

C. Financial Statements

The new business premium grew by 45% from ₹ 6,313 crore in FY2021 to ₹ 9,136 crore in FY2022. As the Company continues to focus on expanding the distribution network, individual rated new business (IRNB) grew by 49% in FY2022 to ₹ 3,686 crore as compared to ₹ 2,468 crore in FY2021. Individual Annuity new business increased from ₹ 71 crore in FY2021 to ₹ 630 crore in FY2022 on account of retirement focused life product introduced in last quarter of the previous year. Group Protection business increased from ₹ 1,597 crore in FY2021 to ₹ 2,287 crore in FY2022.

With strong focus on improving persistency, the renewal premium grew by 22% to ₹ 6,991 crore in FY2022 as compared to ₹ 5,712 crore in previous year. The total gross written premium for FY2022 (all time high) ended at ₹ 16,127 crore as compared to ₹ 12,025 crore in FY2021 witnessing a strong growth of 34%.

Investment income for FY2022 on the Policyholders' investments (excluding unit linked funds) is ₹ 2,747 crore (including income on unclaimed fund) as compared to ₹ 2,929 crore in the previous year; de-growth of 6%. The decrease in income was primarily on account of lower realised gains which were at ₹ 453 crore in FY 2022 as compared to ₹ 936 crore in FY 2021. Increase in interest, amortisation and dividend is on account of the increase in average Policyholders' (non-linked) AUM and change in asset mix.

Shareholders' investment income de-grew by 5% from ₹ 773 crore in FY2021 to ₹ 735 crore in FY2022. The decrease was primarily on account of lower realised gains which were at ₹ 198 crore in FY2022 as compared to ₹ 282 crore in FY2021. Interest, amortisation and other income has increased to ₹ 538 crore in FY2022 as compared to ₹ 491 crore in FY2021 primarily on account of increase in average AUM and asset mix.

In accordance with the impairment policy of the Company, diminution in the value of investments has been evaluated on the Balance Sheet date. Accordingly, total impairment loss of ₹ 34 crore recognised during the FY2022 as against reversal of impairment charge of ₹ 111 crore in FY 2021 due to sale of already impaired securities.

The total expenses (including commission but excluding GST on linked charges) of the Company were at ₹ 3,756 crore for FY2022 compared to ₹ 2,562 crore for FY2021. Increase in total expenses is mainly attributable to higher business and is in line with the Company strategy to invest in people, investment in new distribution partnerships, technology and branding.

Benefits paid (including interim and terminal bonus) increased to ₹ 9,040 crore in FY2022 from ₹ 6,257 crore in FY2021 on account of higher surrender in unit-linked segment and higher mortality claims due to Covid-19.

The Company ended FY2022 with a profit after tax of ₹ 324 crore as against ₹ 580 crore for FY2021. The Board of Directors approved at the Board Meeting held on October 20, 2021 an interim dividend of ₹ 9.10 (Previous year: ₹ 11.00) per equity share of face value of ₹ 10 for FY2022. The dividend amounts to ₹ 137 crore (Previous year: ₹ 166 crore).

The net-worth of the Company as at 31 March 2022 was ₹ 10,939 crore as compared to ₹ 10,735 crore as at 31 March 2021. The accumulated profits of the Company stood at ₹ 9,264 crore as at 31 March 2022 as compared to ₹ 9,076 crore as at 31 March 2021. The Company has maintained one of the highest solvency margins in the industry at 581% as compared to 666% in the previous year, as against the regulatory mandated minimum level of 150%.

