

BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED
19th ANNUAL REPORT 2018-19

Caringly yours





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CORPORATE INFORMATION

Board of Directors

Sanjiv Bajaj

Chairman

Solmaz Altin

(from 12 September 2018)

Ritu Arora

(from 29 June 2018)

Sanjay Asher

Niraj Bajaj

Rahul Bajaj

Sergio Balbinot

Heinz Dollberg

(up to 22 June 2018)

Ranjit Gupta

Suraj Mehta

Nanoo Pamnani

Lila Poonawalla

Hicham Raissi

(up to 6 September 2018)

Avais Karmali

Alternate Director for Sergio Balbinot
(from 18 July 2018)

Tapan Singhel

Managing Director and Chief Executive Officer

Audit Committee

Lila Poonawalla

Chairperson

(Designated as Chairperson w.e.f. 8 March 2019)

Ritu Arora

(from 29 June 2018)

Sanjay Asher

Sanjiv Bajaj

Heinz Dollberg

(up to 22 June 2018)

Ranjit Gupta

Suraj Mehta

Nanoo Pamnani

(Ceased to be Chairman w.e.f. 8 March 2019)

Investment Committee

Sanjiv Bajaj

Chairman

(Designated as Chairman w.e.f. 29 June 2018)

Ritu Arora

(from 29 June 2018)

Heinz Dollberg

(Chairman and member up to 22 June 2018)

Ranjit Gupta

Tapan Singhel

Gaurav Malhotra

Rajeev Kumar

Amit Joshi

Milind Choudhari

Corporate Social Responsibility Committee

Sanjiv Bajaj

Chairman

Ritu Arora

(from 29 June 2018)

Heinz Dollberg

(up to 22 June 2018)

Ranjit Gupta

Nanoo Pamnani

Tapan Singhel

Nomination and Remuneration Committee

Nanoo Pamnani

Chairman

Ritu Arora

(from 29 June 2018)

Sanjay Asher

Sanjiv Bajaj

Heinz Dollberg

(up to 22 June 2018)

Ranjit Gupta

Lila Poonawalla

Policyholders' Protection Committee

Sanjiv Bajaj

Chairman

Ritu Arora

(from 29 June 2018)

Heinz Dollberg

(up to 22 June 2018)

Ranjit Gupta

Tapan Singhel

Risk Management Committee

Sanjiv Bajaj

Chairman

(Designated as Chairman w.e.f. 29 June 2018)

Ritu Arora

(from 29 June 2018)

Heinz Dollberg

(Chairman and Member up to 22 June 2018)

Ranjit Gupta

Tapan Singhel

Chief Financial Officer

Milind Choudhari

Company Secretary & Compliance Officer

Onkar Kothari

Joint Statutory Auditors

BSR & Co LLP

Chartered Accountants

S R Batliboi & Co. LLP

Chartered Accountants

Secretarial Auditor

Shyamprasad D Limaye

Practising Company Secretary

Registered Office & Head Office

Bajaj Allianz House, Airport Road,

Yerawada, Pune 411006;

www.bajajallianz.com

CIN: U66010PN2000PLC015329



Sanjiv Bajaj
Chairman



Milind Choudhari
Chief Financial Officer



Sasikumar Adidamu
Chief Technical Officer



T A Ramalingam
Chief Distribution Officer-Institutional Sales



K S V V S Murthy Naidu
National Head - Products



Aditya Sharma
Head Virtual Office & One-Two-One



Sourabh Chatterjee
Head - Head IT, Websales, Travel



K V Dipu
Head-Operations & Customer Service



Vikramjeet Singh
Chief Human Resources Officer



Alpana Singh
Head - Bancassurance - PSUs, RRBs & Co-Banks



Gurneesh Singh Khurana
Business Head - Motor



Sriram Iyer
National Head-Health Insurance



Chetan Prakash
Country Head-Agency



Amit Joshi
Chief Investment Officer

THE TORCHBEARERS



Tapan Singhel

Managing Director and Chief Executive Officer

MD & CEO'S MESSAGE

Dear Friends

The insurance industry has journeyed through yet another eventful financial year. The year began with a lot of expectations from the industry with the listing of a few players and with new companies coming in. While the industry stood at a combined ratio close to 113% at the beginning of the year, with softening of rates, it ballooned to around 120% while the growth saw a drop from 17% to 12%. We, at BAGIC however continued to be prudent in our underwriting philosophy, registering yet another year where our growth was higher than the industry average. In a period, which was tough for the industry, we continued to be successful in maintaining a combined ratio below 100%.

Along with being prudent, this year we also decided to tackle the biggest challenge faced by the insurance industry since centuries, i.e. being providers of a push product. Despite being a critical investment, despite its benefits and importance, insurance is yet to establish itself as a pull product. The common statement made by industry leaders across our sector still remains that nobody wakes up in the morning thinking they will buy an insurance for themselves. Now as a company, we decided to change this perspective around our offerings. We realized that though people do not think about insurance products, they are constantly worked up about their worries, and as insurers we predominantly handle what people worry about the most. We come into play and provide assistance when things go wrong thus essentially managing our customers' worries. We weaved in the concept together, and repositioned our brand as "Caringly Yours" with an ambition to center our offerings on addressing our customers' worries, thus hopefully transforming insurance from a push to a pull product. That's a journey that we shall continue to undertake this year as well.

Along with this, we further expanded our pan India presence. Today we are operating across 1400+ locations in the country. Keeping with our culture of innovation, we introduced new technological initiatives, such as Connected Schools (an IOT based personal accident cover for school children), the Raftar bot – our first process automation bot, and our first ever virtual employee EVE for facilitating robotic interviews for shortlisting of potential candidates. We further took the customer service bot - BOING to Amazon Alexa & Google Assistant, giving it a 360° dimension on the voice front. We also launched the "Insta Learn" platform, the first e-learning platform for intermediaries and employees. We initiated a customer lab to conduct web conference as well as real-time sessions with our customers, on what they have to say about our products and services. We successfully deployed speech analytics technology to our call centers to help us enhance customer experience. All this translated to improved customer satisfaction levels, which was clearly portrayed in our NPS, which is the best in class. The year also saw us increasing our outreach, where we successfully tied-up with partners like Citibank, Central Bank of India, and Aditya Birla Payments Bank and forayed into the ecommerce space with a tie-up with Flipkart, a channel that shall enable us to sell new age products.

Some of our key performance indicators can be listed down as:

- The Gross Written Premium Grew to ₹11,097 crore, which is a growth of 17.0%
- The company continues to be one of the most profitable insurers in the industry, with a Combined Ratio 96.7% and Profit after Tax of ₹780 crore
- We have now reached out to 1400+ territories through our virtual sales office, selling more than 2 million policies through this digital distribution platform
- Over the year, we issued over 20 million policies and settled close to 3 million claims
- The company maintained a credit rating of iAAA awarded by ICRA for the 12th year running, signifying our highest claims paying ability

Our customer centric platforms, continued to get recognized both amongst peers within the country and outside, on a global scale.

A few major recognitions were:

- We were conferred with the AON Best Employer Award 2018 & won the coveted honor of being one of the top 52 companies at India's Best Companies to Work For in 2018 by the Great Places To Work Institute India
- We were recognized as The Most Iconic Brand of India by The Economic Times.
- The prestigious Asia Insurance Industry Awards 2018 honored BAGIC as the Digital Insurer of the Year for the second time in a row
- We won the National Award for Excellence in Cost Management in the Banking, Financial Services and Insurance category by ICAI
- Dun & Bradstreet, the global leader in commercial data and analytics, honored us as India's Leading General Insurance Company at the Dun & Bradstreet BFSI Summit 2019
- We were honored as Marketer of the Year at the India Insurance Summit & Awards 2019 for a second time in a row
- We won the prestigious Money Today Awards for the Best Motor Insurance Provider of the Year
- We won the Celent Model Insurer Award 2018 for our gamified L&D initiative Wolf of Park Street under Operational Excellence category
- We received the Innovation & Emerging Technology award for Motor On The Spot (Motor OTS) initiative and the Operational Excellence award for Tal.Port Initiative at Asia Insurance Technology Awards 2018
- We won 2 awards at The Economic Times Innovation Tribe Awards for Motor OTS and DriveSmart digital initiatives

The year also witnessed us taking our employee relations to the next level. As an organization, we have always believed that our people make BAGIC a force to be reckoned with, and hence we focused on their health and happiness with renewed vigor. For this, we embarked on a holistic wellness campaign to promote as well as provide resources, tools and a compelling environment by launching #BAGIC4Fitness program. The popularity and success of the campaign can be highlighted by the employee participation in the step-a-thon campaign, where we as an organization covered more than 1 million km & 1.37 Cr. steps, with enthusiastic participation from all corners.

As we enter a new financial year, we expect interesting times for the insurance industry. We will continue to be an underwriting driven insurance company, which will seek the right opportunities of profitable growth. By continuing to enhance customer experience, we will be persistent in our efforts to change the perception of insurance from being a push to a pull product. As we remain committed to redefining the sector, we thank all our customers, employees, partners, shareholders and the regulator for their continued trust in us. We look forward to setting new benchmarks and crossing new milestones, while working closely with all of you.

Caringly yours,
Tapan Singhel
Managing Director and Chief Executive Officer



WORRIED ABOUT DELAYED
COMPENSATION?

BAJAJ ALLIANZ KA CAR INSURANCE HAI NA

Bajaj Allianz Private Car Package Policy takes care of delayed compensation problems with Motor on-the-spot Feature.



Compensation within 20 minutes on uploading damaged car image



24x7 On-spot assistance and accommodation

Caringly yours



DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED ON 31 MARCH 2019



Your Directors have pleasure in presenting their Nineteenth annual report and audited financial statements for the financial year ended 31 March 2019 (FY2019).

State of Companies affairs & Financial Summary or Highlights

Industry update

FY 2019 was a challenging year for the general insurance industry for several reasons, some of which were:

- Intensified price competition in the motor segment, which is the largest in the market.
- Reinsurance terms for crop insurance hardened with lower commissions and more stringent conditions.
- Unprecedented floods that swamped much of Kerala.
- Debt default by a large systemic financial institution.

Despite this challenging backdrop, the industry posted a reasonable growth of 12.8% for FY2019. This was largely driven by significant growth in motor, health and crop insurance. Your Company did well by posting an industry beating growth rate of 17.1%.

The growth rates in gross direct premium in India (excluding reinsurance accepted) of the industry and of your Company, including and excluding crop insurance are shown in the following Table:

Gross direct premium in India, general insurance industry *

(₹ In Crore)

Particulars	Gross Premium	
	FY2019	FY2018
Bajaj Allianz	11,059	9,445
Private Sector	81,597	65,430
Public Sector	68,720	67,794
Industry	1,50,317	1,33,224
Standalone Health Insurers (SAHI)	11,362	8,314
Industry Including SAHI	161,679	141,538
Growth rates		
Bajaj Allianz	17.1%	23.7%
Private Sector	24.7%	21.6%
Public Sector	1.4%	12.6%
Industry	12.8%	16.8%
Standalone Health Insurers (SAHI)	36.7%	41.7%
Industry Including SAHI	14.2%	17.4%

Source: : GI Council figures, IRDA website and IRDA, Handbook of Insurance Statistics.

Excluding crop insurance, which is mainly tender-driven business in which your Company participates selectively, your Company grew by 26.1% compared to the industry growth of 11.5%.

Business update

Your Company has a strong focus on growing its retail business. This includes motor insurance, health insurance for individuals, other personal insurances, insurance for commercial entities like shops, SMEs etc. These businesses are supported by a strong book of medium and large corporate insurances. Your Company also participates in annual tender-driven businesses like crop insurance and Government health schemes.

Your Company continued to balance growth with profitability. It did so by (a) robust and prudent underwriting practices, (b) generation of cash flows through strong retention of premium and judicious investments of the proceeds, and (c) focus on high quality customer service.

Widespread catastrophic floods in Kerala in August 2018 resulted in huge losses to the extent of ₹126 crore. After reinsurance and reinstatement of reinsurance treaties, the profit and loss account was negatively impacted by ₹50 crore. In addition, your Company had an exposure to unsecured commercial paper issued by a large NBFC which defaulted on its obligations. As a measure of abundant caution, the Company took an impairment loss for the entire amount of ₹49 crore during the year.

Notwithstanding these unexpected losses, your Company continues to be among the more profitable general insurers vis-a-vis peers in the public and private sectors of comparable size. At 96.7% in FY2019, it is expected to have one of the lowest combined ratios in the industry, reflecting a sound balance between growth and profitability.

Your Company's focus continues to be on retail business, where it has strengths in distribution and claims handling capabilities. Motor and retail health insurance are the major focus areas, with 49% of gross premium coming from these lines, with the rest coming from fire, marine, group health, crop insurance and miscellaneous lines. Retail channels like agency, motor and bancassurance continue to be the mainstay of your Company's channel mix, contributing to around 59% of the business. Your Company's online sales channel, which offers 24x7 ease of buying, grew by 33% during FY2019. This channel is ideally suited for off-the-shelf retail products like motor and health.

Your Company continued to expand its network of independent bancassurance partners including private banks, public sector banks, regional banks, small finance banks and cooperative banks. The Company has the strongest network of bancassurance partners among all insurers and this channel is expected to provide strong momentum for growth and profits in the coming years.

During FY2019, your Company tied up with 33 new corporate agents including large public sector and multinational banks as well as some new age financial intermediaries. The year also marked the Company's entry in to the e-commerce space by partnering with Flipkart through an exclusive corporate agency.

Motor insurance

Consequent to various judicial pronouncements, the regulatory framework for motor insurance segment underwent a major change during FY2019. With effect from 1 September 2018, the IRDAI made it mandatory to issue three-years motor third party insurance policies for new cars and five-years motor third party insurance policy for two-wheelers, along with the option of package policy or bundled covers. Since a great deal of churn in motor insurance happens after the first year, this development is expected to radically change market dynamics in FY2020.

From 1 September 2018, the sum insured for compulsory personal accident policies (CPA) for owner driver was also increased from ₹1 Lac for 2 wheelers and ₹2 Lac for 4 wheelers to ₹15 Lac for all. Initially the premium for the same was fixed at ₹750/-. Effective from 1 January 2019, the CPA was unbundled, and insurers were allowed to file stand-alone CPA policies at a price to be filed with IRDAI for approval under product filing guidelines

Business performance during the year

Your Company's Gross Written Premium, including reinsurance accepted, for FY2019 was ₹11,097 crore as compared to ₹9,487 crore during the previous year. Excluding crop insurance, GWP grew by 25.9% to close at ₹9,635 crore. The Net Earned Premium, which measures the premium retained after reinsurance and reserves for unexpired risks, grew by 15.7% at ₹7,010 crore as against ₹6,059 crore during the previous year. The Combined Ratio for FY2019, as defined by Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDA, stood at 96.7% as against 92.3% recorded in FY2018. In a year that was topsy-turvy for the major lines of business, this is one of the best combined ratios in the industry.

Your Company continued to retain the second position in terms of the top-line in the private sector and improved its market share in the industry, including standalone insurers, to 6.8% in FY2019 compared to 6.7% a year earlier. Your Company continues to pursue efforts to retain renewal business, without compromising quality of risk and minimum profitability benchmarks. Your Company achieved a record by selling over 200 lakhs policies during FY2019 as compared to over 130 lakhs during the previous financial year. The number of claims reported in FY2019 was 26,83,374 as against 12,05,421 reported during FY2018.

Investments, Investment Income and Other Income

The investment duration of the portfolio is actively monitored, keeping in mind the duration of liabilities, through an Asset Liability Management model as well as solvency position. Your Company's investment philosophy is based on strong cash generation, backed by prudent investment of surpluses keeping in mind the obligation to pay claims when they arise.

In line with the Company's policy, provision has been created for impairment of the Company's investment in the commercial papers of a systemically important NBFC on account of downgrading of its credit rating and default in repayment on maturity.

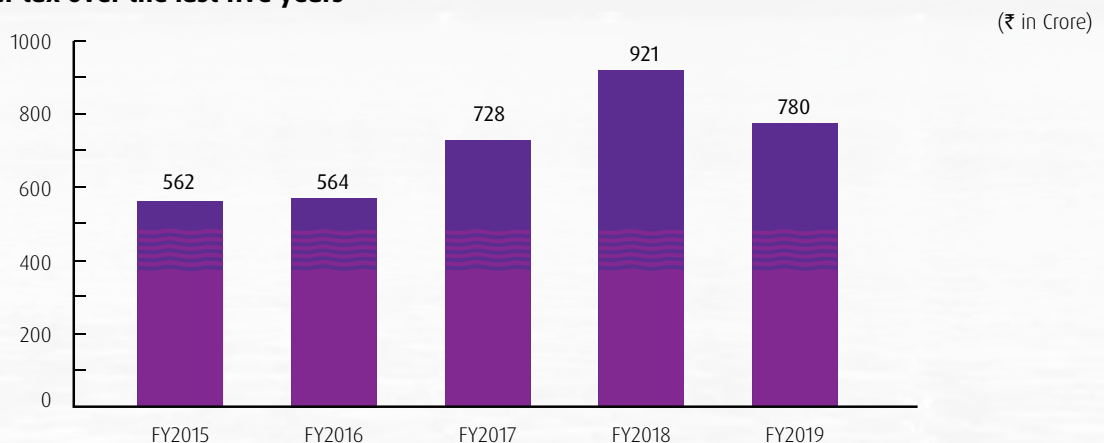
The assets under management represented by cash and investments as at 31 March 2019 stood at ₹17,237 crore (including unclaimed funds of the policyholders) as against ₹14,823 crore as at 31 March 2018, an increase in investible surplus by ₹2,414 crore or 16.3%. The investment and other income for FY2019 was ₹1,134 crore as against ₹1,060 crore in the previous year.

As required by IRDAI's master circular on unclaimed amounts due to the policyholders, an amount of ₹46 lacs, being due for more than 10 years, was transferred to the Senior Citizens' Welfare Fund during FY2019 set up by the Government of India under the Senior Citizens' Welfare Fund Rules, 2016.

Profits

Profit before tax (PBT) during FY2019 was ₹1,152 crore as compared to ₹1,353 crore during the previous financial year. The profit after tax (PAT) for FY2019 was ₹780 crore as compared to ₹921 crore during the previous financial year. This was mainly on account of catastrophic losses from the Kerala floods, impairment provisions for some of the investments and additional investments to support growth in retail channels.

Profit after tax over the last five years



Dividend

Your Directors recommend for consideration at the ensuing Annual General Meeting (AGM) payment of dividend of ₹10/- (previous year ₹10/-) per equity share of face value of ₹10/- (100% of face value, Previous year: 100% of face value) for FY2019. The amount of dividend and tax thereon aggregate to ₹132.88 crore (Previous year: ₹132.88 crore).

Summary of Financials

(₹ In Crore)

Particulars	FY2019	FY2018	% Change
Gross written premium (GWP)	11,097	9,487	17.0%
Net earned premium	7,010	6,059	15.7%
Underwriting results	18	293	-94.0%
Profit before tax	1,152	1,353	-14.9%
Profit after tax	780	921	-15.3%
Claims ratio	68.6%	66.7%	
Combined ratio*	96.7%	92.3%	
Return on average equity	16.2%	23.0%	

* - Combined ratio is calculated according to the Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDA effective from 1 April 2013.

Note: Without the natural catastrophe in Kerala, Combined ratio for FY2019 would have been 96.0%.

Capital, Solvency and Shareholders' Funds

The Shareholders' equity of your Company stood at ₹5,164 crore as at 31 March 2019 as against ₹4,466 crore as at 31 March 2018. Your Company has completed 11 consecutive years since the last capital infusion and continues to be one of the most efficient users of capital in the private sector as measured by the ratio of gross written premiums to share capital and by gross written premiums to shareholders' equity. Your Company has been able to improve its solvency ratio at 255% as at 31 March 2019, which is well above the regulatory requirement of 150%.

Return on Equity

The return on average equity for your Company during FY2019 was 16.2% as against 23.0% in the previous year.

Digital transformation

Keeping up with the mantra of simple-easy-convenient for our Customers, Partners and Employees, your Company has launched easy to use mobile apps for instant policy issuance, inspection, claim processing and other self-service functionality across the insurance value chain. Some of the key mobile apps include our customer app - Insurance Wallet, with a play store rating of 4.0, for instant policy, 20-minute settlement for motor insurance and health insurance reimbursement claims and Ezeetab app for our agents, using which over 14 lac policies were issued during FY2019.

Recognition & Awards

Your Company continued its award-winning streak during FY2019 as well.

During the year, Sanjiv Bajaj, Chairman, was conferred the prestigious 'Economic Times - Business Leader of the Year Award' for 2018.

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

1. Digital Insurer of the Year Award at 22nd Asia Insurance Industry Awards 2018 and Innovation & Emerging Technology Award for Motor OTS at Asia Insurance Technology Awards, 2018
2. The Iconic Brand of India 2018 – by Economic Times 2018
3. Tapan Singhel, MD & CEO, honoured as 'Personality of the Year' at the Indian Insurance Summit & Awards 2019 and the 'CEO of the Year' at 3rd Annual Insurance India Summit & Awards. He also featured as the top voices in LinkedIn Top Voices 2018 List for India.

Credit rating

Your Company maintained its credit rating of "iAAA" awarded by ICRA. This is the highest rating for claims paying ability of a general insurance company.

IRDAI registration

Your Company has paid to IRDAI annual fees for FY2020 as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2000.

Directors' Responsibility Statement

In accordance with section 134(3)(c) of the Companies Act, 2013 ('the Act') the Board of Directors wishes to confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 2019 and of the profits of the Company for that period;
- 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.

Extract of the Annual Return

The extract of Annual Return prepared pursuant to section 92(3) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT- 9 is annexed to this Report. This Report and accounts are being sent to shareholders excluding the said information. Any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company for a copy thereof.

Number of meetings of the Board

The Board of Directors met 5 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://general.bajajallianz.com/Corp/content/remuneration-policy-other-criteria.pdf>

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 at 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

The Company, being an insurance company, does not have any manufacturing activity. The Directors, therefore, have nothing material to report on conservation of energy. However, the Company continues its efforts to implement energy efficient solutions in various spheres of its activities.

Your Company, however, strives to employ latest technologies with a view to improve presence in digital space. Your Company is increasingly deploying mobility solutions, analytics, cloud and other technological innovations towards automation of processes to provide a competitive edge and impetus to its intermediaries, employees and partners. It would also ensure faster services and better customer experience and, more importantly, position the Company for future readiness. Your Company is focusing more towards paperless journey as an initiative towards conservation of energy by adopting digital initiatives. Your Company also implemented various security systems / tools to have enhanced information technology and cyber security posture and arrest the leakages of organisational sensitive data / information.

Foreign exchange earnings and expenditure

Earnings in foreign currency ₹222.16 crore

Expenditure in foreign currency ₹191.68 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.

Corporate social responsibility (CSR)

During FY2019, 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 section 134 and section 135 of the Act is given in annexure to this report.

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. Rating sheets were filled by 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 individually.
- c. The report of performance evaluation so arrived at was then discussed in the meeting of the Board of Directors.
- d. The Nomination and Remuneration Committee reviewed the implementation and compliance of the process of performance evaluation.

