period or the period of risk. Non-proportional reinsurance cost is recognised when due. Non-proportional reinsurance cost is accounted as per the terms of the reinsurance arrangements. Any subsequent revision to, refunds or cancellations of premiums is recognised in the period in which they occur.

## **2.5 Reinsurance Inward**

Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

## **2.6 Acquisition Costs**

Acquisition costs are expensed in the period in which they are incurred. Acquisition costs are defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz., commission. The primary test for determination as acquisition cost is the obligatory relationship between the costs and the execution of the insurance contracts (i.e. commencement of risk). In case of long term motor policies commission is expensed at the applicable rates on the premium allocated for the year as mandated by IRDAI.

## **2.7 Premium Received in Advance**

Premium Received in Advance which represents premium received prior to the commencement of the risk is shown separately under the head "Current Liabilities" in the financial statements and is recorded as income on the date of commencement of risk.

## **2.8 Reserve for Unexpired Risk**

Reserve for Unexpired risk is that part of the net premium written (i.e., premium net of reinsurance ceded) that is attributable to, and to be allocated to succeeding accounting periods on contract period basis or risk period basis, whichever is appropriate. Such reserves are calculated on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements as per Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016.

## **2.9 Premium Deficiency**

If the ultimate amount of expected net claim costs (as calculated and certified by the Actuary), related expenses and maintenance costs (related to claims handling) in respect of unexpired risks at the end of the accounting period exceeds the sum of related premium carried forward to the subsequent accounting period as the reserve for unexpired risk, the same is recognised as premium deficiency.

Premium deficiency is calculated on annual basis and at the company level.

### 2.10 a. Claims Incurred

Claim is recognised as and when a loss occurrence is reported.

Claim is recognised by creation of provision for the amount of claim payable as estimated by the management based on available information and past experience, on receipt of claim notification. Such provision is reviewed/modified as appropriate on the basis of additional information as and when available.

Amounts received/receivable from the re-insurers/co-insurers, under the terms of the reinsurance and coinsurance arrangements respectively, is recognised together with the recognition of the claim.

Provision for claims outstanding payable as on the date of Balance Sheet is net of reinsurance, salvage value and other recoveries as estimated by the management.

Claims paid (net of recoveries including value of salvage retained by the insured and interest, if any, paid on the claims) is charged to the respective Revenue Accounts when approved for payment. Where salvage is taken over by the Company, the recoveries from sale of salvage are recognised at the time of such sale.

### b. IBNR and IBNER (Claims Incurred But Not Reported and Claims Incurred But Not Enough Reported)

Provision in respect of claim liabilities that have been incurred before the end of the accounting Year but are -

1. Not yet reported or claimed (IBNR) or
2. Not enough reported i.e. reported with information insufficient for making a reasonable estimate of likely claim amount (IBNER)

The provision is made according to the amount determined by the Appointed Actuary based on actuarial principles in accordance with the Institute of Actuaries of India Actuarial Practice Standards and Guidance Notes and IRDAI regulations and guidelines.

### 2.11 Segment Reporting

In case of General Insurance Business, based on primary segments identified under Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation, 2002 read with AS 17 on "Segment Reporting" specified under section 133 of the Companies Act, 2013, the Company has classified and disclosed segment information for Fire, Marine and Miscellaneous lines of Business.

There are no reportable geographical segments, since all business is written in India.

The allocation of revenue and expenses to specific segments is done in the following manner, which is applied on consistent basis.

#### Allocation of Investment Income:

Investment income earned on the policyholder's fund has been allocated among the lines of business in the proportion of the average policyholders funds. (policyholders fund comprising of net reserves for unexpired risks, IBNR, IBNER and outstanding claims)

#### Operating Expenses related to the Insurance Business:

Operating expenses related to the insurance business is allocated to specific business segments in the following manner:

- a) Expenses which are directly identifiable to the specific business segments are allocated to the respective business segments on actuals;
- b) Expenses which are not directly identifiable to any specific business segment are apportioned in the proportion of net written premium accounted during the relevant year.

The method of apportionment is based on the nature of the expenses and their logical correlation with various business segments, wherever possible.

### 2.12 Fixed Assets:

Tangible assets are carried at cost less accumulated depreciation/amortization.

Cost includes acquisition price and all attributable cost of bringing the asset to its working condition such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

Depreciation/Amortisation on tangible assets is provided on straight line method as per the basis of their estimated useful life determined by the management as under, not longer than those prescribed under Schedule II of the Companies Act, 2013.

The company, based on a competent technical advice on various nature of the assets, the estimated usage of the assets and the operating conditions of the assets, has internally assessed the estimated useful lives of fixed assets as mentioned below.

Asset Class	Estimated Useful Life (in years)	Depreciation Rate (in %)	Useful life as per limits prescribed in Schedule II of the Companies Act, 2013 (in years)
Items costing upto ₹ 20,000 each	Depreciated fully in the year in which put to use		
Information Technology Equipments – Servers & Network	3 years	33.33%	6 years
Information Technology Equipments – Others	3 years	33.33%	3 years
Vehicles	5 years	20.00%	8 years
Office Equipments	4 years	25.00%	5 years
Electrical Fittings	4 years	25.00%	5 years
Furnitures and Fixtures	5 years	20.00%	10 years
Building	60 years	1.67%	60 years

In respect of assets purchased / disposed off during a financial year, depreciation is provided on a pro rata basis from / upto the date in which the asset is put to use/disposed off respectively.

#### Leasehold Improvements:

The estimated useful life of leasehold improvements is 5 years or remaining lease period which is shorter

#### Intangible Assets:

The estimated useful life of intangibles and amortisation period are reviewed at the end of each financial year and accordingly revised to reflect the correct pattern.

Asset Class	Estimated Useful Life (in years)	Depreciation Rate (in %)
Computer Software* (Intangible)	3 years	33.33%

\*Other than Embedded software or software which comes pre installed alongwith the hardware, which is depreciated on the same rate as the Information Technology Equipments.

Capital Work-in-progress (CWIP) includes assets not ready for the intended use and are carried at cost comprising direct cost and related incidental expenses.

## 2.13 Impairment of assets

The carrying value of assets forming part of any cash generating units at Balance sheet date are reviewed for impairment at the end of the year whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such an asset is considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset. If at the Balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

## 2.14 Investments

Investments are accounted for in accordance with the extant regulatory guidelines. Investments are recorded on trade date.

#### Acquisition cost

Brokerage, commission and other transaction cost paid in connection with acquisition of investments are included in cost.

Broken period interest paid / received on debt instruments is excluded from cost / sale consideration.

Cost is determined on the weighted average cost method.

#### Classification

All debt securities are considered as 'held to maturity'.

Investments maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose off within 12 months from the balance sheet date are classified as short-term investments. Investments other than short term investments are classified as long-term investments.

## Valuation of Investments

### i) A. Debt Securities

Each security under "Held to Maturity" category is carried at its amortised cost. Any premium/ discount on acquisition is amortised/ accreted over the remaining maturity period of the security on constant yield basis. Such amortisation/ accretion of premium/ discount is deducted from/ added to interest income.

### B. Debt Diminution Policy

If interest and/or instalment in respect of a debt security is not received within 90 days from the date on which such interest/instalment was due, the said debt security is considered as NPA. The interest on such impaired securities is not recognised on accrual basis but recognised as income only on actual realisation. Estimated loss in the value of the security on account of such impairment is recognised as expense in the Revenue Account(s) or Profit & Loss Account, as the case may be.

In case of existing security, on downgrade in credit ratings of Investee company post acquisition, a provision for diminution in financials is provided on holdings as per the criteria mentioned in the table below.

Type of Exposure	Credit Rating Threshold for Approved Investments as per IRDAI	Credit Rating Threshold as per Investment Policy	Provision for Diminution on Credit Rating Downgraded to D (Junk)		
			One Time on downgrade	Treatment Post Initial Provisioning	Treatment for Interest Accruals/ Premium/ Discount
Short Term rated securities (primarily unsecured exposure)	A1	A1+	25%	10% in every subsequent month subject to 100% on maturity	Stop fresh Accretion of Discount
Long Term rated securities (Secured/ Unsecured exposure)	AA	AA	25%	5% in every subsequent month subject to 100% on maturity	1. Stop fresh Interest accruals/Accretion/ Amortisation 2. Reverse accrued Interest receivable till date.

In addition to the above mentioned provisioning requirement, the management may decide to make provision or accelerate provision, if Qualitative parameters signify permanent loss in value due to significant financial distress of the issuer, bankruptcy proceedings indicating complications in settlement of the claims outstanding and uncertainty of final recovery, large frauds etc.

### Reclassification of Securities, treatment for Receipt of Dues & related reversal of provision for Diminution in Debt Securities:

A security under diminution is to be reclassified as performing on a rating upgrade from all the rating agencies which have rated the security, and the cumulative provision for diminution on principal provided in books of accounts would be reversed.

- I. Securities which have matured:- If any Interest / Principal in arrears is received in part, an equivalent amount of provision is to be reversed.
- II. Securities which have not matured:- Regular Interest accruals and Amortisation would restart if all the existing interest in arrears are repaid in full and on occurring of any of the below events:
  - a. The interest dues are honoured timely on next coupon date.
  - b. The security has been reclassified as performing on account of an rating upgrade.

Till that time, the interest on the security is to be accounted for in books on Cash Basis only.

Any reversal of diminution in value of investments/Interest earlier charged to Revenue / Profit and Loss Account is to be recognised in Revenue / Profit and Loss Account.

The realised gain or loss on the securities shall be the difference between the sale consideration net off brokerage and taxes and the amortised cost in the books of the Company as on the date of sale determined on weighted average cost basis.

A security under diminution would be written off, if the qualitative parameters signify permanent loss in value due to significant financial distress of the issuer, bankruptcy proceedings indicating complications in settlement of the claims outstanding and uncertainty of final recovery, large frauds etc. The cumulative provision for diminution on principal provided in books of accounts would be reversed. Any write off of securities shall be approved by the Board of Directors

### ii) A. Equities (Listed & Actively Traded)

Listed and actively traded securities shall be valued at the last quoted closing prices on the National Stock Exchange of India Limited, which is the primary exchange, as of the Balance Sheet date. In case, the shares are not listed/not traded in NSE the valuation shall be done at the last quoted closing price on the Bombay Stock

Exchange, which is the secondary exchange for valuation purpose. Unrealized gains or losses shall be credited / debited to the fair value change account.