The Assets Under Management (including unclaimed funds) for the Company as at 31 March 2022 were ₹ 85,623 crore as compared to ₹ 73,773 crore at 31 March 2021; growth of 16%

a. Results from operations: Analysis of Profit and Loss and Revenue Account

The statement below summarises the Company's Revenue and Profit and Loss accounts:

Particulars	FY2022		FY2021	
	(₹ in crore)			
Net premium income	15,925		11,926	
Income from investments (net)	8,178		12,265	
Other income	73		65	
Total income	24,176		24,256	
Commissions (net) (including Rewards)	834		580	
Operating expenses (including GST on linked charges)	3,069		2,105	
Total expenses	3,903		2,685	
Provision for diminution in the value of investments (net of investment write-off)	34		(111)	
Benefits paid (including interim and terminal bonus)	9,040		6,257	
Change in valuation of liability in respect of life policies	10,927		14,666	
Taxes	(139)		91	
Amount transferred to Funds for Future Appropriation (undistributed PAR surplus)	87		88	
Profit after tax	324		580	

The Company's results from operations have been analysed below:

i. Premium income

	FY2022			FY2021			Growth		
	Retail	Group	Total	Retail	Group	Total	Retail	Group	Total
New business premium	3,961	5,175	9,136	2,531	3,783	6,313	57%	37%	45%
Renewal premium	6,968	23	6,991	5,683	29	5,712	23%	(21%)	22%
Total gross premium	10,929	5,198	16,127	8,214	3,811	12,025	33%	36%	34%
Reinsurance premium	65	137	202	38	61	99	71%	125%	105%
Net total premium	10,864	5,061	15,925	8,175	3,751	11,926	33%	35%	34%

Total new business premium for FY2022 is ₹ 9,136 crore as compared to ₹ 6,313 crore in the previous year; growth of 45%. Retail rated new business premium is ₹ 3,686 crore as compared to ₹ 2,468 crore in the previous year; growth of 49%. Group New Business premium for FY2022 grew by 37% registering a premium of ₹ 5,175 crore as against ₹ 3,783 crore for FY2021.

Continued focus on renewal collections supported by various initiatives to improve persistency such as driving auto-payment registrations, promoting digital payments, greater distribution ownership, leveraging analytical lapse module and various other initiatives have led to 22% growth compared to previous year.

Reinsurance premium ceded increased by 105% from ₹ 99 crore in FY2021 to ₹ 202 crore in FY2022 is attributable to increase in protection business and reinsurance premium rates.

ii. Investment income

Details of income from investments are given in the table below:

(₹ in crore)

Particulars	FY2022			FY2021		
	Unit	Non-unit	Total	Unit	Non-unit	Total
Interest, dividend and rent (net)*	812	2,855	3,667	744	2,483	3,227
Profit /(loss) on sale of investments (net)	2,767	651	3,418	1,325	1,218	2,543
Unrealised gain/(loss)	1,127	(34)	1,093	6,511	(16)	6,495
Total income from Investments (net)	4,706	3,472	8,178	8,580	3,685	12,265

* includes accretion of discount/amortisation of premium

As per the requirement of the IRDAI Regulations on preparation of financial statements, income earned from the investments of both unit linked and non-unit linked businesses are required to be disclosed under the income from investments in the Revenue Account even though the unit investment income is neutral to the net results of the segment as the income earned on unit linked investments is correspondingly adjusted with the unit linked fund liabilities in the Revenue Account.

The total income from investments (including the unit linked business) is analysed as follows:

Interest, dividend and rent

During FY2022, interest income, dividend and rent increased by 14% from ₹ 3,227 crore in FY2021 to ₹ 3,667 crore in FY2022. Of this, the split is as follows:

(₹ in crore)

Particulars	FY2022	FY2021
Interest (including accretion of discount/amortisation of premium) (net)	3,300	2,918
Dividend	360	303
Rent	7	6
Total	3,667	3,227

As can be seen above, interest income and dividend has increased by 13% and 19% respectively. Increase in interest income is mainly due to increase debt assets under management partly offset by lower yields during the year. The table below indicates average debt investments and average yield earned in the respective year.