Directors and key managerial personnel

Heinz Dollberg, Director (DIN 00168797) and Hicham Raissi (DIN 07564333) resigned as Directors with effect from 22 June 2018 and 6 September 2018 respectively. Ritu Arora (DIN 07019164) and Solmaz Altin (DIN 08206960) were appointed as Additional Directors with effect from 29 June 2018 and 12 September 2018 respectively. At the Annual General Meeting (AGM) of the Company held on 18 July 2018, Ritu Arora was appointed as Director liable to retire by rotation. Avais Karmali (DIN 07565946) ceased to be Alternate Director for Heinz Dollberg with effect from 14 May 2018 and was appointed as an Alternate Director for Sergio Balbinot (DIN 01629245) with effect from 18 July 2018. During FY2019, on arrival of Sergio Balbinot in India, Avais Karmali ceased to be Alternate Director for Sergio Balbinot and subsequently re-appointed as such after his departure from India. Last such appointment was made with effect from 18 January 2019.

The Independent Directors have submitted declarations stating that they meet the criteria of independence as provided in section 149(6) of the Act.

Pursuant to the provisions of the Act, Tapan Singhel (DIN 03428746), Sanjiv Bajaj (DIN 00014615) and Sergio Balbinot (DIN 01629245), Directors, retire by rotation and, being eligible, have offered themselves for re-appointment as Directors at the ensuing 19th AGM. Solmaz Altin will hold office as Additional Director up to the date of the ensuing AGM. The Company has received notice under section 160 of the Act proposing candidature of Solmaz Altin as Director liable to retire by rotation at the ensuing AGM. Solmaz Altin, being eligible, has offered himself for such appointment.

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.

Adequacy of Internal Financial Controls

Your Company has established an internal financial control Framework as per the requirements of the Act. The 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, Process Level Controls and Review Controls. The 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 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 annexed. This Report and accounts are being sent to shareholders excluding the said information. Any shareholder interested in obtaining such information may write to the Company Secretary at the registered office of the Company for a copy thereof.

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, 2 cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and enquiries were conducted. Both cases have been closed.

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 & Compliance Officer.

Composition of committees

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

Establishment of vigil mechanism

The Company has established a vigil mechanism in the form of Whistle Blowing 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.

Implementation of Indian Accounting Standards (Ind AS)

IRDAI vide its Circular No. IRDA/F&A/CIR/ACTS/146/06/2017 dated 28 June 2017 deferred implementation of Ind AS for insurance companies by a period of two years to be effective from FY2021. The said Circular, however, requires submission of proforma Ind AS financial statements on quarterly basis, which have been submitted to the Authority in FY2019.

The new standard on insurance contract Ind AS 117 (equivalent to IFRS 17) is expected to have significant impact on the financial reporting and actuarial functions as well as operational aspects such as data, systems and processes of the insurance companies. The Company is in the process of performing an impact analysis of the same.

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 Act 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.

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

BSR & Co. LLP, Chartered Accountants (FRN: 101248W / W100022), the joint statutory auditors of the Company, hold office up to conclusion of the 22nd AGM.

S R Batliboi & Co. LLP, Chartered Accountants (FRN: 301003E / E300005), the joint statutory auditors of the Company, hold office up to conclusion of the 23rd AGM.

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 Act.

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 FY2019.

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.

Appreciation & Acknowledgment

The Board is grateful to the IRDAI and other regulatory authorities for their continued support.

Your Company's performance during the year would not have been possible without the commitment and hard work of the employees.

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 General Insurance Company Limited

Sanjiv Bajaj

Chairman

(DIN 00014615)

Pune,

8 May 2019



WORRIED ABOUT
FLIGHTS GETTING DELAYED?

BAJAJ ALLIANZ KA TRAVEL INSURANCE HAI NA

Bajaj Allianz Travel Insurance takes care of your
everyday travel worries with:

-  Automatic Flight Delay Reimbursement
-  Medical and Hospitalisation cover abroad
-  Claim Settlement via Travel EZEE

Caringly yours



ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019



Report on Corporate Governance

The Corporate Governance Guidelines dated 18 May 2016 (the Guidelines) for the insurance companies issued by Insurance Regulatory and Development Authority of India (IRDAI) outline the framework of corporate governance policies and practices followed by the Company.

Board of Directors

The Board of Directors consists of 14 Directors which include 4 Independent Directors. The CEO of the Company, as the Managing Director, is executive member of the Board of Directors. All other Directors, including the Chairman, are Non-executive Directors.

Brief profiles of the Directors are as follows:

1. **Sanjiv Bajaj**, Chairman, has obtained a Bachelor's degree in Engineering (Mechanical) with distinction from the University of Pune, a Master's degree in Science (Manufacturing Systems Engineering) with distinction from the University of Warwick, U.K. and a Master's degree in Business Administration from Harvard Business School, U.S.A. He is currently the Managing Director of Bajaj Finserv Ltd. He has vast experience in variety of areas in business strategy, marketing, finance, investment, audit, legal and IT related functions in automotive and financial services sectors.
2. **Solmaz Altin**, Director, has a Graduate degree in Business Administration and Economics from Gerhard-Mercator-University in Duisburg, Germany. He is currently the Regional Chief Executive Officer, Asia Pacific and Board Member of the Allianz Asia Regional Executive Board at Allianz SE. He was Chief Risk Officer and subsequently CEO of Allianz Turkey. He was also the Chief Digital Officer of Allianz SE. He has vast experience in variety of areas including risk management, digital transformation, venture capital investment and financial institution advisory.
3. **Ritu Arora**, Director, is the CEO and CIO (Asia) and a member of global Allianz Investment Management (AIM) Board. AIM is responsible for investments of Allianz insurance companies worldwide. AIM Asia hub, oversees investments of 20 entities in 11 countries across asset classes: debt, corporates, equities and alternatives. She represents Allianz on the steering committee of G7 Investor Leadership Network. She has over 23 years of leadership experience and been the founding member of two very successful life insurance ventures in India. She was awarded World Women Leadership Achievement Award by World Women Leadership Congress in 2016 and "Woman Leader of Choice" Award by WILL in 2013. A Post Graduate in Management from S.P. Jain Institute of Management and Research, she completed ICWAI (Institute of Cost and Works Accountants) and is a Gold medalist from Osmania University in Bachelor of Commerce (Hons).
4. **Sanjay Asher**, Independent Director, has a Bachelor's degree in Commerce and a Bachelor's Degree in Law from the University of Bombay. He is also a qualified Chartered Accountant and a Solicitor. He has over twenty nine years of experience in the field of law and corporate matters. He is presently a senior Partner at M/s Crawford Bayley and Co., and deals with corporate laws, mergers and acquisitions and capital market transactions.
5. **Niraj Bajaj**, Director, has a Bachelor's degree in Commerce from Sydenham College of Commerce & Economics, Mumbai and a Master's degree in Business Administration from Harvard Business School, U.S.A. He has been Chairman of Mukand Ltd. since 14 July 2007 and serves as its Managing Director. He is one of the Promoters of the Bajaj Group.

- 6. Rahul Bajaj**, Director, is an Honours Graduate in Economics and holds a Bachelor's degree in Law and a Master's degree in Business Administration from Harvard Business School, U.S.A. He is considered as one of the most successful business leaders of India and heads the Bajaj Group of Companies. He was awarded the 'Padma Bhushan' by the President of India in March 2001. He has immense experience, among others, in the auto and financial services sectors.
- 7. Sergio Balbinot**, Director, has a degree in Economics and Business Administration from University of Bologna. He is currently a Member of the Board of Management of Allianz SE and responsible for the insurance business in the countries of Southern & Western Europe and Asia at Allianz SE.
- 8. Ranjit Gupta**, Director, who is currently working as President – Insurance, at Bajaj Finserv Limited, is a Fellow of the Institution of Engineering and Technology, London. He has rich experience in the automotive and financial services sectors.
- 9. Suraj Mehta**, Independent Director, is an Honours Graduate in Economics. He has held key management positions in India and abroad with ANZ Grindlays Bank till the year 1994. Thereafter, he was the Chief Executive Officer of Dresdner Bank AG in India and was the Geographic Head for the group's four businesses which included Investment Banking, Securities Broking and Software Development. He was also the Chief Executive Officer of NABIL Bank Limited, the largest private sector bank in Nepal.
- 10. Nanoo Pamnani**, Independent Director, has a Bachelor's degree in Arts (Honours) from Bombay University (stood first in the University in Economic Major) and a Bachelor's degree in Science (Economics) from the London School of Economics (Majoried in Economics and Econometrics). He was associated with Citi Bank India ('Citi') for more than 35 years and was the CEO India and Regional Head, Sri Lanka, Bangladesh and Nepal before taking charge as non-executive chairman of Citi. He has rich experience in the banking, auto and financial services sectors.
- 11. Dipak Poddar**, Director, serves as an Executive Chairman of Poddar Developers Limited. He is also the Chairman of Monotona Securities Limited and Monotona Tyres Limited. He is an engineering graduate from Massachusetts Institute of Technology, USA.
- 12. Lila Poonawalla**, Independent Director, is the Chairperson of Lila Poonawalla Foundation and also former Chairperson and Managing Director of Alfa Laval-Tetra Pak India. She has a Bachelor's Degree in Mechanical Engineering from COEP, Pune. She has done a marketing management course at Harvard University, a Senior executive program at Stanford University and a General management program at IMDR Management Institute, Lausanne, besides a Tier III program at IIM Ahmadabad. She was the Chairperson of the Board of Governors of Indian Institute of Technology, Ropar. She has been presented the "Padmashree" award in 1989, Royal order of the Polar star from the King of Sweden along with numerous other national and international awards.
- 13. Avais Karmali**, Alternate Director, has done Master of Science in Actuarial Science from HEC Lausanne Switzerland. He is currently working at the Allianz SE Board Office responsible for Southern & Western Europe and Asia.
- 14. Tapan Singhel**, Managing Director and Chief Executive Officer, has been with Bajaj Allianz since its inception in 2001 and a part of the core team formed to plan the retail market strategy. Mr. Tapan Singhel, a BHU alumnus, started his career with a prominent PSU insurer as a direct Officer in 1991.

Changes in the Board of Directors and committees thereof

- a. Heinz Dollberg resigned as Director with effect from 22 June 2018. Dollberg was Chairman of Investment Committee and Risk Management Committee. Sanjiv Bajaj, Chairman of the Board of Directors, being member of Investment Committee and Risk Management Committee was designated as Chairman thereof with effect from 29 June 2018.
- b. Ritu Arora was appointed as Additional Director with effect from 29 June 2018 and was inducted as member of all the committees of the Board, with effect from the aforesaid date. At the Annual General Meeting of the Company held on 18 July 2018, Ritu Arora was appointed as Director liable to retire by rotation.
- c. Avais Karmali ceased to be Alternate Director for Heinz Dollberg with effect from 14 May 2018. He was appointed as Alternate Director for Sergio Balbinot with effect from 18 July 2018.
- d. Hicham Raissi resigned as Director with effect from 6 September 2018.
- e. Solmaz Altin was appointed as Additional Director with effect from 12 September 2018.
- f. Lila Poonawalla, member of Audit Committee, was designated as Chairperson thereof with effect from 8 March 2019 in place of Nanoo Pamnani, who has continued as member of the Committee.

Board Meetings

The Board meets at least once in every quarter, with a gap of not more than 120 days between two meetings, to, inter alia, review the Company's quarterly and annual financial results, business strategies and their implementation, solvency margin, etc.

In case of any matter requiring urgent approval of the Board, the approval is taken by passing resolution by circulation.

The Board is provided, on a timely basis, detailed agenda papers in advance of the meetings. The agenda items include, inter alia, minutes of previous meetings of the Board and Committees, business reviews, plans and budget, quarterly / annual financial results, financial condition report, investment performance, approval / reviews of company policies, formation / reconstitution of Board Committees, etc.

Board Meetings held during FY2019

The Board of Directors met five times during FY2019 on 15 May 2018, 18 July 2018, 17 October 2018, 16 January 2019 and 8 March 2019. Following table sets out the details of attendance of Directors at the aforesaid Board meetings.

Name of Director	No. of Meetings Attended
Sanjiv Bajaj	5/5
Solmaz Altin (w.e.f. 12 September 2018)	3/3
Ritu Arora (w.e.f. 29 June 2018)	4/4
Sanjay Asher	4/5
Niraj Bajaj	5/5
Rahul Bajaj	3/5
Sergio Balbinot	2/5
Heinz Dollberg (up to 22 June 2018)	1/1
Ranjit Gupta	5/5
Suraj Mehta	5/5
Nanoo Pamnani	5/5
Dipak Poddar	5/5
Lila Poonawalla	5/5
Hicham Raissi (up to 6 September 2018)	0/2
Avais Karmali	0/1
Tapan Singhel	5/5

Committees of the Board of Directors: Constitution & Composition

Audit Committee, Investment Committee, Risk Management Committee, Policyholders' Protection Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee, which are mandatorily required under the Corporate Governance Guidelines, have been constituted in accordance with the requirements set out therein.

Audit Committee

The Audit Committee of the Board of Directors oversees the periodic financial reporting before submission to the Board, disclosure processes, legal compliances, functioning of the internal financial control framework and the internal audit department, reviews internal audit plans and reports on a quarterly basis and approves and reviews the related party transactions. The Audit Committee is directly responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the internal, statutory, concurrent and investment risk management systems and process auditors. The senior management personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit, who presents his report to the Committee at every meeting thereof.

Lila Poonawalla, Independent Director, is the Chairperson of the Audit Committee with Sanjay Asher, Suraj Mehta and Nanoo Pamnani, Independent Directors and Ritu Arora, Sanjiv Bajaj and Ranjit Gupta, Directors, being the other members thereof. All the members of the Audit Committee are non-executive Directors and majority of them are Independent Directors.

The Audit Committee met four times during FY2019 on 15 May 2018, 17 July 2018, 16 October 2018 and 15 January 2019. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Lila Poonawalla	4/4
Ritu Arora (w.e.f. 29 June 2018)	3/3
Sanjay Asher	2/4
Sanjiv Bajaj	4/4
Heinz Dollberg (up to 22 June 2018)	1/1
Ranjit Gupta	4/4
Suraj Mehta	4/4
Nanoo Pamnani	4/4

Investment Committee

The Investment Committee establishes the investment policy and operational framework for the investment operations of the Company. It periodically reviews the investment performance and the market conditions and recommends the investment policy for approval of the Board of Directors.

Sanjiv Bajaj is the Chairman of the Investment Committee with Ritu Arora and Ranjit Gupta, Directors and Tapan Singhel, MD & CEO, Amit Joshi, Chief Investment Officer, Milind Choudhari, Chief Financial Officer, Gaurav Malhotra, Appointed Actuary and Rajeev Kumar, Chief Risk Officer being the other members thereof.

The Committee met four times during FY2019 on 14 May 2018, 17 July 2018, 16 October 2018 and 15 January 2019. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Sanjiv Bajaj	4/4
Ritu Arora (w.e.f. 29 June 2018)	3/3
Heinz Dollberg (up to 22 June 2018)	1/1
Ranjit Gupta	4/4
Tapan Singhel	4/4
Amit Joshi	4/4
Milind Choudhari	4/4
Gaurav Malhotra	4/4
Rajeev Kumar	4/4

Policyholders' Protection Committee

The Policyholders' Protection Committee of the Board of Directors has the responsibility to put in place proper procedures and effective mechanism to address complaints and grievances of policyholders including those arising out of mis-selling by intermediaries and to ensure compliance with the statutory requirements relating to servicing of policyholders. It reviews the grievance redressal mechanism and the status of complaints at periodic intervals.

Sanjiv Bajaj is the Chairman of the Policyholders' Protection Committee with Ritu Arora, Ranjit Gupta, Directors and Tapan Singhel, MD & CEO, being the other members thereof. The Appointed Actuary, Chief Financial Officer and Head of Operations and Lila Poonawalla (Customer Representative) are also invited to meetings of the Committee.

The Committee met four times during FY2019 on 14 May 2018, 17 July 2018, 16 October 2018 and 15 January 2019. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Sanjiv Bajaj	4/4
Ritu Arora (w.e.f. 29 June 2018)	3/3
Heinz Dollberg (up to 22 June 2018)	1/1
Ranjit Gupta	4/4
Tapan Singhel	4/4

Nomination and Remuneration Committee

Pursuant to section 178 of the Companies Act, 2013(the Act), the Company has formed the Nomination and Remuneration Committee, with responsibility to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, to formulate the criteria for determining qualifications, positive attributes and independence of a Director, to specify the manner for effective evaluation of performance of the Board, its committees and individual directors and review its implementation and compliance, recommendation of remuneration policy for Directors, key managerial personnel and other employees, etc.

Nanoo Pamnani, Independent Director, is the Chairman of the Committee with Sanjay Asher and Lila Poonawalla, Independent Directors, Sanjiv Bajaj, Ritu Arora and Ranjit Gupta, Directors being the other members thereof.

The Committee met four times during FY2019 on 15 May 2018, 18 July 2018, 16 January 2019 and 8 March 2019. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Nanoo Pamnani	4/4
Ritu Arora (w.e.f. 29 June 2018)	3/3
Sanjay Asher	3/4
Sanjiv Bajaj	4/4
Heinz Dollberg (up to 22 June 2018)	1/1
Ranjit Gupta	4/4
Lila Poonawalla	4/4

Corporate Social Responsibility (CSR) Committee

Pursuant to section 135 of the Act, the Company has formed the Corporate Social Responsibility Committee, with responsibility to formulate and monitor CSR policy of the Company, recommend the amount of expenditure to be incurred on CSR activities, approve the projects for CSR activities, etc.

Sanjiv Bajaj is the Chairman of the Corporate Social Responsibility Committee with Ritu Arora, Ranjit Gupta, Directors, Nanoo Pamnani, Independent Director and Tapan Singhel, MD & CEO being the other members thereof.

The Committee met four times during FY2019 on 18 July 2018, 17 October 2018, 16 January 2019 and 8 March 2019. Following table sets out the particulars of attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Sanjiv Bajaj	4/4
Ritu Arora (w.e.f. 29 June 2018)	4/4
Heinz Dollberg (up to 22 June 2018)	0/0
Ranjit Gupta	4/4
Nanoo Pamnani	4/4
Tapan Singhel	4/4

Disclosure on remuneration of Managing Director (MD) and Key Management Persons

The Company has a Board approved policy on the remuneration structure of the Managing Director / Chief Executive Officer / Whole-Time Director of the Company.

a. Objectives & Key Features of Company's Remuneration Policy

The objective of the policy is that the remuneration structure and the quantum payable to the MD besides being in compliance with the applicable regulatory requirements should also be competitive in the insurance industry. The said policy sets out all aspects of the remuneration structure of the Managing Director / Chief Executive Officer / Whole-Time Director of the Company including level and components of remuneration, risk adjustment, remuneration in case of new appointment and revision of remuneration.

b. Design & Structure of the Remuneration Process

The Nomination and Remuneration Committee (NRC) considers the size and complexity of the Company for comparison of salary levels prevailing amongst other insurance companies and other comparable companies in financial services like NBFCs, banks and mutual funds etc. Benchmarking is undertaken periodically in order to arrive at an optimum compensation to be recommended to the Board so as to attract and retain the best talent.

c. Risks adjustment to and linkage of performance with remuneration

The remuneration process considers the current and future risk factors in terms of setting the targets and evaluation criteria as well. Performance criteria, aligned with the annual operating plan, are set covering quantitative measures as well as relevant qualitative and risk factors, based on priorities set by the Board each year.

d. Elements of Remuneration of MD, other Directors & Key Management Persons

Independent Directors are paid sitting fees of ₹100,000 per meeting of the Board or committee thereof, excluding Corporate Social Responsibility Committee, attended by them. Other than the MD, no other Director of the Company is entitled to / paid any remuneration (excluding sitting fees as aforesaid) during FY2019, as all other members of the Board are non-executive.

Enterprise Risk Management (ERM) framework

Risk Objectives

Your Company operates in an environment that is continuously changing due to external pressures to quickly adapt to new regulations and competition. Any business strategy entails risk. In all types of undertaking, there is the potential for events and consequences that constitute opportunities for benefit (upside) or threats to success (downside).

At your Company, ERM deals with risks and opportunities to create or preserve value. ERM as a process is ongoing, effected by people (Board of Directors, Management and Employees), applied in setting strategy and across the Company, designed to identify potential events (risks and opportunities) and manage the risks within its risk appetite, to provide reasonable assurance regarding the achievement of the Company's objectives.

Your Company is committed towards managing risks in line with its stated risk appetite through a systematic framework which identifies, evaluates, mitigates and monitors risks that could potentially have a material impact on the value of the organisation or potentially hinder the organisation in achieving its stated business objectives and goals.

The risk management practices are aimed to address one or more of these risk management goals as given below:

- Determine the risk profile/appetite of the Company;
- Ensure integration of risk considerations into decision-making processes including promotion of a strong risk management culture supported by a robust risk governance structure;
- Determine the relevant processes and strategies for risk management which include identification of risks, ongoing measurement and monitoring of risk exposures and ensuring relevant control or risk transfer;
- Develop and monitor mitigation plans for high risk items identified through the self-assessment mechanism carried out by respective business functions, loss events and internal / statutory audit findings;
- To ensure adherence to all regulatory mandates as laid down by different regulatory authorities and all critical internal policies / limits;
- Proactive and reactive approach to manage frauds;
- Minimising reputational risk as identified and assessed as part of a regular assessment and managed on a case-by-case basis.

Risk Governance Framework

Effective risk management is based on a common understanding of risks, clear organisational structures and comprehensively defined risk management processes. The management establishes and adheres to a risk strategy and associated risk appetite for the Company's business, which is derived from and consistent with the business strategy. There is a defined risk governance framework in place to address the risk management objectives of the Company. The risk governance structure of the Company consists of the Risk Management Committee (RMC) of the Board and the Executive Risk Committee.

The risk strategy of the Company is to identify actual and potential threats to the Company on a short and long term basis internally and externally. The RMC oversees the functioning of the overall risk management framework of the Company and implementation of the risk management strategy. The RMC has also been vested with the responsibility to formulate, implement, monitor and periodically revise the Asset Liability Management strategy of the Company. The RMC comprises of Sanjiv Bajaj as the Chairman, with Ritu Arora, Ranjit Gupta, Directors and Tapan Singhel, MD & CEO being the other members thereof. The Chief Risk Officer, Chief Investment Officer, Chief Financial Officer and Appointed Actuary are permanent invitees to all meetings of the RMC.

The RMC met four times during FY2019 on 14 May 2018, 17 July 2018, 16 October 2018 and 15 January 2019. Following table sets out the particulars and attendance of members of the Committee at the aforesaid meetings:

Name of member	No. of Meetings Attended
Sanjiv Bajaj	4/4
Ritu Arora (w.e.f. 29 June 2018)	3/3
Heinz Dollberg (up to 22 June 2018)	1/1
Ranjit Gupta	4/4
Tapan Singhel	4/4

The supervisory level ERC, convened by the Chief Risk Officer, comprises of various Heads of Departments, which have been identified as the owners of key risks within the Company. They are responsible for implementation of risk management activities including risk mitigation plan within their respective vertical / department. This executive level committee ensures centralized risk monitoring and management. The quorum of the meeting is one third of the total number of members of the committee. The ERC holds meetings on regular basis generally every quarter. The committee may call for a meeting of the ERC if the needs arise and may invite any person to the meeting.

Covering major categories of assessable risks, independent of the assessment methodology and quantifiability, the risk management framework encompasses practices relating to identification, assessment, monitoring and mitigation of these risks. The overall risks are divided into several categories, which are further subdivided into major sub-categories. While the risk categories remain clearly distinct from each other, at the time of assessment their interdependencies are taken into account.

