

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentieth Annual Report and audited financial statements for the financial year ended on 31 March 2021 (FY2021).

Industry update

After recording approximately 14% compounded growth in individual rated new business (IRNB) premium in the last 5 years (FY2016 to FY2020), the life insurance industry faced one of its most challenging years. Consequent to the national lockdown, which was announced towards the end of FY2020, the year started with the economy at a near standstill. Retail consumers were holding on to their investments in the wake of uncertainty about how long the lockdowns would last. It was not until Q3 FY2021 that there was confidence that the economy would reach pre-COVID levels in Q4 FY2021.

On the positive side, the industry witnessed stronger demand for term insurance (led by fear of COVID-19 and increased awareness) and guaranteed savings products (due to market volatility and increased perception of risk) in first six months of FY2021, while there was revival in demand for unit-linked insurance plans in the last quarter of the year (due to recovery in equity markets).

The Indian Union Budget 2021 introduced taxation of proceeds from unit-linked policies with premium exceeding ₹ 2,50,000 which, hitherto, were tax-free. The impact, if any, of this change on the industry will be fully known in FY2022.

Towards the close of the year a second wave of spread of COVID-19 was seen across India. Limited lockdowns have been announced by some States and the extent of this wave is yet uncertain. It is expected that this will subside as more people get vaccinated and, therefore, any impact of more extended lockdowns is expected to be felt in Q1 and Q2 of FY2022. While the growth of the life insurance industry in Q4 FY2021 was very good, the outlook for FY2022 will depend on how the pandemic evolves, the extent of localised lockdowns and the savings pool available with consumers.

The premium growth rate of the industry and for your Company for FY2021 and FY2020 have been depicted in the table below:

(₹ In Crore)

Particulars	Individual rated new business		New business	
	FY2021	FY2020	FY2021	FY2020
BALIC	2,468	1,927	6,313	5,179
Private sector	45,192	42,031	94,103	80,919
LIC	30,466	31,457	184,175	177,977
Industry	75,658	73,488	278,278	258,896
Growth rates				
BALIC	28.0%	10.6%	21.9%	5.2%
Private sector	7.5%	4.8%	16.3%	11.6%
LIC	-3.1%	8.3%	3.5%	25.2%
Industry	3.0%	6.2%	7.5%	20.6%
Market share				
Private industry	59.7%	57.2%	33.8%	31.3%
LIC	40.3%	42.8%	66.2%	68.7%

Source Life Council statistics

Note: Individual rated new business premium = 100% of first year premium & 10% of single premium

Group premium contributes to more than half of the new business premium for the industry and accounted for 59% in FY2021 versus 61% in FY2020. Of the total growth registered by the industry, the individual new business grew by 12% and group new business grew by 4% in FY2021.

Business update

In FY2021, your Company was able to weather the adverse conditions well, recording a strong IRNB premium growth of 28%, which was significantly higher than the industry growth rate of 3% and private sector growth of 8%.

This growth was aided by several factors. Your Company's term insurance product, which was launched towards the end of FY2020, was well received in the market. Non-participating savings products also saw good demand. In Q4 of FY2021, your Company launched its annuity product, which was also well received in the market. Some of the large distribution partnerships, which your Company had finalised in FY2020, started to contribute well. Your Company also entered into distribution partnership with a new age private bank. All channels of distribution of your Company – Agency, Institutional Business and Proprietary sales force recorded growth in FY2021.

Growth in individual business more than offset difficult conditions for growth in group business, especially group protection business, which is linked to the level of disbursements by banks and non-banking finance companies. Since growth in the lending sector was affected by the lockdown with lenders focussing on risk and collections, group business was impacted adversely until December 2020. Growth of group business revived in the last quarter.