(₹ in crore)

Particulars	FY2022	FY2021
Average interest earning assets	50,966	44,747
Average yield	6.5%	6.6%

Profit and loss on sale on investments

Profits and losses on sale of investments represents the amount by which the proceeds from the sale of investments exceeds the carrying amount of the investments that were sold. Profits and losses are booked considering the overall market condition and available investment opportunities.

Unrealised gain/loss

The unrealised gain/ (loss) in non-unit pertains to mark to market losses in non-par segment on assets which are valued at fair value. Unrealised gain/(loss) represents the net change in unrealised gains on underlying investments pertaining to the Unit Linked portfolio which is reflected under the head "Transfer/Gain on revaluation/change in fair value" in the Revenue Account with the contra effect in the head "Fund Reserve" in the Revenue Account. Unrealised gains/ (losses) in the linked portfolio are in line with the market's performance evidenced from below indicators:

Particulars	FY2022	FY2021
Nifty 50 Index	18.9%	70.8%
CRISIL Composite Bond Fund Index (COMPBEX)*	4.5%	7.7%
CRISIL Liquid Fund Index (LIQUIFEX)^	3.7%	4.1%

*CRISIL COMPBEX is a benchmark for debt portfolio

^ CRISIL LIQUIFEX is a benchmark for money market and liquid portfolio

iii. Other income

Other income includes interest on policy reinstatement, income from stale cheques (other than customer dues and statutory payouts), income on unclaimed amount of policyholders, fund management charges earned on unclaimed fund within the permitted limits and interest earned on loans given to policyholders. The increase in other income is largely attributable to the growing book and resulting increase in interest earned on loans given to policyholders. During the year, the Company has also received refund of service tax deposit which includes interest of ₹ 8 crore recognised in other income.

iv. Expenses (including commission)

Particulars	FY2022	FY2021
		(₹ in crore)
Commissions (net) (including Rewards)	834	580
Operating expenses	3,069	2,105
Total expenses	3,903	2,685

The total expenses are further analysed below:

Commission and rewards expenses

Particulars	FY2022	FY2021
		(₹ in crore)
New business	665	441
Renewal business	124	102
Rewards	45	37
Total	834	580

The increase in new business commission by 51% for FY2022 is broadly in line with the change in product mix from ULIP to traditional products where commissions are much higher, increase in retail new business by 57%, sales of longer premium paying terms which have higher commissions.

Operating expenses

The total operating expenses of the Company are analysed as follows:

Particulars	(₹ in crore)	
	FY2022	FY2021
Employee's remuneration and welfare benefits	1,924	1,203
Printing, Stationary and Communication expenses	58	66
Office running expenses	64	71
Advertisement and publicity	356	210
Information technology cost	92	76
Marketing expenses & business development expenses	73	57
Training expenses	17	6
Policy stamps and Medical costs	82	54
Travel, conveyance and vehicle running expenses	23	8
Depreciation	41	39
CSR expenses	12	13
Legal and professional charges and Audit fees	98	98
Interest and Bank charges	9	8
Others	73	72
Total	2,922	1,981

Notes:

- Also includes shareholder expenses
- Does not include GST charge on linked charges of ₹ 147 crore (previous year ₹ 123 crore) which though routed through Revenue Account has no impact on the surplus as this is set off against a contra entry in fund reserves in the Revenue Account and provision on policy loans in cases where the surrender value of the policy became lower than the outstanding loan amount inclusive of interest
- Also includes provisions for doubtful debts and bad debts written off

The total operating expenses of the company were at ₹ 2,922 crore for FY2022 as compared to ₹ 1,981 crore for FY2021. Increase in total expenses is mainly attributable to higher business and is in line with the Company strategy to invest in people, investment in new distribution partnerships, technology and branding.

v. Benefits paid

A summary of benefits paid is provided below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Surrenders (incl. withdrawals and foreclosures)	4,329	2,865
Mortality (Death) claims	2,328	1,374
Maturity and annuity claims	1,983	1,522
Survival and other benefits	477	436
Interim and terminal bonus	230	149
Interest on unclaimed amount	12	17
Amount recovered from reinsurer	(319)	(105)
Total claims	9,040	6,257

Benefits paid represent amounts paid to Policyholders or their legal heirs, on occurrence of an insured event as per the contractual terms of insurance contract.