#### **B. Equity Diminution Policy**

Once a scrip is tested for impairment, the difference between current market price and cost shall be treated as diminution. A diminution in the value of investments shall be recognised as an expense in Revenue / Profit and Loss Account to the extent of the difference between the re-measured fair value of the Investment and its Cost as reduced by any previous diminution in value of investments is recognised as expenses in Revenue / Profit and Loss Account. Any reversal of diminution in value of investments earlier recognised in Revenue / Profit and Loss Account shall be recognised in Revenue / Profit and Loss Account.

The SBIG Equity Diminution Policy would be applicable on Scrips which are held for more than one year and would incorporate 2 tests for determining impairment. i.e. determining if the loss is other than temporary in nature:

- i. Average market price (daily closing price on the NSE) of last 12 months is at least 30% lower than the cost of the scrip,  
AND  
Last one month's average market price is lower than 80% of cost of the scrip as at the balance sheet date  
OR
- ii. Qualitative parameters which signify permanent loss in value including significant financial distress of the issuer, bankruptcy, significant downgrade of the credit rating, large frauds, disappearance of active market.

#### **C. ETF Diminution Policy**

##### **Equity ETF :**

Given the characteristics of EFT the criteria for assessing impairment on Equities as per the company's equity diminution policy would also be applicable for measuring impairment in ETF investments.

##### **Debt ETF :**

Debt ETF Diminution Policy incorporates 2 tests for determining impairment i.e. determining if the loss is other than temporary in nature: -

- Latest published NAV is less than 70% of the holding cost of Debt ETF as at Balance Sheet date. OR
- Qualitative parameters which signify permanent loss in value due to significant financial distress in the ETF scheme, bankruptcy, frauds etc.

Estimated loss in the value of the Debt ETF on account of such impairment shall be recognized as expense in the Revenue Account or Profit & Loss Account, as the case may be.

Reversal of provision for Diminution:

The reversal of provision for Diminution would be effective once the latest published NAV regains 70% or more than the holding cost.

The reversal of diminution in value which had been charged to Revenue / Profit and Loss Account shall be reversed back in Revenue / Profit and Loss Account only to the extent of increase in the published NAV.

#### **D. AIF Diminution Policy: -**

Criteria for providing for AIF Diminution: Considering the nature of AIF investments and effect of J curve return during the life cycle of the fund, the assessment for diminution would be applicable after three years from

- the Fund Closure OR
- full draw down of capital commitment

whichever is later.

Subject to above criteria, the SBIG AIF Diminution Policy incorporates 2 tests for determining impairment. i.e. determining if the loss is other than temporary in nature: -

- Latest published NAV is less than 80% of the Holding cost of AIF as at Balance Sheet date.  
OR
- Qualitative parameters which signify permanent loss in value including significant financial distress of the AIF, bankruptcy or frauds etc.

Estimated loss in the value of the AIF on account of such impairment shall be recognized as expense in the Revenue Account or Profit & Loss Account, as the case may be.

Reversal of provision for Diminution in AIF : The reversal of provision for Dimintion in AIF would be effective once the latest published NAV regains 80% or more than the holding cost.

The reversal of diminution in value of AIF which had been charged to Revenue / Profit and Loss Account shall be reversed back in Revenue / Profit and Loss Account only to the extent of increase in the published NAV

### Mutual Fund Units

Mutual fund units are valued at their Net Asset Value ('NAV') as on the balance sheet date. Unrealized gains or losses are credited / debited to the fair value change account.

### Fair Value Change Account

Unrealized gains or losses held in the Fair Value Change Account will not be available for distribution as dividend. On realisation, such gains or losses are recognised as revenue. Further, the Fair value change is disclosed separately for Policyholders and Shareholders in the Financial Statements.

### Transfer of Securities to Policy Holders fund

Where securities are transferred to the policy holders Account this shall be at market price or amortized cost price, whichever is lower.

### Investments of Policy Holders and Shareholders

The company has prepared Schedule 8 and Schedule 8A for Investments indicating bifurcation between Shareholders and Policyholders, respectively.

## 2.15 Foreign Currency Transactions

Transactions denominated in foreign currencies, if any, are recorded at the exchange rate prevailing on the date of the transaction. Monetary Assets and Liabilities in foreign currency, if any, as at the balance sheet date are converted at the exchange rates prevailing at that date and the exchange rate difference either on settlement or on translation is recognised in the Revenue account(s) or Profit and Loss account, as applicable.

## 2.16 Employee Benefits

### i) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. The undiscounted amount of short-term employee benefits, such as non accumulating compensated absences etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the year when the employee renders the service.

### ii) Post Employment Benefits:

#### a) Defined Contribution Plan

All eligible employees are entitled to receive benefits under the Provident Fund Scheme and such other fund. The employees and the Company contribute monthly at a determined rate. These contributions are remitted to respective Provident Fund Authorities and are recognised as an expense in the year to which they relate.

#### b) Defined Benefit Plan

The Company provides gratuity to all eligible employees, actuarial valuation of the same is done at the end of the year. The benefit is in the form of lump sum payments to vested employees on retirement, on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service as per applicable law. Vesting occurs upon completion of five years of service. The gratuity benefits is internally funded by the company and remitted to the trust.

The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains/losses arising from change in assumptions is immediately recognised in the Revenue account(s) or Profit & Loss account, as the case may be and are not deferred.

#### c) Other Long Term Employee benefits

All eligible employees of the company are eligible for accumulated compensated absences. The costs of such long term employee benefits is internally funded by the company.

The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date. Past service cost is immediately recognised in the Revenue account(s) or Profit & Loss account, as the case may be and is not deferred.

## 2.17 Operating Leases

The Company's significant leasing arrangements include lease agreements for office and residential premises. Lease rentals for assets taken on operating lease are recognised as an expense in the Revenue account(s) over the lease term on straight line basis.

## 2.18 Earnings per Share

The Company reports basic and diluted earnings per share in accordance with AS 20 - 'Earnings Per Share'. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding at the end of the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares are to be exercised or converted. Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the year end.

## 2.19 Provision for Taxation

Income tax expense is the aggregate amount of current tax, deferred tax. Current year taxes are determined in accordance with the provisions of Accounting Standard 22 and tax laws prevailing in India. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted prior to the balance sheet date. Deferred tax assets and liabilities are recognised on a prudent basis for the future tax consequences of timing differences arising between the carrying values of assets and liabilities and their respective tax basis, and carry forward losses. The impact of changes in the deferred tax assets and liabilities is recognised in the Profit and Loss account.

Deferred tax assets are recognised and reassessed at each reporting date, based upon management's judgement as to whether realisation is considered certain. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future profits.

## 2.20 Provisions and Contingent liabilities

In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", the Company recognises provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

No provision is recognised for

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii. any present obligation that arises from past events but is not recognised because
  - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as contingent liabilities under notes to accounts. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

A disclosure for contingent liability other than those under Insurance policies is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

## 2.21 Goods & Service Tax(GST)

Goods and Service Tax collected shall be recorded as liability to Government Authorities on collection. Tax paid for eligible input services, to the extent admissible, shall be adjusted against such liability and the net liability shall be remitted to the appropriate tax authority as stipulated. Unutilised credits of Goods and service Tax Paid shall be carried forward as "Other Assets" to subsequent period(s). Goods and service Tax paid on services which are not eligible input services and therefore not admissible as credits for Goods and service Tax collected and payable, shall be recognised as an expense in the period in which it is incurred.

## 2.22 Share Issue Expenses

The share issue expenses shall be written off to the Profit and Loss account in the same financial year in which they are incurred.

## 2.23 Receipts and Payments Account:

- i) Receipts and Payments Account is prepared and reported using the Direct method, in conformity with para 2.2 of the Master circular on Preparation of Financial Statements of General insurance Business dated October 5, 2012 issued by IRDAI.
- ii) Cash and Cash equivalents:

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.24 Employee Stock Option Plan ('ESOP'):

The Company follows the intrinsic method for computing the compensation cost, for options granted under the Plan. The difference if any, between the fair value of the share and the grant price, being the compensation cost is amortised over the vesting period of the options

## 2.25 Provision for bad & doubtful debts & write off:

Any receivable/recoverable overdue for over 3 years is provided as bad & doubtful debts and accordingly adjusted.

## 3 Notes to Financial Statements

### 3.1 Contingent Liabilities

- a. Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts  
(₹ in '000)

Particulars	As at 31st March 2021	As at 31st March 2020
a) Partly paid up investments	4,933	Nil
b) Underwriting commitments outstanding	Nil	Nil
c) Claims other than those under policies, not acknowledged as debts	Nil	Nil
d) Guarantees given by or on behalf of the Company	Nil	Nil
e) Statutory demands/liabilities in dispute, not provided for	1,244,498	770,520
f) Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
g) Others – Penalty and other demands in dispute	152,907	162,819

Note -

- During the period the company had uncalled partly paid liability against Right issue of Reliance Industries.
- Statutory demand / liabilities in dispute includes Indirect Tax matters of ₹ 1,183,115 thousand (including Interest and Penalty) towards order passed by Principal Commissioner of GST confirming demand against SCN and Direct Tax matters of ₹ 61,251 thousand towards AY 2012-13 Assessment re-opened.
- Contingent liabilities categorised under "Others" includes a penalty amounting ₹ 140,200 thousand, raised through Order, by the State Govt of Haryana, towards non-fulfilment of certain mandatory obligations, as specified under the terms and conditions of Pradan Mantri Fasal Bhima Yojana (PMFBY) insurance contract. The company, against order filed a writ petition and has obtained a stay order from the Hon'ble High Court of Punjab and Haryana, in this regard. Based on the merit of this case, the management is confident of a favourable award.

### 3.2 Capital Commitments

- Commitments made and outstanding for Loans is ₹ Nil (Previous Year: ₹ Nil).
- Commitments made and outstanding for Investments is ₹ 179,961 thousand (Previous Year: ₹ 89,742 thousand).
- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 186,687 thousand (Previous Year: ₹ 57,931 thousand).