Key Risks and their mitigation

1. Market risk and Asset Liability Management (ALM) risk arises from unexpected losses arising due to changes in market prices or parameters influencing market prices, or from changes to the net worth of assets and liabilities in related undertakings driven by market parameters. The risk is mitigated by maintaining a desired mix between debt and equity subjected to investment regulations by IRDAI, active asset management based on the ALM output along with asset and liability duration matching which limits impact of interest rate changes and actions taken to manage guarantee risk.
2. Credit risk or the risk of default of counter parties is sought to be mitigated by investing in securities with minimum acceptable credit rating and reviewing changes in credit ratings. The Company also seeks to deal with financially sound reinsurers.
3. Liquidity risk is monitored on a regular basis to ensure sufficient liquidity is maintained to meet short-term obligations by timing the cash inflows and outflows through cash flow matching and by maintaining a minimum mix of liquid assets.
4. Operational risk is mitigated by a system of internal audit and fraud prevention which flags off areas where risks are identified.
5. Insurance / business risk is sought to be mitigated by executing business operating plan and having a risk and reward plan for expenses, claims and monitoring actuals.
6. The Company has a Disaster recovery site in a different seismic zone and a business continuity plan to mitigate business continuity risk.

Certification for compliance of the Corporate Governance Guidelines

I, Onkar Kothari, Company Secretary & Compliance Officer hereby certify that the Company has complied with the Corporate Governance Guidelines for Insurance Companies issued by Insurance Regulatory and Development Authority of India (IRDAI), as amended from time to time, and nothing has been concealed or suppressed.

For Bajaj Allianz General Insurance Company Limited

8 May 2019
Pune

Onkar Kothari
Company Secretary & Compliance Officer

Annual Report on Corporate Social Responsibility Activities

1. Brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

The Company has in place its Corporate Social Responsibility (CSR) Policy in line with the requirements of Companies Act, 2013 (the Act). The Policy has been approved by the Board of Directors and the same is placed on the Company's website (<https://general.bajajallianz.com/Corp/aboutus/general-insurance-company-corporate-social-responsibility.jsp#Corporate-Social-Responsibility>).

The Company's CSR Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large, including health-care, education, environment, etc. The CSR Policy of the Company outlines the scope of CSR activities, modalities of execution of projects / programs, implementation through CSR Cell / other vehicles of CSR implementation and monitoring assessment of CSR projects / programs.

The process for implementation of CSR programs involves identification of programs based on proposals received through various channels, assessment of the project in terms of funding required, implementation area and overall scope, due diligence of implementation agency and recommendation to the CSR Committee. If found appropriate, the CSR Committee approves the proposal and amount of expenditure to be incurred on the same within the overall limit approved by the Board.

2. Composition of the CSR Committee:

The CSR Committee of the Company comprises of the following Directors:

1. Sanjiv Bajaj, Chairman
2. Nanoo Pamnani, Independent Director
3. Ritu Arora, Director
4. Ranjit Gupta, Director
5. Tapan Singhel, Managing Director & Chief Executive Officer

Note:

- a. Heinz Dollberg ceased to be member with effect from 22 June 2018.
- b. Ritu Arora was appointed as a member with effect from 29 June 2018.

3. Average net profit of the Company for last three financial years: ₹1,067 crore

4. Prescribed CSR Expenditure (2% of amount as in Item No. 3 above): ₹21.35 crore

5. Details of CSR spent during FY2019:

- a. Total amount to be spent for the financial year: ₹21.35 Crore
- b. Amount unspent: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

CSR at Bajaj Allianz General Insurance and Bajaj Finserv Group Companies



Introduction

‘Society must profit from profit itself’. That’s what our group’s founding father was committed to. That is what we are committed to today. That’s what we will continue to do in the future. Our Group’s CSR activities are guided by the vision and philosophy of our founding father, Shri Jamnalal Bajaj, who embodied this value in our business and laid the foundation for finding numerous ways to give back to the ecosystem we are a part of.

‘Social empowerment’ is at the heart of all our CSR activities. We work with various partners to make good quality services, be it healthcare or education or training for employability, accessible and affordable to all sections of society. We believe this helps individuals to unlock and activate their true potential.

Our focus areas



Healthcare

Good quality healthcare services are available to only a privileged few. Over the last 4 years, we have partnered with various organizations to make healthcare services accessible and affordable to all strata of society. Our financial support for medicines and treatment and our grants for hospital equipment, especially in remote geographies, ensure that people can access and afford good quality healthcare. Children being our focus area, we support treatment of congenital heart disease, cleft, and palate reconstruction surgeries, treatment for childhood cancers, epilepsy, Type II diabetes, vision care, etc. for children.



Protection

Thousands of children in street situations battle hardships like dysfunctional families, impoverishment, malnutrition, illness, and illiteracy. If these roadblocks can be removed, these children can lead an independent and dignified life and contribute to the country as productive citizens. We support various partners that provide shelter, education, as well as care for street children, abandoned children, and children in vulnerable communities. We hope to create an inclusive environment that channelizes the energies of these children towards productive purposes.



Employability

Less than one-third of the country's graduates are found employable by the corporate sector. The problem is more pronounced for first-generation graduates and graduates from smaller towns. The vast potential of India's educated youth is under-utilized as they are unable to find employment opportunities appropriate to their academic qualification and have to settle for lower quality jobs. Our Certificate Programme in Banking, Finance, and Insurance (CPBFI) is designed to build capabilities (knowledge, skills, and attitude) and provide opportunities to graduates. Bajaj Finserv partners with various colleges across locations to conduct CPBFI for their students and alumni.



Education

We work with several partners to support projects like schools for children with special needs, municipal schools, night schools, and open schools for children who could not continue with their education. Through these initiatives, we hope to provide an equal opportunity for all children to access education and shape a better future for themselves.

Annexures to the Directors' Report for the year ended 31 March 2019

(₹ In Crore)

Sr. No.	Name and details of Implementing Agency	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period
1	Center for Applied Research and People Engagement	Funding support for "Bajaj Majhi City Swach City" - Phase 2 and "Bajaj Swach Maharashtra Mission" for 36 months	Setting up homes and hostel for women and orphans	Aurangabad, Maharashtra	0.94	0.12	0.12
2	Foundation for Excellence India Trust	Funding support for education of meritorious and financially needy medical students	Eradication of poverty, Promotion of education	Pune, Maharashtra	1.05	0.21	0.42
3	Janaseva Foundation	Funding support for construction of rehabilitation center for street children	Setting up homes and hostel for women and orphans	Pune, Maharashtra	2.25	1.00	1.00
4	Jeevoday Education Society	Funding support for Jeevoday Special School over a period of 27 months	Eradication of poverty, Promotion of education	Nagpur, Maharashtra	2.60	1.55	1.55
5	Lata Mangeshkar Medical Foundation's Deenanath Mangeshkar Hospital	Funding support for children, especially from economically weaker sections, suffering from terminal disease/s.	Promoting health care including preventive health care	Pune, Maharashtra	2.00	0.94	1.69
6	Lata Mangeshkar Medical Foundation's Deenanath Mangeshkar Hospital	Support to purchase the medical equipment to cater to Increasingly volume and workload of the Center	Promoting health care including preventive health care	Pune, Maharashtra	0.55	0.50	0.50
7	Lend A Hand India (LAHI)	Project support and pilot schools for J&K government to implement skill-based education in schools	Eradication of poverty, Promotion of education	Jammu & Kashmir	1.68	1.30	1.30
8	Mumbai Mobile Crèche	Funding support for comprehensive daycare programme for children living on construction sites	Eradication of poverty, Promotion of education	Mumbai, Maharashtra	0.48	0.24	0.48
9	Mumbai Mobile Crèche	Funding support for comprehensive daycare programme for children living on construction sites	Eradication of poverty, Promotion of education	Mumbai, Maharashtra	0.60	0.30	0.30
10	Paragon Charitable Trust	Funding support for operational expenses of Globe Mills Passage School for children from low income community	Eradication of poverty, Promotion of education	Mumbai, Maharashtra	2.00	0.85	2.00

(₹ In Crore)

Sr. No.	Name and details of Implementing Agency	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period
11	Sangath	Building emotional resilience in young children and promoting positive mental health	Eradication of poverty, Promotion of education	Pune, Maharashtra	1.45	0.45	0.45
12	SEWA (Mahila Sewa Trust)	Program for livelihood regeneration and sustainability	Promotion of education	Kupwara, Ladakh, Aurangabad	2.93	1.06	1.06
13	Smile Train India	Funding support for cleft reconstructive surgeries and rehabilitation of cleft patients by speech therapy and orthodontic treatment	Promoting health care including preventive health care	Selected centres in India	21.00	7.00	14.00
14	Snehalaya	Funding support for operating expenses of the adoption center	Setting up homes and hostels for women and orphans	Ahmednagar, Maharashtra	1.50	0.25	0.75
15	Snehalaya	Funding of operating expenses for Snehankur	Setting up homes and hostels for women and orphans	Ahmednagar, Maharashtra	0.35	0.20	0.20
16	SOS Children's Villages of India	Funding support for setting up of SOS Children homes at Latur	Setting up homes and hostels for women and orphans	Latur, Maharashtra	1.00	0.10	1.00
17	Swa-Roopwardhinee	Funding support for Montessori School; Assistant Nursing Course and Basic Tailoring & Dressing course	Eradication of poverty, Promotion of education	Pune, Maharashtra	0.55	0.18	0.55
18	Tata Memorial Center	Funding support for medical treatment of cancer affected children	Promoting health care including preventive health care	Mumbai, Maharashtra	3.00	1.00	2.00
19	Tata Memorial Center	Funding support for Pediatric Cancer Support Staff Project	Promoting health care including preventive health care	Mumbai, Maharashtra	2.00	0.65	1.25
20	The Banyan	Funding support for reorienting the paradigm of mental health care in India by promoting social inclusion over a period of 39 months	Promoting health care including preventive health care	Thane, Ratnagiri, Nagpur, Maharashtra	3.26	0.86	0.86

(₹ In Crore)

Sr. No.	Name and details of Implementing Agency	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period
21	Udyogini	Funding support to enable poor women to align their farming with new technologies, markets and build an efficient supply chain in an ecologically sensitive area over a period of 27 months	Eradication of poverty, Promotion of education	Sawai Madhopur, Rajasthan	1.43	0.55	0.55
22	Vision Spring	Funding support to conduct eye screenings and provide eyeglasses under See to Learn: See to work: See to be Safe program	Promoting health care including preventive health care	Aurangabad, Pune, Wardha, Pantnagar and Sikar	9.00	1.60	3.05
23	Not applicable (Project directly implemented by the Company)	Road safety initiative	Promotion of education	Pune, Maharashtra	0.40	0.37	0.37
24	CSR Overheads	Professional fees paid to the CSR consultant	CSR Overhead	-	0.12	0.12	0.23
						21.40	

Note: Bajaj Allianz Road Safety Initiative was an innovative and direct road safety initiative of the Company. All other amounts mentioned above as spent are spent through implementing agencies.

6. In case the Company fails to spend the 2% of the Average Net Profit of the last 3 financial years, the reasons for not spending the amount shall be stated in the Board report: Not applicable

CSR Committee's Responsibility Statement

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

Sanjiv Bajaj
(DIN 00014615)
Chairman of
CSR Committee

Date: 8 May 2019

Tapan Singhel
(DIN 03428746)
Managing Director &
Chief Executive Officer

Form No. MR-3

Secretarial Audit Report

[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]]

For the financial year ended 31 March, 2019

To,

The Members,

Bajaj Allianz General Insurance Company Limited,

(CIN U66010PN2000PLC015329)

Bajaj Allianz House, Airport Road,

Yerawada, Pune- 411006

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bajaj Allianz General Insurance Company Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company, books, registers, 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2019, complied with the applicable 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:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding foreign direct investment;
3. The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
4. Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a General Insurance Company.

The Company is a public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive 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 was given to all Directors to schedule the Board meetings, including Committees thereof, alongwith agenda and detailed notes on agenda at least seven days in advance, 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 by the Directors. The decisions are carried unanimously.

I 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.

I further report that during the audit period there was no event / action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Place: Pune
Date: 8 May 2019

Shyamprasad D. Limaye
FCS No. 1587 C P No.: 572






WORRIED ABOUT
YOUR SECURITY ONLINE?

BAJAJ ALLIANZ KA CYBER INSURANCE HAI NA

ACCOUNT
HACKED

Bajaj Allianz Individual Cyber Safe Insurance Policy
takes care of your everyday online safety with:

-  Financial cover against cyber fraud
-  Wide range of Sum Insured
-  Round-the-clock legal assistance and
Compensation for cyber fraud

Caringly yours



MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019



With respect to the operations of Bajaj Allianz General Insurance Company Limited ("the Company") for the year ended 31 March 2019 and results thereof, the Management of the Company confirms and declares that:

1. The Company has paid to the Insurance Regulatory and Development Authority of India (IRDAI) the annual fees for FY2020 as specified by the IRDA (Registration of Indian Insurance Companies) Regulations, 2000. Section 3A of the Insurance Act, 1938 has been amended by the Insurance Laws (Amendment) Act, 2015 w.e.f. 26 December 2014, which has removed the process of annual renewal of Certificate of Registration.
2. All dues payable to the statutory authorities have been duly paid except where the Company has preferred appeals.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements and no shares have been transferred during the year.
4. The Management has not invested any funds of holders of policies in India, directly or indirectly, outside India.
5. The required solvency margin under the Insurance Act, 1938 has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in Management's belief, the assets set forth 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", "income accrued on investments", "due from other entities carrying on insurance business, including reinsurers (net)", "cash and bank balances" and the several items specified under "advances recoverable".
7. As a general insurer, the Company is exposed to a variety of risks. The primary risks are that of frequency of claims as measured by the number of claims in relation to number of policies outstanding and severity of claims as measured by the average amount per claim. The frequency and severity risks vary according to the lines of business.

The Company has a multi-layer reinsurance program which seeks to optimize the retention of risk at each policy level as well as at the level of lines of business. The Company's retention of risks varies according to lines of business and is decided after considering relevant factors such as capital and solvency position, available reinsurance capacity and adequacy of reinsurance terms. The automatic reinsurance program of the Company is designed as multi-layer treaties combining proportional reinsurance (where the Company and the reinsurer share the premiums and claims in an agreed proportion) and non-proportional reinsurance. The limits under the treaties are set based on accumulation of risks by location and category, after considering the exposure based on Probable Maximum Loss, where applicable, and the expected frequency of claim events. The Company is exposed to catastrophe risk, which is mitigated by a separate non-proportional reinsurance treaty, which limits the Company's exposure to any single covered event. In addition to treaties, the Company also purchases, where required, on a case-to-case basis, facultative reinsurance for specific policies, where either treaty limits are inadequate or the risk is not covered by the terms of the reinsurance treaties.

The reinsurance program of the Company is filed with the IRDAI.

The Company has an offsite disaster recovery center for its data backups.

The Company has in place a risk management process which, inter alia, identifies major risks that the Company is exposed to and sets out action plans for mitigation of such risks.

The Company has a separate Internal Audit Department which audits the operations of its offices and functions. Key operational risks and compliances are audited according to an audit plan approved by the Audit Committee of the Board of Directors.

The Company has an Anti Money Laundering Policy and a Whistle Blower mechanism in place, duly approved by the Board of Directors. The investment portfolio is also diversified within limits set under the IRDAI Regulations. The Company has appointed an independent firm of Chartered Accountants to undertake the concurrent audit of Company's investment transactions and related processes, report of which is submitted to the Audit Committee on a quarterly basis.

The Company has a Risk Management Committee of the Board of Directors which advises the Board on the risk exposures and the actions taken to manage the same. In addition, the Company also has an Internal Risk Committee consisting of various departmental representatives, convened by the Chief Risk Officer, which reviews the risks as well as the risk processes and compliance with the Risk Management Policy of the Company. Pursuant to the requirements of the Companies Act, 2013 read with the Insurance Act, 1938 and various regulations made thereunder, the Company has formed various other committees of the Board of Directors, which include Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Policyholders' Protection Committee and Investment Committee.

8. The Company does not have insurance operations in any other country.
9. The settlement time for claims depends on various factors pertinent to respective lines of business, such as cause of loss, the nature of claim, etc. Typically, claims which result in total or partial destruction of assets or records (such as those caused by Acts of God), those where adequate documentation to assess the claims are awaited and those which are the subject matter of judicial processes (such as motor third party insurance claims) tend to have longer settlement times, which are beyond the control of the Company. The Company has internal processes for regular review of such claims paid and outstanding. Ageing of claims indicating the trends in average claim settlement time during the preceding five years is given in Annexure I and ageing analysis of claims registered and not settled (excluding provision for IBNR / IBNER and claims relating to inward re-insurance from terrorism pool and the Indian Motor Third Party Insurance Pool) is given in Annexure II to this Report.
10. We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, equity shares and mutual fund units have been valued as per accounting policies prescribed by IRDAI. For fixed income securities, the market value is based on procedure issued by Fixed Income and Money Market and Derivative Dealers Association (FIMMDA). The investment in equity shares is valued at market value. The investments in the Mutual Funds are valued at the Net Asset Values (NAV) of these Mutual Funds as on the Balance Sheet date, if any.
11. Most of the Company's investments are in fixed income securities, deposits and loan. The fixed income securities are mainly approved Government securities and bonds rated AA and above. The primary aim while investing is to generate adequate return while minimizing risk. The emphasis is also on the liquidity of investments to ensure that the Company meets all its obligations related to Claims and other operations. The Company monitors the cash position on daily basis and seasonal liquidity needs are considered while planning maturities of investments in respect of all assets. The fixed income investments and loan have not had delays in servicing of interest or principal amounts and in case of delay, if any, the same has been suitably provided for. Investments in loans are valued at historical cost. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of all the investments, in line with the objectives.
12. The Management of the Company certifies that:
 - a. The financial statements of the Company have been prepared in accordance with the applicable Accounting Standards and principles and policies with no material departures;
 - 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 the affairs of the Company at the end of the financial year and of the operating profit and of the profit of the Company for the year;
 - c. The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d. The financial statements have been prepared on a going concern basis;
 - e. The Management has set up an internal audit system commensurate with the size and nature of the business and the same was operational throughout the year.
13. The schedule of payments which have been made to individuals, firms, companies and organizations in which the Directors of the Company are interested is given as Annexure III.

For and on behalf of the Board of Directors

Sanjiv Bajaj
Chairman
DIN: 00014615

Lila Poonawalla
Director
DIN: 00074392

Ritu Arora
Director
DIN : 07019164

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN: 03428746

Milind Choudhari
Chief Financial Officer

Onkar Kothari
Company Secretary &
Compliance Officer

Pune, 8 May 2019

Annexure I to Management Report: Average Claims Settlement Time during Preceding 5 Years

(₹ In Lacs)

Period	2014-15		2015-16		2016-17		2017-18		2018-19	
	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount	No of Claims	Amount
01 FIRE										
30 days	7,575	11,811	2,797	969	1,405	838	1,537	673	3,791	4,327
31 days to 6 months	9,757	37,772	6,874	9,050	1,496	7,011	1,557	4,332	2,745	9,756
6 months to 1 year	352	5,810	2,954	5,854	845	9,065	500	8,468	705	10,592
1 year to 5 years	228	4,577	1,038	21,185	2,305	8,385	2,293	8,120	1,325	11,040
5 years and above	43	100	38	176	47	91	66	334	134	387
02 MARINE										
30 days	6,346	1,045	6,519	1,009	9,982	1,139	9,242	955	35,435	1,857
31 days to 6 months	3,366	2,879	4,598	3,636	4,806	3,509	4,234	3,362	6,278	5,269
6 months to 1 year	504	1,504	645	2,657	751	2,798	514	1,421	635	4,256
1 year to 5 years	298	1,206	283	2,151	388	1,906	545	5,152	305	1,815
5 years and above	51	69	17	16	48	103	113	82	35	43
03 MOTOR OD										
30 days	382,150	54,125	420,337	65,770	430,446	69,834	397,773	57,909	513,745	70,467
31 days to 6 months	82,163	46,123	87,509	60,187	72,732	53,200	92,215	46,913	71,186	44,895
6 months to 1 year	5,553	5,546	5,266	5,612	4,049	6,469	4,571	6,808	4,041	6,972
1 year to 5 years	7,178	810	1,765	1,488	1,435	1,362	1,391	1,229	1,317	1,425
5 years and above	2,043	(18)	331	129	392	201	548	145	1,342	300
04 MOTOR TP										
30 days	5,537	409	5,007	292	5,674	63	4,567	75	5,042	190
31 days to 6 months	7,124	3,104	6,951	3,083	5,717	1,601	5,311	1,004	6,140	1,153
6 months to 1 year	5,375	5,280	5,028	5,591	4,338	4,243	5,370	3,690	4,563	3,381
1 year to 5 years	18,463	27,348	17,058	29,048	13,623	24,087	18,135	27,107	13,789	36,095
5 years and above	5,292	6,611	7,109	10,126	7,301	11,354	9,464	14,412	8,796	22,164
05 HEALTH										
30 days	121,951	34,493	121,711	36,687	249,051	43,598	448,722	62,210	1,563,984	109,664
31 days to 6 months	46,734	14,809	44,574	19,030	65,643	26,600	80,046	27,787	135,098	53,727
6 months to 1 year	11,803	2,027	3,015	1,605	4,198	1,753	4,521	1,701	8,783	3,158
1 year to 5 years	2,713	515	982	716	1,496	938	1,759	770	2,980	1,269
5 years and above	307	54	146	(2)	194	22	401	32	85	70
06 OTHER										
30 days	31,145	34,420	53,692	56,235	36,914	6,748	73,906	82,228	240,213	86,823
31 days to 6 months	21,999	44,994	27,680	22,246	54,042	25,065	100,679	31,459	85,173	52,737
6 months to 1 year	1,337	3,099	6,079	4,033	9,243	4,882	10,401	5,019	6,200	20,203
1 year to 5 years	1,976	2,704	2,047	3,639	2,601	6,939	7,488	6,617	5,216	11,130
5 years and above	594	324	537	621	514	294	829	514	643	975

Note: The above includes partially settled claims and on-account payments made.