Retail surrender including withdrawals and foreclosures increased by 54% in FY2022. Surrenders including withdrawals and foreclosures in retail unit linked increased by 57% from ₹ 1,833 crore to ₹ 2,879 crore due to volatility in the equity markets during the year and higher fund base.

Individual and group mortality (net of reinsurance recovery) increased by 76% and 51% respectively in FY2022 mainly due to Covid-19 related claims.

Maturities in the retail unit linked and participating segment increased from ₹ 1,393 crore in FY2021 to ₹ 1,779 crore in FY2022. Maturities are as per contractual cash flows agreed with customers in each contract sold in the past.

Interest on unclaimed amount represents the additional amount paid to the policyholder from unclaimed fund which was earned by the fund and credited to the amount due to policyholders as per the IRDAI Regulations.

vi. Change in valuation of liability in respect of life policies in force

Particulars	(₹ in crore)	
	FY2022	FY2021
Change in non-unit reserves		
- Participating	1,625	2,246
- Non participating (Non-par)(Net of RI)	4,684	3,131
- Linked (Non-unit)	(41)	(8)
- Appreciation in unclaimed balances	(3)	(2)
Change in unit reserves	4,663	9,299
Total	10,927	14,666

Change in valuation of liability represents the change in actuarial liability set up in respect of policies in force and for policies in respect of which premium has been discontinued but liability still exists. Change in reserves charged to the Revenue Account is the difference between policy liabilities as on two Balance Sheet dates.

Reserves on both participating and non-participating policies are calculated using the gross premium valuation method and unearned premium reserve method, wherever applicable, using assumptions for interest, mortality, lapses/surrender, expense, inflation and, in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are derived from analysis of actual experience, with allowance for prudent margins for adverse deviation.

Increase in non-par and non-unit reserves is on account of the introduction of the new non-par retail product and enhanced focus on non-par saving products.

Change in unit reserve in respect of linked business pertains to net amount contributed / withdrawn to / from the fund by the policyholder on payment of premium or when policy becomes out of force and also the change in value of the units standing to the credit of policyholders' basis the movement in the Net Asset Value (NAV) over the period.

vii. Taxes

The current tax for FY2022 includes reversal of tax provision of ₹ 163 crore pertaining to previous periods which are no longer required and basis favourable order from CIT Appeals

b. Financial condition

The following table sets forth, on the dates indicated, the summarised Balance Sheet.

Particulars	(₹ in crore)	
	FY2022	FY2021
Sources of funds		
Equity capital and reserves (Shareholders' funds)	10,939	10,735
Policyholders' funds	73,815	62,624
Funds for future appropriations	1,159	1,071
Current liabilities and provisions	2,894	2,026
Total	88,807	76,456
Application of funds		
Investments		
- Shareholders'	11,001	10,057
- Policyholders'	41,195	34,860
Asset held to cover linked liabilities	33,223	28,561
Fixed assets	395	365
Current assets, loans and advances	2,993	2,613
Total	88,807	76,456

Sources of funds

i. Equity capital and reserves (Shareholders' funds)

Equity capital

Shareholding pattern and transfer of shares

The shareholding pattern of the Company is as follows:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
Bajaj Finserv Limited	111,524,660	74%	111,524,660	74%
Allianz SE	39,184,340	26%	39,184,340	26%
Total	150,709,000	100%	150,709,000	100%

There has been no transfer of shares during the year and the shareholding pattern is in accordance with the statutory and regulatory requirements. The share capital stood at ₹ 151 crore.

The Company is required to maintain minimum solvency margin at 150% as prescribed by IRDAI. The solvency margin was 581% at 31 March 2022 as against 666% at 31 March 2021.