### 3.3 Encumbrances on Assets

The assets of the company are free from all encumbrances except for

- Fixed Deposit of ₹ 19,900 thousand (Previous year ₹19,900 thousand) placed with National Securities Clearing Corporation Limited (NSCCL) towards Margin requirements on Equity Purchases.
- Fixed Deposit of ₹ NIL (Previous year ₹ 6,671 thousand) marked lien towards 100% margin on Bank Guarantee for participation in tender for Insurance Cover of GAIL (India) Ltd.
- Fixed Deposit of ₹ 2,500 thousand (Previous year ₹ NIL) marked lien against Bank Guarantee taken in favour of Unique Identification Authority of India.

### 3.4 Investments

- a. Following are the contracts outstanding in relation to purchases where deliveries are pending and sales where payments are outstanding / overdue at the end of the year.

Asset Type	Nature Of Transaction	31st March 2021	31st March 2020
Equity	Sales	20,694	0
Govt. Securities	Sales	0	0
Govt. Securities	Purchases	0	0
Equity	Purchases	0	0

- Company has no investments in immovable property, derivative instruments.
- Investments made are in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016.
- Investments that are earmarked, are allocated separately to policy holders or share holders, as applicable.

- e. Historical Cost of Investments which have been valued on a fair value basis :

Mutual Funds: ₹ 6,779,600 thousand (Previous Year: 3,290,300 thousand)

Equity Shares: ₹ 5,476,838 thousand (Previous Year: 3,018,952 thousand)

Exchange Traded Fund: NIL (Previous Year: 783,654 thousand)

Alternative Investment Fund: ₹ 120,388 thousand (Previous Year: ₹ 110,640 thousand)

As per the policy, Mutual fund units are valued at their Net Asset Value ('NAV') as on the balance sheet date. However, in the event of the balance sheet date being a holiday/non-business day, the NAV for valuation of the fund is considered as published for the last working day.

The listed and actively traded equities/securities are valued at the last quoted closing prices on the National Stock Exchange of India Limited, which is the primary exchange, as of the Balance Sheet date. For shares not listed/traded in NSE the valuation is done at the last quoted closing price on the Bombay Stock exchange, which is the secondary exchange for valuation purpose. As per IRDA regulations, Schedule A part 1 point no 6 C all unrealised gains/losses arising due to changes in the fair value of listed equity shares are taken to Balance sheet under the head 'Fair Value Change Account'.

- f. The aggregate market value and cost of investments held as of the Balance Sheet date are as follows:

(₹ in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Investments other than Listed Equity, ETF, AIF and Mutual Funds	85,600,663	70,519,341
Aggregate Amortised Cost of Investments other than Listed Equity, ETF, AIF and Mutual Funds	82,609,022	67,899,206

- g. Investments under Section 7 of the Insurance Act, 1938:

As per IRDAI Notification No. IRDAI/F&I/CIR/INV/093/04/2015 dated 30th April 2015, the requirements in relation to Section 7 of Insurance Act, 1938 has been dispensed with.

### 3.5 Loan

The Company has not given any loans during the financial year and in the previous year.

### 3.6 Premium

- a. All premiums net of reinsurance are written and received in India.

- b. Premium income recognised on "Varying Risk Pattern" is ₹ Nil (Previous year: ₹ Nil)

### 3.7 Sector wise details of the policies issued/outstanding are given below:

Sector	For the year ended March 31, 2021		For the year ended March 31, 2020	
	GDP (₹ in '000)	% of GDP	GDP (₹ in '000)	% of GDP
Rural Sector	21,574,814	26.10%	17,214,485	25.33%
Urban Sector	61,073,761	73.90%	50,755,207	74.67%
<b>Total</b>	<b>82,648,575</b>	<b>100.00%</b>	<b>67,969,692</b>	<b>100.00%</b>

Sector	For the year ended March 31, 2021		For the year ended March 31, 2020	
	GDP (₹ in '000)	No. of Lives	GDP (₹ in '000)	No. of Lives
Social Sector	23,329,620	6,012,709	23,052,585	9,854,834

### 3.8 Contribution to Pool

#### Terrorism Pool:

In accordance with the requirement of IRDAI, the Company is a participant in IMTRIP and has received the Terrorism Pool retrocession of premium in the current financial year. Accordingly as per the statement received from the Pool managers, the Company has recognised the pool retrocession up to 31<sup>st</sup> December 2020, the accounts of which were received till end of the financial year.

#### Nuclear Pool:

In view of the passage of the Civil Liability for Nuclear Damage Act, 2010, GIC Re as Indian Reinsurer initiated the formation of the India Nuclear Insurance Pool (INIP) along with other domestic non-life insurance companies by pooling the capacity to provide insurance covers for nuclear risks. INIP is an unregistered reinsurance arrangement among its members i.e. capacity providers without any legal entity. GIC Re and 11 other non-life insurance companies are Founder Members with their collective capacity of ₹ 15,000,000 thousand. The leader for the policy issued to Nuclear Power Corporation of India(NPCI) is New India Assurance, in which member companies have a co-insurance risk sharing.

GIC Re is also appointed as the Pool Manager of the INIP. The business underwritten by the INIP will be retroceded to all the Member companies including GIC Re in proportion of their capacity collated. Out of the total capacity of ₹ 150,00,000 thousand of the INIP, the capacity provided by the Company is ₹ 150,000 thousand. The Company has booked its share of retrocession from the INIP based on statements received from the INIP Administrator. The Company has recognised the pool retrocession up to 30th September 2020, the accounts of which were received till end of the financial year.

### 3.9 Contribution to Solatium Fund

In accordance with the requirement of IRDAI circular dated March 18, 2003 and based on the recommendation made by the General Insurance Council vide letter dated July 26, 2010, the Company has provided 0.1% of all the Third Party premiums (excluding reinsurance premiums accepted on motor third party for commercial vehicles) towards contribution to the Solatium Fund.

### 3.10 Environment Relief Fund

An amount of ₹ 232 thousand is outstanding as at 31st March 2021 (Previous year: ₹ 71 thousand) towards Environment Relief Fund (ERF) under the Public Liability Compulsory Insurance Act, 1991.

### 3.11 Reinsurance Regulations

As per Insurance Regulatory and Development Authority (Reinsurance) Regulations, 2018, surplus over and above the domestic reinsurance arrangements class-wise can be placed by the (re)insurer independently with any of the reinsurers subject to the following limits of the total reinsurance premium ceded outside India being placed with any one reinsurer:

Rating of Reinsurers (as per Standard & Poor and applicable to other equivalent international rating agencies)	Limit of cession allowed under Regulation 3(11) (e)
BBB & BBB+ of Standard & Poor	10%
Greater than BBB+ and up to & including A+ of Standard & Poor	15%
Greater than A+ up to & including AAA of Standard & Poor	20%

In terms of these Reinsurance Regulations, the company has submitted details for the financial year 2020-21 to IRDAI, in respect of its reinsurance arrangements, within the timelines prescribed by IRDAI. The company has duly complied with the above mentioned regulations.

### 3.12 Extent of risks retained and reinsured is set out below (excluding risk and catastrophe excess of loss reinsurances and Terrorism Premium Inward)

Particulars	Basis	For the Year ended March 31, 2021				
		Gross Premium	Retention	Ceded	Retention	Ceded
		(₹ in '000)	(₹ in '000)	(₹ in '000)	%	%
Fire	Total sum insured	14,114,376	4,453,758	9,660,618	31.55%	68.45%
Marine – Cargo	Value at risk	368,287	350,226	18,061	95.10%	4.90%
Marine – Hull	Value at risk	–	–	–	0.00%	0.00%
Miscellaneous:-						
Engineering	Total sum insured	414,727	188,486	226,241	45.45%	54.55%
Motor	Total sum insured	21,439,073	11,642,723	9,796,352	54.31%	45.69%
Workmen Compensation	Value at risk	39,818	19,078	20,740	47.91%	52.09%
Public Liability	Value at risk	342,365	86,905	255,460	25.38%	74.62%
Personal Accident	Value at risk	8,656,161	8,196,610	459,551	94.69%	5.31%
Health	Value at risk	12,914,897	12,286,515	628,381	95.13%	4.87%
Weather/Crop	Value at risk	22,770,747	3,508,469	19,262,278	15.41%	84.59%
Others	Value at risk	2,001,925	1,659,997	341,927	82.92%	17.08%
Aviation	Value at risk	1,083	8	1,075	0.73%	99.27%
Inward Fire	Total sum insured	1,518	671	847	44.18%	55.82%
<b>Total</b>		<b>83,064,977</b>	<b>42,393,446</b>	<b>40,671,531</b>	<b>51.04%</b>	<b>48.96%</b>

Particulars	Basis	For the Year ended March 31, 2020				
		Gross Premium	Retention	Ceded	Retention	Ceded
		(₹ in '000)	(₹ in '000)	(₹ in '000)	%	%
Fire	Total sum insured	11,961,638	3,469,207	8,492,431	29.00%	71.00%
Marine – Cargo	Value at risk	281,737	249,650	32,088	88.61%	11.39%
Marine – Hull	Value at risk	–	–	–	0.00%	0.00%
Miscellaneous:-						
Engineering	Total sum insured	371,541	156,174	215,367	42.03%	57.97%
Motor	Total sum insured	15,685,317	9,990,061	5,695,256	63.69%	36.31%
Workmen Compensation	Value at risk	31,366	15,047	16,318	47.97%	52.03%
Public Liability	Value at risk	182,178	45,245	136,933	24.84%	75.16%
Personal Accident	Value at risk	8,317,487	7,901,612	415,875	95.00%	5.00%
Health	Value at risk	7,783,974	7,412,138	371,835	95.22%	4.78%
Weather/Crop	Value at risk	22,157,313	7,183,207	14,974,107	32.42%	67.58%
Others	Value at risk	1,563,887	1,142,956	420,931	73.08%	26.92%
Aviation	Value at risk	980	6	974	0.60%	99.40%
Inward Fire	Total sum insured	3,842	228	3,614	5.94%	94.06%
<b>Total</b>		<b>68,341,260</b>	<b>37,565,531</b>	<b>30,775,729</b>	<b>54.97%</b>	<b>45.03%</b>

The Company has ceded premium of ₹ 1,365,013 thousand (Previous Year: ₹ 1,939,245 thousand) towards Excess of Loss Cover.