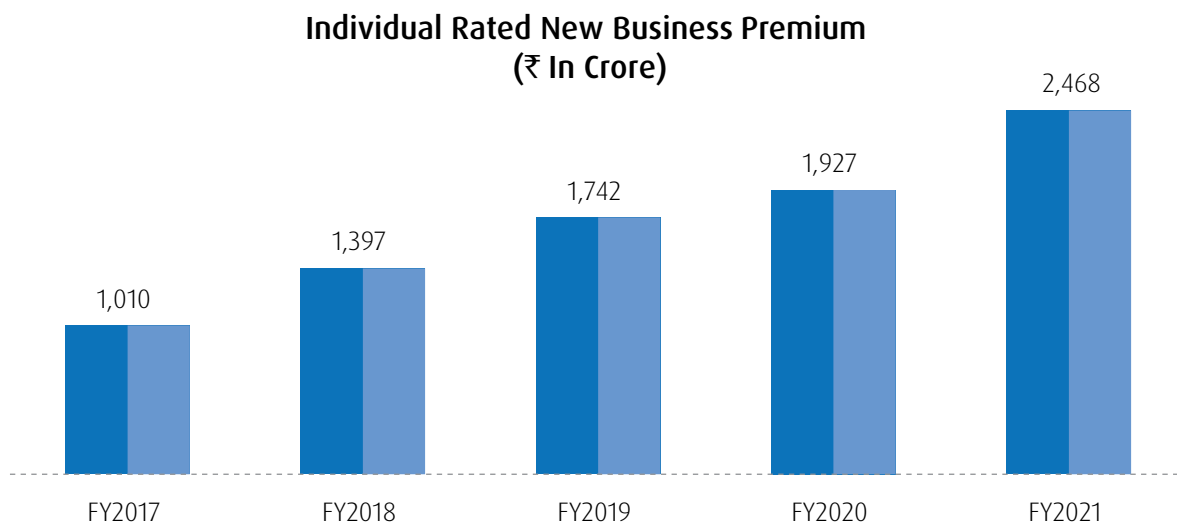
As a consequence of strong performance of channels supported by new customer friendly products, your Company was the fastest growing company in the top ten private players (on the basis of IRNB premium) during FY2021.

Your Company continued its journey of transformation, which included, *inter alia*, (i) Enhanced product portfolio and customer value propositions, (ii) Continued focus on building the more profitable agency channel and developing the direct selling channel [BALIC Direct] aimed at upselling and cross selling opportunities with the existing customer, (iii) Investment in new retail engines of growth and delivering on newly acquired reputed bancassurance partners in the private and public sectors while building on the existing bancassurance relationships, (iv) Continued focus towards gaining mind share in mass and mass affluent category of customers, (v) Continuing to be leader in the online investment space and being Life Goal enablers, (vi) Digitisation of insurance operations (pre and post sales) and, (vii) Continued focus on improving quality of business which includes persistency, customer grievances, claims etc.

The results of the steps taken towards transformation over the last few years have been visible through consistent growth in new business and market share, higher customer retention as evidenced through growth in renewals led by improvement in persistency, a revamped product portfolio including new business line of providing annuity solution to customers, several technological advancements in serving the customers and distributors and brand enrichment.

In FY2021, your Company continued its quest towards a balanced and sustainable product mix, with a view of de-risking its business from volatile market movements. As a result, the proportion of unit-linked insurance plans, which are volatile in nature, in the product mix has been brought down further from 51% in FY2020 to 41% in FY2021. Your Company also continued with balancing of portfolio between pure protection, guaranteed endowments and unit-linked business.

The growth of your Company is evident in the below chart (CAGR for five years at 25%).



The number of new retail policies sold were around 4.27 lakh with total lives covered at 2.31 crore in FY2021.

Your Company saw its market share increasing from 2.6% in FY2020 to 3.3% in FY2021 on IRNB premium basis. Within the private industry, your Company's market share grew from 4.6% in FY2020 to 5.5% in FY2021.

In FY2021, your Company continued to build on the Life Goals branding which has helped the Company in establishing unique positioning in customers' mind. Your Company conducted mass media campaigns on Bajaj Allianz Life Smart Protect Goal (the new term plan) and the industry-first technology service "Smart Assist".

Financial performance

The key financial performance parameters of your Company are as follows:

Particulars	(₹ In Crore)		
	FY2021	FY2020	Growth %
Gross written premium (GWP)	12,025	9,753	23.3%
New business premium	6,313	5,179	21.9%
- Individual rated new business premium	2,468	1,927	28.0%
- Group protection new business premium	1,597	1,872	-14.7%
Renewal premium	5,712	4,574	24.9%
Policyholders' surplus / (loss)	(69)	(10)	590.0%
Shareholders' profit after tax	580	450	28.9%
Assets under management	73,773	56,085	31.5%

Your Company registered 21.9% growth in new business premium and 24.9% growth on renewals which led to 23.3% growth in GWP. With the focus on individual business, IRNB premium saw growth of 28.0%.