Reserves and surplus

A summary of reserves and surplus is provided in the table below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Share premium	1,060	1,060
Revaluation reserve	53	54
Balance of profit in Profit and Loss account	9,264	9,076
Total	10,376	10,190

The decrease in revaluation reserve is due to reclassification of portions of Land & Buildings from Investment Property back to Fixed Asset compensated by revaluation gain during the year. Revaluation of investment properties is in accordance with the IRDAI (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002. The value of investment property is required to be disclosed at the revalued amount in the Balance Sheet and the change in carrying amount is classified under revaluation reserve. The value of the property is based on valuation performed by an independent valuer.

The increase in Profit and Loss Account balance represents the profit generated during the year (net of dividend paid).

Fair value changes

The Shareholders' fund includes fair value changes of ₹ 412 crore as at 31 March 2022 as compared to ₹ 394 crore as at 31 March 2021. Fair value change account represents unrealised gain/ (loss) (net) as on the Balance Sheet date on equity and mutual fund securities pertaining to Shareholders' investments. Such mark to market treatment of equity and mutual fund securities as on the reporting date is in line with requirements of IRDAI (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 which require equity and mutual fund assets to be reflected at their current fair value in the Balance

Sheet and the mark to market adjustment being reflected under “Fair value change account” under the Sources of Funds in the Balance Sheet. Movement in fair value change account is a function of performance of the equity markets and the mix of equity and mutual funds in the portfolio.

The net-worth of the Company grew by 2% to ₹ 10,939 crore at 31 March 2022 up from ₹ 10,735 crore at 31 March 2021.

ii. Policyholders’ funds

A summary of Policyholders’ funds is provided in the table below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Fair value change account	2,061	1,798
Policy liabilities	38,532	32,264
Provision for linked liabilities	31,483	26,873
Funds for discontinued policies	1,740	1,688
Total	73,815	62,624

Fair value change account represents unrealised gain/(loss) (net) as on the Balance Sheet date on equity and mutual fund securities pertaining to Policyholders’ non-linked investments. Such mark to market treatment of equity and mutual fund securities as on the reporting date is in line with requirements of IRDAI (Preparation of Financial Statements and Auditor’s report of Insurance Companies) Regulations, 2002 which require equity and mutual fund assets to be reflected at their current fair value in the Balance Sheet and the mark to market adjustment being reflected under “Fair value change account” on the liability side of the Balance Sheet. Movement in fair value change account is a function of performance of the equity markets and the mix of equity and mutual funds in the portfolio. Fair value change account also includes portion of fair value gain/(loss) on the ‘Interest Rate Derivative’ that is determined to be an effective hedge, i.e. ‘Hedge Fluctuation Reserve’.

The movement in policy liabilities is a consequence of various factors such as receipt of premium (both new business and renewal), surrenders & other claims, various actuarial assumptions and other factors varying on a product to product basis. The reserves on traditional policies are estimated by using prospective gross premium valuation method. Mathematical reserves are calculated based on future assumptions having regard to current and future experience e.g. interest rates, mortality, morbidity and expense. For movement in policy liabilities and provisions for linked liabilities refer the explanation furnished under point a. vi above on “Change in valuation of liability in respect of life policies in force”.

Funds for discontinued policies represent funds pertaining to lapsed or surrendered linked policies which have not completed the minimum lock in period and hence parked in a separate fund as per the guidelines issued by IRDAI in this respect.

iii. Funds for Future Appropriations (FFA)

FFA for the Participating segment indicates the amount of unappropriated profits held in the Balance Sheet based on the recommendation of the Appointed Actuary. During the year, a sum of ₹ 87 crore has been transferred to FFA.