### 3.13 Residual value of Fixed Asset

As per Companies Act, 2013 a minimum residual value for Fixed assets needs to be maintained. Accordingly, the company maintains a residual value of ₹ 1 /- on all tangible assets procured from 01st April 2019 onwards.

### 3.14 Premium Deficiency

The Appointed Actuary determined that a premium deficiency is not required to be provided for the year ended 31st March 2021 as per Schedule II of the Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016. This is because the sum of expected claim costs, related expenses and maintenance costs in respect of unexpired risks does not exceed the related unearned premiums at the insurer level.

The expected claims cost with respect to unearned premiums has been based on the financial year 2021-22 board approved business forecasts and assumptions, including potential impacts of COVID-19, was tested by sensitivity and stress testing.

The impact of Motor TP Pool was excluded as is allowed by IRDAI Circular IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013.

### 3.15 Claims

Claims are recognised as and when a loss occurrence is intimated.

Claims paid (net of recoveries including value of salvage retained by the insured and includes interest, if any, paid on the claims and all expenses directly incurred in relation to their assessment) are charged to the respective revenue account when approved for payment. Where salvage is taken over by the Company, the recoveries from sale of salvage are recognized at the time of such sale.

Estimated liability for outstanding claims at the year end are based on survey reports, information provided by clients, overdue invoices notified by Policyholders in respect of credit claims, advices of leaders for coinsurance claims and other sources up to the date of finalisation, past experience and other applicable laws. The estimates are continually reviewed and provisions made accordingly. However the final liability may be in excess of, or less than, the amount provided, for which any adjustments will be reflected in the periods in which they become known. Estimated liability for outstanding claims include :

- in respect of direct business, claim intimations received up to the year end
- In respect of reinsurance and co insurance where the company is not leader, as per the terms of the reinsurance and coinsurance arrangements and advices received as of different dates of subsequent year upto the date of finalisation of accounts.
- In respect of motor third party claims where court summons have been served on the Company without adequate policy particulars to establish liability of the Company, provision is made as per appropriate actuarial estimates & board approved reserving policy, for all such claims reported during the year.

Interest on outstanding Motor Accident Claims Tribunal (MACT) claims is provided based on the prevailing trends in the motor third party claim awards.

- i. All claims, net of reinsurance, are incurred and paid in India except for Marine insurance where consignments are exported from India and Overseas Travel insurance.

(₹ In '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
In India	20,839,213	16,324,797
Outside India	24,712	10,700

- ii. Ageing of claims payable (excluding IMTPIP and DR Pool figures) is set out as under :

(₹ In '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
More than six months	10,773,764	10,157,306
Others	7,322,686	6,365,626

- iii. There are no insurance contracts where the claim payment period exceeds four years. Consequently, actuarial assumption for determination of liability thereof is not applicable.

### 3.16 Basis used by Actuary for determining provision required for IBNR / IBNER

The IBNR (including IBNER) incorporated in the financial statements is certified by the Appointed Actuary and is calculated based on actuarial principles in accordance with the Institute of Actuaries of India Actuarial Practice Standards and Guidance Notes and IRDAI regulations and guidelines. It takes account of exposure and claim patterns by major Line of Business and significant segments of business within the Lines of Business where appropriate. The provision contains an allowance for future indirect and direct claims handling expenses relating to claims already incurred and for a risk margin of an average of 6% over the central estimate to increase the probability of adequacy to be greater than 50%.

Different projection and assumption selection methods continue to be used reflecting the nature of the claims and exposure within the segments. Methods included the Bornhuetter-Ferguson, Chainladder, Ultimate Loss Ratio, claim frequency and average cost per claim. Net provisions allow for the expected impact of the reinsurance treaty features like indexation clause and clean-cut arrangement wherever applicable.

### 3.17 Provision for Free look period is ₹ 262 thousand (Previous Year – NIL), as certified by the Appointed Actuary.

### 3.18 Basis of Allocation of Investment Income & Operating expenses

#### a. Basis of Allocation of Investment Income:

Investment income (net of expenses) as above, including Profit/Loss on sale of securities, is directly identifiable to the investment book which stands bifurcated under shareholders' and policyholders' in Schedule 8 and 8A. Accordingly, investment income is recognised under Revenue Account(s) and profit and loss account as applicable. Within the Revenue Account(s), the investment income shall be further allocated among the lines of business in the proportion of the average policyholders funds. (policyholders fund comprising of net reserves for unexpired risks, IBNR, IBNER and outstanding claims)

#### b. Basis of Allocation of Operating Expenses:

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses that are directly identifiable to a business class are allocated on actual;
- Other Expenses, that are not directly identifiable, are broadly allocated on net written premium in each business class.

The method of apportionment is based on the nature of the expenses and their logical correlation with various business segments, wherever possible.

- 3.19 IRDAI vide its notification IRDAI/Reg/12/124/2016 dated 27<sup>th</sup> April 2016 laid down revised regulations pertaining to expenses of management of insurers transacting general or health insurance business. The company has framed an expenses allocation/apportionment policy across various lines of businesses as per the regulatory directives. The same has been approved by the Board.

### 3.20 Foreign Exchange Gain/Loss

- Foreign exchange loss (net) incurred during the year is ₹ 24 thousand (Previous year: ₹ 2,027 thousand).
- The year end foreign currency exposure is ₹ 34,475 thousand (Previous year: ₹ 29,084 thousand).
- Expenditure in foreign currency are ₹ 882,980 thousand (Previous year: ₹ 910,884 thousand).
- As at March 31, 2021 there are NIL (previous year: NIL) outstanding forward exchange contracts.

### 3.21 Managerial Remuneration

- a. The details of remuneration paid to MD & CEO and the Wholetime Director (from 19<sup>th</sup> July 2020 to 31<sup>st</sup> December 2020) as per the terms of appointment are as under:

(₹ In '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Allowances & Contribution to PF	10,143	4,635
Perquisites	853	1,531

- b. The details of remuneration paid to Key Managerial Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

(₹ In '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Allowances & Contribution to PF	81,763	70,610
Perquisites	1,286	780

### 3.22 Employee Benefits

#### Defined Contribution Plans

(₹ In '000)

Expenses on defined contribution plan	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to staff provident fund	137,791	122,730

#### Defined Benefits Plans

The following table sets out the disclosures in respect of retirement benefits (Gratuity) as required under AS 15 (Accounting for retirement benefits)

(₹ In '000)

Gratuity	As at March 31, 2021	As at March 31, 2020
<b>1 Assumptions</b>		
Discount Rate	6.86%	6.76%
Attrition Rate	10.0%	10.0%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) Ultimate	As per Indian Assured Lives Mortality (2012-14) Ultimate
Expected rate of return on assets	6.76%	7.62%
Increase in Compensation cost	8.00%	8.00%
Average Future Working Life (in Years)	33.8	33.6
<b>2 Change in Defined Benefit Obligations</b>		
Opening Defined Benefits Obligation	186,503	150,035
Current service cost	38,792	35,252
Interest cost on benefit obligation	12,128	10,734
Actuarial losses (gains)	6,029	8,814
Benefits paid	(14,188)	(18,332)
Closing Defined Benefits	229,264	186,503
<b>3 Change in Fair Value of Plan Assets</b>		
Fair Value of Plan Assets at the beginning of the period	135,345	101,551
Contributions during the period	38,925	44,569
Expected Return on Plan Assets for the period	9,985	8,738
Benefits Paid during the period	(14,188)	(18,332)
Actuarial Gain / (Loss) on Plan Assets	(4,220)	(1,181)

		(₹ In '000)
<b>Gratuity</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Fair Value of Plan Assets at the end of the period	165,847	135,345
<b>4 Amount Recognised in Balance Sheet</b>		
Present Value of Obligations	229,264	186,503
Fair Value of Plan Assets	165,847	135,345
Asset / (Liability) Recognised in Balance Sheet	(63,417)	(51,158)
<b>5 Net Cost Recognised in the Expense Account</b>		
Current service cost	38,792	35,252
Interest cost on benefit obligation	12,128	10,734
Expected return on plan assets	(9,985)	(8,738)
Net actuarial (gain) / loss recognised in the year	10,249	9,996
Actuarial Determined charge for the year (A)	51,184	47,244
Shortfall / (Excess) (B)		
Net benefit expense (A+B)	51,184	47,244

Experience adjustments of five years is given below:

	(₹ In '000)				
Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Defined Benefit Obligation	229,264	186,503	150,035	120,316	94,722
Plan assets	165,847	135,345	101,551	96,670	71,753
Surplus/(Deficit)	(63,417)	(51,158)	(48,484)	(23,646)	(22,969)
Exp. Adj on Plan Liabilities	8,588	7,388	13,041	17,566	1,031
Exp. Adj on Plan Assets	4,220	1,181	1,231	677	(6,306)

The gratuity fund is managed by SBI Life Insurance Company Ltd.

The contribution expected to be made by the Company during the financial year 2021-22, amounts to ₹ 45,667 thousand. (Previous year ₹ 39,857 thousand).

#### Accrued Leave

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end. Accordingly, an amount of ₹ 63,087 thousand is outstanding as on 31st March 2021. (Previous year ₹ 80,930 thousand)

	(₹ In '000)	
Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening balance	80,930	55,297
Add: Provision for the year	55,195	56,574
Less: Liabilities settled during the year	73,039	30,941
Closing balance	63,087	80,930
<b>Assumption</b>		
Discount Rate	6.86%	6.76%

#### Long Term Incentive Plan

The Company has schemes for Long Term Performance incentive plan. The plan is a discretionary deferred compensation plan with a vesting period of four years. The Company has determined the liability on the basis of Actuarial valuation.

	(₹ In '000)	
Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Opening Balance	100,147	-
Less: Amount Settled	44,837	16,214
Add/(Less): Provision for the Year	119,120	116,361
Closing Balance	174,431	100,147
<b>Assumption</b>		
Discount Rate	4.25%	5.04%

**3.23** The Company introduced an Employee Stock Option (ESOP) Scheme in the year 2018-19. The scheme provides that eligible employees are granted options to acquire equity shares of the company that vest in graded manner. The vested options may be exercised within a specified period.

Under ESOP Scheme, during the year 2018-19, No. of 4,741,900 options were granted at an exercise price of ₹ 559 per option. Subsequently in FY 19-20, no fresh options have been granted. The options will vest over a period of four years from the date of grant as given below and are exercisable over a period of four years from the respective dates of vesting.