Profit after tax was ₹ 580 crore in FY2021 as compared to the profit of ₹ 450 crore in FY2020. The accumulated profits of your Company included in Reserves and Surplus stood at ₹ 9,076 crore as at 31 March 2021.

Impact of COVID-19

Your Company carries on business operations through a wide network of branches and distribution partners. Since a considerable amount of the business of life insurance is carried out through face-to-face discussions with prospective customers in order to understand their needs, a situation like the lockdown did pose challenges. Your Company took some key and immediate steps at the beginning of the pandemic to tackle the effect of the lockdown, which included focusing on well-being of employees, enabling work-from-home, providing additional technology support for distributors to connect with potential customers, launching new products for different customer needs, providing customers with facilities to report claims and keep their policies renewed and so on. Nonetheless, customer services, face-to-face meetings for new business and renewal collections were impacted initially due to the lockdown. However, helped by the robust digital capabilities built over the last 3 years, your Company was able to quickly implement its Business Continuity Plan within a very short time. Virtualisation projects, work from home enablement, enhancement of cyber security measures along with other alternate arrangements for business continuity were implemented on priority. Your Company also launched innovative tools like “Smart Assist” and provided applications and communication platform to ensure smooth onboarding as well as service for its customers and employees. Continuous training and communication helped employees, partners and agents to quickly learn and implement all the process changes. Nevertheless, your Company did face challenges in recruitment of new agents and other intermediaries until the third quarter of FY2021, as the process of recruitment involves face-to-face assessment as well as the need to take prescribed tests.

Your Company has been successfully able to use the market scenarios and customer preferences for term and savings products by launching new innovative products across various need segments which enabled the Company to grow at a significantly better rate than the industry throughout the year.

Settlement of claims (including COVID-19 related death claims) has been within a short response time, thereby ensuring smooth and faster customer servicing.

By the second half of the year, your Company was able to regain full momentum on onboarding new agents, drive institutional business and BALIC Direct with focus on upsell / cross-sell initiatives and was able to record a growth of 63% in IRNB premium in Q4 FY2021.

Gross written premium

Your Company reported gross written premium of ₹ 12,025 crore with growth of 23.3% on the back of strong growth in individual business and renewal premium. This is the highest ever gross written premium of your Company in its 20 years' history.

Dividend

In line with the directive from Insurance Regulatory and Development Authority of India (IRDAI) vide circular dated 24 April 2020 on prudent management of financial resources of insurers in the context of COVID-19 pandemic, no dividend was declared for FY2020. Considering the revival phase of the economy and taking into account solvency position of the insurers, IRDAI has, vide its circular dated 25 February 2021, withdrawn the applicability of the circular dated 24 April 2020. Considering your Company's capital, solvency and liquidity positions as well as adherence to the limits on expenses of management, your Board of Directors ('the Board'), at its meeting held on 11 March 2021, declared an interim dividend of ₹ 11 per equity share of face value of ₹ 10 (110%) amounting to ₹ 165.77 crore.

The Board recommends for consideration of the shareholders at the ensuing Annual General Meeting (AGM) the above referred interim dividend as final dividend for the financial year ended on 31 March 2021.

Investments

FY2021 was a year of recovery for equity markets as NIFTY Index ended up by 70.9% this year on the back of normalisation post COVID-19 related lockdowns and lower base due to large losses in Q4 FY2020. The CRISIL composite bond index generated 7.7% returns during the year.

The Reserve Bank of India (RBI) continued to maintain ample liquidity in the system to ensure smooth functioning of the financial system during the year. RBI also conducted multiple rounds of open-market-operations (OMOs) to ensure that

the borrowing program of the Government was conducted without distorting the interest rates. RBI also communicated its intent to continue with an accommodative stance in FY2022.