Annexure II: Ageing analysis of Claims registered and not settled

(₹ In Lacs)

Line of Business	Fire		Marine		Motor OD		Motor TP		Health		Other		Total	
Period	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt	Nos	Amt
As at 31st March 2019														
0 - 30 Days	179	1,466	347	669	4,331	4,438	1,113	5,161	39,332	6,430	34,802	2,791	80,104	20,955
31 days-6 month	436	4,890	1,061	2,119	2,980	6,706	4,672	23,366	10,743	4,155	10,447	4,645	30,339	45,883
6 moths to 1Year	255	2,923	215	586	359	1,056	4,434	22,843	1,775	1,217	2,545	1,615	9,583	30,239
1 year to 5 Year	1,730	2,733	751	1,457	1,113	2,641	21,339	109,413	423	1,693	2,711	3,703	28,067	121,641
> 5 year	356	2,478	240	947	847	1,893	16,527	24,901	108	194	2,081	2,832	20,159	33,245
As at 31st March 2018														
0 - 30 Days	192	1,151	420	572	3,726	3,507	1,069	4,883	12,121	4,639	5,591	1,707	23,119	16,459
31 days-6 month	338	3,209	204	1,359	2,752	6,273	4,229	19,716	4,516	2,516	2,642	2,928	14,681	36,002
6 moths to 1 Year	186	1,445	73	312	453	1,111	4,506	20,677	1,849	1,381	3,699	4,031	10,766	28,957
1 year to 5 Year	1,897	2,844	763	1,449	1,180	2,622	21,756	99,665	433	1,639	2,896	4,235	28,925	112,455
> 5 year	300	2,123	250	1,074	781	1,645	17,597	21,163	124	254	1,917	2,558	20,969	28,818
As at 31st March 2017														
0 - 30 Days	228	626	1,650	597	3,440	3,700	1,185	4,808	5,077	2,761	5,565	2,275	17,145	14,768
31 days-6 month	356	1,805	573	875	1,926	4,882	4,253	17,376	1,681	1,758	7,508	3,490	16,297	30,185
6 moths to 1 Year	308	2,120	180	788	316	1,046	4,715	21,508	153	785	3,782	1,589	9,454	27,835
1 year to 5 Year	2,551	3,055	399	1,141	1,083	2,286	21,410	82,092	275	1,122	5,701	4,757	31,419	94,454
> 5 year	228	1,901	189	900	703	1,380	17,026	18,724	119	281	1,669	2,359	19,934	25,546
As at 31st March 2016														
0 - 30 Days	308	879	331	526	3,669	3,528	1,227	5,216	4,184	2,406	2,501	2,173	12,220	14,729
31 days-6 month	761	5,331	377	912	2,903	5,285	4,559	20,593	876	1,236	4,742	3,071	14,218	36,428
6 moths to 1 Year	613	1,343	163	672	332	992	4,332	19,889	168	1,030	1,522	2,270	7,130	26,196
1 year to 5 Year	1,458	3,030	396	918	1,045	2,156	21,561	63,479	217	720	3,181	4,030	27,858	74,332
> 5 year	161	1,323	133	814	596	1,020	14,863	17,047	100	124	1,356	2,061	17,209	22,389
As at 31st March 2015														
0 - 30 Days	962	1,440	298	597	4,234	3,354	1,231	4,383	2,790	1,672	1,683	1,646	11,198	13,091
31 days-6 month	6,821	2,618	325	2,169	3,010	5,154	4,472	15,934	539	811	11,046	2,531	26,213	29,217
6 moths to 1 Year	205	1,286	159	575	623	1,276	4,391	17,920	92	474	532	1,597	6,002	23,128
1 year to 5 Year	467	2,578	298	1,322	1,348	1,997	24,515	42,535	256	457	2,116	3,083	29,000	51,971
> 5 year	130	991	80	348	514	835	12,653	13,862	88	114	1,218	1,668	14,683	17,818
As at 31st March 2014														
0 - 30 Days	127	362	294	551	3,991	3,356	1,242	3,174	5,906	2,045	719	1,079	12,279	10,568
31 days-6 month	227	2,052	259	715	2,986	4,777	4,686	12,100	13,272	1,239	777	1,709	22,207	22,592
6 moths to 1 Year	143	1,059	76	248	647	829	4,934	11,288	6,772	801	498	1,225	13,070	15,449
1 year to 5 Year	308	1,955	242	1,327	1,374	2,015	28,286	29,385	614	561	2,077	2,851	32,901	38,093
> 5 year	91	807	52	225	328	344	8,984	11,236	62	85	999	1,355	10,516	14,053

Annexure III to the Management Report

Particulars of Payments made to entities where Directors are interested: FY 2018-19

(₹ In Lacs)

Sr No	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in	
1	Bajaj Finserv Ltd	Rahul Bajaj	Director & Member	Rent paid lease premises	203
		Sanjiv Bajaj	Director & Member		
		Niraj Bajaj	Director & Member		
		Nanoo Pamnani	Director		
2	Bajaj Auto Limited	Rahul Bajaj	Director & Member	Insurance claims paid	230
		Niraj Bajaj	Director & Member		
		Sanjiv Bajaj	Director & Member		
		Nanoo Pamnani	Director		
3	Bajaj Electricals Ltd	Rahul Bajaj	Member	Insurance claims paid	158
		Niraj Bajaj	Member		
		Sanjiv Bajaj	Member		
4	Bajaj Finance Ltd	Rahul Bajaj	Director & Member	Insurance claims paid	148
		Sanjiv Bajaj	Director & Member	Subvention charges paid	314
		Dipak Poddar	Director	Insurance commission paid	6,163
		Nanoo Pamnani	Director		
5	Bajaj Allianz Life Insurance Company Limited	Rahul Bajaj	Director	Billable expenses reimbursed on behalf	1,006
		Sanjiv Bajaj	Director	Insurance Claims paid	24
		Niraj Bajaj	Director	Insurance premium paid	116
		Ranjit Gupta	Director	Payment against Gratuity Fund	850
		Heinz Dollberg	Director	Rent & Maintenance Charges Paid	312
		Sergio Balbinot	Director		
		Hicham Raissi	Director		
		Nanoo Pamnani	Director		
		Suraj Mehta	Director		
		Sanjay Asher	Director		
		Lila Poonawalla	Director		
		Manu Tandon	Alternate Director		
6	Mukand Engineers Ltd	Rahul Bajaj	Member	Insurance claims paid	33
		Sanjiv Bajaj	Member		
		Niraj Bajaj	Director & Member		

(₹ In Lacs)

Sr No	Entity in which Director is interested	Name of the Director	Interested as	Payment during the year in	
7	Mukand Ltd	Rahul Bajaj	Member	Insurance claims paid	61
		Sanjiv Bajaj	Member		
		Niraj Bajaj	Director & Member		
8	Hind Musafir Agency Limited	Rahul Bajaj	Member	Travel agency services paid	2,219
		Niraj Bajaj	Member	Service Charges paid	29
9	Corel Traders Private Limited	Rahul Bajaj	Relative is Director	Insurance claims paid	1.1
		Sanjiv Bajaj			
10	Jamnalal Sons Private Limited	Sanjiv Bajaj	Director	Insurance claims paid	11
		Niraj Bajaj			
11	Hercules Hoists Limited	Rahul Bajaj	Member	Insurance claims paid	26
		Niraj Bajaj	Member		
		Sanjiv Bajaj	Member		
12	Ashok Leyland Limited	Sanjay Asher	Director	Insurance claims paid	29
13	Rij Engineering Pvt. Ltd.	Ranjit Gupta	Relative is Director	Insurance claims paid	2.3
14	Maharashtra Scooters Ltd	Sanjiv Bajaj	Director	Insurance claims paid	1.4
15	Bajaj Allianz Financial Distributors Limited	Hicham Raissi	Director	Insurance Commission Paid	1,568
		Ritu Arora			
		Avais Karmali			



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INDEPENDENT AUDITORS' REPORT



To the Members of Bajaj Allianz General Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bajaj Allianz General Insurance Company Limited ("the Company"), which comprise the balance sheet as at March 31 2019, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedules annexed thereto and 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 give the information required in accordance 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 Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard and the Companies Act, 2013, as amended (the "Act"), to the extent applicable, 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:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b. in the case of Revenue Account, of the operating profit for the year ended on that date;
- c. in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- d. 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 (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 provisions of 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 is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and the Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, operating profit/loss, profit/loss and the Receipts and Payments of the Company in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, the orders/directions/circulars issued by the IRDAI in this regard and Accounting Standards specified under section 133 of the Act, to the extent applicable. 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 the 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 statements 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.

Board of Directors is 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 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 SAs, we exercise professional judgment and maintain professional skepticism 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 Act, 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.

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 Matter

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 31 March 2019 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with guidelines and norms, issued by IRDAI and Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Company's Appointed Actuary's certificate in this regard for forming our opinion on the financials statements of the Company.

Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated 8 May 2019 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by IRDA Financial Statements 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 as required under section 143(8) of the Act;
 - d. The Balance Sheet, the Revenue Account, 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, the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
 - f. 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, the IRDA Financial Statements Regulations, the IRDA Act and/or orders/directions issued by the IRDAI in this regard;
 - g. 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 applicable Accounting Standards specified under Section 133 of the Act and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;
 - h. On the basis of the written representations received from the Directors as on 31 March 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2019 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- j. 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, as amended 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 as at 31 March 2019 on its financial position in its financial statements – Refer schedule 16 note 26 to the financial statements;
 - ii. The liability for insurance contracts, is determined by the Company's Appointed Actuary as per Schedule 16 note 2.11, and is covered by the Appointed Actuary's certificate, referred to in Other Matter paragraph above, on which we have placed reliance; and 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 Schedule 16 note 28 to the financial statements;
- k. 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 except in so far as the said provisions are not inconsistent with the Insurance Act or the IRDA Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16), hence not commented by us.

For S. R. BATLIBOI & CO. LLP

Chartered Accountants
Firm's Registration Number:
301003E/E300005

per **Shrawan Jalan**
Partner
Membership No. 102102

Place: Pune
Dated: 8 May 2019

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number:
101248W/ W-100022

Akeel Master
Partner
Membership No. 046768

Place: Mumbai
Dated: 8 May 2019

Independent Auditors' Certificate

The Board of Directors

Bajaj Allianz General Insurance Company Limited

Bajaj House, Airport Road, Yerawada,

Pune 411006

Independent Auditors' Certificate as referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated 8 May 2019

1. This certificate is issued to comply with the provisions of paragraph 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 IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations and may not be suitable for any other purpose.

Management's Responsibility

2. The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (the "Insurance Act") as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "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.

Independent Auditor's Responsibility

3. Our responsibility for the purpose of this certificate, is to provide reasonable assurance on the matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulations read with Regulation 3 of the IRDA Financial Statements Regulations.
4. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (ICAI) in so far as applicable for the purpose of this Certificate, which include the concepts of test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. 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

6. In accordance with the 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 31 March 2019, we certify that:

Independent Auditors' Report

- a. We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2019, and on the basis of our review, there is no apparent mistake or material inconsistencies 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, we certify that the Company has complied with the terms and conditions of registration stipulated by Insurance Regulatory and Development Authority of India (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 31 March 2019, by actual inspection or on the basis of certificates / confirmations received from the Custodian and/ or Depository Participants appointed by the Company, as the case may be;
- d. We have been given to understand by the management that 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 on Use

7. 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 provisions of paragraph 3 and 4 of Schedule C of the IRDA Financial Statements Regulations read with Regulation 3 of the IRDA Financial Statements Regulations and is not intended to be and should not be used for any other purpose without our prior consent. 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 S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm's Registration Number:
301003E/E300005

per Shrawan Jalan
Partner
Membership No. 102102

Place: Pune
Dated: 8 May 2019

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number:
101248W/ W-100022

Akeel Master
Partner
Membership No. 046768

Place: Mumbai
Dated: 8 May 2019



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FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019



BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

Revenue Accounts for the year ended 31 March 2019

(₹ in '000)

Particulars	Schedule	For the year ended 31 March 2019				For the year ended 31 March 2018			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned - (Net)	1	1,876,444	1,038,593	67,182,732	70,097,769	1,796,290	883,642	57,905,757	60,585,689
Profit/(Loss) on sale/redemption of investments		26,158	9,741	665,089	700,988	58,093	21,351	1,452,640	1,532,084
Other income - Miscellaneous income		142,159	2,341	41,809	186,309	134,533	1,922	35,415	171,870
Amortisation of discount/(premium)		998	372	25,381	26,751	(6,112)	(2,246)	(152,822)	(161,180)
Interest, dividend and rent-Gross		319,828	119,108	8,131,908	8,570,844	283,119	104,053	7,079,580	7,466,752
Sub total		489,143	131,562	8,864,187	9,484,892	469,633	125,080	8,414,813	9,009,526
Total (A)		2,365,587	1,170,155	76,046,919	79,582,661	2,265,923	1,008,722	66,320,570	69,595,215
Claims incurred (Net)	2	1,396,888	974,951	45,732,265	48,104,104	886,424	552,315	38,986,993	40,425,732
Commission	3	(183,568)	146,433	3,784,286	3,747,151	118,895	135,017	2,926,799	3,180,711
Contribution to solatium fund		-	-	27,542	27,542	-	-	20,330	20,330
Change in premium deficiency		-	-	(44,071)	(44,071)	-	-	44,071	44,071
Operating expenses related to insurance business	4	695,640	228,936	17,146,514	18,071,090	573,239	182,269	13,295,813	14,051,321
Total (B)		1,908,960	1,350,320	66,646,536	69,905,816	1,578,558	869,601	55,274,006	57,722,165
Operating profit/(loss)(C)=(A)-(B)		456,627	(180,165)	9,400,383	9,676,845	687,365	139,121	11,046,564	11,873,050
Appropriations									
Transfer to shareholders' account		456,627	(180,165)	9,400,383	9,676,845	687,365	139,121	11,046,564	11,873,050
Transfer to catastrophe reserve		-	-	-	-	-	-	-	-
Transfer to other reserves		-	-	-	-	-	-	-	-
Total		456,627	(180,165)	9,400,383	9,676,845	687,365	139,121	11,046,564	11,873,050

Significant accounting policies and notes to the Financial Statements Schedule 16

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W/W-100022

Akeel Master
Partner
Membership No. 046768
Mumbai,
Date: 8 May 2019

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number
301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Mumbai
Date: 8 May 2019

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392
Milind Choudhari
Chief Financial Officer

Ritu Arora
Director
DIN : 07019164

Onkar Kothari
Company Secretary &
Compliance Officer

Pune, Date: 8 May 2019

BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113, dated 2 May 2001

Profit and Loss Account for the year ended 31 March 2019

(₹ in '000)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating profit as per Revenue Accounts of		
(a) Fire insurance	456,627	687,365
(b) Marine insurance	(180,165)	139,121
(c) Miscellaneous insurance	9,400,383	11,046,564
	9,676,845	11,873,050
Income from investments		
(a) Interest, dividends and rent - Gross	2,540,513	1,716,031
(b) Amortization of discount/(premium)	(62,880)	(42,016)
(c) Profit on sale/redemption of investments	354,353	336,170
Less:- Loss on sale/redemption of investments	(110,141)	(93,790)
	2,721,845	1,916,395
Other income -Miscellaneous income	-	14,718
Total (A)	12,398,690	13,804,163
Provisions (other than taxation)		
(a) For diminution in the value of investments	563,949	-
(b) For doubtful debts	13,807	10,215
(c) Others	-	-
Other expenses		
(a) Expenses other than those related to the insurance business	305,770	251,544
(b) Bad debts written off	-	-
(c) Fines & penalties	-	13,271
(d) Others	-	-
	883,526	275,030
Total (B)	883,526	275,030
Profit before tax	11,515,164	13,529,133
Provision for taxation		
Current tax (refer schedule 16 - Note 25)	4,728,274	4,205,324
Deferred tax Expense/(Income) (refer schedule 16 - Note 18)	(1,011,693)	111,397
	3,716,581	4,316,721
Profit after tax	7,798,583	9,212,412
Profit available for appropriation	7,798,583	9,212,412
Appropriations		
(a) Final dividends paid	1,102,273	-
(b) Proposed final dividend	-	-
(c) Dividend distribution tax	226,575	-
(d) Transfer to reserve/other accounts	-	-
Balance of Profit brought forward from last year	41,619,413	32,407,001
Balance carried forward to Balance Sheet	48,089,148	41,619,413

Significant accounting policies and notes to the Financial Statements Schedule 16

Earning per share: Basic (refer Schedule 16 - Note 17)

70.75

83.58

Earning per share: Diluted (refer Schedule 16 - Note 17)

70.75

83.58

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

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants
Firm Registration Number
101248W/W-100022

For S. R. Batliboi & Co. LLP

Chartered Accountants
Firm Registration Number
301003E/E300005

Akeel Master

Partner
Membership No. 046768
Mumbai,
Date: 8 May 2019

Shrawan Jalan

Partner
Membership No. 102102
Mumbai
Date: 8 May 2019

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited

CIN U66010PN2000PLC015329

Sanjiv Bajaj

Chairman
DIN : 00014615

Tapan Singhel

Managing Director &
Chief Executive Officer
DIN : 03428746

Lila Poonawalla

Chairperson of
Audit Committee
DIN : 00074392

Milind Choudhari

Chief Financial Officer

Ritu Arora

Director
DIN : 07019164

Onkar Kothari

Company Secretary &
Compliance Officer

Pune, Date: 8 May 2019

BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No 113. dated 2 May 2001

Balance Sheet as at 31 March 2019

(₹ in '000)

Particulars	Schedule	As at 31 March 2019	As at 31 March 2018
SOURCES OF FUNDS			
Share capital	5	1,102,273	1,102,273
Reserves and surplus	6	49,755,345	43,285,610
Fair value change account		782,463	275,748
Borrowings	7	-	-
Total		51,640,081	44,663,631
APPLICATION OF FUNDS			
Investments - Shareholders	8	36,485,711	30,805,997
Investments - Policyholders	8A	131,378,718	109,100,920
Loans	9	-	-
Fixed assets	10	3,443,909	3,122,686
Deferred tax asset (refer Schedule 16 - Note 18)		1,543,051	531,358
Current assets			
Cash and bank balances	11	4,557,572	8,322,191
Advances and other assets	12	19,838,610	17,493,064
Sub-Total (A)		24,396,182	25,815,255
Current liabilities	13	100,765,221	88,175,499
Provisions	14	44,842,269	36,537,086
Sub-Total (B)		145,607,490	124,712,585
Net current liabilities (C) = (A - B)		(121,211,308)	(98,897,330)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in Profit and loss account		-	-
Total		51,640,081	44,663,631

Significant accounting policies and notes to the Financial Statements

16

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

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W/W-100022

Akeel Master
Partner
Membership No. 046768
Mumbai,
Date: 8 May 2019

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number
301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Mumbai
Date: 8 May 2019

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392
Milind Choudhari
Chief Financial Officer

Ritu Arora
Director
DIN : 07019164

Onkar Kothari
Company Secretary &
Compliance Officer

Pune, Date: 8 May 2019

Schedule - 1 Premium earned (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2019					For the year ended 31 March 2018				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from direct business written (net of service tax and GST)	9,461,430	1,506,763	102,985	99,522,934	110,594,112	8,210,447	1,316,632	58,961	84,866,139	94,452,179
Add: Premium on reinsurance accepted	306,534	-	-	69,500	376,034	325,809	-	-	87,426	413,235
Less: Premium on reinsurance ceded	6,866,858	429,597	99,746	25,829,339	33,225,540	5,983,458	378,983	58,397	21,119,218	27,540,056
Net Premium	2,901,106	1,077,166	3,239	73,763,095	77,744,606	2,552,798	937,649	564	63,834,347	67,325,358
Adjustment for change in reserve for unexpired risk										
Reserve created during the year	4,039,750	338,610	3,239	39,369,177	43,750,776	3,015,088	297,501	2,536	32,788,814	36,103,939
Less: Reserve created during the previous year written back	3,015,088	297,501	2,536	32,788,814	36,103,939	2,258,580	244,023	1,443	26,860,224	29,364,270
Change in the unexpired risk reserve	1,024,662	41,109	703	6,580,363	7,646,837	756,508	53,478	1,093	5,928,590	6,739,669
Total premium earned (Net)	1,876,444	1,036,057	2,536	67,182,732	70,097,769	1,796,290	884,171	(529)	57,905,757	60,585,689
Note :										
Premium income earned from business concluded:										
In india	1,876,444	1,036,057	2,536	67,182,732	70,097,769	1,796,290	884,171	(529)	57,905,757	60,585,689
Outside india	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	1,876,444	1,036,057	2,536	67,182,732	70,097,769	1,796,290	884,171	(529)	57,905,757	60,585,689

*Refer Schedule 1(A)

Schedule - 1(A) Premium earned (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2019													
Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Premium from direct business (net of service tax and GST)	21,028,275	27,541,984	48,570,259	462,518	375,417	1,412,102	235,565	2,601,422	23,368,837	106,775	14,616,370	7,773,669	99,522,934
Add: Premium on reinsurance accepted	-	-	-	-	-	65,047	-	-	-	-	-	4,453	69,500
Less: Premium on reinsurance ceded	1,133,878	1,393,399	2,527,277	28,279	231,518	1,211,849	140,068	201,530	4,762,859	105,699	11,877,142	4,743,118	25,829,339
Net Premium	19,894,397	26,148,585	46,042,982	434,239	143,899	265,300	95,497	2,399,892	18,605,978	1,076	2,739,228	3,035,004	73,763,095
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	10,723,350	14,211,738	24,935,088	186,974	69,048	162,575	70,775	1,426,267	8,636,267	400	396,912	3,484,871	39,369,177
Less: Reserve created during the previous year written back	10,669,145	10,385,493	21,054,638	172,013	72,414	153,324	363	1,026,385	6,689,101	288	533,943	3,086,345	32,788,814
Change in the unexpired risk reserve	54,205	3,826,245	3,880,450	14,961	(3,366)	9,251	70,412	399,882	1,947,166	112	(137,031)	398,526	6,580,363
Total premium earned (Net)	19,840,192	22,322,340	42,162,532	419,278	147,265	256,049	25,085	2,000,010	16,658,812	964	2,876,259	2,636,478	67,182,732
Note :													
Premium income earned from business concluded:													
In india	19,840,192	22,322,340	42,162,532	419,278	147,265	256,049	25,085	2,000,010	16,658,812	964	2,876,259	2,636,478	67,182,732
Outside india	-	-	-	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	19,840,192	22,322,340	42,162,532	419,278	147,265	256,049	25,085	2,000,010	16,658,812	964	2,876,259	2,636,478	67,182,732

(₹ in '000)

For the year ended 31 March 2018

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Premium from direct business (net of service tax and GST)	21,196,773	20,329,899	41,526,672	432,606	365,557	1,168,164	40,985	1,964,200	14,966,944	138,537	18,353,496	5,908,978	84,866,139
Add: Premium on reinsurance accepted	-	-	-	-	3,201	75,705	-	-	-	-	-	8,520	87,426
Less: Premium on reinsurance ceded	1,150,956	1,049,445	2,200,401	29,965	239,173	1,010,395	39,213	142,550	1,054,853	137,147	12,945,987	3,319,534	21,119,218
Net Premium	20,045,817	19,280,454	39,326,271	402,641	129,585	233,474	1,772	1,821,650	13,912,091	1,390	5,407,509	2,597,964	63,834,347
Adjustment for change in reserve for unexpired risk													
Reserve created during the year	10,669,145	10,385,493	21,054,638	172,013	72,414	153,324	363	1,026,385	6,689,101	288	533,943	3,086,345	32,788,814
Less: Reserve created during the previous year written back	10,448,813	7,906,264	18,355,077	169,311	67,046	122,005	293	769,040	4,528,684	394	234,816	2,613,558	26,860,224
Change in the unexpired risk reserve	220,332	2,479,229	2,699,561	2,702	5,368	31,319	70	257,345	2,160,417	(106)	299,127	472,787	5,928,590
Total premium earned (Net)	19,825,485	16,801,225	36,626,710	399,939	124,217	202,155	1,702	1,564,305	11,751,674	1,496	5,108,382	2,125,177	57,905,757
Note :													
Premium income earned from business concluded:													
In india	19,825,485	16,801,225	36,626,710	399,939	124,217	202,155	1,702	1,564,305	11,751,674	1,496	5,108,382	2,125,177	57,905,757
Outside india	-	-	-	-	-	-	-	-	-	-	-	-	-
Total premium earned (Net)	19,825,485	16,801,225	36,626,710	399,939	124,217	202,155	1,702	1,564,305	11,751,674	1,496	5,108,382	2,125,177	57,905,757