Vesting (%)	Vesting Period
10%	1 year after date of grant
20%	2 year after date of grant
30%	3 year after date of grant
40%	4 year after date of grant

Details of movement in the options during the year are given below. (₹ In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance of Stock option	4,622,300	4,741,900
Vested during the year	924,460	462,230
Exercised during the year	-	-
Expired during the year	-	119,600
Closing Balance of Stock Option	4,622,300	4,622,300

**Method used for accounting:**

The company has adopted intrinsic value method of accounting for compensation cost, for the options granted. Since the intrinsic value of the shares is equal to exercise price, value of options is Nil and accordingly, no compensation cost is recognised in the books.

**3.24 Segmental Break up of Balance Sheet and Profit & Loss Account as at March 31, 2021.**

The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. Investment Income and Operating Expenses have been allocated as mentioned in note no. 3.18. and 3.19. Segmental Assets & Liabilities have been identified to the extent possible.

(₹ In '000)

Particulars	As at March 31, 2021			
	Fire	Marine	Miscellaneous	Total
Claims Outstanding including IBNR / IBNER	1,848,500	285,605	32,571,585	34,705,690
	(1,318,930)	(161,178)	(28,213,687)	(29,693,796)
Reserve for Unexpired Risk	7,848,609	133,097	20,764,773	28,746,479
	(6,663,578)	(84,791)	(15,827,826)	(22,576,195)

(Previous year figures are given in brackets)

Segmental Revenue Account(s) have been set out in a separate statement in Annexure 'A' to this schedule.

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

**3.25 Related Party Disclosures**

Related party disclosures have been set out in a separate statement Annexure 'B' to this schedule. The related parties, as defined in AS 18 'Related party Disclosures', in respect of which the disclosures have been made, have been identified on the basis of disclosures made by the key managerial persons and taken on record by the Board.

**3.26 Assets taken on Lease**

Company's significant leasing arrangements include agreements for office and residential premises. As per AS 19 'Accounting for leases', the future minimum lease payments relating to these leases are as under:

(₹ In '000)

Particulars	As at March 31, 2021	As at March 31, 2020
Payable not later than 1 year	247,412	292,690
Payable later than one year but not later than five years	682,896	847,814
Payable later than five years	296,296	366,562

The amount charged to Revenue account(s) for lease is ₹ 324,162 thousand (Previous Year: ₹ 262,042 thousand). There are no transactions in the nature of sub-leases.

### 3.27 Earnings Per Share ("EPS")

EPS calculations are as per AS 20 'Earnings Per Share', the following table reconciles the numerator and denominator used to calculate basic and diluted EPS:

	(₹ In '000)	
Particulars	As at March 31, 2021	As at March 31, 2020
Profit/ (Loss) after Tax [A] (₹ in thousand)	5,435,921	4,117,607
Weighted average number of equity shares (par value of ₹ 10 each) [B]	215,500,000	215,500,000
Add : Effect of dilutive issues of options and share application pending allotment	2,349,771	–
Diluted number of equity shares (par value of ₹ 10 each) [C]	217,849,771	215,500,000
Basic earning per share [A/B] (₹)	25.22	19.11
Diluted earning per share [A/C] (₹)	24.95	19.11

### 3.28 Taxation

The Company has accounted for net deferred tax assets in accordance with AS 22 "Accounting for Taxes on Income".

- a) Break-up of deferred tax assets and liabilities into major components of the respective balance as on 31st March, 2021 are as under:

	(₹ In '000)	
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred Tax Assets</b>		
Unexpired Risk Reserve	5,673	9,914
WDV of Assets	94,568	83,273
Provision for doubtful debts	15,822	16,518
Provision for Investment	–	9,956
Expenses Inadmissible U/S 43B	51,517	46,338
<b>Total</b>	<b>167,580</b>	<b>165,999</b>
Deferred Tax Liabilities	Nil	Nil
<b>Net Deferred Tax Asset</b>	<b>167,580</b>	<b>165,999</b>

### 3.29 Outsourced Services

Outsourced Services include payments made for various outsourced services amounting to ₹1,27,095 thousand (Previous Year: ₹ 53,185 thousand).

### 3.30 Dues Payable to Micro & Small Enterprises

The Company has the process of identification of suppliers registered under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006" by obtaining confirmation from suppliers. Based on the information available with the Company, there are no overdues more than 45 days, payable to the suppliers as defined under the 'Micro, small and Medium Enterprises Development Act, 2006 as at March 31, 2021.

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:

	(₹ In '000)	
Particulars	As at March 31, 2021	As at March 31, 2020
The Principle amount remaining unpaid to any supplier as at the end of the year	14	–
Interest Due on the above amount	–	–
The amount of interest paid by in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006	–	–
Amount of the Payment made to the supplier beyond the due date during the year	–	–
Amount of Interest due and payable for the Period of delay in making payment (Which have been paid but beyond the due date during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development act 2006	–	–
Amount of Interest accrued and remaining unpaid at the end of the year	–	–
Amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actual paid to the small enterprise	–	–

### 3.31 Accounting Ratios

The Statement on accounting ratios is included in **Annexure 'C'**.

### 3.32 Penalty for Non-Compliance/Violation

(₹ In '000)

Sr. No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1.	Insurance Regulatory and Development Authority	Motor TP Obligation	2,500	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
2.	Service Tax Authorities / GST Authorities	Nil	Nil	Nil	Nil
		(Ineligible Cenvat Credit)	(197,034)	(Nil)	(Nil)
3.	Income Tax Authorities	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
4.	Any other Tax Authorities	Local body tax	57	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
5.	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
6.	Registrar of Companies/ NCLT / CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
7.	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
8.	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
9.	Competition Commission of India	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
10.	Any other Central/ State/ Local Government/ Statutory Authority	Nil	Nil	Nil	Nil
		* (Non- fulfilment of obligation under PMFBY in the state of Haryana)	(140,200)	(Nil)	(Nil)

(Previous year figures are given in brackets)

Note:

\* Appeal is pending before High Court, Stay has been granted by the High court .

### 3.33 Unclaimed Amount of Policy Holders

The liability of the company towards the policyholders, pertaining to amounts lying unclaimed, stands at ₹ 78,567 thousand (Previous Year: ₹ 54,966 thousand) as on the date of the balance sheet, duly reported under Schedule 13, the details of which, along with an itemized ageing, is given in the table below.

As per the extant accounting and disclosure norms of unclaimed amount of policyholders, laid down by the Authority, in the master circular dated 25th July 2017, the company has segregated the earmarked funds and income accrued thereon, from the assets under management (AUM) and shown the same as a discreet heading under Schedule 12 (Current Assets and Advances), the corpus of which stands at ₹ 133,007 thousand (Previous Year: ₹ 69,517 thousand) as on the date of the Balance sheet.

The age-wise Analysis of the Unclaimed Amount of the Policyholders is as under:

(₹ In '000)

Particulars	Total Amount	Age-Wise Analysis (in months)						
		1-6	7-12	13-18	19-24	25-30	31-36	> 36
Claims Settled but not paid to the policyholders / insured's due to any reasons except under litigation from the insured / policyholders	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Any excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law as may be directed by the Authority but not refunded so far	36,806	9,247	11,291	4,848	1,820	1,605	1,415	6,580
	(20,021)	(7,631)	(2,393)	(1,808)	(1,494)	(1,073)	(1,086)	(4,537)
Cheques issued but not encashed by the policyholder / insured	41,761	4,720	10,241	3,206	2,169	3,219	537	17,670
	(34,945)	(9,691)	(2,775)	(3,048)	(514)	(1,577)	(2,531)	(14,809)
<b>Total Amount</b>	<b>78,567</b>	<b>13,967</b>	<b>21,532</b>	<b>8,054</b>	<b>3,989</b>	<b>4,824</b>	<b>1,952</b>	<b>24,250</b>
Total Amount (Previous year)	(54,966)	(17,322)	(5,168)	(4,856)	(2,008)	(2,650)	(3,617)	(19,346)

(Previous year figures are given in brackets.)

Movement in unclaimed amount of policy holders due:

(₹ In '000)

Particulars	Current year	Previous Year
Opening Balance	54,966	53,835
Add: Amount transferred to Unclaimed Fund	78,793	40,253
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	2,491	577
Add: Investment Income on Unclaimed Fund	3,435	1,100
Less: Amount of claims paid during the year	61,119	40,799
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	-	-
<b>Closing Balance of Unclaimed Amount Fund</b>	<b>78,567</b>	<b>54,966</b>

**3.34** The summary of financial statements is provided in **Annexure D**

**3.35** Interim Dividend declared at 10% (₹ 1/- per equity share ) during FY 20-21, duly approved by the Board of Directors , has been paid during the current year.

### 3.36 Corporate Social Responsibility (CSR)

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 01, 2014. As per the provision of the said section, the Company has incurred an expenditure of ₹ 49,939 thousand, towards CSR activities ,during the year ended March 31, 2021 (Previous year ₹ 69,244 thousand). During the year, in addition to the above, an amount of ₹ 47,061 thousand has been paid in advance towards CSR activities which are yet to be completed.

(₹ in '000)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Gross Amount Required to be spent by the Company :	96,491	69,244
<b>Amount spent during the year / period on:</b>	<b>For the Year Ended March 31, 2021</b>	<b>For the Year Ended March 31, 2020</b>
Construction / Acquisition of any assets	-	-
Purpose other than above	49,939	69,244
<b>Particulars</b>	<b>For the Year Ended March 31, 2021</b>	<b>For the Year Ended March 31, 2020</b>
Related party transactions in relation to Corporate Social Responsibility:	24,124	17,250

**3.37** Pursuant to Insurance Regulatory and Development Authority of India circular no. IRDA/F&A/GDL/CG/100/05/2016 dated 18<sup>th</sup> May, 2016 on Corporate Governance Guidelines, Details of additional work to Statutory auditor, other than statutory audit & Limited Review fees are disclosed below—

(₹ in '000)

Name of the Statutory Audit Firm	Services rendered	For the year ended March 31, 2021	For the year ended March 31, 2020
S. Bhandari & Co.	Other Certifications	65	560
A. Bafna & Co.	Other Certifications	675	500
MKPS & Associates	Other Certifications	690	—

**3.38** Previous year figures have been re-grouped and re-classified wherever necessary to conform to current year presentation.

l) Regrouping of previous year figures in Financial Statements

Sr. No.	Schedule to Balance Sheet	Reclassified from	Reclassified to	Amount (₹ in '000)	Remarks
1	Schedule 4 - Operating Expenses relating to Insurance Business	Legal & Professional	Crop & Weather related expenses	238,509	Crop & Weather related expenses shown as separate expense head for better clarity
2	Schedule 4 - Operating Expenses relating to Insurance Business	Employee's remuneration and welfare benefits	Legal & Professional charges	4,037	Variable pay – SBI Deputee regrouped for better clarity
3	Schedule 14 – Provisions	Schedule 13 – Others – (c) Salary payable	Schedule 14 – Provisions – Employee benefits – For Long term Incentive Plan	100,147	Provisions made for Long term incentive plan regrouped for better clarity

### 3.39 Investor Education & Protection Fund

For the year ended March 31, 2021, the company has transferred NIL (Previous year: NIL) to the Investor Education & Protection Fund.