To support economic recovery, the Union Budget FY2022 had a higher allocation towards capital expenditure towards infrastructure development and there is a special focus to Production Linked Incentive Scheme (PLI) to promote domestic manufacturing.

Overall, the level of short-term and long-term interest rates remained very low throughout the year.

Your Company remains optimistic about the long-term prospects of the Indian economy.

The Assets Under Management (AUM) as on 31 March 2021 were ₹ 73,773 crore which included shareholders' investments of ₹ 10,058 crore, traditional policyholders' investments of ₹ 34,860 crore and unit-linked investments of ₹ 28,855 crore (including unclaimed funds). This is the highest ever AUM in your Company's 20 years' history.

Capital and Net-worth

The total funds infused by the shareholders in your Company remain at ₹ 1,211 crore. The net worth of your Company as at 31 March 2021 was ₹ 10,735 crore as against ₹ 9,731 crore as at 31 March 2020. Your Company had no accumulated losses as at 31 March 2021.

Your Company maintained high levels of solvency throughout the year, which provides policyholders with a high degree of comfort when dealing with your Company. The solvency ratio as at 31 March 2021 stands at 666% which is well in excess of the required solvency margin of 150%.

Products and product mix

As at 31 March 2021, your Company had 31 individual plans and 8 group plans in its product basket apart from 13 riders.

Within individual business, unit-linked premium contributed 41% of the new business premium for FY2021 as compared to 51% for FY2020. Within group business, the protection business contributed to 42% of the new business premium for FY2021 as compared to 59% for FY2020.

Customer service and Policyholder protection

Your Company was prepared to address needs of customers as well as distributors in the midst of the lockdown with the help of past investments in technology and agile processes.

Your Company had publicised outside its premises in both English and the local language the various self-service avenues available for ensuring uninterrupted service at the customers' fingertips. This allowed them to access the services any time, any place and through a mode of their convenience. Your Company's philosophy of providing immediate access and resolution over devices / mediums of choice to create an "always accessible insurer" was fully tested across all modes including customer portal, application, chatbot and messaging platform.

Intermediaries already had access to digital means of logging in policies through "Instab" platform. This platform was further enhanced through introduction of "Smart Assist", a screen and document sharing facility whereby the sales employee / intermediary can have one-to-one interaction with prospects in a secure environment over screen. To further facilitate the distributors to help the customers to conduct their medical tests in absence of availability of medical centers, your Company tied up with multiple health service providers to conduct telephonic and video medical examinations before issuance of policy.

Several initiatives to select and communicate with customers for pre-approved cover offers have been taken through the Company's analytical data models. This, in conjunction with your Company's various marketing initiatives, encouraged customers to stay safe and stay invested in their policies during the uncertain period.

Your Company continued to pay death claims throughout the pandemic period to serve the affected families. Total death claims intimated, disposed of and pending in FY2021 were as follows:

(₹ In Crore)

Particulars	FY2021		FY2020	
	No. of Policies	Amount	No. of Policies	Amount
Claims intimated/booked + opening	171,309	1,434	190,363	1,249
Claims settled	170,780	1,378	189,801	1,215
Claims repudiated	439	46	422	31

Digital innovation

During the year, your Company has continued to take several digital initiatives to improve its customer experience. Your Company's branches are equipped with a mobile app "iManage-Ops" which was instrumental in staying in touch with customers to serve them throughout the lockdown. In addition, your Company's personalised communication platform "eSampark" was also launched for the branch teams to facilitate one to one contextualised communication with their customers to inform, educate and encourage them to stay invested and protected with the Company.

Your Company also launched its state-of-the art servicing platform "iAHEAD" across all its service touchpoints enabling all service representatives to have a single view of the customer's policy as well as portfolio with the Company. This platform also allows all the servicing channels to provide over the counter services so that most of the customers' requests are now handled and resolved at the point of interaction itself.

Your Company has made available a renowned messaging platform to the customers for facilitating policy servicing which has gained significant adoption. In addition, the secure customer service portal "Life Assist" has been upgraded with several additional features facilitating better policy management and customer service. The portal, while providing video-calling facility "iServ", now allows senior citizens to submit their certificate of existence over video call to ensure continuity of their annuity and pensions benefits.