iv. Current liabilities and Provisions

Current liabilities

A summary of current liabilities is provided in the table below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Amount pertaining to Policyholders'		
- Unclaimed amount of Policyholders'	205	294
- Policyholders' claims payable	270	213
- Unallocated premium	292	162
- Premium received in advance	20	19
Sundry creditors and payables for expenses	751	402
Pending unitisation	208	129
Payables for unsettled investment contracts	295	147
Payable to agents (Agents balances)	113	81
Taxes payable	83	22
Derivative Liability	80	18
Other liabilities (including GST payable)	358	132
Total	2,675	1,619

(a) The unclaimed amount to policyholder is ₹ 205 crore as at 31 March 2022 as compared to ₹ 294 crore as at 31 March 2021. The break-up of the said amount is summarised below:

- Claims settled but not paid due to reasons other than litigation: ₹ 18 crore was outstanding at 31 March 2022. Of this ₹ 11 crore is pending due to unclear title which is in dispute between the nominees
 - Sums due to the insured/policyholders on maturity or otherwise: ₹ 44 crore was outstanding at 31 March 2022. Of this ₹37 crore is pending from customer to submit annuity option on vesting of a pension contract and from existing annuitants to submit annuities certificate of existence
 - Cheques issued but not encashed by the policyholder/insured: ₹ 130 crore was outstanding at 31 March 2022 – these pertain to cases where cheques have been sent to customer but are lying uncashed
 - Appreciation in unclaimed balances: ₹ 14 crore represents the increase in value of the unclaimed balances basis the income earned by the segregated fund formed for unclaimed balances starting FY2017 as per IRDAI circular reference IRDA/F&A/CIR/MISC/282/11/2020 dated 17 November 2020
- (b) Policyholders' claims payable represent amounts payable to the policyholders that are intimated to the Company and are outstanding as a part of the normal claims process or pending due to incomplete documentation from the policyholders or pending investigations or may be under litigation.
- (c) Unallocated premium mainly includes amount received toward proposed insurance contract that will be recognised as premium post underwriting or fulfilment of requirements by the customer. This also includes monies kept with the Company by Group policyholders to take care of ongoing additions to the Group policy.

- (d) Premium received in advance is held in accordance with the IRDAI guidelines and as per file and use and will be recognised as premium income on the due date of the policy.
- (e) Sundry creditors and payables for expenses represent amounts payable to various service providers towards goods and services availed by the Company along with the provision for the services availed/ goods received but bills not received.
- (f) Pending unitization represents sums received towards unit linked contracts on the last day which are transferred to the unit fund subsequently and hence held as a current liability on date of the Balance Sheet.
- (g) Payable for unsettled investment contracts represents amount outstanding towards investment trades of last few days that are not due for settlement.
- (h) Agents' balances represent amount payable to agents towards commission as on the Balance Sheet date. This also includes commission on new business though accrued in the books will be paid only subject to the prescribed persistency criteria being met.
- (i) Taxes payable represent tax deducted and payable under various tax rules and regulations, such taxes will be paid in due course within their due dates.
- (j) Derivative Liability represent Mark to Market loss on the interest rate derivative on reporting date.
- (k) Other liabilities primarily include bank overdraft as per the books of accounts of ₹ 163 crore (31 March 2021: ₹ 13 crore); this overdraft is merely a book overdraft backed by sufficient bank balance. The balance amount includes GST payable of ₹ 91 crore (31 March 2021: ₹72 crore) which was not due for payment to the government as on the date of the Balance Sheet.

Provisions

A summary of provisions is provided in the table below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Income tax (less payments and taxes deducted at source)	195	371
Provision for leave encashment, long term incentive plan and gratuity	24	37
Total	219	407

Income tax provision (net of advance tax) has decreased from ₹ 371 crore in FY2021 to ₹ 195 crore in FY2022 mainly due to reversal of tax provision pertaining to previous periods which are no longer required.

Company's liability towards leave encashment, long term incentive plan and gratuity is actuarially valued and is as per the requirements of revised Accounting Standard 15 (Revised) on Employee Benefits.