**3.40** In case of Long Term Motor Insurance Policies premium is recognized on a yearly basis as mandated by IRDAI circular number IRDAI/NL/CIR/MOT/137/08/2018 dated August 28, 2018.

**3.41** The Company has sent balance confirmation to Insurers for the co-insurance transactions / balances as on Feb 2021 and the balances have been duly reconciled w.r.t the responses received from their respective offices. The company is required to reconcile the Co-Insurance balances w.r.t. Transactions from 1st April 2018 from ETASS System on continuous basis and majority of the transactions available in ETASS have been confirmed where SBIGL is the leader and the transactions where SBIGL is the follower have been reconciled to the extent of data in ETASS / off line intimation sent by the leader. Reconciliation exercise of accounts with Reinsurer has been carried out on the basis of Confirmation of Statement of Account obtained from such Reinsurer as on 31st December 2020, as per the terms of the treaty.

**3.42** Premium on PMFBY has been booked on the basis of information available on the Govt. Portal as on the balance sheet date except premium pertaining to the applications which are not approved by the company on Govt. Portal due to non-receipt of premium /other details. Further no interest receivable has been claimed or accounted w.r.t delayed receipt of subsidy, the same is in accordance with the terms of the scheme.

**3.43** The Code on Social Security, 2020 ('code') relating to employee benefits, during employment and post-employment, received Presidential assent on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders. The Company will assess the impact on its financial statements in the period in which the related rules are notified and the Code becomes effective.

**3.44** The COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess overall impact of the pandemic on the business and Financial Statements for the year ended 31 March 2021. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The Company will continue to closely monitor any further development relating to COVID-19, which may have impact on business and financial position. Further, the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern.

**Signatures to the Notes to Accounts**

As per our report attached

For **A. Bafna & Co.**  
Chartered Accountants  
(FRN 003660C)

For **MKPS & Associates**  
Chartered Accountants  
(FRN 302014E)

For and on behalf of the Board of Directors

**Dinesh Kumar Khara**  
Director  
(DIN No : 06737041)

**Ashwini Kumar Tewari**  
Director  
(DIN No : 08797991)

**Ashish Trivedi**  
Partner  
M.No. 109376

**Ankita Nemani**  
Partner  
M.No. 159486

**Prakash Chandra Kandpal**  
Managing Director & CEO  
(DIN No: 06452437)

**Rikhil K. Shah**  
Chief Financial Officer  
(M. No. 112490)

Place : Mumbai  
Date : April 29, 2021

**Mahendra K. Tripathi**  
Company Secretary  
(M. No. A21090)

SEGMENTAL REPORTING FOR THE PERIOD ENDED 31<sup>st</sup> March 2021

## Segmental Break up of Revenue account

(₹ In '000)

Particulars	Schedule	Fire	Marine Cargo	Marine Hull	Motor (OD)	Motor (TP)	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Weather & Crop Insurance	Others	Total
1. Premiums earned (Net)	1	2,819,720	232,630	-	5,448,733	4,351,404	17,153	74,719	153,698	8	7,888,693	9,293,720	3,449,921	1,175,425	34,905,824
2. Profit/ Loss on sale/redemption of investments		96,366	3,623	-	55,560	212,437	334	1,054	2,659	2	97,892	83,210	61,762	15,869	630,768
3. Others															
(a) Interest Income- Terrorism Pool/ Nuclear Pool		13,440	-	-	-	-	-	1,622	-	-	-	-	-	-	15,062
(b) Interest Income on Unclaimed Policyholder		829	31	-	478	1,828	3	9	23	-	842	716	532	137	5,428
(c) Miscellaneous Income		829	31	-	1,264	1,827	3	9	23	-	842	1,313	531	10,284	16,956
(d) Diminution in the value of Investment (Debt)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Write off in value of Investment (Debt)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Interest, Dividend & Rent - Gross		657,575	24,722	-	379,122	1,449,602	2,280	7,192	18,147	12	667,985	567,796	421,442	108,292	4,304,167
<b>TOTAL SEGMENTAL REVENUE (A)</b>		<b>3,588,759</b>	<b>261,037</b>	<b>-</b>	<b>5,885,157</b>	<b>6,017,098</b>	<b>19,773</b>	<b>84,605</b>	<b>174,550</b>	<b>22</b>	<b>8,656,254</b>	<b>9,946,755</b>	<b>3,934,188</b>	<b>1,310,007</b>	<b>39,878,205</b>
1. Claims Incurred (Net)	2	1,506,406	310,492	-	3,854,742	4,583,337	7,495	20,173	72,750	8	3,117,825	7,315,747	4,764,864	313,601	25,867,440
2. Commission	3	(2,454,093)	47,816	-	(1,047,501)	(480,221)	(1,944)	(33,539)	(46,405)	137	796,355	851,755	(1,391,293)	195,941	(1,467,990)
3. Operating Expenses related to Insurance Business	4	749,055	47,896	-	2,347,909	2,038,922	3,422	28,413	32,058	11	1,521,663	2,267,298	961,004	340,066	10,337,717
4. Premium Deficiency Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SEGMENTAL EXPENSES (B)</b>		<b>(198,632)</b>	<b>406,204</b>	<b>-</b>	<b>7,250,152</b>	<b>6,142,038</b>	<b>8,973</b>	<b>15,047</b>	<b>58,403</b>	<b>156</b>	<b>5,435,843</b>	<b>10,434,800</b>	<b>4,334,575</b>	<b>849,608</b>	<b>34,737,167</b>
<b>Segmental Profit/ (Loss) [ C= (A-B)]</b>		<b>3,787,391</b>	<b>(145,167)</b>	<b>-</b>	<b>(1,364,995)</b>	<b>(124,940)</b>	<b>10,800</b>	<b>69,558</b>	<b>116,147</b>	<b>(134)</b>	<b>3,220,411</b>	<b>(488,045)</b>	<b>(400,387)</b>	<b>460,399</b>	<b>5,141,038</b>

## SEGMENTAL REPORTING FOR THE PERIOD ENDED 31<sup>st</sup> March 2020

### Segmental Break up of Revenue account

(₹ In '000)

Particulars	Schedule	Fire	Marine Cargo	Marine Hull	Motor (OD)	Motor (TP)	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Weather & Crop Insurance	Others	Total
1. Premiums earned (Net)	1	1,990,424	177,410	-	5,196,096	3,258,249	13,703	55,399	119,302	5	6,722,626	6,183,653	5,497,680	1,092,399	30,306,946
2. Profit/ Loss on sale/redemption of Investments		61,166	1,997	-	39,062	133,067	224	617	1,768	1	65,719	43,089	38,385	9,739	394,834
3. Others															
(a) Interest Income- Terrorism Pool/ Nuclear Pool		5,540	-	-	-	-	-	3,662	-	-	-	-	-	-	9,202
(b) Interest Income on Unclaimed Policyholder		640	21	-	409	1,393	2	6	19	-	688	451	402	102	4,133
(c) Miscellaneous Income		-	-	-	465	-	-	-	-	-	-	67	-	6,328	6,860
(d) Diminution in the value of investment (Debt)		96,900	3,163	-	61,882	210,806	355	977	2,801	2	104,113	68,262	60,810	15,431	625,502
(e) Write off in value of Investment (Debt)		(131,646)	(4,297)	-	(84,071)	(286,394)	(483)	(1,327)	(3,805)	(3)	(141,444)	(92,739)	(82,614)	(20,963)	(849,766)
4. Interest, Dividend & Rent - Gross		590,245	19,268	-	376,941	1,284,074	2,165	5,952	17,061	13	634,176	415,804	370,409	93,984	3,810,092
<b>TOTAL SEGMENTAL REVENUE (A)</b>		<b>2,613,269</b>	<b>197,562</b>	<b>-</b>	<b>5,590,784</b>	<b>4,601,195</b>	<b>15,966</b>	<b>65,286</b>	<b>137,146</b>	<b>18</b>	<b>7,385,878</b>	<b>6,618,587</b>	<b>5,885,072</b>	<b>1,197,020</b>	<b>34,307,783</b>
1. Claims Incurred (Net)	2	1,101,863	128,058	-	4,403,928	3,378,464	4,342	9,146	64,895	1	2,730,303	3,792,908	5,548,723	390,246	21,552,877
2. Commission	3	(2,257,000)	33,955	-	1,050,945	(560,249)	(2,163)	(16,728)	(14,451)	152	869,031	701,650	(1,002,471)	115,730	(1,081,599)
3. Operating Expenses related to Insurance Business	4	628,829	40,211	-	1,782,455	1,705,058	2,889	24,905	27,459	10	1,641,353	1,472,495	1,489,309	272,257	9,087,230
4. Premium Deficiency Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SEGMENTAL EXPENSES (B)</b>		<b>(526,308)</b>	<b>202,224</b>	<b>-</b>	<b>7,237,328</b>	<b>4,523,273</b>	<b>5,068</b>	<b>17,323</b>	<b>77,903</b>	<b>163</b>	<b>5,240,687</b>	<b>5,967,053</b>	<b>6,035,561</b>	<b>778,233</b>	<b>29,558,508</b>
<b>Segmental Profit/ (Loss) [ C= (A-B)]</b>		<b>3,139,577</b>	<b>(4,662)</b>	<b>-</b>	<b>(1,646,544)</b>	<b>77,922</b>	<b>10,898</b>	<b>47,963</b>	<b>59,243</b>	<b>(145)</b>	<b>2,145,191</b>	<b>651,534</b>	<b>(150,489)</b>	<b>418,787</b>	<b>4,749,275</b>