Your Company has also been expanding coverage in terms of number of banks on its digital payments platform to provide standing instructions for payment of renewal premium online through "eMandate" as well as credit card standing instructions which has resulted in substantial increase in online renewal payments.

These digital self-service options have significantly assisted in reducing time as well as physical and cognitive effort of the customers during the pandemic.

Recognition and Awards

Your Company has been recognised with various awards and accolades from time to time.

Here is a brief highlight of some of the major awards won by your Company during the year:

- Featured third time in a row amongst the Top 75 Most Valuable Indian Brands 2020 list, as per Kantar BrandZ Top 75 Most Valuable Indian Brands report. Your Company's Brand Power also increased by 24%, from 6.4% in 2019 to 7.8% in 2020
- Ranked #2 amongst the most trusted private life insurer brands after SBI Life, as per ET Nielsen Brand Equity Most Trusted Brands 2020
- 'Most Innovative Best Practice in Customer Experience' at the CII DX Summit & Awards 2020 for the first-of-its-kind revolutionary technology service Smart Assist
- Red Hat APAC Innovation Awards 2020 for Digital Transformation Hybrid Cloud Infrastructure

- 'Best Digital Customer Experience Initiative' award for WhatsApp servicing, at the Customer FEST Leadership Awards 2021
- 'Best Use of Innovation to enhance Customer Experience' at the Customer FEST Leadership Awards 2021 for Smart Assist, a first-of-its-kind co-browsing service in the insurance industry

IRDAI registration

Your Company has paid the annual fees for FY2022 to the Insurance Regulatory and Development Authority of India ('IRDAI') as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, as amended.

Directors' responsibility statement

In accordance with section 134(3)(c) of the Companies Act, 2013 ('the Act'), the Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2021 and of the profits of the Company for the financial year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Annual return

Pursuant to section 92(3) of the Companies Act, 2013, a copy of the Annual Return as at 31 March 2021 is hosted on the Company's website and can be accessed at <https://www.bajajallianzlife.com/about-us.html>

Number of meetings of the Board

The Board of Directors met five times during the year. Detailed information about dates of meetings and attendance of Directors thereat is given in the Corporate Governance Report annexed to this report.

Remuneration policy

Policy on remuneration of Directors, key managerial personnel and other employees, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under section 178(3) of the Act, is placed on the Company's website <https://www.bajajallianzlife.com/about-us.html>

The policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Related party transactions

As per section 177 of the Act, the Audit Committee of the Board of Directors approves the estimated related party transactions of the Company at the beginning of every financial year. Related party transactions are placed before the Audit Committee for noting on a quarterly basis. Related party transactions entered during the year under review were in the ordinary course of business and on an arm's length basis, thus not requiring prior approval of the Board or the shareholders. During the year, there were no material contracts or arrangements or transactions on an arm's length basis that needed to be disclosed in Form AOC - 2 as required under the Act. As per Accounting Standard (AS) 18 on 'Related Party Disclosures', the details of related party transactions entered into by the Company are also included in the notes to the financial statements.

Material changes and commitments

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

Conservation of energy and technology absorption

Your Company has taken the following measures during FY2021 to reduce energy consumption:

- LED lights installed across offices along with energy efficient Variable Refrigerator Flow (VRF) air conditioning system
- 150 KW Solar power installed at head office to support sustainable development of power requirement through renewable energy

The energy conservation measures led to considerable reduction in electricity consumption across offices during FY2021.

Your Company's endeavour is to use technology to drive business by maximising the reach on one side and maintaining ease of doing business for partners, distributors and customers on the other. Digital solution is also helping your Company to stay connected digitally internally within the organisation and externally with its customers and partners. Your Company is focusing more towards digital buy journeys, thus making it paperless, as an initiative towards conservation of energy and helping customers with lesser footfall in the branches. Your Company has implemented customer relationship management platform which will provide single window to customer's life cycle management. Your Company has also implemented customer communication management which will give single view of all communications being sent out at policyholder's level. Your Company is in the process of implementation of reinsurance platform to automate and standardise reinsurance operations for all types of products. Your Company is also leveraging on artificial intelligence, natural language processing, analytics and social media platforms etc. to gain more insights into customer needs and to make interactions more convenient and user friendly. The journey of transformation to new policy administration system is in process and has achieved some major milestones.