Schedule - 2 Claims Incurred (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2019					For the year ended 31 March 2018				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Claims paid										
Direct	3,403,545	1,323,608	19,992	52,899,014	57,646,159	2,278,374	1,092,734	-	38,028,797	41,399,905
Add: Reinsurance accepted	64,186	1,724	-	2,344	68,254	45,245	1,596	-	5,092	51,933
Less: Reinsurance ceded	2,449,481	501,226	18,320	15,945,130	18,914,157	1,566,412	610,567	-	12,177,972	14,354,951
Net claims paid	1,018,250	824,106	1,672	36,956,228	38,800,256	757,207	483,763	-	25,855,917	27,096,887
Claims outstanding (including IBNR and IBNER)										
Add : Claims outstanding at the close of the year (net of reinsurance)	1,508,662	683,089	14,478	66,264,204	68,470,433	1,130,024	533,603	14,791	57,488,167	59,166,585
Less: Claims outstanding at the beginning of the year (net of reinsurance)	1,130,024	533,603	14,791	57,488,167	59,166,585	1,000,807	466,078	13,764	44,357,091	45,837,740
Change in claims outstanding	378,638	149,486	(313)	8,776,037	9,303,848	129,217	67,525	1,027	13,131,076	13,328,845
Total claims incurred (net)	1,396,888	973,592	1,359	45,732,265	48,104,104	886,424	551,288	1,027	38,986,993	40,425,732
Claims incurred										
In india	1,396,888	973,592	1,359	45,732,265	48,104,104	886,424	551,288	1,027	38,986,993	40,425,732
Outside india	-	-	-	-	-	-	-	-	-	-
Total claims incurred (net)	1,396,888	973,592	1,359	45,732,265	48,104,104	886,424	551,288	1,027	38,986,993	40,425,732

*Refer Schedule 2(A)

Schedule - 2 (A) Claims Incurred (Net)

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2019													
				Workmen's Compensation / Employers' Liability	Public/ Product Liability								
Particulars	Motor OD	Motor TP	Motor Total			Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Claims paid													
Direct	12,557,396	6,312,459	18,869,855	136,183	148,672	635,441	61,764	885,709	16,846,228	40,247	13,353,099	1,921,816	52,899,014
Add: Reinsurance accepted	-	-	-	-	-	2,344	-	-	-	-	-	-	2,344
Less: Reinsurance ceded	712,687	1,671,449	2,384,136	7,149	146,383	538,814	53,568	111,520	2,536,602	39,845	9,333,342	793,771	15,945,130
Net claims paid	11,844,709	4,641,010	16,485,719	129,034	2,289	98,971	8,196	774,189	14,309,626	402	4,019,757	1,128,045	36,956,228
Claims outstanding (including IBNR and IBNER)													
Add : Claims outstanding at the close of the year (net of reinsurance)	2,242,582	54,843,578	57,086,160	183,487	82,533	208,077	29,543	773,377	3,105,747	784	3,430,695	1,363,802	66,264,205
Less: Claims outstanding at the beginning of the year (net of reinsurance)	2,188,083	45,090,848	47,278,931	157,995	162,173	195,589	15,059	543,665	2,504,511	914	5,297,364	1,331,967	57,488,168
Change in claims outstanding	54,499	9,752,730	9,807,229	25,492	(79,640)	12,488	14,484	229,712	601,236	(130)	(1,866,669)	31,835	8,776,037
Total claims incurred (net)	11,899,208	14,393,740	26,292,948	154,526	(77,351)	111,459	22,680	1,003,901	14,910,862	272	2,153,088	1,159,880	45,732,265
Claims incurred													
In india	11,899,208	14,393,740	26,292,948	154,526	(77,351)	111,459	22,680	1,003,901	14,910,862	272	2,153,088	1,159,880	45,732,265
Outside india	-	-	-	-	-	-	-	-	-	-	-	-	-
Total claims incurred (net)	11,899,208	14,393,740	26,292,948	154,526	(77,351)	111,459	22,680	1,003,901	14,910,862	272	2,153,088	1,159,880	45,732,265

(₹ in '000)

For the year ended 31 March 2018

Particulars	Workmen's Compensation													Total
	Motor OD	Motor TP	Motor Total	/ Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others		
Claims paid														
Direct	11,471,374	4,688,891	16,160,265	141,468	46,942	476,138	36,358	658,609	9,289,123	76,638	9,705,581	1,437,675	38,028,797	
Add: Reinsurance accepted	-	-	-	-	-	4,806	-	-	-	-	-	286	5,092	
Less: Reinsurance ceded	680,189	1,515,754	2,195,943	7,352	38,595	412,582	34,106	69,660	615,647	77,730	8,181,080	545,277	12,177,972	
Net claims paid	10,791,185	3,173,137	13,964,322	134,116	8,347	68,362	2,252	588,949	8,673,476	(1,092)	1,524,501	892,684	25,855,917	
Claims outstanding (including IBNR and IBNER)														
Add : Claims outstanding at the close of the year (net of reinsurance)	2,188,083	45,090,848	47,278,931	157,995	162,173	195,589	15,059	543,665	2,504,511	914	5,297,364	1,331,966	57,488,167	
Less: Claims outstanding at the beginning of the year (net of reinsurance)	1,858,874	36,603,812	38,462,686	167,823	148,930	187,786	17,390	475,149	1,500,785	1,241	1,997,370	1,397,931	44,357,091	
Change in claims outstanding	329,209	8,487,036	8,816,245	(9,828)	13,243	7,803	(2,331)	68,516	1,003,726	(327)	3,299,994	(65,965)	13,131,076	
Total claims incurred (net)	11,120,394	11,660,173	22,780,567	124,288	21,590	76,165	(79)	657,465	9,677,202	(1,419)	4,824,495	826,719	38,986,993	
Claims incurred														
In india	11,120,394	11,660,173	22,780,567	124,288	21,590	76,165	(79)	657,465	9,677,202	(1,419)	4,824,495	826,719	38,986,993	
Outside india	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total claims incurred (net)	11,120,394	11,660,173	22,780,567	124,288	21,590	76,165	(79)	657,465	9,677,202	(1,419)	4,824,495	826,719	38,986,993	

Schedule - 3 Commission

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	For the year ended 31 March 2019					For the year ended 31 March 2018				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Commission paid direct	848,736	182,652	1,300	7,266,989	8,299,677	722,113	164,299	309	5,022,818	5,909,539
Add: Reinsurance accepted	23,249	-	-	8,735	31,984	41,209	-	-	10,795	52,004
Less: Commission on reinsurance ceded	1,055,553	34,614	2,905	3,491,438	4,584,510	644,427	30,458	(867)	2,106,814	2,780,832
Net commission	(183,568)	148,038	(1,605)	3,784,286	3,747,151	118,895	133,841	1,176	2,926,799	3,180,711
Break-up of commission paid direct :										
Agents	151,850	88,449	118	2,714,322	2,954,739	138,736	80,460	33	2,018,668	2,237,897
Brokers	208,839	91,394	968	2,638,204	2,939,405	192,975	79,143	111	1,549,063	1,821,292
Corporate agency	487,121	2,752	214	1,732,814	2,222,901	389,774	4,677	165	1,343,944	1,738,560
Referral	-	-	-	-	-	-	-	-	-	-
Others	926	57	-	181,649	182,632	628	19	-	111,143	111,790
Total	848,736	182,652	1,300	7,266,989	8,299,677	722,113	164,299	309	5,022,818	5,909,539
Commission paid										
In india	(183,568)	148,038	(1,605)	3,784,286	3,747,151	118,895	133,841	1,176	2,926,799	3,180,711
Outside india	-	-	-	-	-	-	-	-	-	-
Net commission	(183,568)	148,038	(1,605)	3,784,286	3,747,151	118,895	133,841	1,176	2,926,799	3,180,711

* Refer Schedule 3(A)

Schedule - 3 (A) Commission

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2019

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Commission paid direct	3,927,726	329,525	4,257,251	63,610	32,915	82,966	13,747	304,245	1,669,443	3,725	1,499	837,588	7,266,989
Add: Reinsurance accepted	-	-	-	-	-	7,846	-	-	-	-	-	889	8,735
Less: Commission on reinsurance ceded	320,539	67,379	387,918	4,650	23,912	218,766	9,457	28,722	917,943	8,369	842,123	1,049,578	3,491,438
Net commission	3,607,187	262,146	3,869,333	58,960	9,003	(127,954)	4,290	275,523	751,500	(4,644)	(840,624)	(211,101)	3,784,286
Commission paid													
In india	3,607,187	262,146	3,869,333	58,960	9,003	(127,954)	4,290	275,523	751,500	(4,644)	(840,624)	(211,101)	3,784,286
Outside india	-	-	-	-	-	-	-	-	-	-	-	-	-
Net commission	3,607,187	262,146	3,869,333	58,960	9,003	(127,954)	4,290	275,523	751,500	(4,644)	(840,624)	(211,101)	3,784,286

For the year ended 31 March 2018

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Commission paid direct	2,561,442	118,227	2,679,669	59,982	38,169	75,024	1,697	233,740	1,251,977	5,198	580	676,782	5,022,818
Add: Reinsurance accepted	-	-	-	-	-	8,825	-	-	-	-	-	1,970	10,795
Less: Commission on reinsurance ceded	159,058	51,315	210,373	4,738	23,786	187,361	1,431	20,395	280,205	12,064	849,378	517,083	2,106,814
Net commission	2,402,384	66,912	2,469,296	55,244	14,383	(103,512)	266	213,345	971,772	(6,866)	(848,798)	161,669	2,926,799
Commission paid													
In india	2,402,384	66,912	2,469,296	55,244	14,383	(103,512)	266	213,345	971,772	(6,866)	(848,798)	161,669	2,926,799
Outside india	-	-	-	-	-	-	-	-	-	-	-	-	-
Net commission	2,402,384	66,912	2,469,296	55,244	14,383	(103,512)	266	213,345	971,772	(6,866)	(848,798)	161,669	2,926,799

Schedule - 4 Operating Expenses Related to Insurance Business

Schedules to and forming part of the Financial Statements

(₹ in '000)

	For the year ended 31 March 2019					For the year ended 31 March 2018				
Particulars	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Employees' remuneration, benefits and other manpower costs (Net)	318,678	99,706	592	7,885,135	8,304,111	238,964	72,921	226	5,606,570	5,918,681
Travel, conveyance and vehicle running expenses	20,304	6,730	39	514,366	541,439	13,210	4,240	14	317,663	335,127
Training expenses	352	131	-	8,962	9,445	415	152	-	10,367	10,934
Rents, rates and taxes	12,422	4,612	14	315,852	332,900	10,000	3,673	2	250,051	263,726
Repairs and maintenance	4,021	1,493	4	102,239	107,757	3,192	1,172	1	79,821	84,186
Printing and stationery	11,090	1,950	1	216,290	229,331	10,454	2,273	2	160,551	173,280
Communication	15,956	3,783	8	341,875	361,622	12,149	3,043	3	216,460	231,655
Legal and professional charges	5,918	2,197	7	150,477	158,599	2,650	973	1	66,264	69,888
Auditors' fees, expenses, etc.										
(a) as auditors	284	105	-	7,211	7,600	288	106	-	7,205	7,599
(b) as advisor or in any other capacity in respect of:										
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	34	12	-	854	900	34	13	-	853	900
(c) In any other capacity	7	2	-	167	176	36	13	-	910	959
(d) Out of pocket expenses	35	13	-	897	945	17	6	-	434	457
Advertisement and publicity	28,284	10,502	32	719,136	757,954	17,111	6,285	4	427,865	451,265
Interest and bank charges	6,816	2,531	8	173,312	182,667	7,192	2,642	2	179,834	189,670
Business development and promotion	34,514	12,815	39	877,535	924,903	29,088	10,684	6	727,361	767,139
Marketing and support services	151,347	56,194	169	3,848,116	4,055,826	145,390	53,402	32	3,635,570	3,834,394
Other acquisition costs	6,217	2,308	7	158,070	166,602	17,600	897	190	118,979	137,666
Others										
Exchange (gain) /loss (net)	449	167	1	11,404	12,021	(194)	(71)	-	(4,841)	(5,106)
Miscellaneous expenses	26,356	9,604	32	672,604	708,596	19,909	7,237	6	497,948	525,100
Loss/(Profit) on disposal of assets (net)	(140)	(52)	-	(3,560)	(3,752)	(88)	(32)	-	(2,197)	(2,317)
Information technology	31,782	5,389	3	613,809	650,983	31,107	6,653	5	470,608	508,373
Depreciation (refer Schedule 16 - Note 2.14)	16,244	6,031	18	413,016	435,309	12,454	4,574	3	311,410	328,441
GST/Service tax	4,670	1,734	5	118,747	125,156	2,261	916	-	216,127	219,304
Total	695,640	227,957	979	17,146,514	18,071,090	573,239	181,772	497	13,295,813	14,051,321

(Refer Schedule 16 - Note 2.12)

*Refer Schedule 4(A)

Schedule - 4 (A) Operating Expenses Related to Insurance Business

Schedules to and forming part of the Financial Statements

(₹ in '000)

For the year ended 31 March 2019

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation / Employers' Liability		Public/ Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Employees' remuneration, benefits and other manpower costs (Net)	2,195,539	2,573,964	4,769,503		37,840	12,922	26,637	8,373	382,871	1,818,022	429	381,511	447,027	7,885,135
Travel, conveyance and vehicle running expenses	138,281	181,403	319,684		2,632	906	1,835	594	20,049	122,360	27	21,985	24,294	514,366
Training expenses	2,417	3,177	5,594		53	17	32	12	292	2,260	-	333	369	8,962
Rents, rates and taxes	85,187	111,968	197,155		1,859	616	1,136	409	10,276	79,671	5	11,729	12,996	315,852
Repairs and maintenance	27,574	36,243	63,817		602	199	368	132	3,326	25,789	1	3,797	4,208	102,239
Printing and stationery	35,695	46,763	82,458		329	42	157	51	36,832	33,397	1	25,270	37,753	216,290
Communication	70,513	91,728	162,241		1,078	293	624	216	40,236	65,361	4	29,569	42,253	341,875
Legal and professional charges	40,584	53,343	93,927		886	294	541	195	4,896	37,956	2	5,588	6,192	150,477
Auditors' fees, expenses, etc.														
(a) as auditor	1,945	2,556	4,501		42	14	26	8	236	1,819	-	268	297	7,211
(b) as advisor or in any other capacity in respect of:														
(i) Taxation matters	-	-	-		-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-		-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-		-	-	-	-	-	-	-	-	-	-
(iv) Tax Audit	230	303	533		5	2	3	1	28	215	-	32	35	854
(c) In any other capacity	45	60	105		1	-	1	-	5	42	-	6	7	167
(d) Out of pocket expenses	242	318	560		5	2	3	1	29	227	-	33	37	897
Advertisement and publicity	193,956	254,930	448,886		4,234	1,403	2,586	931	23,397	181,395	10	26,705	29,589	719,136
Interest and bank charges	46,744	61,438	108,182		1,020	338	623	224	5,639	43,716	3	6,436	7,131	173,312
Business development and promotion	236,677	311,081	547,758		5,166	1,712	3,156	1,136	28,551	221,349	13	32,588	36,106	877,535
Marketing and support services	1,037,862	1,364,135	2,401,997		22,654	7,507	13,840	4,982	125,199	970,647	56	142,902	158,332	3,848,116
Other acquisition costs	42,632	56,035	98,667		931	308	569	205	5,143	39,871	2	5,870	6,504	158,070
Others														
Exchange (gain) /loss (net)	3,076	4,043	7,119		67	22	41	15	371	2,877	-	423	469	11,404
Miscellaneous expenses	182,632	238,745	421,377		3,846	1,279	2,387	848	22,912	165,400	13	25,774	28,768	672,604
Loss/(Profit) on disposal of assets (net)	(960)	(1,262)	(2,222)		(21)	(7)	(13)	(5)	(116)	(898)	-	(132)	(146)	(3,560)
Information technology	98,585	129,123	227,708		821	73	370	117	108,097	92,242	2	73,779	110,600	613,809
Depreciation (refer Schedule 16 - Note 2.14)	111,393	146,412	257,805		2,431	806	1,485	535	13,438	104,179	6	15,338	16,993	413,016
GST /Service tax	32,027	42,095	74,122		699	232	427	154	3,863	29,953	2	4,410	4,885	118,747
Total	4,582,876	5,708,601	10,291,477		87,180	28,980	56,834	19,134	835,570	4,037,850	576	814,214	974,699	17,146,514

Financial Statements for the financial year ended 31 March 2019

(₹ in '000)

For the year ended 31 March 2018

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation Public/ / Employers' Product Liability Liability		Engineering	Aviation	Personal Accident	Health Insurance	Credit Insurance	Crop Insurance	Others	Total
Employees' remuneration, benefits and other manpower costs (Net)	1,844,456	1,604,542	3,448,998	27,986	9,332	19,007	244	288,988	1,106,558	530	411,451	293,476	5,606,570
Travel, conveyance and vehicle running expenses	100,408	97,694	198,102	1,706	583	1,174	15	12,583	63,526	33	25,282	14,659	317,663
Training expenses	3,256	3,131	6,387	65	21	38	-	296	2,260	-	878	422	10,367
Rents, rates and taxes	78,523	75,525	154,048	1,577	508	915	7	7,136	54,496	5	21,182	10,177	250,051
Repairs and maintenance	25,066	24,109	49,175	503	162	292	2	2,278	17,396	2	6,762	3,249	79,821
Printing and stationery	40,296	38,653	78,949	344	41	160	1	31,269	22,923	1	4,508	22,355	160,551
Communication	60,311	56,553	116,864	751	184	418	3	29,547	35,893	5	10,189	22,606	216,460
Legal and professional charges	20,809	20,014	40,823	418	135	242	2	1,891	14,442	1	5,613	2,697	66,264
Auditors' fees, expenses, etc.													
(a) as auditor	2,263	2,176	4,439	45	15	26	-	207	1,570	-	610	293	7,205
(b) as advisor or in any other capacity in respect of:													
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-
(iv) Tax audit	268	258	526	5	2	3	-	24	186	-	72	35	853
(c) In any other capacity	286	275	561	6	2	3	-	26	198	-	77	37	910
(d) Out of pocket expenses	136	131	267	3	1	2	-	12	94	-	37	18	434
Advertisement and publicity	134,362	129,232	263,594	2,699	869	1,565	12	12,210	93,249	9	36,245	17,413	427,865
Interest and bank charges	56,473	54,317	110,790	1,134	365	658	5	5,132	39,193	4	15,234	7,319	179,834
Business development and promotion	228,412	219,691	448,103	4,588	1,477	2,660	20	20,757	158,521	16	61,616	29,603	727,361
Marketing and support services	1,141,673	1,098,083	2,239,756	22,932	7,380	13,297	101	103,749	792,338	79	307,975	147,963	3,635,570
Other acquisition costs	33,762	32,473	66,235	4	139	1,586	1,072	280	44,520	-	173	4,970	118,979
Others													
Exchange (gain) /loss (net)	(1,520)	(1,462)	(2,982)	(31)	(10)	(18)	-	(138)	(1,055)	-	(410)	(197)	(4,841)
Miscellaneous expenses	157,813	150,636	308,449	3,090	998	1,815	15	14,658	106,613	14	41,804	20,492	497,948
Loss/(Profit) on disposal of assets (net)	(690)	(663)	(1,353)	(14)	(4)	(8)	-	(63)	(479)	-	(186)	(90)	(2,197)
Information technology	116,949	112,167	229,116	932	87	420	2	94,730	65,802	2	12,166	67,351	470,608
Depreciation (refer schedule 16 Note 2.14)	97,791	94,057	191,848	1,964	632	1,139	9	8,887	67,869	7	26,380	12,675	311,410
GST / Service tax	56,577	79,557	136,134	358	120	252	1	6,866	18,118	1	47,034	7,243	216,127
Total	4,197,680	3,891,149	8,088,829	71,065	23,039	45,646	1,511	641,325	2,704,231	709	1,034,692	684,766	13,295,813

Schedule - 5 Share Capital

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised capital		
125,000,000 (previous year :125,000,000) Equity Shares of ₹10 each	1,250,000	1,250,000
Issued capital		
110,227,250 (previous year :110,227,250) Equity Shares of ₹10 each fully paid up	1,102,273	1,102,273
Subscribed capital		
110,227,250 (previous year :110,227,250) Equity Shares of ₹10 each fully paid up	1,102,273	1,102,273
Called-up capital (Refer schedule 5A)		
110,227,250 (previous year :110,227,250) Equity Shares of ₹10 each fully paid up	1,102,273	1,102,273
Less: Calls unpaid	-	-
Add : Equity shares forfeited (Amount originally paidup)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses to the extent not written off	-	-
Expenses including commission or brokerage on underwriting or subscription of shares		
Total	1,102,273	1,102,273

Schedule - 5A Share Capital/Pattern of Shareholding

(As certified by the Management)

(₹ in '000)

Shareholder	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian				
Bajaj Finserv Limited	81,568,165	74.00%	81,568,165	74.00%
Foreign				
Allianz SE	28,659,085	26.00%	28,659,085	26.00%
Others	-	-	-	-
Total	110,227,250	100.00%	110,227,250	100.00%

Schedule - 6 Reserves and Surplus

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital reserve	-	-
Capital redemption reserve	-	-
Share premium	1,666,197	1,666,197
General reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilised for Buy-back	-	-
Catastrophe reserve	-	-
Other reserves	-	-
Balance in Profit and Loss Account	48,089,148	41,619,413
Total	49,755,345	43,285,610

Schedule - 7 Borrowings

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Debentures/Bonds	-	-
Banks	-	-
Financial institutions	-	-
Others	-	-
Total	-	-

Schedule - 8 Investments - Shareholders

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury bills	20,231,606	16,948,615
2. Other approved securities	-	-
3. Approved Investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	3,061,545	2,100,237
Fair value change accretion	259,094	83,650
(bb) Preference Shares	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	1,712,734	2,937,735
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Less : Accumulated depreciation	-	-
4. Investments in Infrastructure and Housing Sector	6,831,432	6,918,977
5. Other investments		
(a) Shares		
(aa) Equity	127,500	150,000
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference	-	-
(b) Debenture/Bonds	771,709	-
(c) Other securities - Loan	-	-
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury bills	-	-
2. Other approved securities	-	-
3. Approved Investments		
(a) Shares		
(aa) Equity Shares	-	-
Fair Value Change Accretion/(Diminution)	-	-
(bb) Preference shares	-	-
(b) Mutual funds	569,800	520,000
Fair Value Change Accretion/(Diminution)	624	878
(c) Derivative instruments	-	-
(d) Debenture/Bonds	290,003	695,905
(e) Other securities (Note no 6)	-	-
(f) Subsidiaries	-	-
(g) Investment properties-Real estate	-	-
4. Investments in Infrastructure and Housing Sector	1,600,470	450,000
5. Other Investments		
(a) Shares	-	-
(b) Mutual Funds	-	-
Fair value change accretion	-	-
(c) Debenture/Bonds	1,029,194	-
Total	36,485,711	30,805,997
Investments		
In India	36,485,711	30,805,997
Outside India	-	-
Total	36,485,711	30,805,997

The investments funds are segregated into Policyholder's and Shareholder's fund. (Refer note no. 2.15)

NOTES:

- All the above investments are performing assets.
- Investments maturing within next 12 months are ₹34,90,091 thousand (Previous year ₹16,66,783 thousand)
- Investment other than Equities and Derivative instruments
Aggregate value of Investments as at 31st March, 2019 ₹33,037,572 thousand (Previous year ₹28,472,110 thousand)
Market value as at 31st March, 2019 ₹33,201,474 thousand (Previous year ₹28,435,094 thousand)
- Value of contracts in relation to investments where deliveries are pending ₹565,981 thousand (Previous year ₹155,877) and in respect of sale of investments where payments are due ₹ Nil thousand (Previous year ₹1,332,615 thousand).
- Equity includes investments qualifying for Infra and Housing sector ₹129,486 thousand (Previous year ₹119,063 thousand)
- Short term other approved securities includes Fixed Deposit of ₹ Nil (Previous year ₹ Nil)

Schedule - 8A Investments - Policyholders

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Long term investments		
1. Government securities and Government guaranteed bonds including Treasury bills	51,895,445	41,471,043
2. Other approved securities	-	-
3. Approved investments		
(a) Shares		
(aa) Equity Shares (Note no. 5)	10,164,973	7,708,818
Fair Value Change Accretion/(Diminution)	521,709	187,617
(bb) Preference shares	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debenture/Bonds	18,447,295	11,941,014
(e) Other securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment properties-Real estate	-	-
Less : Accumulated depreciation	-	-
4. Investments in Infrastructure and Housing Sector	34,727,423	29,745,213
5. Other Investments		
(a) Shares		
(aa) Equity	297,500	350,000
Fair value change accretion	-	-
(bb) Preference	732,500	752,500
(b) Debenture/Bonds	426,713	-
(c) Other securities - Loan	-	333,335
Short term investments		
1. Government securities and Government guaranteed bonds including Treasury bills	2,299,559	-
2. Other approved securities	-	-
3. Approved investments		
(a) Shares		
(aa) Equity Shares	-	-
Fair value change accretion	-	-
(bb) Preference shares	350,000	-
(b) Mutual funds	1,104,700	2,154,900
Fair value change accretion	1,035	3,604
(c) Derivative Instruments	-	-
(d) Debenture/Bonds	4,043,146	6,400,981
(e) Other securities (Note no 6)	450,000	270,000
(f) Subsidiaries	-	-
(g) Investment properties-Real estate	-	-
4. Investments in Infrastructure and Housing Sector	5,564,347	7,781,895
5. Other Investments		
(a) Shares	-	-
(b) Mutual funds	-	-
Fair value change accretion	-	-
(c) Debenture/Bonds	185,701	-
(d) Other securities - Loan	166,672	-
Total	131,378,718	109,100,920
Investments		
In India	131,378,718	109,100,920
Outside India	-	-
Total	131,378,718	109,100,920

The investments funds are segregated into Policyholder's and Shareholder's fund. (Refer note no. 2.15)

NOTES:

- All the above investments are performing assets.
- Investments maturing within next 12 months are ₹14,165,160 thousand (Previous year ₹16,611,380 thousand)
- Investment other than Equities and Derivative Instruments
Aggregate value of Investments as at 31st March, 2019 ₹120,394,536 thousand (Previous year ₹100,854,485 thousand)
Market value as at 31st March, 2019 ₹12,092,874 thousand (Previous year ₹100,896,669 thousand)
- Value of contracts in relation to investments where deliveries are pending ₹636,218 thousand (Previous year ₹1,484,473 thousand) and in respect of sale of investments where payments are due ₹ NIL (Previous year ₹223,663 thousand)
- Equity includes investments qualifying for Infra and Housing sector ₹302,134 thousand (Previous year ₹277,813 thousand)
- Short term other approved securities includes Fixed Deposit of ₹450,000 thousand (Previous year ₹270,000 thousand)

3.