## ANNEXURE B

## RELATED PARTY TRANSACTIONS

(₹ in '000)

S. No.	Nature of Relationship with the Company	Name of the Related Party	Categories	Description of Transactions / Categories	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020		
1	Holding Company	State Bank of India	Income	Premium Received	4,044,282	7,710		
				Interest Income on Term Deposits	112	-		
			Expense	Commission expense	2,852,830	2,650,792		
				Bank Charges	7,811	9,248		
				Claims Expense	6,269	1,137		
				SBI Officers Deputation Cost	28,905	23,359		
				Other Expenses	26,122	15,848		
			Expense	Expenses Reimbursement	2,418	864		
				Premises Rent	4,809	4,119		
				Dividend Paid	150,850	-		
				Royalty Expense	160,408	-		
			Asset	Term Deposits Redeemed/Matured	6,671	-		
				Term Deposits Placed (Balance)	2,500	6,671		
				Interest Income on Term Deposits	19	-		
			Asset	Investment Redeemed	484,865	815,197		
			Asset	Current Accounts	768,967	677,037		
			Asset	Security Deposit	153	153		
				Advance Given	-	67		
			Liability	Premium Received in Advance	146	263		
				Commission Payable	152,254	96,583		
				Claims Payable	218,048	242		
			Liability	SBI Officers Deputation Cost	22,188	16,141		
				Expenses Reimbursement	651	1,216		
	Other Expenses Payable	33,041	33,114					
	Rent Payable	670	-					
Liability	Premium Deposit	206,255	-					
2	Shareholder	IAG International Pty Limited	Liability	Amount Contributed towards Capital including Share Premium	-	-		
		Napean Opportunities LLP	Expense	Dividend Paid	34,502	-		
3	Group Company of Shareholder	Insurance Australia Limited	Expense	Technical Services	-	298		
			Liability	Technical Services Payable	-	-		
		IAG Re	Income	Commission Income	-	37,418		
			Claims Recovery	-	187,475			
		Expense	Reinsurance Ceded (incl. Non Proportional)	-	15,025			
		Asset	Net of Reinsurance Receivable, Commission & Claims	-	25,785			
		4	Fellow Subsidiaries	SBI DFHI Ltd.	Income	Premium Received	866	577
					Asset	Investment Purchased	1,041,162	314,675
				Liability	Claims payable	-	-	
				SBI Global Factors Ltd.	Income	Premium Received	491	543
SBICAP Securities Ltd	Income			Premium Received	144	150		
Expense	Brokerage Expense			534	534			
	Claims Expense			27	5			
	Commission expense			43,867	1,089			
Liability	Commission Payable			1,817	72			
SBI Capital Markets Ltd.	Income			Premium Received	8,423	8,974		
Asset	Investment Purchased	3,259,213	5,002,753					
Expense	Claims Expense	44	403					
SBI Mutual Fund Trustee Company Private Limited	Asset	Investment Purchased	28,858,200	52,761,708				
	Investment Redeemed	29,171,941	53,479,319					

(₹ in '000)

S. No.	Nature of Relationship with the Company	Name of the Related Party	Categories	Description of Transactions / Categories	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020
				MF Holding	1,793,200	1,538,454
		SBI SG Global Securities Services Pvt Ltd	Income	Premium Received	7,191	4,668
			Expense	Claims Expense	-	42
			Liability	Claims payable	40	-
		SBI Cards and Payment Services Pvt Ltd	Income	Premium Received	44,669	8,903
				Interest Income on Debenture	113,728	28,734
				Dividend Income	22	-
			Asset	Prepaid Expenses	60	85
				Investment Purchased	-	1,516,773
				Equity Holdings	16,773	-
				Debenture Holdings	1,500,000	1,500,000
				Interest Income on Debenture (Receivable)	14,367	14,639
			Expense	Card Payments	2,631	5,964
			Expense	Commission expense	6,653	208
			Liability	Commission payable	2,111	91
		SBI Funds Management Pvt. Ltd.	Income	Premium Received	23,571	4,623
			Expense	Claims Expense	46	-
			Liability	Claims payable	729	-
		SBI Life Insurance Company Limited	Income	Premium Received	6,212	15,778
			Income	Dividend Income	-	75
			Expense	Premium Paid	9,281	6,451
				Premises Rent	71,490	72,410
				Expenses Reimbursement	8,091	15,536
				Claims Expense	2,921	2,317
			Asset	Premium Deposit/Prepaid Expenses	4,471	2,200
			Asset	Equity Holdings	26,162	26,162
			Asset	Investment Redeemed	740,015	265,246
			Liability	Claims Payable	52	-
				Expenses Reimbursement	2,483	2,331
		SBI CAP Ventures Ltd	Income	Premium received	1,702	6
			Liability	Claims payable	134	-
		SBICAP Trustee Company Ltd	Income	Premium received	2,084	-
		SBICAP (Singapore) Ltd.	Expense	Commission expense	-	-
		SBI Payment Services Pvt. Ltd.	Income	Premium Received	-	(14)
			Expense	Claims Expense	-	66
		SBI Pension Funds Pvt Ltd	Income	Premium Received	212	12
		SBI Funds Management (International) Pvt. Ltd	Expense	Commission expense	-	-
		C - Edge Technologies Ltd	Income	Premium Received	-	-
			Expense	IT Support charges	9,197	13,302
			Liability	IT Support charges Payable	2,316	1,400
		SCHNEIDER ELECTRIC INDIA PVT LTD	Income	Premium Received	7	-
		Macquarie SBI Infrastructure Management Pte. Ltd	Expense	Commission expense	-	-
		Macquarie SBI Infrastructure Trustee Ltd		Commission expense	-	-
		SBI Macquarie Infrastructure Management Pvt. Ltd	Expense	Commission expense	-	-
		SBI Macquarie Infrastructure Trustee Pvt. Ltd	Expense	Commission expense	-	-
		Commercial Indo Bank llc, Moscow	Income	Premium Received	-	-
		Macquarie SBI Infrastructure Trustee Ltd	Income	Premium Received	-	-
		Nepal SBI Bank Ltd	Income	Premium Received	-	-
		PT Bank SBI Indonesia	Income	Premium Received	-	-
		SBI (Mauritius) Ltd.	Income	Premium Received	-	-
		State Bank of India (Botswana) Ltd.	Income	Premium Received	-	-

(₹ in '000)

S. No.	Nature of Relationship with the Company	Name of the Related Party	Categories	Description of Transactions / Categories	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020
		State Bank of India (California)	Income	Premium Received	-	-
		State Bank of India (Canada)	Income	Premium Received	-	-
		Oman India JIF – Management Co. Pvt. Ltd.	Income	Premium Received	-	-
		SBICAP (UK) Ltd	Income	Premium Received	-	-
		Oman India Joint Investment Fund - Trustee Company Pvt. Ltd.	Income	Premium Received	-	-
		State Bank of India Servicos Limitada, Brazil	Income	Premium Received	-	-
		SBI Foundation	Income	Premium Received	341	109
			Expense	Other Expenses	8,327	17,250
			Asset	Advance Given	15,797	-
		SBI Infra Management Solutions Pvt ltd	Income	Premium Received	-	-
5	Associate Entity	Saurashtra Gramin Bank	Income	Premium received	65	-
			Expense	Commission expense	5,755	4,238
				Other Expenses	-	1,208
			Liability	Claims Payable	-	-
			Liability	Other Expenses Payable	-	-
			Liability	Commission payable	476	896
		Mizoram Rural Bank	Income	Premium received	2,123	1,822
			Expense	Commission expense	2,164	2,640
			Expense	Claims Expense	366	-
			Liability	Commission payable	4,473	2,525
				Claims Payable	-	-
		Meghalaya Rural Bank	Income	Premium received	4,871	87
			Expense	Commission expense	989	991
			Liability	Commission payable	1,782	892
		Ellaquai Dehati Bank	Income	Premium Received	85	108
			Liability	Premium Received in Advance	-	-
			Expense	Commission expense	1,607	1,451
			Liability	Commission payable	786	1,553
		Madhyanchal Gramin Bank	Income	Premium Received	118	111
			Expense	Commission expense	7,055	4,074
				Claims Expense	35	57
			Liability	Commission payable	2,544	785
			Liability	Claims Payable	-	-
				Premium Received in Advance	7	18
		Nagaland Rural Bank	Income	Premium Received	400	400
			Liability	Premium Received in Advance	-	-
		Jharkand Gramin Bank (ezrstwhile VGB)	Income	Premium Received	11	-
			Expense	Commission expense	10,380	6,602
				Claims Expense	-	-
			Liability	Premium Received in Advance	-	-
				Commission payable	1,297	1,196
				Claims Payable	-	-
		Rajasthan Marudhara Gramin Bank	Income	Premium Received	47	33
			Expense	Commission expense	19,262	14,407
			Expense	Claims Expense	-	-
				Other Expenses	3,154	1,551
			Liability	Commission payable	2,204	871
				Other Expenses Payable	2,643	2,875
		Purvanchal Bank	Expense	Commission expense	3,488	10,643
				Claims Expense	5	-
				Other Expenses	-	2,015
			Liability	Commission payable	110	306
			Liability	Claims Payable	-	-
			Liability	Other Expenses Payable	-	-
			Income	Premium Received	-	-

(₹ in '000)