Foreign exchange earnings and expenditure during FY2021

Earnings in foreign currency : Nil
Expenditure in foreign currency : ₹ 5.88 crore

Risk management policy

A statement indicating development and implementation of risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company has been given in the Corporate Governance Report annexed to this report. Further details are also available in the Management Report which is a part of the Company's Annual report.

Corporate social responsibility (CSR)

During FY2021, your Company has spent the amount as required by section 135 of the Act on CSR activities / projects in accordance with the CSR policy of the Company. Report on Corporate Social Responsibility Policy developed and implemented by the Company on CSR initiatives taken during the year pursuant to sections 134 and 135 of the Act is given in annexure to this report.

In line with the recent amendment to the Companies Act, 2013 dealing with CSR, the Board, at its meeting held on 23 April 2021, amended the existing Corporate Social Responsibility Policy. The Policy including the composition of the CSR Committee is uploaded on the website of the Company <https://www.bajajallianzlife.com/about-us.html> The CSR projects approved by the Board for FY2022 will be displayed on the said website. The Chief Financial Officer has certified that the funds disbursed during FY2021 for CSR projects have been utilised for the purpose and in the manner approved by the Board.

Performance evaluation of the Board, its Committees and Directors

In accordance with section 134(3)(p) of the Act, formal annual performance evaluation of the Board, its Committees and the Directors individually has been carried out in the following manner:

- (a) Survey was arranged through a digital platform for each of the Directors with regard to evaluation of performance of the Board, its Committees and individual Directors (except for the Director being evaluated) for the year under review.
- (b) A consolidated summary of the ratings given by each of the Directors was then prepared, based on which a report of performance evaluation was prepared by the Chairman in respect of the performance of the Board, its Committees and Directors.
- (c) The report of performance evaluation so arrived at was then discussed in the meeting of the Board of Directors. Directors were individually communicated of their respective rating by the Chairman of the Company.
- (d) The Nomination and Remuneration Committee reviewed the implementation and compliance of the process of performance evaluation.

Directors and key managerial personnel

During the year under review, the following changes took place in the Board of Directors:

- (a) T S Vijayan (DIN 00043959), who was appointed as Additional Director with effect from 1 April 2020, held his office till the date of subsequent Annual General Meeting i.e. 17 July 2020 pursuant to section 161(1) of the Companies Act, 2013 and ceased to be Additional Director thereafter.
- (b) S Sreenivasan (DIN 03206811) was appointed as Additional Director with effect from 24 September 2020.

There was no change in key managerial personnel during the year under review.

The Independent Directors have submitted declarations stating that they meet the criteria of independence as provided in section 149(6) of the Act. The Independent Directors have submitted declarations to the effect that they have included their name in data bank of independent directors pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended. The Board is of the opinion that the Independent Directors are persons of integrity and possess relevant expertise, proficiency and experience.

Pursuant to the provisions of the Act, Sanjiv Bajaj (DIN 00014615), Chairman and Ritu Arora (DIN 07019164), Director, retire by rotation and, being eligible, have offered themselves for re-appointment as Directors at the ensuing 20th AGM. S Sreenivasan will hold office as Additional Director up to the date of the ensuing AGM. The Company has received notice under section 160 of the Companies Act, 2013 proposing candidature of S Sreenivasan as Director at the ensuing AGM. Accordingly, resolutions seeking approval of the Shareholders for the aforementioned appointment / re-appointment form part of notice convening the 20th AGM. Necessary details regarding their appointment / re-appointment as required under the Companies Act, 2013 are also given in the aforesaid notice.

Significant and material orders passed by the Regulators or Courts

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year under review impacting the going concern status of your Company and its operations in future.

Internal audit

At the beginning of each financial year, an audit plan is rolled out after the same has been approved by Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function, process owners undertake preventive and corrective actions in their respective areas. Significant audit observations and actions thereon are presented to the Audit Committee. More details of composition and functioning of the Audit Committee are given in the Corporate Governance Report.