Schedule - 9 Loans

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
1. SECURITY-WISE CLASSIFICATION		
Secured	-	-
a) On Mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
b) On Shares, Bonds, Govt. Securities	-	-
c) Others	-	-
Unsecured	-	-
Total	-	-
2. BORROWER-WISE CLASSIFICATION		
a) Central and State Government	-	-
b) Bank and Financial Institutions	-	-
c) Subsidiaries	-	-
d) Industrial Undertakings	-	-
e) Others	-	-
Total	-	-
3. PERFORMANCE-WISE CLASSIFICATION		
a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total		
4. MATURITY-WISE CLASSIFICATION		
a) Short- Term	-	-
b) Long- Term	-	-
Total	-	-
Total	-	-

Schedule 10 - Fixed Assets

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	Gross Block				Depreciation / Amortisation			Net Block		
	As at 1 April 2018	Additions during the year	Deductions during the year	As at 31 March 2019	As at 1 April 2018	For the Year	On Sales	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Computer Softwares	447,190	191,546	-	638,736	377,068	60,632	-	437,700	201,036	70,122
Land - Freehold	-	-	-	-	-	168	168	-	-	-
Leasehold Improvements	165,871	49,745	19,578	196,038	114,720	33,285	19,293	128,712	67,326	51,151
Freehold Improvements	24,177	-	-	24,177	24,177	-	-	24,177	-	-
Buildings*	2,687,834	-	-	2,687,834	340,487	43,996	-	384,483	2,303,351	2,347,347
Furniture and Fittings	523,331	108,831	27,446	604,716	370,386	91,396	26,435	435,347	169,369	152,945
Information Technology Equipment	854,711	218,550	39,522	1,033,739	547,252	140,747	39,463	648,536	385,203	307,459
Vehicles	43,790	10,521	7,667	46,644	17,716	8,935	6,863	19,788	26,856	26,074
Office Equipment	354,696	83,367	16,177	421,886	298,071	56,150	15,452	338,769	83,117	56,625
Total	5,101,600	662,560	110,390	5,653,770	2,089,877	435,309	107,674	2,417,512	3,236,258	3,011,723
Capital work-in-progress & advances									207,651	110,963
Grand Total	5,101,600	662,560	110,390	5,653,770	2,089,877	435,309	107,674	2,417,512	3,443,909	3,122,686
Previous year	4,997,038	391,511	286,949	5,101,600	2,046,039	328,440	284,602	2,089,877	3,122,686	2,965,614

(Refer Schedule 16 - Note 2.14)

* Include share of undivided portion of Land, along with office premises, at an estimated cost of ₹19,177 thousand (Previous year ₹19,177 thousand)

Schedule 11 - Cash and bank balances

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
1. Cash and stamps on hand	42,539	47,318
2. Cheques on hand	803,907	653,951
3. Bank balances		
(a) Deposit accounts		
(aa) Short term (due within 12 months)	640,463	2,742,602
(bb) Others	-	-
(b) Current accounts	3,070,663	4,878,320
4. Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
5. Others	-	-
Total	4,557,572	8,322,191
Balance with non-scheduled Banks included in (3) above	113,420	70,243
Cash and bank balances		
In India	4,444,152	8,251,948
Outside India	113,420	70,243
Total	4,557,572	8,322,191

Schedule - 12 Advances and other assets

Schedules to and forming part of the Financial Statements

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Advances		
1. Reserve deposits with ceding companies	-	-
2. Application money for investments	-	-
3. Prepayments	160,651	86,669
4. Advances to Directors / Officers	-	-
5. Advance tax paid and taxes deducted at source (Net of provision for taxation ₹19,332,287 thousand (Previous Year: ₹19,365,759 thousand))	1,013,118	979,282
6. Others		
(a) Advance to employees	1,704	1,346
(b) Advances recoverable	1,133,369	641,182
Less: Provision for doubtful advances	(1,741)	(2,984)
	1,131,628	638,198
(c) Unutilised Tax Credit carried forward		
- Service Tax	-	-
- Goods and Service Tax (GST)	241,340	783,844
(d) Unsettled investment contract receivable	-	1,556,278
Total (A)	2,548,441	4,045,617
Other assets		
1. Income accrued on investments	4,044,318	3,591,351
2. Outstanding premiums	10,466,006	7,029,234
3. Agents' balances	125,683	72,319
Less: Provision for doubtful recoveries	(34,440)	(19,390)
	91,243	52,929
4. Foreign agencies balances	-	-
5. Due from other entities carrying on insurance business, including reinsurers (net)	2,275,303	2,488,622
Less : Provision for doubtful amounts	-	-
	2,275,303	2,488,622
6. Due from subsidiary / holding companies	-	-
7. Others	413,299	285,311
a) Other Deposits	308,848	190,704
b) Investment of unclaimed amounts of policyholders	104,451	94,607
Total (B)	17,290,169	13,447,447
Total (A + B)	19,838,610	17,493,064

Schedule - 13 Current liabilities

Schedules to and forming part of the Financial Statements

Particulars	(₹ in '000)	
	As at 31 March 2019	As at 31 March 2018
1. Agents' balances	1,552,059	1,214,537
2. Balances due to other insurance companies including reinsurers (net)	13,882,103	14,829,386
3. Premiums received in advance	6,567,583	3,011,057
4. Unallocated premium	3,790,599	4,292,433
5. Sundry creditors (refer schedule 16 - Note 22)	3,679,474	2,879,283
6. Claims outstanding (Net)	68,470,433	59,166,585
7. Solatium fund	108,470	80,928
8. Due to policyholders/ insured	15,013	36,169
9. Unclaimed amount of Policy Holders (refer schedule 16 - Note 24)	66,915	71,105
10. Others		
(a) Service tax payable	-	-
(b) Goods and Service tax payable (GST)	988,576	780,006
(c) Statutory dues	386,836	173,660
(d) Unsettled investment contract payable	1,202,199	1,640,350
11. Temporary Overdraft as per the books of accounts only	54,961	-
Total	100,765,221	88,175,499

Schedule - 14 Provisions

Schedules to and forming part of the Financial Statements

Particulars	(₹ in '000)	
	As at 31 March 2019	As at 31 March 2018
1. Reserve for unexpired risk	43,750,776	36,103,939
2. Premium deficiency (refer schedule 16 - Note 2.9 and Note 10)	-	44,071
3. Provision for income tax	690,036	-
4. Provision for Standard Asset	667	-
5. Others :		
For employee benefits		
(a) Gratuity (refer schedule 16 - Note 19)	-	-
(b) Compensated absences	103,332	117,865
(c) Long term incentive plan	297,458	271,211
Total	44,842,269	36,537,086

Schedule - 15 Miscellaneous expenditure (To the extent not written off or adjusted)

Schedules to and forming part of the Financial Statements

Particulars	(₹ in '000)	
	As at 31 March 2019	As at 31 March 2018
Discount allowed in issue of shares/debentures	-	-
Others	-	-
Total	-	-

Schedule – 16

Significant accounting policies and notes to and forming part of the financial statements for the year ended 31 March 2019

1. Background

Bajaj Allianz General Insurance Company Limited ('the Company') was incorporated on 19 September 2000, as a company under the Companies Act, 1956. The Company is registered with Insurance Regulatory and Development Authority of India ('IRDAI') and is in the business of underwriting general insurance policies relating to Fire, Marine and Miscellaneous segments and holds a valid certificate of registration.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of Financial Statements

The financial statements are prepared and presented on a going concern basis in accordance with the Generally Accepted Accounting Principles followed in India under the historical cost convention and accrual basis of accounting and comply with applicable accounting standards referred to in Companies Act, 2013 under section 133, as amended from time to time) and in accordance with the statutory requirements of the Insurance Act, 1938 (amended by the Insurance laws (Amendment) Act, 2015), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') and orders and directions issued by the IRDAI in this behalf, the Companies Act, 2013 ('the Act') (to the extent applicable) and current practices prevailing in the insurance industry.

The financial statements are presented in Indian ₹ rounded off to the nearest thousand.

2.2 Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles 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 accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue recognition

i. Premium income

Premium (net of service tax or goods and service tax as applicable), including reinstatement premium on direct business and reinsurance accepted, is recognized as income at the commencement of risk over the contract period or the period of risk, whichever is appropriate, on a gross basis and for installment cases, it is recognized on installment due dates. In case of Long Term Motor Insurance Policies premium is recognized on a yearly basis as mandated by IRDAI circular. Any subsequent revisions to premium are recognized in the year in which they occur over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognized in the period in which they are cancelled. Further in case of crop insurance, premium under government schemes are recognised in accordance with contractual obligations where there is reasonable certainty of its ultimate collectability.

ii. Interest / dividend income

Interest income is recognized on accrual basis and dividend income is recognized when the right to receive the dividend is established.

iii. Premium / discount on purchase of investments

Premium or discount on acquisition, as the case may be, in respect of fixed income securities, is amortized / accreted on constant yield to maturity basis over the period of maturity/holding.

iv. Profit / loss on sale of securities

Profit or loss on sale/redemption of securities is recognized on trade date basis and includes effects of accumulated fair value changes, previously recognized and credited to Fair Value Reserve, for specific investments sold/redeemed during the year.

v. Commission income from reinsurance ceded

Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by Reinsurer.

2.4 Reinsurance ceded

Reinsurance premium in respect of proportional reinsurance is ceded at the commencement of the risk over the contract period or the period of risk. Non-proportional reinsurance premium is ceded when incurred and due. Any subsequent revisions to, refunds or cancellations of premiums are recognized in the year in which they occur.

2.5 Reinsurance accepted

Reinsurance inward acceptances are accounted for on the basis of reinsurance slips accepted from the reinsurers.

2.6 Acquisition costs

Acquisition costs, defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz., commission, rewards and incentives, policy issue expenses etc., are expensed in the year in which they are incurred.

2.7 Premium received in advance

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the Balance Sheet date.

2.8 Reserve for unexpired risk

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and in case of other line of business based on net premium written on all unexpired policies at Balance Sheet date by applying 1/365th method on the unexpired period of respective policies.

2.9 Premium deficiency

Premium deficiency is recognized if the ultimate amount of expected net claim costs, related expenses and maintenance costs exceeds the related premium carried forward to the subsequent accounting period as the reserve for unexpired risk. The Company considers maintenance costs as relevant direct costs incurred for ensuring claim handling operations. Further, as per IRDAI circular IRDA/F&A/CIR/FA/126/07/2013, dated 3rd July, 2013 (Corrigendum to Master Circular IRDA/F&I/CIR/F&A/231/10/2012, dated 5th Oct, 2012), premium deficiency, if any, has been recognized at Segmental Revenue Account Level. In computing the premium deficiency in miscellaneous revenue account, the premium deficiency arising out of reinsurance acceptances from Indian Motor Third Party Declined Risk Pool (IMTPDRP) is not considered as per regulatory guidelines. The expected claim costs is calculated and duly certified by the Appointed Actuary.

2.10 Claims incurred

Claims are recognized as and when reported. Claims incurred comprises claims paid, change in the outstanding provision of claims and estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER'). It also includes survey fees, legal expenses and other costs directly attributable to claims.

Claims paid (net of recoveries including salvage retained by the insured and includes interest paid towards claims) are charged to the respective revenue account when approved for payment. Where salvage is retained by the Company, the recoveries from sale of salvage are recognized at the time of sale.

Provision is made for estimated value of outstanding claims at the Balance Sheet date net of reinsurance, salvage and other recoveries. Such provision is made on the basis of the ultimate amounts that are likely to be paid against each claim, as anticipated and estimated by the management in light of past experience and subsequently modified for changes, as appropriate.

Amounts received/receivable from the reinsurers and coinsurers, under the terms of the reinsurance and coinsurance arrangements respectively, are recognized together with the recognition of the claim.

2.11 Claims Incurred but not reported and claims incurred but not enough reported

Incurred But Not Reported (IBNR) reserve is a provision for all claims that have occurred prior to the end of the current accounting period but have not been reported to the Company. The IBNR reserve also includes provision for claims Incurred But Not Enough Reported (IBNER). The said liability is determined by Appointed Actuary based on actuarial principles. The actuarial estimate is derived in accordance with relevant IRDAI regulations and guidance note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

2.12 Operating expenses related to the insurance business

The Company has a Board approved policy for allocation and apportionment of expenses of management amongst various business segments as required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016. The expenses are segregated between those which can be directly attributed to a particular business segment and those which cannot be so attributed. Operating expenses which are directly attributable to a particular business segment and identifiable as such are allocated directly to that segment. Operating expenses which are not directly identifiable to any business segment, but which are attached to specific functions are apportioned based on the most suitable lever of apportionment for respective functions. Operating expenses which are not attached to specific functions are apportioned based on the most logical available lever of apportionment.

2.13 Income from Investments and Other Income

Income earned from investments, gains or loss on sale of investments is allocated to Revenue Account and Profit and Loss Account on the basis of actual holding of the investments of the policyholders and shareholders as bifurcated according to the IRDAI Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated 4 April 2016 with effect from 1 October 2016. Till 30 September 2016, income earned from investments, gains or loss on sale of investments was allocated to Revenue Account and Profit and Loss Account on the basis of funds available from insurance operations and shareholders' funds. The income earned from investments, gains or loss on sale of investments and other income are further allocated to the lines of business in proportion of net premium.

2.14 Fixed asset, depreciation and amortization**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost (including incidental expenses relating to acquisition and installation) less accumulated depreciation. Assets costing up to ₹20 thousands are depreciated fully in the year of acquisition.

Depreciation on other assets is provided based on Management's assessment of useful life which reflect the Useful life specified in Schedule II of the Companies Act, 2013, as follows:

Nature of assets	Useful Life (in years) as per Management's assessment	Useful Life (in years) as per Schedule II of the Companies Act, 2013.
Information technology equipment		
-End user devices, such as, desktops, laptops, etc.	3	3
-Servers and networks	6	6
Vehicles **	8	8
Office equipment	5	5
Furniture & fixtures	10	10
Buildings	60	60
Air conditioner (part of office equipment)	5	5
Electrical fittings (part of furniture & fittings)*	10	10

*Lease hold improvements and electrical fittings installed at leased premises are depreciated over the primary period of lease which is generally 3 years

** Useful life of vehicle allotted to the employees is considered 4 years as per management estimation.

Intangible fixed assets and amortization

Intangible fixed assets representing software are recorded at its acquisition price and are amortized over their estimated useful life on a straight-line basis, commencing from the date the assets are available for use. The management has estimated the useful life for such software as three years.

The useful life of the asset is reviewed by the management at each Balance Sheet date.

The Company provides pro rata depreciation from/to the month in which the asset is acquired or put to use/disposed off as appropriate.

Capital work in progress and advances:

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses and advances paid for purchase of fixed assets

Impairment of assets

- The carrying amounts of all assets are reviewed by the Company at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. Value in use is the present value of the estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. In assessing value in use the estimated future cash flows are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the asset, as determined by the management.
- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life, if any.

2.15 Investments

Investments are recorded on trade date at cost, which includes brokerage, transfer charges, transaction taxes as applicable, etc. and excludes pre-acquisition interest, if any.

Classification:

Investments maturing within twelve months from Balance Sheet date and investments made with the specific intention to dispose off within twelve months from Balance Sheet date are classified as short-term investments. Investments other than short term investments are classified as long-term investments.

The investments funds are segregated into Policyholders' and Shareholders' fund on security level basis in compliance with circular no IRDA/F&A/CIR/CPM/056/03/2016 dated - 04 April 2016. Subsequently, IRDAI issued circular IRDA/F&A/CIR/CPM/010/01/2017 dated - 12 January 2017 to "bifurcate the Policyholders' and Shareholders' funds at the end of each quarter at the "fund level" on "notional basis". Furthermore, the Company has communicated to regulators that it will continue to follow the same practice of segregating the investments into Policyholders' and Shareholders' funds at security level on quarterly basis in compliance with circular no IRDA/F&A/CIR/CPM/056/03/2016

Valuation:

Debt Securities and Non-convertible Preference Shares

All debt securities (except for Additional Tier 1 (Basel III Compliant) Perpetual Bonds ("AT1 Bonds")) including government securities and non-convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost adjusted for amortization of premium or accretion of discount on constant yield to maturity basis in the revenue account and profit and loss account over the period of maturity/holding. AT1 Bonds shall be forming part of Equity, Market valuation of AT1 Bonds are at applicable Market Yield Rates published by any rating agency registered with Securities Exchange Board of India (SEBI). Unrealized gains or losses are credited / debited to the fair value change account.

The realized gain or loss on the securities is the difference between the sale consideration and the amortized cost in the books of the Company as on the date of sale determined on weighted average cost basis.

Equities (Listed & Actively Traded)

Listed and actively traded securities are stated at the last quoted closing price on the National Stock Exchange of India Limited (NSE). In case the equity shares are not listed on the NSE, then they are valued on the last quoted closing price on BSE Limited. Unrealized gains or losses are credited / debited to the fair value change account.

Unlisted equity shares are stated at historical cost. The realized gain or loss on the listed and actively traded equities including AT1 bonds is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue on the trade date.

Mutual Fund Units

Mutual fund units are stated at their Net Asset Value ('NAV') at the Balance Sheet date. Unrealized gains or losses are credited / debited to the fair value change account.

The realized gain or loss on the mutual fund units is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a weighted average cost basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such gain or loss is transferred to revenue on the trade date

Loans – Investment

Loans given are stated at historical cost.

Fair Value Change Account

Fair value change account represents unrealized gains or losses in respect of investments in equity securities and mutual fund units and AT1 Bonds outstanding at the close of the year. The balance in the account is considered as a component of shareholders' funds in the Balance Sheet and not available for distribution as dividend.

Impairment of investment

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity and mutual fund. The impairment loss, if any, is recognized in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed to profit and loss account and the investment is reinstated to that extent.

2.16 Employee benefits**i. Short term employee benefits**

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service. These benefits include salaries, bonus, ex-gratia and compensated absences.

ii. Post-employment benefits - defined benefit plan

The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each Balance Sheet date based on actuarial valuation carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the Revenue Account. To the extent the benefits are already vested, past service cost is recognized immediately.

iii. Post-employment benefits - defined contribution plans

The Company's superannuation scheme and provident fund scheme are defined contribution plans. The contributions paid/payable under the schemes are recognized immediately in the Revenue Account. The Company contributes to the Bajaj Auto Employees' Superannuation Fund at fixed rates for eligible employees under a defined contribution plan, for which necessary approvals have been obtained.

iv. Compensated absences

The employee can carry forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the Projected Unit Credit Method.

v. Long term incentive plan

The Company has a Long Term Incentive Plan ('LTIP') for selected management personnel. The plan is a discretionary deferred compensation plan. It is a rolling plan with annual accruals and a defined payment schedule. Provision for LTIP liability is accrued and provided for on the basis of actuarial valuation made at the Balance Sheet date.

2.17 Foreign currency transactions

Transactions denominated in foreign currencies, if any, are recorded at the exchange rate prevailing on the date of the transaction. Assets and Liabilities in foreign currency, if any, as at the Balance Sheet date are converted at the exchange rates prevailing at that date.

Exchange rate difference either on settlement or on translation is recognized in the Revenue Account or Profit and Loss Account, as applicable.

2.18 Operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating lease. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Revenue Account on a straight line basis over the lease term. Initial direct costs incurred specifically for an operating lease are charged to the Revenue Account.

2.19 Contributions to Terrorism and Third Party Insurance Pools

i. Terrorism pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participated in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ('TAC') are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹20,000,000 thousands (Previous year ₹15,500,000 thousands) per location/compound.

In accordance with the terms of the agreement, GIC retro cedes, to the Company, terrorism premium to the extent of the share agreed to be borne by the Company in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool is recorded in accordance with the latest statement received from GIC which is generally one quarter in lag.

The entire amount of reinsurance accepted for the current year on this account, net of claims and expenses, up to the above date, has been carried forward to the subsequent accounting period as 'Unexpired Risk Reserve' for subsequent risks, if any, to be borne by the Company.

ii. Motor Third Party Obligation (MTP)

IRDAI issued a circular towards "Obligation of insurer in respect of Motor Third Party Insurance Business, Regulations, 2015" w.e.f. from 1 April 2015. Every insurer, for the purpose of Section 32D of the Insurance Act, 1938, during a financial year, shall underwrite such minimum percentage of the 90% of the overall motor third party insurance business premium of the industry for the immediate preceding financial year. Every insurer shall submit the financial returns to the IRDAI for every quarter of the financial year within forty five days from the end of the quarter.