S. No.	Nature of Relationship with the Company	Name of the Related Party	Categories	Description of Transactions / Categories	For the year ended 31st Mar 2021	For the year ended 31st Mar 2020
		Telangana Grameena Bank	Income	Premium Received	29	39
			Expense	Commission expense	10,814	7,344
				Other Expenses	5	11
				Claims Expense	-	-
			Liability	Commission payable	1,267	308
				Claims Payable	-	-
				Other Expenses Payable	-	26
		Arunachal Pradesh Rural Bank	Income	Premium Received	782	603
			Expense	Commission expense	803	491
				Claims Expense	-	397
			Liability	Commission payable	330	156
				Claims Payable	-	-
		Andhra Pradesh Grameena Vikas Bank	Income	Premium Received	3	-
			Expense	Commission expense	32,113	22,646
			Expense	Claims Expense	-	-
				Other Expenses	2,071	634
			Liability	Commission payable	27,927	22,576
				Other Expenses Payable	1,510	2
			Liability	Claims Payable	-	-
		Chhattisgarh Rajya Gramin Bank	Income	Premium Received	245	230
			Asset	Current Accounts	15,507	-
			Liability	Premium Received in Advance	134	204
				Claims Payable	-	-
			Expense	Commission expense	12,839	11,439
			Expense	Claims Expense	48	34
			Liability	Commission payable	2,483	789
		Utkal Grameen Bank	Income	Premium Received	-	-
			Expense	Commission expense	434	605
			Liability	Commission payable	340	1,272
		Uttarakhand Gramin Bank	Income	Premium Received	-	3
			Expense	Commission expense	3,876	3,162
			Expense	Claims Expense	-	-
			Expense	Other Expenses	293	-
			Liability	Premium Received in Advance	-	-
			Liability	Other Expenses Payable	291	10
				Commission payable	1,396	2,688
			Liability	Claims Payable	-	-
		Yes Bank Ltd	Income	Interest Income on Debenture	9,900	9,900
			Income	Premium Received	15	-
			Asset	Interest Income on Debenture (Receivable)	108	108
			Asset	Investment Redeemed	221,890	-
			Asset	Investment Purchased	750,666	-
			Asset	Debenture Holdings	103,794	103,794
			Asset	Current Accounts	49	-
			Expense	Other Expenses	80	-
			Expense	Commission expense	-	-
			Liability	Other Expenses payable	12	-
6	Managing Director & CEO	Shri P C Kandpal (w.e.f 20th July 2020)	Income	Premium Received	-	-
			Expense	SBI Officers Deputation Cost	6,769	-
			Liability	SBI Officers Deputation Cost	2,017	-
			Liability	Premium received in advance	-	-
		Shri Pushan Mahapatra (till 18th July 2020)	Expense	SBI Officers Deputation Cost	1,686	6,166
			Liability	SBI Officers Deputation Cost	-	1,777
			Income	Premium Received	-	4
7	Whole time Director	Shri Pushan Mahapatra	Income	Premium Received	4	-
			Expense	SBI Officers Deputation Cost	2,541	-

**RATIOS FOR NON-LIFE COMPANIES**

Sr. No.	Performance Ratio	Basis	Ratios as at March 31, 2021				Ratios as at March 31, 2020			
			Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
1	Gross Premium growth rate	Gross premium for current year / Gross premium for previous year	18.00%	19.23%	22.38%	21.60%	26.20%	40.49%	49.05%	44.42%
2	Gross Premium to Net Worth ratio	Gross premium / Networth	NA	NA	NA	3.02	NA	NA	NA	3.07
3	Growth rate of Net Worth	Shareholders' funds as at current Balance Sheet date / Shareholders' funds as at previous Balance Sheet date	NA	NA	NA	23.58%	NA	NA	NA	21.39%
4	Net Retention ratio	Net premium / Gross premium	28.30%	76.28%	53.63%	49.42%	26.43%	71.03%	57.57%	52.16%
5	Net Commission ratio	Commission net of reinsurance / Net premium	-61.28%	17.02%	2.55%	-3.57%	-71.14%	16.97%	3.53%	-3.03%
6	Expenses of Management to Gross Direct Premium ratio	Expenses of Management / Gross Direct Premium	16.56%	28.96%	20.00%	19.45%	16.66%	27.44%	21.33%	20.53%
7	Expense of Management to Net Written Premium	Expenses of Management to Net Written Premium	58.35%	34.62%	37.07%	39.13%	62.83%	38.63%	36.79%	39.12%
8	Net incurred Claims to Net Earned Premium	Net incurred Claims to Net Earned Premium	53.42%	133.47%	75.50%	74.11%	55.36%	72.18%	72.22%	71.12%
9	Combined ratio	Claims Paid plus Commission Paid plus Expenses of Management / Gross premium	10.85%	167.54%	103.99%	95.70%	4.04%	109.24%	101.81%	93.55%
10	Technical Reserves to Net Premium ratio	Reserve for unexpired risks + reserve for outstanding claims / Net premium	2.42	1.49	1.45	1.54	2.52	1.23	1.36	1.47
11	Underwriting balance ratio	Underwriting profit / Net premium	1.07	-0.75	-0.08	0.00	1.26	-0.14	-0.06	0.02
12	Operating profit ratio	Underwriting profit + Investment Income of policy holders' funds / Net premium	134.32%	-62.40%	4.71%	14.73%	157.73%	-2.63%	5.74%	15.67%
13	Liquid Assets to Liabilities ratio	Cash and Bank balances / Current liabilities	NA	NA	NA	0.21	NA	NA	NA	0.23
14	Net Earnings ratio	Net profit after tax / Net premium	NA	NA	NA	13.23%	NA	NA	NA	11.54%
15	Return on Net worth	Net profit after tax / Networth	NA	NA	NA	19.87%	NA	NA	NA	18.60%
16	Solvency Margin	Available Solvency Margin / Required Solvency Margin	NA	NA	NA	2.00	NA	NA	NA	2.27
17	NPA		NA	NA	NA	NA	NA	NA	NA	NA

Annexure D

## Summary of Financial Statements

(₹ in '000)

Sl. No.	Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>OPERATING RESULTS</b>						
1	Gross Premium Written	83,116,029	68,397,923	47,172,663	35,532,138	25,951,753
2	Net Premium Income#	41,076,108	35,679,008	25,582,109	17,269,987	16,300,071
3	Income from Investment (Net)##	4,955,425	3,993,977	2,789,578	2,829,503	2,612,622
4	Others	16,956	6,860	8,373	-	-
5	<b>Total Income</b>	<b>46,048,489</b>	<b>39,679,845</b>	<b>28,380,060</b>	<b>20,099,490</b>	<b>18,912,693</b>
6	Commissions (Net) (including brokerage)	(1,467,990)	(1,081,599)	(86,503)	(1,407,599)	211,296
7	Operating Expense	10,337,717	9,087,230	5,936,326	5,718,479	4,989,156
8	a) Claims	25,867,440	21,552,877	17,205,712	13,164,468	11,075,225
	b) Increase in Unexpired Risk Reserve and other Outgoes	6,170,284	5,372,062	1,698,272	(1,148,740)	1,535,827
	c) Premium Deficiency	-	-	-	-	-
9	<b>Operating Profit/ (Loss)</b>	<b>5,141,038</b>	<b>4,749,275</b>	<b>3,626,253</b>	<b>3,772,882</b>	<b>1,101,187</b>
<b>NON-OPERATING RESULT</b>						
10	Total Income under Shareholders' Account	2,038,171	894,780	1,071,682	451,010	425,377
11	Profit/ (Loss) before tax	7,179,209	5,644,055	4,697,935	4,223,892	1,526,564
12	Provision for Tax	1,743,288	1,526,448	1,358,015	266,945	-
13	<b>Profit/ (Loss) after Tax</b>	<b>5,435,921</b>	<b>4,117,607</b>	<b>3,339,920</b>	<b>3,956,947</b>	<b>1,526,564</b>
<b>MISCELLANEOUS</b>						
14	Policyholders' Account					
	Total Funds	74,364,694	56,670,059	48,412,521	39,277,475	33,658,498
	Total Investments	73,599,810	56,342,978	49,347,973	41,066,473	35,159,304
	Yield on Investments	8.15%	7.68%	6.41%	8.21%	8.97%
15	Shareholders' Account**					
	Total Funds	27,361,304	22,140,883	18,238,774	14,943,152	10,986,207
	Total Investments	22,180,462	17,926,682	14,217,711	11,855,445	8,461,812
	Yield on Investments*	9.17%	5.92%	7.15%	8.08%	9.05%
16	Paid up Equity Capital	2,155,000	2,155,000	2,155,000	2,155,000	2,155,000
17	Net Worth**	27,361,304	22,140,883	18,238,774	14,943,152	10,986,207
18	Total Assets\$	113,644,052	92,781,797	73,321,212	58,888,928	47,468,143
19	Yield on Total Investments*	8.43%	7.24%	6.60%	8.18%	8.99%
20	Basic Earnings per share (₹)	25.22	19.11	15.50	18.36	7.21
21	Book Value per Share (₹)	126.97	102.74	84.63	69.34	50.98
22	Total Dividend	215,500	215,500	-	-	-
23	Dividend per Share (₹)	1.00	1.00	-	-	-
24	Solvency Margin (times) (Requirement of 1.5 times)	2.00	2.27	2.34	2.54	2.19

Notes

# Net of reinsurance

# # Net of losses

\* Yield on investment includes return on Fixed Deposits

\*\* Net worth / Shareholders funds = (Share Capital + Reserve & Surplus) - Debit balance in Profit & Loss Account

^ NA – Not available

\$ Total assets excludes Deferred tax assets

## Industry Recognition for SBI General

**Most trusted brand**  
by Readers Digest, 2020

**Awards for CSR**  
by ICC Social Impact and Awards,  
2021

**Insurance Company of the Year**  
(GI) at 5th India Insurance and  
Summit Awards, 2020

**Best mobile based learning**  
by BW Businessworld

**Insurer of the Year**  
by FICCI

**Recognition for CSR**  
by BFSI Digital Stallion Awards,  
2021

**General Insurance Provider of the Year**  
at the 25th edition of Business Today -  
Money Today Financial Services Awards,  
2021.

**Silver Shield for our Excellence in Financial  
Reporting, 2019-20**  
in the Non-Life Insurance category  
organized by ICAI

**Customer Fest Awards, 2021**  
for the Best Overall Customer  
Experience

**Asia's Best GI Company for CSR &  
Finest CFO, 2020**  
by Insurance Alertss

**Finnoviti, 2021 Award**  
for our innovation in making Health  
insurance available on Whatsapp

**Company with Great Managers**  
at the Great Managers Awards,  
2020

**CFO Power List, 2020**  
in the Strategic Finance Transformation  
category

**Awarded GOLD by ACEF 9th Global  
Customer Engagement Awards  
Finest CFO, 2020**  
for video content on National Sports Day.

**Three awards for internal  
campaigns**  
at the 59th ABCI Annual Awards, 2020



**SURAKSHA AUR BHAROSA DONO**

**SBI General Insurance Company Limited**

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