Your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and, accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

Adequacy of internal financial controls

Your Company has established an internal financial control framework as per the requirements of the Companies Act 2013. Your Company has documented its internal financial controls considering the essential components of various critical processes, physical and operational. This includes its design, implementation and maintenance along with periodical internal review of operational effectiveness and sustenance, which are commensurate with the nature of its business and the size and complexity of its operations. This ensures orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention of errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The key components of the internal financial control framework include Entity Level Controls (ELC), Process Level Controls and Review Controls. Your Company undergoes review of internal controls by specialised third party professional consultants across functions.

During the year under review, the internal financial controls with reference to the financial statements were reviewed and found to be adequate and operating effectively.

There is no qualification, reservation, adverse remark or disclaimer made by the joint statutory auditors in their report on internal financial controls.

Particulars of employees

As required by the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of the employees are set out in the Annexure to this report.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, 8 complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Out of these 8 complaints, 5 complaints have been closed and enquiries in 3 complaints (received in March 21) are underway.

Corporate governance

A report on Corporate Governance as required under the Corporate Governance Guidelines for insurance companies issued by IRDAI (Corporate Governance Report) is annexed to this report along with a certificate from the Company Secretary.

Composition of Committees

These details are provided in the Corporate Governance Report annexed to this report.

Establishment of vigil mechanism

Your Company has established a vigil mechanism in the form of Whistle Blowing (Ethics) Committee for the employees to raise concerns internally about possible irregularities, governance weaknesses, financial reporting issues or other such matters of irregularities. The said vigil mechanism provides adequate measures to safeguard the persons who take recourse to such vigil mechanism and, in appropriate cases, the concerned person may approach the Chairperson of the Audit Committee. The Audit Committee oversees the vigil mechanism of the Company.

Disclosures under the Companies Act, 2013 / rules thereunder

- The Company is not required to maintain cost records pursuant to section 148 of the Companies Act, 2013 read with rules thereunder
- Section 186 of the Companies Act 2013 relating to loans, guarantees and investments, requiring, *inter alia*, disclosure thereof in the financial statements does not apply to the Company
- The Company does not have any subsidiary, joint venture or associate company

- The Company has not accepted any deposits during the year under review
- Neither any application was made during FY2021 nor any proceeding is pending as at the end of the said financial year under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)
- Neither any loan was taken from any bank or financial institution nor any settlement was done with any bank or financial institution during FY2021

Secretarial Standards of ICSI

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

Statutory auditors

S R Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E/E300005), the joint statutory auditors, hold office up to the conclusion of the 22nd AGM of the Company and Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/W100057), the joint statutory auditors, hold office up to the conclusion of the 21st AGM of the Company. The joint statutory auditors have confirmed they are not disqualified from continuing as statutory auditors of the Company.

The Audit Report from the joint statutory auditors does not contain any qualification, reservation or adverse remark or disclaimer.

During the year under review, there was no fraud reported by the joint statutory auditors to the Audit Committee under section 143(12) of the Companies Act, 2013.

Secretarial auditor

Pursuant to section 204 of the Act, the Board has re-appointed Shyamprasad Limaye, Company Secretary in Practice (FCS No. 1587, CP No. 572) to undertake the secretarial audit of the Company for FY2021.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this report. The same does not contain any qualification, reservation or adverse remark or disclaimer. During the year under review, there was no fraud reported by the secretarial auditor to the Audit Committee under section 143(12) of the Companies Act, 2013.

Appreciation & Acknowledgment

The Board is grateful to the IRDAI and other regulatory authorities for their continued support and co-operation and, particularly, for enabling ease of business during the period of lockdown.

Your Company's performance during the year would not have been possible without the dedication, commitment and hard work of the employees. In the time of crisis when priorities were frequently changing, employees rose to the occasion as a team, displaying persistence and passion in delivering results.

Your Directors take this opportunity to thank the promoters, Bajaj Finserv Limited and Allianz SE, for providing strategic direction to and guidance in the working of the Company. The Board of Directors is thankful to your Company's policyholders, agents, intermediaries and reinsurers for reposing their unstinted faith in your Company.

For and on behalf of the Board of Directors of
Bajaj Allianz Life Insurance Company Limited

Sanjiv Bajaj
Chairman
(DIN 00014615)

Date: 23 April 2021
Place: Pune