2.20 Contributions to Solatium funds

The Company provides for contribution to Solatium fund at 0.10% of total Third Party Premium of direct business as per requirements of IRDAI circular.

2.21 Income Tax

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income and reversal of timing differences for earlier years. Timing differences are the differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward business losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against sufficient future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes previously unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax asset (net of the deferred tax liability) is disclosed on the face of the Balance Sheet. The break-up of deferred tax assets and deferred tax liabilities into major components of the respective balances has been disclosed in Schedule 16, note 18.

2.22 Goods and Services Tax (GST)

Goods and Services Tax (GST) collected is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized GST credits, if any, are carried forward under "Others – Unutilized GST Carried Forward" and disclosed in Schedule 12 for adjustments in subsequent periods and GST liability to be remitted to the appropriate authority is disclosed under "Others- GST Payable" in Schedule 13. GST paid for eligible input services not recoverable by way of credits is recognized in the Revenue Account as expenses under a separate line item in Schedule 4 and Schedule 4(A).

2.23 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a 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 neither recognized nor disclosed in the financial statements.

2.24 Earnings per Share

The basic earnings per share is computed by dividing the net profit in the Profit and Loss Account attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.25 Cash and cash equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances and other investments (fixed deposits) with original maturity of three months or less.

2.26 Employee Stock Options Plans

The Company has granted options to eligible employees of the Company under the Employee Stock Option Scheme 2018 (ESOP 2018). The options are accounted for on an intrinsic value basis in accordance with the Guidance Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India (ICAI). Intrinsic value of option is the difference between market price of the underlying share and the exercise price of the option on the grant date which is amortised over the vesting period. The intrinsic value is being measured at each reporting date and at the date of settlement, with any changes in the value is being recognised in Revenue Account/ Profit and Loss Account. Options that lapse are reversed by a credit to Revenue Account/ Profit and Loss Account equal to the amortised portion of the value of the lapsed options.

NOTES TO ACCOUNTS**3. Contingent liabilities**

Contingent liabilities not provided for in respect of claims against the Company not acknowledged as debts other than insurance matters

(₹ in '000)

Sr. No.	Particulars	31 March 2019	31 March 2018
1.	Partly paid up investments	Nil	Nil
2.	Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil
3.	Claims other than those under policies not acknowledged as debts	Nil	Nil
4.	Guarantees given by or on behalf of the Company	Nil	Nil
5.	Statutory demands/liabilities in dispute, not provided for, in respect of		
	a) Income Tax *	Nil	Nil
	b) Service Tax *	1,439,163	1,439,163
6.	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
7.	Amounts paid to Senior Citizen Welfare Fund**	4,605	195
8.	Others	Nil	Nil

* Includes disputed demands from the tax authorities pending before various appellate authorities. The Company in conformity with various legal and judicial pronouncements / opinions believes its position is tenable under the respective regulations. The Show Cause Notices issued by tax authorities have not been considered as obligations by the Company.

** Unclaimed amounts of Policyholder outstanding for a period of 10 years has been deposited into Senior Citizen Welfare Fund as per Senior Citizen Welfare Fund Act, 2015 and disclosed as contingent liability as per directions of IRDA vide Circular No. IRDA/F&A/CIR/MISC/173/07/2017

4. The additional disclosures on expenses pursuant to the IRDAI Circular 067/IRDA/F&A/CIR/MAR-08 dated March 28, 2008 have been detailed herein below:

(₹ in '000)

Particulars for the year ended	31 March 2019	31 March 2018
Outsourcing expenses	2,280,855	2,058,856
Business development	924,903	767,139
Marketing support	4,055,826	3,834,394

5. Capital commitments

Commitments made and outstanding for acquisition of fixed assets amount to ₹542,697 thousands (Previous year ₹126,574 thousands).

6. The Appointed Actuary has certified to the Company that actuarial estimates for IBNR (including IBNER) reserves have been determined using actuarial principles. In the determination, the Actuarial Practice Standards issued by the Institute of Actuaries of India with the concurrence of the Authority and any directions issued by the Authority in this behalf have been followed. Where sufficient data is available, the Actuary has chosen to adopt the Chain Ladder Method. The Chain Ladder Method has accordingly been applied to Motor, Fire, Marine Cargo, Engineering, Personal Accident, Workmen's Compensation, Health, Travel, Motor CVTP Pool and Miscellaneous lines of business. These constitute almost 90.9% of the Company's total Net IBNR Reserves as on 31st March 2019. For other lines either expected ultimate loss ratio method or fixed IBNR method has been used.

Net IBNR reserves have been arrived at on the basis of actuarial estimates based on the claim data, after allowance for reinsurance recoveries.

7. Claims settled and outstanding for more than six months ₹ Nil (Previous year – ₹ Nil).
8. Extent of premium income recognized based on varying risk pattern ₹ Nil (Previous year – ₹ Nil).
9. **Computation of managerial remuneration:**

(₹ in '000)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Tapan Singhel		
• Salary, allowances and bonus (Including contributions to funds)	95,135	75,741
• Perquisites	1,717	1,456

Expenses towards gratuity, compensated absence and long term incentives are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information, except to the extent paid. Also, the ESOP Cost has been excluded from the remuneration disclosed above.

The managerial remuneration is in accordance with the approval accorded by a resolution of the Board of Directors and which has been approved by IRDAI as required under Section 34A of the Insurance Act, 1938. Managerial remuneration in excess of ₹15,000 thousands has been charged to Profit and loss account.

10. The Company has provided Premium Deficiency ₹ Nil thousand (Previous year – ₹44,071) as per IRDAI regulatory guideline - refer Schedule 16 note 2.9.
11. Percentage of business sector – wise (Based on gross direct premium):

(₹ in '000, Count – numbers)

Business sector	For the year ended 31 March 2019				For the year ended 31 March 2018			
	GDPI	No. of Policies	No of Lives	% of GDPI	GDPI	No. of Policies	No of Lives	% of GDPI
Rural	8,950,682	2,446,745	-	8.09	9,149,462	1,172,602	-	9.69
Social	11,882	998	4,284,720	0.01	5,588	1,256	3,343,553	0.01
Urban	101,631,548	18,272,585	-	91.90	85,297,129	11,857,747	-	90.30
Total	110,594,112	20,720,328		100.00	94,452,179	13,031,605		100.00

12. Extent of risk written and reinsured based on Gross written premium (excluding excess of loss and catastrophe reinsurance).

Particulars	For the year ended 31 March 2019 % age of business written	For the year ended 31 March 2018 % age of business written
Risk retained	72%	73%
Risk Reinsured	28%	27%
Total	100%	100%

13. **Contribution to Environment Relief Fund**

The Company has collected an amount of ₹5,299 thousands (Previous year - ₹5,622 thousands) towards Environment Relief Fund from public liability policies. The Company has paid all the funds collected towards Environment Relief Fund up to 28 February 2019 to United India Insurance Company, the implementing agency for the fund. The balance payable amounting to ₹330 thousand (Previous year ₹444 thousand) has been disclosed under the head current liabilities in schedule 13.

14. The Company's primary reportable segments are business segments, which have been identified in accordance with the Regulations. The operating expenses, income from investments and other income attributable to the business segments are allocated as mentioned in Schedule 16 note numbers 2.12, 2.13 and 21 respectively. Segment revenue and results have been disclosed in the financial statements. Due to inherent complexities, segment assets and liabilities have been identified to the extent possible in the statement annexed hereto. There are no reportable geographical segments since the Company provides services only to customers in the Indian market or to Indian interests overseas and does not distinguish any reportable regions within India.
15. Related party disclosures have been set out in a separate statement annexed to this schedule as per Accounting Standard 18 'Related Party Disclosures' issued under Companies (Accounting Standards) Rules, 2006.
16. The Company's significant leasing arrangements include agreements for official and residential premises. These lease agreements are generally mutually renewal / cancellable by the lessor / lessee. The future minimum lease payments relating to non-cancellable leases are disclosed below:

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Payable not later than one year	51,130	25,858
Payable later than one year but not later than five years	51,414	23,640
Payable later than five years	-	-

- Amount charged to Revenue Accounts in respect of all lease arrangements aggregates ₹325,402 thousands (Previous year ₹250,445 thousands).
- There are no transactions in the nature of sub leases.
- The period of agreement is generally for three years and renewable thereafter at the option of the lessee.

17. Earnings per Share ('EPS')

(₹ in '000, Count – numbers)

Particulars	As at 31 March 2019	As at 31 March 2018
Profit after Tax		
Basic earnings before extra-ordinary items [A] ₹	7,798,583	9,212,412
Basic earnings after extra-ordinary items [B] ₹	7,798,583	9,212,412
Weighted average number of equity shares (par value of ₹ 10 each) [C]	110,227,250	110,227,250
Basic and diluted earnings per share [A/C] ₹	₹ 70.75	₹ 83.58
Basic and diluted earnings per share after extraordinary items [B/C] ₹	₹ 70.75	₹ 83.58

As there were no dilutive equity shares or potential equity shares issued, no reconciliation between the denominator used for computation of basic and diluted earnings per share is necessary.

18. Taxation

The deferred tax assets and liabilities, arising due to timing differences have been recognized in the financial statements as under:

(₹ in '000)

Deferred tax asset	As at 31 March 2019	As at 31 March 2018
Timing difference on account of -		
Reserve for unexpired risks	1,416,834	610,540
Employee Benefits	36,108	41,187
Long Term Incentive Plan	103,944	94,772
Provision for doubtful debts	12,643	7,818
Solatium fund	37,904	28,280
Provision for diminution in value of Investments	197,066	-
Total	18,04,499	782,597
Deferred tax liability		
Timing difference on account of -		
Depreciation as per Section 32 of Income Tax Act, 1961	(261,448)	(251,239)
Net deferred tax asset	1,543,051	531,358
Deferred Tax (income) / expense recognized in the Profit and loss account	(1,011,693)	111,397

19. Gratuity benefit plans:**i. Defined contribution plan**

The Company has recognized the following amounts which are defined contribution plans in the revenue account.

(₹ in '000)

Particulars	As at 31 March 2019	As at 31 March 2018
Provident fund	120,362	87,755
Superannuation scheme	4,243	4,137
Employees state insurance corporation	7,012	5,786
Labour welfare fund	370	275
Contribution to National Pension Scheme	15,653	14,408
Total	147,640	112,361

ii. Defined benefit plan (gratuity)

The Company has a defined gratuity plan payable to every employee on separation from employment. The Company makes the contribution to an approved gratuity fund which is maintained and managed by Bajaj Allianz Life Insurance Company Limited. The following table shows the amounts recognized in the Balance Sheet.

I. Revenue Account

Net employee benefit expense (recognized in Employee cost)

(₹ in '000)

Particulars	31 March 2019	31 March 2018
Current service cost	47,110	38,939
Interest cost on defined benefit obligation	26,886	22,676
Expected return on plan assets	(23,689)	(19,285)
Net actuarial loss recognized in the year	33,391	44,961
Net benefit expense	83,698	87,291
Actual return on plan assets	22,369	14,450

II. Balance Sheet**(i) Details of provision for gratuity**

(₹ in '000)

Particulars	31 March 2019	31 March 2018
Defined benefit obligation	437,009	366,834
Fair value of plan assets	(445,557)	(371,599)

(ii) Changes in the present value of the defined benefit obligation are as follows:

(₹ in '000)

Particulars	31 March 2019	31 March 2018
Opening defined benefit obligation	366,834	304,976
Interest cost	26,886	22,676
Current service cost	47,110	38,939
Benefits paid	(35,892)	(39,882)
Actuarial losses/(gains) on obligation	32,071	40,126
Closing defined benefit obligation	437,009	366,834

(iii) Changes in the fair value of plan assets are as follows:

(₹ in '000)

Particulars	31 March 2019	31 March 2018
Opening fair value of plan assets	371,599	304,976
Expected return	23,689	19,285
Contributions by employer	87,480	92,056
Benefits paid	(35,892)	(39,882)
Actuarial (losses)/gains	(1,320)	(4,835)
Closing fair value of plan assets	445,557	371,599

The Company expects to contribute ₹100,000 thousand to gratuity in 2019-20.

(iv) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2019 %	31 March 2018 %
Investments with insurer	100	100

(v) The principal assumptions used in determining gratuity and compensated absences and leave entitlement benefit obligations for the Company's plans are shown below:

Particulars	31 March 2019 %	31 March 2018 %
Discount rate	6.80	7.3
Expected rate of return on assets	6.75	6.75
Increase in Compensation cost	10	11

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) Experience Adjustments for the current and previous four years are as follows:

(₹ in '000)

Particulars	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Defined benefit obligation	437,009	366,834	304,976	198,707	154,290
Plan assets	445,557	371,599	304,976	198,707	154,290
Surplus / (deficit)	8,548	4,765	-	-	-
Experience adjustments on plan liabilities	37,820	35,834	57,349	8,992	3,616
Experience adjustments on plan assets	(1,320)	(4,835)	7704	861	5,637

20. The summary of the financial statements for the last 5 years and the ratios required to be furnished have been set out in the statement annexed hereto.
21. Expenses directly identifiable with investment activity amounting to ₹14,304 thousands (previous year ₹13,033 thousands) are included under "expenses other than those relating to insurance business" in the Profit and Loss Account. Further, Operating expenses related to insurance business in Schedule 4, includes indirect expenses of ₹38,398 thousands (previous year ₹35,441 thousands) which could be apportionable towards investments activity. Out of the said expenses amounting to ₹15,487 thousands (previous year ₹11,371 thousands) has been computed on the basis of number of documents, income or staff cost as appropriate.
22. According to information available with the management, on the basis of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) Act, the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as at 31 March 2019 as follows:

(₹ in '000)

Sr. No.	Particulars	31 March 2019	31 March 2018
i.	The principal amount remaining unpaid to any supplier as at the end of the year	25,449	21,113
ii.	Interest due on the above amount	Nil	Nil
iii.	The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
iv.	Amounts of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
v.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil
vi.	Amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
vii.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

23. Details of Penal actions taken by various Government Authorities as below:

(₹ in '000)

Sr. No.	Authority	Non-Compliance / Violation	Penalty awarded	Penalty paid	Penalty Waived / Reduced / Stay Received
1	Insurance Regulatory & Development Authority of India	-	-	-	-
		(-)	(-)	(-)	(-)
2	Service Tax Authorities	-	-	-	-
		(13,271)	(13,271)	(13,271)	(-)
3	Income Tax Authorities	-	-	-	-
		(-)	(-)	(-)	(-)
4	Any Other Tax Authorities	-	-	-	-
		(-)	(-)	(-)	(-)
5	Enforcement Directorate / Adjudicating Authority/ Tribunal or any authority under FEMA	-	-	-	-
		(-)	(-)	(-)	(-)
6	Registrar of Companies/ NCLT/ CLB/Department of Corporate Affairs or any Authority under Companies Act-1956	-	-	-	-
		(-)	(-)	(-)	(-)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
		(-)	(-)	(-)	(-)
8	Securities and Exchange Board of India	-	-	-	-
		(-)	(-)	(-)	(-)
9	Competition Commission of India	-	-	-	-
		(-)	(-)	(-)	(-)
10	Any other Central / State /Local Govt./ Statutory Authority (Tariff Advisory Committee)	-	-	-	-
		(-)	(-)	(-)	(-)

* Figures in brackets pertain to the financial year 31 March 2018.

24. IRDAI has vide circular no. IRDA/F&I/CIR/CMP/174/11/2010 & IRDA/F&A/CIR/Mis/173/07/2017 advised all insurers to disclose under schedule 13 – Current Liabilities amount due to policyholders/ Insured on accounts of claims settled but not paid (except under litigation), excess collection of the premium / tax which is refundable and cheques issued but not encashed by policy holders / Insured.

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as at the end of 31st March 2019

(₹ in '000)

Particulars	Total Amount *	0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims settled but not paid to the policy holders/ insured due to any reasons except under litigation from the insured/ policyholders	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sum due to the insured/ policy holders 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 or as may be directed by the Authority but not refunded so far	32,561 (29,108)	5,645 (7,203)	4,866 (4,901)	5,084 (4,110)	3,802 (3,809)	3,387 (2,880)	3,094 (3,034)	6,683 (3,172)
Cheques issued but not encashed by the policy holder/ insured	34,353 (41,996)	- (-)	- (-)	- (-)	- (-)	- (0)	- (19)	34,353 (41,978)

* Unclaimed cases includes interest accrued from (1st April 2016 to 31st March 2019) amounting to ₹33.82 Lakhs for excess collection of premium and ₹60.93 Lakhs for cheques issued but not encashed.

** Figures in brackets pertains to the financial year 31 March 2018.

IRDAI circular no. IRDA/F&A/CIR/Mis/173/07/2017 dated 25th Jul 2017 which came into effect from the current year required disclosure of the following information on unclaimed amount of policy holders.

Details of Unclaimed Amount & Investment Income

Particulars	Current Financial Year	Previous Financial Year
Opening Balance	71,105	87,063
Add: Amount transferred to unclaimed fund	15,874	10,978
Add: Cheques issued but not encashed by the policyholder (To be included only when cheques are stale)	-	-
Add: Investment income on unclaimed fund	4,852	4,688
Less : Amount of claims paid during the year	20,271	31,430
Less : Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	4,605	195
Closing balance of unclaimed Amount fund	66,914	71,105

25. During the financial year ended 31 March 2019, the current tax includes reversal of income tax provision of ₹33,472 thousands (Previous year – ₹25,455 thousands) for earlier years being difference between tax liability as per return of income and tax liability provided in books of account.

26. The Company's pending litigations comprise of claims against the Company and proceedings pending with various Tax Authorities including Income Tax and Service Tax. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a significant impact on its financial position. (Refer note no.3 of schedule 16 for details on contingent liabilities).
27. The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.
- As at 31 March 2019 the Company did not have any outstanding derivative contracts.
28. For the year ended 31 March 2019, there is no amount that needs to be transferred to the Investor Education and Protection Fund.
29. During the year, as per provisions of section 135 of Companies Act 2013, the Company was required to spend ₹213,500 thousand (previous year: ₹175,107 Thousand) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has spent ₹214,077 (previous year: ₹175,303) towards Corporate Social Responsibility activities during the year.

The details of amount spent during the year are as follows:

(₹ in '000)

Sr. No.	Particulars	31 March 2019	31 March 2018
1	Construction / acquisition of any asset	Nil	Nil
2	On purposes other than (i) above	214,077	175,303
	Total	214,077	175,303

30. Repo and Reverse Repo Transaction

(₹ in '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 March 2019
Securities Sold under repo (At cost)				
1. Government Securities	-	-	-	-
	(-)	(-)	(-)	(-)
2. Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)
Securities purchased under reverse repo (At cost)				
1. Government Securities	-	2,169,157	11,886	-
	(-)	(1,839,178)	(32,359)	(-)
2. Corporate Debt Securities	-	-	-	-
	(-)	(-)	(-)	(-)

* Figures in brackets pertain to the financial year 31 March 2018.

31. Solvency Margin

(₹ in '000)

Solvency Margin	As at 31 March 2019	As at 31 March 2018
Required solvency margin under IRDAI Regulations (A)	18,617,184	15,599,931
Available solvency margin (B)	47,485,545	43,093,656
Solvency ratio actual (times) (B/A)	2.55	2.76
Solvency ratio prescribed by Regulation	1.5	1.5

32. Dividend

The Board of Directors recommended dividend of ₹10 (Previous year: ₹10) per equity share of face value of ₹10 (100% of face value) for FY2019. The proposed dividend amounts to ₹1,102,273 (Previous year: 1,102,273). Dividend distribution tax on the same amounts to ₹226,575 (Previous year: ₹226,575).

33. Employee Stock Options Plans

On 19 July 2018 the Company has granted options to eligible employees of the Company under the Employee Stock Option Scheme 2018 (ESOP 2018). The grant has a graded vesting over three years and the vested options have to be exercised by employees within five years from the date of vesting subject to the norms prescribed by the Nomination and Remuneration Committee. The mode of settlement of the scheme is through equity shares of the Bajaj Finserv Limited (The holding company).

This scheme is administered by the Bajaj Finserv Employee Stock Option Trust. The Trust has acquired shares of the holding company from the secondary market. The exercise price is based on the holding cost of the shares in the books of the Trust.

The Company follows the intrinsic value method of accounting for stock options granted to employees. The intrinsic value of the options issued under the schemes is 'Nil' as the exercise price of the option is the same as quoted market price on the grant date and accordingly, no expenses are recognised in the books.

Had the Company followed the fair value method for valuing its options, the charge to the Revenue Account/ Profit & Loss Account for the year would have been higher by ₹10678 thousand (Previous year ₹Nil) and the profit after tax would have been lower by ₹7200 thousand (Previous year ₹Nil). Consequently, Company's basic and diluted earnings per share would have been ₹70.68 (Previous year: ₹83.58).

Exercise price of outstanding options as at 31 March 2019 is ₹6365.70

A summary of status of ESOP 2018 in terms of options granted, forfeited, exercised, outstanding and exercisable is as given below:

(₹ in '000)

Particulars	FY 2018-19 No of options	FY 2017-18 No of options
Outstanding at the beginning of the year	-	-
Granted during the year	16,650	-
Forfeited/lapsed during the year	750	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	15900	-
Exercisable at the end of the year	-	-
Graded Vesting Period:		
1st Year	5442	-
2nd Year	5229	-
3rd Year	5229	-

Method of computation of fair value of options:

The fair value of options has been calculated using the Black-Scholes model. The weighted average fair value of option on grant date derived using the Black-Scholes model is ₹1628.45. The key assumptions used in Black-Scholes model for calculating fair value of options as on the date of grant are as follows:

(₹ in '000)

Particulars	FY 2018-19	FY 2017-18
Risk-free interest rate	8.07%	-
Expected life	One year after Vesting	-
Expected Volatility	29.65%	-
Expected dividend yield	₹1.75 Per share	-

34. The Supreme Court has recently delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W/W-100022

Akeel Master
Partner
Membership No. 046768
Mumbai,
Date: 8 May 2019

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number
301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Mumbai
Date: 8 May 2019

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Tapan Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392
Milind Choudhari
Chief Financial Officer

Ritu Arora
Director
DIN : 07019164

Onkar Kothari
Company Secretary &
Compliance Officer

Pune, Date: 8 May 2019

Ratios for the year ended 31 March 2019

Sr. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
1	Gross Direct Premium Growth Rate	17.09%	23.74%
	Motor	16.96%	16.40%
	Motor OD	-0.79%	2.58%
	Motor TP	35.48%	35.44%
	Fire	15.24%	52.40%
	Marine Cargo	14.44%	8.51%
	Marine Others	74.67%	-55.97%
	Workmen's Compensation / Employers' Liability	6.91%	-0.90%
	Public/Product Liability	2.70%	13.23%
	Engineering	20.88%	19.55%
	Aviation	474.76%	25.44%
	Personal Accident	32.44%	26.23%
	Health	56.14%	37.85%
	Credit Insurance	-22.93%	-14.77%
	Crop Insurance	-20.36%	26.60%
	Others	31.56%	16.29%
2	Gross Direct Premium to Net Worth Ratio	2.17	2.13
3	Growth Rate of Net Worth	14.58%	26.19%
4	Net Retention Ratio	70.06%	70.97%
	Motor	94.80%	94.70%
	Motor OD	94.61%	94.57%
	Motor TP	94.94%	94.84%
	Fire	29.70%	29.91%
	Marine Cargo	71.49%	71.22%
	Marine Others	3.15%	0.96%
	Workmen's Compensation / Employers' Liability	93.89%	93.07%
	Public/Product Liability	38.33%	35.14%
	Engineering	17.96%	18.77%
	Aviation	40.54%	4.32%
	Personal Accident	92.25%	92.74%
	Health	79.62%	92.95%
	Credit Insurance	1.01%	1.00%
	Crop Insurance	18.74%	29.46%
	Others	39.02%	43.90%
5	Net Commission Ratio	4.82%	4.72%
	Motor	8.40%	6.28%
	Motor OD	18.13%	11.98%
	Motor TP	1.00%	0.35%
	Fire	-6.33%	4.66%
	Marine Cargo	13.74%	14.27%
	Marine Others	-49.55%	208.51%
	Workmen's Compensation / Employers' Liability	13.58%	13.72%
	Public/Product Liability	6.26%	11.10%
	Engineering	-48.23%	-44.34%
	Aviation	4.49%	15.01%
	Personal Accident	11.48%	11.71%
	Health	4.04%	6.99%
	Credit Insurance	-431.60%	-493.96%
	Crop Insurance	-30.69%	-15.70%
	Others	-6.96%	6.22%
6	Expenses of Management to Gross Direct Premium Ratio	23.84%	21.13%
7	Expenses of Management to Net Written Premium Ratio	33.92%	29.65%
8	Net Incurred Claims to Net Earned Premium	68.62%	66.72%
9	Combined Ratio	96.69%	92.32%
10	Technical Reserves to Net Premium Ratio	1.60	1.42
11	Underwriting Balance Ratio	0.00	0.05
	Fire	-0.02	0.12
	Marine	-0.30	0.02
	Miscellaneous	0.01	0.05
12	Operating Profit Ratio	13.54%	19.31%
13	Liquid Assets to liabilities ratio	0.14	0.27
14	Net Earning Ratio	10.03%	13.68%
15	Return on Net worth	15.33%	20.75%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) Ratio	2.55	2.76
17	NPA Ratio	-	-

Ratios are computed in accordance with and as per definition given in the Master Circular on Preparation of Financial Statements dated 5 October 2012 and subsequent corrigendum thereon dated 3 July 2013.