Application of funds

i. Investments

Statement of total investments made by the Company is given below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Investments		
- Shareholders'	11,001	10,057
- Policyholders'	41,195	34,860
Asset held to cover linked liabilities	33,223	28,561
Total	85,419	73,478

Total investments grew by 16% from ₹ 73,478 crore as at 31 March 2021 to ₹ 85,419 crore as at 31 March 2022. The Shareholders' investments grew by 9% from ₹ 10,057 crore as at 31 March 2021 to ₹ 11,001 crore as at 31 March 2022. The Policyholders' non linked funds grew by 18% from ₹ 34,860 crore as at 31 March 2021 to ₹ 41,195 crore as at 31 March 2022 which is largely attributable to net inflows into the fund. Linked funds grew by 16% from ₹ 28,561 crore as at 31 March 2021 to ₹ 33,223 crore as at 31 March 2022.

ii. Fixed Assets

A statement of movement of fixed assets is given below

Particulars	(₹ in crore)	
	FY2022	FY2021
Gross block	583	537
Less: Accumulated depreciation	254	220
Net block	329	317
Add: Capital work in progress (CWIP)	65	48
Net fixed assets	395	365

Net block of fixed assets has increased from ₹ 365 crore as at 31 March 2021 to ₹ 395 crore as at 31 March 2022. Increase in fixed assets (including CWIP) is mainly due to payment towards purchase of land amounting to ₹11 crore and payments towards new Policy Admin System amounting to ₹ 19 crore.

iii. Current assets, loans and advances

A summary of current assets, loans and advances is provided in the table below:

Particulars	(₹ in crore)	
	FY2022	FY2021
Income accrued on investments	938	865
Assets held to cover unclaimed funds	205	294
Cash and bank balances	301	395
Policyholders' loans	515	466
Outstanding premium	318	253
Pending unitisation	91	31
Unsettled investment contract receivable	82	7
GST unutilized credit	189	129
Deposits	40	59
Prepayments	50	22
Derivative Assets	15	4
Other advances and receivables	249	88
Total	2,993	2,613

- (a) Income accrued on investments represents interest income accrued but not due as at 31 March 2022. This largely pertains to interest on fixed deposits, Government securities and debentures. The increase is attributable to the increase in the debt investments of the Company.
- (b) Assets held to cover unclaimed funds are assets segregated for unclaimed policyholders and invested in money market instruments in line with the IRDAI regulations.
- (c) Cash and bank balances represent amounts collected during last few days of the financial year and also includes cheques on hand and cheques deposited but not cleared.
- (d) Policyholders' loan represents the loans to policyholders' as per the terms of the insurance contract. The amount outstanding includes the principal and accumulated interest thereon. The amount has primarily increased on account of additional disbursements during the financial year.
- (e) Outstanding premium represents premium income (primarily renewal) accrued on traditional products which are due within the grace period.
- (f) Pending unitization represents amount of unit receivable from the linked fund for de-unitisation of the last day which became recoverable from the unit fund on the date of the Balance Sheet and hence held as a current asset.
- (g) Unsettled investment contract receivable represents amount receivable from counter-parties for investment trades done on the last few days of the year where settlement is not due.
- (h) GST unutilized credits represents the input tax credit of GST available with the Company which can be used to offset the GST liability of the Company.

- (i) Deposits represent deposits placed for premises taken on lease as well as for leased accommodations for employees. It also includes deposits to service providers for electricity, telephone and other utilities services and paid to the tax / other Authorities with regard to appeals filed.
- (j) Prepayments includes amounts paid in advance as per contractual terms with vendors for services to be utilised in the future.
- (k) Derivative assets represent Mark to Market gain on the interest rate derivative on reporting date.

Other advances and receivables primarily include margin money receivable of ₹ 123 crore (31 March 21: ₹ 23 crore), advances made in the ordinary course of business for services to be availed in the future and recoverable from reinsurers of ₹ 128 crore (31 March 21: ₹ 65 crore).