Segmental Break up of the Balance Sheet item as at 31 March 2019

Segment results have been incorporated in the Financial Statements. However segment asset and liabilities, given the nature of the business, have been allocated amongst various segments to the extent possible.

(₹ in '000)

Particulars	Fire	Marine		Motor	Health Insurance	Crop Insurance	Miscellaneous	Total
		Cargo	Others					
Premium Earned (Net)	1,876,444	1,036,057	2,536	42,162,532	16,658,812	2,876,259	5,485,129	70,097,769
	(1,796,290)	(884,171)	529	(36,626,710)	(11,751,674)	(5,108,382)	(4,418,991)	(60,585,689)
Premium Received in Advance	34,715	5,235	(13)	4,717,077	232,925	-	1,577,644	6,567,583
	(64,162)	(11,980)	13	(1,216,877)	(170,895)	-	(1,547,156)	(3,011,057)
Claims Outstanding (Net)	1,508,662	683,089	14,478	57,086,160	3,105,747	3,430,695	2,641,602	68,470,433
	(1,130,024)	(533,603)	(14,791)	(47,278,931)	(2,504,511)	(5,297,364)	(2,407,361)	(59,166,585)
Reserve for Unexpired Risk	4,039,750	338,610	3,239	24,935,088	8,636,267	396,912	5,400,911	43,750,776
	(3,015,088)	(297,501)	(2,536)	(21,054,638)	(6,689,101)	(533,943)	(4,511,132)	(36,103,939)
Premium Deficiency	-	-	-	-	-	-	-	-
	-	-	-	-	-	(44,071)	-	(44,071)
Outstanding premiums	39,042	1,676	-	41,303	575,587	9,693,183	115,215	10,466,006
	(58,608)	(19,491)	-	(204,818)	(189,193)	(6,547,678)	(9,446)	(7,029,234)
Solatium Fund	-	-	-	108,470	-	-	-	108,470
	-	-	-	(80,928)	-	-	-	(80,928)

31 March 2018 figures are in Brackets

Summary of Financial Statements for the year ended 31 March 2019

(Refer Note no. 20)

(₹ in '000)

Particulars	2019	2018	2017	2016	2015
Particulars	2019	2018	2017	2016	2015
OPERATING RESULTS					
Gross Written Premium	110,970,146	94,865,414	76,870,636	59,006,488	53,006,629
Net Premium Income (net of Reinsurance)	77,744,606	67,325,358	53,008,839	45,723,819	40,088,678
Income from Investments (net of losses)	9,298,583	8,837,656	7,374,934	6,201,791	5,300,524
Miscellaneous Income	186,309	171,870	148,081	154,889	131,588
Total Income	87,229,498	76,334,884	60,531,854	52,080,499	45,520,790
Commissions (net including brokerage)	3,747,151	3,180,711	356,263	939,289	492,439
Operating Expenses	18,071,090	14,051,321	13,614,489	11,407,097	9,433,153
Claims, increase in URR and other outgoes	55,734,412	47,229,802	38,416,331	34,037,418	29,335,119
Operating Profit/Loss	9,676,845	11,873,050	8,144,771	5,696,695	6,260,079
NON OPERATING RESULTS					
Total income under Shareholder's Account	(1,838,319)	(1,656,083)	(2,636,408)	2,017,986	1,510,086
Profit before Tax	11,515,164	13,529,133	10,781,178	7,714,681	7,770,165
Provision for Tax	(3,716,581)	(4,316,721)	(3,502,795)	(2,072,433)	(2,146,975)
Profit after Tax	7,798,583	9,212,412	7,278,383	5,642,248	5,623,190
MISCELLANEOUS					
Policyholder's Account		Not Applicable being General Insurance Company			
Total Funds					
Total Investments					
Yield on Investments					
Shareholder's Account		Not Applicable being General Insurance Company			
Total Funds					
Total Investments					
Yield on Investments					
Paid up Equity Capital	1,102,273	1,102,273	1,102,273	1,102,273	1,102,273
Net Worth	51,640,081	44,663,631	35,346,258	27,897,088	22,254,840
Total Assets (Gross of current liabilities and provisions)	197,247,571	169,376,216	127,288,406	105,087,813	89,018,539
Yield on Total Investments	7.16%	7.69%	9.86%	9.36%	9.09%
Earning Per Share	70.75	83.58	66.03	51.19	51.01
Book value per Share	468.49	405.20	320.67	253.09	201.90
Total Dividend	1,102,273	-	-	-	-
Dividend per share	10.00	-	-	-	-

Receipts and Payments Statement for the year ended 31 March 2019

(₹ in '000)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash Flows from operating activities		
1. Premium received from policyholders (including advance receipts and service tax/GST)	126,351,256	108,760,290
2. Payments to re-insurers (net of commission and claims)	(9,579,103)	(3,002,515)
3. Receipts from co-insurers (net of claims)	1,834,135	879,148
4. Payment of claims (net of salvage)	(59,287,796)	(42,862,851)
5. Payment of commission and brokerage	(8,076,459)	(4,980,495)
6. Payment of other operating expenses	(17,025,131)	(13,947,037)
7. Miscellaneous income	21,533	39,992
8a. Deposits placed during the year	(1,003,987)	(133,028)
8b. Deposits recovered during the year	980,450	5,328
9. Income taxes paid (net)	(4,072,075)	(4,682,485)
10. Service tax/GST paid	(16,575,911)	(10,112,516)
11. Cash flows before extraordinary activities	13,566,912	29,963,831
12. Cash flows from extraordinary activities	-	-
11. Net cash flows from operating activities	13,566,912	29,963,831
B. Cash flows from investing activities		
1. Purchase of fixed assets (including capital advances)	(763,073)	(487,990)
2. Proceeds from sale of fixed assets	6,497	4,681
3. Purchase of investments	(117,883,435)	(174,885,965)
4. Sale of investments	88,397,511	143,171,565
5. Rent / interest / dividend received	10,133,980	8,864,764
6. Investment in money market instruments and liquid mutual funds (net)	4,289,226	(5,255,366)
7. Expenses related to investments	(14,304)	(14,677)
8a. Fixed deposits placed during the year	(1,639,914)	(270,000)
8b. Fixed deposits matured during the year	1,419,980	1,650,000
9. Net cash used in investing activities	(16,053,532)	(27,222,988)
C. Cash flows from financing activities	(1,328,848)	-
1. Proceeds from issuance of Share Capital / Application Money (including Share Premium and net of Share Issue Expenses)	-	-
2. Proceeds from Borrowings	-	-
3. Repayment of Borrowings	-	-
4. Interest and Dividends Paid	(1,102,273)	-
5. Dividend distribution tax	(226,575)	-
5. Net Cash Flows from financing activities	(1,328,848)	-
D. Effect of foreign exchange rates on cash and cash equivalents (net)	1,387	7,367
E. Net increase / (decrease) in cash and cash equivalents	(3,814,081)	2,748,210
1. Cash and cash equivalents at the beginning of the year	8,276,757	5,528,547
2. Cash and cash equivalents at the end of the year	4,462,676	8,276,757
F. Cash and cash equivalents		
Balance as per balance sheet	4,557,572	8,322,191
Less: Fixed deposits with original maturity more than 3 months	39,935	45,434
Less: Temporary Overdraft as per Schedule 13	54,961	-
Cash and cash equivalents	4,462,676	8,276,757

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number
101248W/W-100022

Akeel Master
Partner
Membership No. 046768
Mumbai,
Date: 8 May 2019

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration Number
301003E/E300005

Shrawan Jalan
Partner
Membership No. 102102
Mumbai
Date: 8 May 2019

For and on behalf of the Board of Directors of

Bajaj Allianz General Insurance Company Limited
CIN U66010PN2000PLC015329

Sanjiv Bajaj
Chairman
DIN : 00014615

Tapen Singhel
Managing Director &
Chief Executive Officer
DIN : 03428746

Lila Poonawalla
Chairperson of
Audit Committee
DIN : 00074392
Milind Choudhari
Chief Financial Officer

Ritu Arora
Director
DIN : 07019164

Onkar Kothari
Company Secretary &
Compliance Officer

Pune, Date: 8 May 2019

Related Party Disclosures under AS 18

Annexure to Schedule 15 Notes to Accounts and forming Part of Financial Statements for the year ended 31st March 2019

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2018-19		2017-18	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
1	Bajaj Finserv Limited	Holding Company	Contribution to equity	-	815,682	-	815,682
			Rent paid lease premises	20,280	-	18,720	-
			Deposits for leased premises	2,674	(21,394)	-	(18,720)
			Insurance premium received	3,759	-	3,690	-
			Unallocated premium	-	3,738	-	3,436
			Dividend paid	815,682	-	-	-
			Charges towards inter co Services towards Group Human Resources and Group Learning Academy Team	28,860	-	-	-
			Billable expenses reimbursed on behalf	16,765	-	-	-
2	Bajaj Finserv House Owners Association	Group Association	Society maintenance deposit	-	-	300	-
			Society share certificate	-	(1)	-	(1)
			Society maintenance charges	21,220	0	18,492	100
			Insurance premium received	24	-	223	-
			Unallocated premium	-	363	-	72
3	Bajaj Auto Limited	Group Company	Insurance premium received	121,764	-	95,995	-
			Insurance claims paid	23,018	-	12,772	-
			Unallocated premium	-	46,338	-	32,275
4	Bajaj Holdings and Investments Limited	Group Company	Insurance premium received	78	-	197	-
			Unallocated premium	-	5,653	-	184
			Billable expenses reimbursed on behalf	265	-	389	-
5	Bajaj Allianz Financial Distributors Limited	Group Company	Insurance premium received	1,087	-	1,368	-
			Unallocated premium	-	38	-	671
			Premium receivable as an agent	-	(21)	-	29
			Insurance commission paid/payable	156,753	17,400	150,999	36,845
6	Bajaj Allianz Staffing Solutions Limited	Group Company	Insurance premium received	10,089	-	8,965	-
			Manpower supply charges paid / payable	1,029,555	-	691,399	-
			Unallocated premium	-	502	-	90
7	Bajaj Electricals Limited	Group Company	Insurance premium received	80,872	-	58,040	-
			Insurance claims paid	15,758	-	7,692	-
			Unallocated premium	-	1,285	-	47,943

Financial Statements for the financial year ended 31 March 2019

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2018-19		2017-18	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
8	Bajaj Finance Limited	Fellow Subsidiary	Insurance premium received	174,836	-	121,407	-
			Insurance claims paid	14,829	-	282	-
			Unallocated premium	-	29,943	-	41,473
			Premium receivable as an agent	-	4,369	-	4,148
			Insurance commission paid/payable	616,342	66,614	425,113	77,999
			Balance receivable against bank guarantee	-	(65,758)	-	(61,060)
			Billable expenses reimbursed on behalf	-	-	12,923	-
			Subvention Charges Paid	31,393	(3,364)	-	-
			Purchase Of corporate bonds (book value)	-	(4,405,378)	-	(909,295)
			Sale Of corporate bonds (book value)	-	-	600,000	-
			Interest received on investment	74,392	-	155,056	-
9	Bajaj Allianz Life Insurance Company Limited	Fellow Subsidiary	Billable expenses recovered on behalf	9,868	54,297	19,269	30,569
			Billable expenses reimbursed on behalf	100,641	-	43,869	-
			Insurance premium received	103,040	-	99,475	-
			Insurance claims paid	2,382	-	136	-
			Unallocated premium	-	8,843	-	4,703
			Insurance premium paid	11,597	-	7,491	-
			Insurance claims received	-	-	540	-
			Rent & maintenance charges paid	31,181	-	21,260	3,265
			Deposits for leased premises	2,062	(13,935)	4,687	(11,874)
			Payment against gratuity fund	85,000	(445,557)	90,000	-
10	Bajaj Auto Holdings Limited	Group Company	Insurance premium received	1	-	2	-
			Unallocated Premium	-	4	-	-
11	Bajaj Finserv Direct Limited	Fellow Subsidiary	Insurance premium received	5,512	-	50	-
			Unallocated premium	-	389	-	-
			Insurance commission paid/payable	2,980	625	-	-
12	Bajaj Housing Finance Limited	Group Company	Insurance premium received	17,440	-	36	-
			Balance receivable against bank guarantee	-	(3,562)	-	-
			Unallocated premium	-	1,984	-	-
13	Mukand Engineers Limited	Enterprise where director is having significant influence	Insurance premium received	7,307	-	1,094	-
			Insurance claims paid	3,267	-	696	-
			Unallocated premium	-	72	-	37

Financial Statements for the financial year ended 31 March 2019

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2018-19		2017-18	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
14	Mukand Limited	Enterprise where director is having significant influence	Insurance premium received	10,218	-	31,564	-
			Insurance claims paid	6,071	-	15,571	-
			Unallocated premium	-	117	-	183
15	Hind Musafir Agency Limited	Enterprise where director is having significant influence	Travel agency services paid / payable	221,897	12,264	150,443	9,920
			Service Charges Paid	2,938	-	-	-
			Insurance premium received	198	-	196	-
			Unallocated premium	-	12	-	19
			Other expenses paid/ payable	-	22	-	22
16	Allianz Cornhill Information Services Private Limited	Group Company	Insurance premium received	29	-	907	-
17	Allianz SE, Germany	Shareholder	Contribution to equity	-	286,591	-	286,591
			Dividend paid	286,591	-	-	-
			Billable expenses reimbursed on behalf	-	-	364	328
18	Allianz Insurance Management Asia Pacific (Allianz Singapore)	Group Company	Billable expenses reimbursed on behalf	-	449	143	449
19	AGCS Marine Insurance Company	Group Company	Reinsurance premium paid/ payable	-	(261)	154	(456)
			Commission on reinsurance premium	-	-	7	-
			Claims recovery on reinsurance	261	-	11,499	-
20	Allianz Global Risks US Insurance Company	Group Company	Reinsurance premium paid/ payable	327	374	(795)	266
			Commission on reinsurance premium	234	-	59	-
			Claims recovery on reinsurance	108	-	2,426	-
21	Allianz Global Corporate & Speciality SE, UK	Group Company	Reinsurance premium paid/ payable	(1,339)	(15,132)	3,757	7,878
			Commission on reinsurance premium	82	-	(885)	-
			Claims recovery on reinsurance	114,994	-	282,612	-
22	Allianz Global Corporate & Speciality SE, Netherlands	Group Company	Claims recovery on reinsurance	-	-	264	-
23	Allianz Global Corporate & Speciality SE, Italy	Group Company	Reinsurance premium paid/ payable	203	615	445	565
			Commission on reinsurance premium	-	-	2	-
24	Allianz Global Corporate & Speciality SE, Denmark - Nordic Region	Group Company	Reinsurance premium paid/ payable	-	-	-	121

Financial Statements for the financial year ended 31 March 2019

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2018-19		2017-18	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
25	Allianz Global Corporate & Speciality SE, Munich	Group Company	Reinsurance premium paid/ payable	6,694	(197,214)	50,739	2,844
			Commission on reinsurance premium	2,191	-	6,579	-
			Claims recovery on reinsurance	364,992	-	285,467	-
			Billable expenses reimbursed on behalf	-	315	350	315
26	Allianz Global Corporate & Speciality SE, India Branch	Group Company	Reinsurance premium paid/ payable	86,119	62,607	-	-
			Commission on reinsurance premium	16,396	-	-	-
			Unallocated premium	-	12	-	-
			Insurance Premium Received	662	-	-	-
27	Allianz SE Reinsurance, branch Asia Pacific	Group Company	Reinsurance premium paid/ payable	51,985	(12,701)	53,125	(443)
			Commission on reinsurance premium	14,326	-	15,183	-
			Claims recovery on reinsurance	47,382	-	52,867	-
			CAT XOL & Risk XOL Premium Paid	2,730	-	2,801	-
			CAT XOL & Risk XOL Claim Recovered	20,401	-	108,978	-
28	Allianz Global Corporate & Speciality SE, Singapore (Previously Known Allianz Insurance Company of Singapore - PTE)	Group Company	Reinsurance premium paid/ payable	46,390	(4,940)	207,733	4,505
			Commission on reinsurance premium	8,979	-	41,018	-
			Claims recovery on reinsurance	6,648	-	2,620	-
			Billable expenses recovered on behalf	503	(503)	-	-
29	Allianz Belgium	Group Company	Reinsurance premium paid/ payable	-	-	287	(553)
			Commission on reinsurance premium	-	-	22	-
			Claims recovery on reinsurance	-	-	546	-
30	Allianz Elementar Versicherungs - Austria	Group Company	Reinsurance premium paid/ payable	-	-	332	-
			Commission on reinsurance premium	-	-	91	-
			Claims recovery on reinsurance	-	-	5,654	-
31	Allianz Global Corporate & Speciality SE, France	Group Company	Reinsurance premium paid/ payable	8	6,127	5,027	(8,223)
			Commission on reinsurance premium	199	-	5,142	-
			Claims recovery on reinsurance	34,963	-	334,714	-
32	Allianz Risk Transfer AG	Group Company	Reinsurance premium paid/ payable	-	-	(0)	363
			Commission on reinsurance premium	-	-	(69)	-
			Claims recovery on reinsurance	5,027	-	4	-
33	Allianz Australia Insurance Limited	Group Company	Reinsurance premium paid/ payable	-	-	(82)	-
			Commission on reinsurance premium	-	-	(74)	-

Financial Statements for the financial year ended 31 March 2019

(₹ in '000)

Sr. No.	Name of the Related party	Nature of Relationship with the Company	Description of Transactions / Categories	2018-19		2017-18	
				Transactions for the current year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)	Transactions for the previous year	Outstanding Amt carried to Balance Sheet Payable/ (Receivable)
34	Euler Hermes Deutschland [Formerly known as Euler Hermes Cr Insurance (S) Ltd.]	Group Company	Reinsurance premium paid/ payable	-	-	-	(9,632)
			Claims recovery on reinsurance	-	-	3,878	-
			Billable expenses recovered on behalf	22,833	(18,541)	13,464	-
35	Euler Hermes Europe, Singapore Branch	Group Company	Reinsurance premium paid/ payable	95,639	(12,096)	127,498	5,666
			Commission on reinsurance premium	7,220	-	10,819	-
			Claims recovery on reinsurance	37,832	-	70,020	-
36	"Allianz Technology SE (Previously Allianz Managed Operations & Services SE)"	Group Company	Opus license & maintenance fees paid	8,582	19,318	11,616	11,629
			Billable expenses reimbursed on behalf	-	-	14	-
37	"Allianz Technology SE, India (Previously Allianz Managed Operations & Services SE India) "	Group Company	Insurance premium received	87	-	588	-
38	AWP Assistance (India) Private Limited (Previously AGA Assistance (India) Private Limited)	Group Company	Insurance claims paid	77,470	-	15,164	-
			Claims assistance fee paid	50,149	-	47,169	-
			Premium receivable as an agent	-	(6,913)	-	(3,221)
			Insurance commission paid/payable	16,051	1,156	12,316	2,085
			Unallocated premium	-	-	-	1
			Insurance premium received	40	-	64	-
			Billable expenses recovered on behalf	226	(266)	215	(254)
39	AWP Services (India) Private Limited (AGA Services (India) Private Limited)	Group Company	Insurance claims paid	167,058	-	126,404	-
			Claims assistance fee paid	31,658	-	6,837	-
			Other expenses paid/ payable	52,248	26,486	43,789	3,640
40	Euler Hermes Services India Private Limited	Group Company	Credit risk assessment fees paid	20,567	-	13,874	-
41	AWP P&C SA Saint Ouen Paris	Group Company	Reinsurance paid /Payable	1,683,057	295,693	396,142	45,795
			Commission on reinsurance premium	1,044,671	-	255,287	-
			Claims Recovery on reinsurance	178,423	-	38,187	-
42	Tapan Singhel	Key Management Personnel	Remuneration	95,135	-	75,741	-
			Perquisites	1,717	-	855	-

Notes:

- 1 Reinsurance balances are net of Commission and claims wherever applicable.
- 2 Above amounts are excluding GST wherever applicable.





Hooghly, Kolkata



Ganga, Varanasi



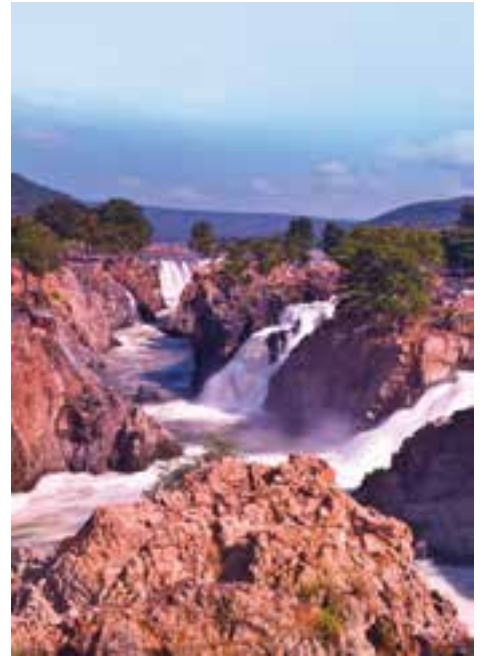
Yamuna, Agra



Indus, Ladakh



Godavari, Nashik



Kaveri, Hogenakkal Falls

Just as rivers and their network of tributaries keep our habitat alive and dynamic,
our companies and their products reach far and wide, providing smart financial solutions for India.

Caringly yours



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